



FINANCE AND ADMINISTRATION COMMITTEE

**Tuesday, December 2, 2014
4:00 PM**

Henry Baker Hall, Main Floor, City Hall



**Public Agenda
Finance and Administration Committee
Tuesday, December 2, 2014**

Approval of Public Agenda

Minutes of the meeting held on November 4, 2014

Administration Reports

FA14-30 Sale of 2301 11th Avenue

Recommendation

1. That the sale of the subject property to Namerind Housing Corporation be approved under the terms and conditions shown in the body of this report;
2. That the City Manager or his designate be authorized to finalize the terms and conditions of the legal sale documents;
3. That the City Clerk be authorized to execute the legal sale documents as prepared by the City Solicitor; and
4. That this report be considered by City Council on December 15, 2014 after Public Notice has occurred.

FA14-31 Newspaper Advertising Agreement

Recommendation

1. That the Chief Legislative Officer & City Clerk or his designate be authorized to negotiate and approve the terms of a new advertising agreement with the Regina Leader-Post beginning in 2015 and expiring on December 31, 2015, such agreement to include the printing and distribution of the City's Leisure Guides for 2015 and the option for the City to renew and extend the agreement for consecutive one year terms for 2016 and 2017;
2. That the Chief Legislative Officer & City Clerk or his designate be authorized to negotiate and approve the terms of any renewals of the advertising agreement with the Regina Leader-Post for 2016 and 2017;
3. That the Chief Legislative Officer & City Clerk be authorized to execute the agreement and any renewals thereof after review and approval by the City Solicitor; and
4. That this report be forwarded to the December 15, 2014 meeting of City Council for approval.

Adjournment

AT REGINA, SASKATCHEWAN, TUESDAY, NOVEMBER 4, 2014

AT A MEETING OF THE FINANCE AND ADMINISTRATION
COMMITTEE
HELD IN PUBLIC SESSION

AT 4:00 PM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Councillor Wade Murray, in the Chair
Councillor, Bryon Burnett
Councillor, Bob Hawkins

Regrets: Councillor Terry Hincks
Councillor, Shawn Fraser

Also in Attendance: Committee Assistant, Ashley Thompson
Solicitor, Christine Clifford
A/Executive Director, City Planning and Development, Diana Hawryluk
Director, Assessment and Property Taxation, Don Barr
Director, Finance, June Schultz
Manager, Corporate Accounting, Lorrie Schmalenberg
Senior Assessment Appraiser, Mike Schulkowsky

APPROVAL OF PUBLIC AGENDA

Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.

ADOPTION OF MINUTES

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the minutes for the meeting held on September 30, 2014 be adopted, as circulated.

ADMINISTRATION REPORTS

FA14-26 Audit Service Report

Recommendation

1. That the 2014 Audit Plan presented by Deloitte be APPROVED.
2. That the Chief Financial Officer be authorized to sign the engagement letter.

Andrew Geary and Royce Bereti, representing Deloitte, addressed the Committee.

Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

FA14-27 Annual Status Report on City Debt

Recommendation

That this report be forwarded to the November 24, 2014 meeting of City Council for information.

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

FA14-28 Lease of Road Right-of-Way Property

Recommendation

1. That a lease agreement between the City of Regina and CBS OUTDOOR CANADA LP be approved for the subject road right-of-way properties incorporating the terms and conditions as outlined in the body of this report;
2. That your Administration be authorized to approve the final terms and conditions of the lease agreements;
3. That the City Clerk be authorized to execute the lease documents as prepared by the City Solicitor;
4. That this report be considered by City Council on November 24, 2014 after public notice has occurred; and
5. The City Solicitor be instructed to prepare a bylaw for consideration by City Council, authorizing the lease of the subject road right-of-way's.

Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

Councillor Bob Hawkins moved, in amendment, that the approval for the proposed billboard location at 3801 Albert Street, referenced in appendix A, be removed.

The amendment was put and declared CARRIED.

The main motion, as amended, was put and declared CARRIED.

FA14-29 1555 - 8th Avenue

Recommendation

That this report be forwarded to the November 24, 2014 meeting of City Council for consideration.

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

ADJOURNMENT

Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the meeting adjourn.

The meeting adjourned at 4:30 p.m.

Chairperson

Secretary

December 2, 2014

To: Members,
Finance and Administration Committee

Re: Sale of 2301 11th Avenue

RECOMMENDATION

1. That the sale of the subject property to Namerind Housing Corporation be approved under the terms and conditions shown in the body of this report;
2. That the City Manager or his designate be authorized to finalize the terms and conditions of the legal sale documents;
3. That the City Clerk be authorized to execute the legal sale documents as prepared by the City Solicitor; and
4. That this report be considered by City Council on December 15, 2014 after Public Notice has occurred.

