

---

---

## Lease Renewal to Saskatoon Jazz Society – City-Owned Building at 202 – 4th Avenue North

### Recommendation

That the Standing Policy Committee on Planning, Development, and Community Services recommend to City Council:

1. That the Administration be authorized to proceed with a Lease Renewal Agreement with the Saskatoon Jazz Society for “The Bassment” in the basement of the building owned by the City of Saskatoon at 202 – 4<sup>th</sup> Avenue North at the agreed lease rate in accordance with the terms set out in this report;
2. That the installation of an exterior wayfinding “The Bassment” sign on the 4<sup>th</sup> Avenue North elevation of the building be approved; and
3. That the City Solicitor prepare the Lease Renewal Agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

### Topic and Purpose

The purpose of this report is to obtain City Council approval for a five-year renewal of the Lease Agreement between the City of Saskatoon (City) and the Saskatoon Jazz Society (Jazz Society), and installation of a wayfinding sign on the west elevation of the City-owned building at 202 – 4<sup>th</sup> Avenue North.

### Report Highlights

1. The Jazz Society wishes to exercise its option to renew the existing lease for an additional five-year term.
2. Notable terms of the Lease Renewal Agreement include an annual lease payment of \$45,220.
3. The Jazz Society is requesting to install a building-mounted exterior sign reading the “The Bassment” to assist patrons with wayfinding.

### Strategic Goals

Leasing City-owned property supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes under the Strategic Goal of Asset and Financial Sustainability.

The report also supports the Strategic Goal of Quality of Life by ensuring neighbourhoods are “complete communities” that offer art, culture and recreational facilities.

## **Background**

In 2013, the City purchased 202 – 4<sup>th</sup> Avenue North from Vecima Networks. At the time of purchase, there were several lease agreements in place within the building that were subsequently assigned to the City as part of the Sale Agreement. The Jazz Society has occupied a significant portion of the basement since December 1, 2008, operating a music venue under the name “The Bassment.” The term of the assigned lease was for five years, with two additional five-year renewal options. The assigned Lease Agreement is now up for renewal and negotiations have taken place with the tenant for an additional five-year lease term.

## **Report**

### The Jazz Society Lease Renewal

As granted under the terms of the original Lease Agreement, the Jazz Society is exercising its right to renew the lease for an additional five years. The lease renewal would extend the lease until May 1, 2023, at which time the Jazz Society would have the right to renew the lease for one final five-year term.

The Real Estate Services Section and the Jazz Society have agreed to an annual lease payment of \$45,220. The negotiated annual lease payment is considered to be a reasonable reflection of market value for similar spaces, while also taking into consideration compatibility with civic and other public-supporting tenants in the building. The proposed annual lease payment represents an increase of \$5,020 over the previous annual lease payment.

### “The Bassment” Sign

Under the terms of the original Lease Agreement, the Jazz Society may be permitted to erect or place identification signage on the building, subject to written approval by the Landlord of the design, size, and location of the signage. At all times, any signage would have to comply with the requirements of any lawful authority and would be installed at the sole expense of the Jazz Society. In the event the signage no longer complies with the consent given by the Landlord, the Jazz Society would be required to remove the signage at their expense upon 30-days’ notice.

The Jazz Society is requesting approval to install an exterior wayfinding sign on the 4<sup>th</sup> Avenue elevation of the building (Attachment 1). The sign would be illuminated, protruding several feet from the building and be placed at a suitable height above the sidewalk. If approved, the Jazz Society will be responsible for all costs, approvals, zoning compliance and logistics of the manufacturing, installation, maintenance and replacement/removal associated with the proposed sign. Final design and size of the sign is subject to further discussion between the Administration and Jazz Society.

## **Options to the Recommendation**

By way of contract, the Jazz Society has an option to renew the Lease Agreement for an additional five years, subject only to a mutually agreed to lease rate. Therefore, City Council can choose not to approve the negotiated annual lease amount and have the annual lease amount established by arbitration or some other negotiated means. The Administration does not recommend this option as the negotiated rent is considered reasonable and the involvement of an arbitrator is unnecessary.

City Council can also choose not to approve the installation of the exterior building “The Bassment” sign on 202 – 4<sup>th</sup> Avenue North. The Administration does not recommend this option as the request for a wayfinding sign is reasonable.

**Public and/or Stakeholder Involvement**

Lease rate negotiations took place between the Administration and the Jazz Society. Conversations were undertaken with commercial realtors to gauge and confirm the range of market rates for similar leased spaces.

The Facilities and Fleet Management Division, which is responsible for building operations, has been involved in the conversations with the Jazz Society regarding the proposed sign and are open to the proposal, subject to an acceptable design and specifications.

**Financial Implications**

The proposed annual lease payment from the Jazz Society would increase by \$5,020. Lease revenues would continue to be deposited into the City’s General Revenue Account.

**Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED implications or considerations, and a communication plan is not required.

**Due Date for Follow-up and/or Project Completion**

Providing this five-year lease renewal is approved, a report for the final five-year lease renewal option will be brought forward in 2023, if exercised by the Jazz Society.

**Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

**Attachment**

1. Signage Proposal – Saskatoon Jazz Society

**Report Approval**

Written by: Scott McCaig, Real Estate Services  
Reviewed by: Keith Pfeil, Real Estate Services Manager  
Jeremy Meinema, Acting Director of Saskatoon Land  
Approved by: Mike Voth, Acting General Manager, Asset and Financial  
Management Department

Lease Renewal\_Saskatoon Jazz Society.docx