

May 14, 2019

To: Members
Finance and Administration Committee

Re: Lease Amendment Kings Park Area – Overnight Camping - Regina Auto Racing Club,
South Saskatchewan Kart Club and Regina and Area Motocross

RECOMMENDATION

1. That approval be granted to amend the leases of the Regina Auto Racing Club, South Saskatchewan Kart Club and Regina and Area Motocross Club to allow for overnight camping during events at each of the lessee's locations.
2. That Administration be authorized to finalize the terms and conditions of the lease addendum documents.
3. That the City Clerk be authorized to execute the Lease Addendum Agreement as prepared by the City Solicitor.
4. That this report be forwarded to the May 27, 2019 meeting of City Council for approval.

CONCLUSION

When considering the lease of City-owned land, standard procedure is for Administration to ensure that the land is made publicly available and leased at market rate. In this case, the non-advertised below market leases were approved by City Council in 2015 and 2016. City Council approval is therefore required to modify these agreements. If approved, the addendum to the leases would allow for onsite self-contained camping during events at each of the lessee's locations.

BACKGROUND

The City is currently leasing land within the King's Park Area to the Regina Auto Racing Club, South Saskatchewan Kart Club and Regina and Area Motocross Club. All three clubs are provincially registered non-profit organizations.

City Administration noted the presence of campers on site in 2018 and inquired with the clubs. It was discovered that camping had been taking place on the properties without the knowledge or consent of the City of Regina. Administration notified the clubs that camping was not an approved activity under their current leases and was not allowed.

The Regina Auto Racing Club, South Saskatchewan Kart Club and Regina and Area Motocross Club met with City Administration asking to formalize the activity of overnight camping.

Administration provided the process to seek approval which included a discretionary use permit from the RM as well as approval from the required City Departments and ultimately an amendment to their current leases being approved by City Council.

Subsection 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”. *The Regina Administration Bylaw 41* requires City Council approval if: a lease term, including renewals, exceeds ten years; a lease is less-than-fair-market-value; or if the property has not been publicly identified for lease.

The purpose of this report is to seek approval to amend the leases with the Regina Auto Racing Club, South Saskatchewan Kart Club and Regina and Area Motocross Club to allow overnight camping during their recreational events.

DISCUSSION

The clubs are asking the City of Regina to amend their lease agreements to allow them to host overnight camping on their respective parcels. Because the land is outside of the City of Regina, the clubs have applied for and received development permits from the Rural Municipality (RM) of Sherwood. As part of the development permit conditions, dust control on Tower Road will be required to be provided by the clubs during their events and they will be required to submit a landscape plan for approval to the City and the RM. The clubs will not charge for camping and no hookups will be provided, all units would be self contained and operate under the “what they bring in they will take out” principle. No additional infrastructure will be required to support the clubs’ request. Overnight camping will only be allowed during recreational events.

Two addendums are attached; Appendix A is a map showing the lease locations, Appendix B is a list of dates when overnight camping would take place at each location.

As a result of responses from the internal circulation, Administration is recommending overnight camping be allowed, subject to City Council approval, and the clubs meeting the requirements of the RM’s Discretionary Use Permit.

The current lease agreements are as follows:

<u>Tenant</u>	<u>Area</u>	<u>Lease Commencement Date</u>
Regina Auto Racing Club	18 Ha / 44Acres	April 15, 2015
Regina and Area Motocross Club	6.5 Ha / 16 Acres	July 4, 2016
South Saskatchewan Kart Club	27.8 Ha / 68.7Acres	July 4, 2016

Leased Term: Ten years

Net Annual Lease Rate: \$1,000 + GST

Lease Renewal Option: None

Advantages:

- Provides an economical way for out of town competitors to come to Regina and compete at the facilities.
- Allows the clubs to host larger events with attendance from locations farther away from Regina.
- Provides regulation of the activity of overnight camping on the subject properties.

Disadvantages:

- If approval to allow overnight camping is not provided, the clubs have stated some events would have to be cancelled causing hardship to their organizations.
- May draw public concern as there are approximately four commercially operated campgrounds in Regina and surrounding municipalities.

RECOMMENDATION IMPLICATIONS

Financial Implications

If the recommendations in this report are approved, net lease revenues will remain unchanged at \$1,000 plus GST annually, tenants are responsible for the property taxes levied by the Municipality on the land they occupy.

Environmental Implications

Tenants in the Kings Park area must satisfy the requirements of the City of Regina's Environmental Services Department by submitting a Spill and Containment Plan annually. Any modifications that would affect water flow must adhere to the requirements of the Water Security Agency.

Policy and/or Strategic Implications

None associated with this report.

Other Implications

The terms and conditions of the current lease include the obligation for the lessee to meet all City of Regina requirements and RM of Sherwood bylaws and building/construction regulations. The planting of Ash trees will not be permitted.

Accessibility Implications

None associated with this report.

COMMUNICATIONS

A copy of this report and Council's decision will be provided to the Regina Auto Racing Club, South Saskatchewan Kart Club and Regina and Area Motocross Club.

DELEGATED AUTHORITY

As provided in section 101 (1) (k) of *The Cities Act*, the lease of City-owned property without a public offering and a lease at less-than-market-value rates cannot be delegated to the Administration and therefore requires the approval of City Council.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Bzdel'.

Shauna Bzdel, Director
Land & Real Estate

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Barry C. Lacey'.

Barry Lacey, Executive Director
Financial Strategy & Sustainability

Report prepared by:
Mary Kuhn, Real Estate Officer, Real Estate Branch