CONCLUSION

When considering the sale of any City-owned land, the Administration normally ensures that the land is made publicly available. In this case, the subject land is proposed to be sold to Namerind Housing Corporation without being offered for sale publicly. Namerind Housing Corporation approached the City of Regina with a proposal to purchase the subject land, and has agreed in principle to the terms and conditions outlined in this report. Namerind Housing Corporation intends on developing this site for two residential towers with 170 residential units of various sizes. The building is proposed to be 15 stories in height including a five story commercial component that includes a combination of market rate and affordable housing. The proposal includes a grocery store, children's daycare and a limited amount of office space.

BACKGROUND

The subject property is civically known as 2301-11th Avenue geographically located on the south west corner of 11th Avenue and Lorne Street within the downtown area. Currently the subject property is being used for vehicle parking under a License Agreement.

The subject property has never been made available for sale to the public. Section 101 (1) of *The Cities Act* stipulates that "No council shall delegate: (k) the sale or lease of land for less than fair market value and without a public offering". Accordingly, while the proposed sale is at a market value price, City Council's approval of this sale is required as the land is not being publicly offered, and section 41 of the City's Administration Bylaw only delegates authority of fair market value sales that result from a public offering.

Namerind Housing Corporation is a non profit organization that provides safe, affordable, self-sustained housing for those in need while protecting the environment. Namerind Housing Corporation has created a new model for affordable housing by diversifying their revenue stream to include projects like a retail mall and pharmacy. Through this diversification they have been able to move towards a financially self-sustaining model, while providing much needed spaces and service to the community. The organization is committed to supporting the community by providing those in

need with affordable housing, but also by providing other services and prioritizing their work considering environmental sustainability. All profits from Namerind Housing Corporation's projects and partnerships are reinvested into affordable housing in Regina.

In 1977, Namerind determined a great need for affordable housing for Aboriginal people. Since then, that goal has led Namerind on a journey that now provides opportunity to the Aboriginal community by creating jobs, wealth, and sense of ownership.

Namerind Housing Corporation is a leader in Saskatchewan for social enterprise. The business enterprises they operate are successful in generating cash to finance an expanded ability to deliver on their mandate of affordable housing. The approach has consistently demonstrated Namerind's ability to use innovation and market knowledge to execute a social enterprise strategy. The proposed project for the subject land is consistent with that strategy. Namerind Housing Corporation intends on developing this site with two residential towers, with 170 residential units of varying size. It is proposed to be 15 stories in height, and includes a five-story commercial component that includes a combination of market rate and affordable housing. The proposal includes a grocery store, children's daycare and a limited amount of office space.

The City Administration has negotiated the following terms and conditions:

| | |
|-------------------|---|
| Subject Property: | 18,750 square feet within Lot 41, Block 309, Plan 00RA12095 |
| Purchaser: | Namerind Housing Corporation |
| Purchase Price: | \$2,345,000 + GST |
| Payment Terms: | Cash on closing |
| Possession Date: | Closing Date |
| Closing Date: | Within 30 days following City of Regina Council approval |

The City will retain the right to repurchase the land at the sale price, in the event the project does not proceed.

DISCUSSION

Namerind Housing Corporation intends to purchase the land from the City of Regina at the appraised market value. Namerind Housing Corporation purchased the adjacent property owned by Saskatchewan Property Management (SPM) and intends on consolidating the subject site referenced on the attached Appendix A with the land acquired from SPM. Namerind Housing Corporation plans on leveraging existing City of Regina and Saskatchewan Housing Corporation incentive support for housing. The incentives are dependant upon the development meeting the requirements for these programs. Based on the discussion with Namerind the intention is that the development will be designed to qualify for both City of Regina housing incentive programs.

Given the opportunity to consolidate the City's parcel with the adjacent parcel to deliver a more intense use and considering the project will create residential units in the downtown with an affordable housing component, it is recommended that the sale to Namerind at market value be approved without a public offering as it is of strategic value. This sale and proposed project would assist in moving towards the Official Community Plan goals for intensification and housing.

RECOMMENDATION IMPLICATIONS

Financial Implications

If recommendations are approved the property sale will generate \$2,345,000 in revenue.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The sale of this land with the intent to consolidate this parcel with the adjacent parcel for the purpose of the proposed development is aligned with the Official Community Plan, the Comprehensive Housing Strategy and the Regina Downtown Neighbourhood Plan (RDNP). In particular it is aligned with the goal of intensification increasing the housing supply and improving housing affordability as well as creating residential units in the downtown. Design Regina identifies a goal of 10,000 new residents in the City Centre over the life of the plan. This is aligned with the RDNP aim towards a residential community of mixed tenures and is aligned with the goal of 2,500 to 5,000 new residential units in the downtown over the next 15 year. The intent of the purchaser is that the proposed development would be eligible for the existing Provincial and City of Regina housing programs.

Other Implications

The proposal would be subject to the appropriate zoning application and approval processes.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

A copy of this report has been provided to Namerind Housing Corporation.

Public notice of this sale will be provided on December 6, 2014.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,



Don Barr, Director / City Assessor
Assessment, Tax & Real Estate

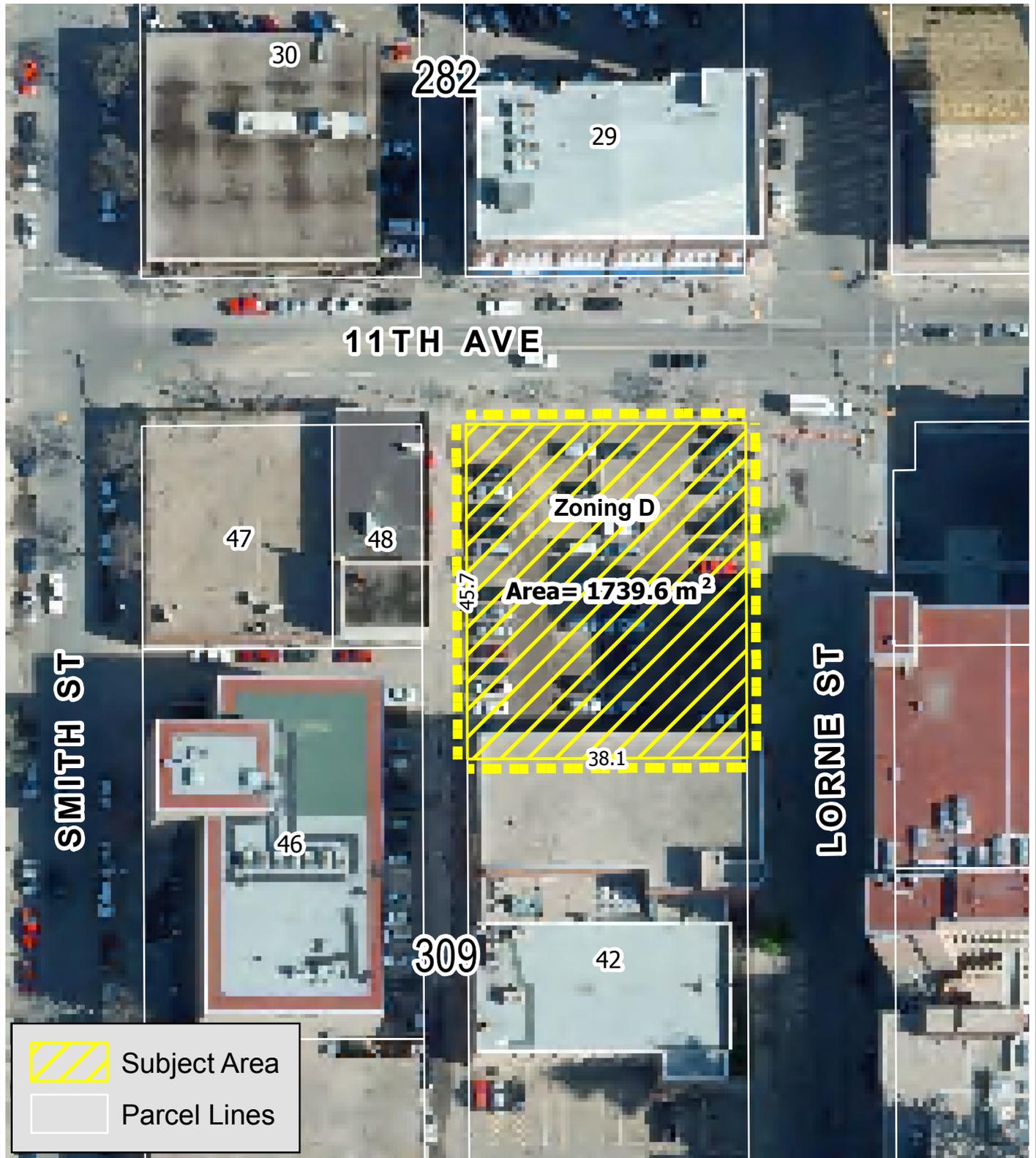
Respectfully submitted,



Diana Hawryluk Acting Executive Director
City Planning and Development

Appendix A

1:750



Real Estate Branch, Planning Division



Project: Land Sale

Civic Address: 2301 11th Ave

Legal Description: Lot 41-Blk/Par 309-Plan 00RA12095 Ext 0

December 2, 2014

To: Members,
Finance and Administration Committee

Re: Newspaper Advertising Agreement

RECOMMENDATION

1. That the Chief Legislative Officer & City Clerk or his designate be authorized to negotiate and approve the terms of a new advertising agreement with the Regina Leader-Post beginning in 2015 and expiring on December 31, 2015, such agreement to include the printing and distribution of the City's Leisure Guides for 2015 and the option for the City to renew and extend the agreement for consecutive one year terms for 2016 and 2017;
2. That the Chief Legislative Officer & City Clerk or his designate be authorized to negotiate and approve the terms of any renewals of the advertising agreement with the Regina Leader-Post for 2016 and 2017;
3. That the Chief Legislative Officer & City Clerk be authorized to execute the agreement and any renewals thereof after review and approval by the City Solicitor; and
4. That this report be forwarded to the December 15, 2014 meeting of City Council for approval.

CONCLUSION

The most recent City of Regina contract with the Leader-Post for advertising services was a sole source acquisition authorized by the City Council in accordance with provisions of the Purchasing Policy adopted pursuant to The Regina Administration Bylaw in December of 2013 (CR 12-180). The arrangement approved by City Council in December 2012 was for a two year term, expiring December 31, 2014.

Based upon the assessments completed, the City will continue to require advertising services and the Regina Leader-Post is the only daily newspaper in the City that is capable of providing the services and readership required by the City. As the City's current agreement is set to expire and advertising services are still required, a new agreement must be reached with the Regina Leader-Post for 2015 and additional years. In accordance with Part IV of *The Regina Administration Bylaw*, City Council approval is required to enter into this agreement with the Regina Leader-Post.

BACKGROUND

Since 2009, the City's Communications Department has consolidated advertising resources that previously resided within each City department's budget. Although individual department areas are responsible for weekly City Page information, public notices and recruitment, the consolidation of advertising has allowed the City to have a single contract that maximizes value.

The following is a breakdown of the overall City of Regina advertising investment with the Leader-Post for the previous three years:

2012 - \$469,613

2013 - \$565,464

2014 - \$386,233 (projected total)

Traditionally between 16 – 18% of the overall spend with the Leader-Post is for campaign based advertising (snow removal, summer construction, election).

In 2014, the printing and distribution of the three leisure guides totalled \$75,187, an approximate savings of \$40,000 compared to 2013. While some of these savings were as a result of efficiencies and consolidation that decreased the length of the guide, the inclusion of an advertisers section enabled the City to earn advertising revenue and realize an even greater reduction in the net cost associated with the production and distribution of the leisure guides.

The Leader-Post line rate during the last contract, which is set to expire on December 31, 2014 was \$1.40 per line. An online big box ad was \$17.33.

DISCUSSION

The Leader-Post has a strong readership and a significant online presence that is an important part of the City of Regina's advertising mix.

The City of Regina is continually refining the advertising strategy, including the selection of media to make the best use of available budget. Overall, traditional media habits are changing and the City is responding by ensuring citizens receive information the way they prefer it.

Efficiencies can continue to be made with the City Clerk, City Solicitor and other departments to reduce the amount of copy in specific notices that appear in the Leader-Post. Repetitive information can be reduced in public notices and include a reference for additional information placed online at Regina.ca.

Similar rates are expected to be charged by the Regina Leader-Post for 2015 and the Administration is seeking delegated authority for the Chief Legislative Officer and City Clerk to negotiate renewals of the agreement for the 2016 and 2017 years as rates are expected to remain consistent for the near term.

RECOMMENDATION IMPLICATIONS

Financial Implications

The Leader-Post is currently working on its advertising proposal for the City of Regina. Past contracts have had a combination of small increases and rates being held. It is anticipated that a new contract will be competitive with other agreements. A media evaluation will be conducted by the City's Agency of Record once the proposal is received to ensure that the proposal cost are in line with expected costs within the industry.

Environmental Implications

None with regards to this report.

Policy and/or Strategic Implications

Acknowledgement of the changing landscape of traditional print advertising is necessary and there will continue to be an increased presence of City of Regina initiatives online, including leaderpost.com

Other Implications

None with regards to this report.

Accessibility Implications

None with regards to this report.

COMMUNICATIONS

None with regards to this report.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,



Chris Holden, Director
Communications

Respectfully submitted,



Jim Nicol, Chief Legislative Officer & City Clerk
Strategy and Governance

Report prepared by:
Nathan Morrison, Branding & Marketing Manager