

Police Use and Occupancy - 1654 11th Avenue

Date	May 5, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Land, Real Estate & Facilities
Item No.	EX21-38

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the City entering into an agreement for the use and occupancy of a portion of the City-owned property located at 1654 11th Avenue as outlined on the attached Appendix A to The Regina Board of Police Commissioners, consistent with the terms and conditions stated in this report.
2. Delegate authority to the Executive Director, Financial Strategy & Sustainability or his or her designate, to negotiate any other commercially relevant terms and conditions, as well as any amendments to the Agreement that do not substantially change what is described in this report and any ancillary agreements or documents required to give effect to the Agreement.
3. Authorize the City Clerk to execute the use and occupancy agreement upon review and approval by the City Solicitor.
4. Approve these recommendations at its meeting on May 12, 2021.

ISSUE

The Board of Police Commissioners for the City of Regina (the “Board”) has occupied the subject space since 2001. The agreement for the space expired on December 31, 2020 and the Board would like to continue to utilize the property.

When considering the lease/use and occupancy of City-owned property, standard

procedure for Administration is to ensure that the property is made publicly available. In this case, the subject property is to be provided to the Board pursuant to Section 25 of *The Police Act, 1990*, but without a public offering and at less than fair market value, which requires City Council approval. It is recommended that City Council approve the City of Regina (City) entering into an agreement with the Board for the use and occupancy of this space.

IMPACTS

Financial Impacts

The market value of the space is approximately \$14,000 annually but is being provided to the Board at no charge. The Board will be responsible for all common area/operational costs as is consistent with all property they occupy. These are charged to the Board once per year when actual costs are available.

Policy/Strategic Impacts

Pursuant to section 25(c) of *The Police Act, 1990*, a municipality “shall provide adequate and reasonable facilities required for the policing services....” The City has a statutory obligation to provide space to the Board for police services unless the request is determined to not be reasonably necessary.

OTHER OPTIONS

City Council could deny the use of the proposed facility. This is not recommended as the area has been occupied by the Board for some time and has been specially fitted for the use of the Regina Police Service Radio Shop. If the proposed agreement was not approved, the City would be required to find a new location which could come with a substantial financial investment.

COMMUNICATIONS

Public notice is required for City Council to approve the lease of City-owned property without public offering and below market value. Because the proposed agreement is effectively a lease arrangement, notice regarding this proposal has been advertised in accordance with public notice requirements.

The Board will be informed of any decisions of the Executive Committee and City Council.

DISCUSSION

The Board has occupied the subject space since 2001, transitioning usage to the Radio Shop in 2013. The Radio Shop operates and services the P25 trunked radio system (two-way radios) on behalf of the City of Regina, Regina Police Service, Regina Fire and Protective Services and Regina EMS and is an essential utility.

As part of the new Regina Police Services Headquarters project, a needs process, space programming and adjacency review was completed between the Board and the Regina Police Service Campus Development team. During this review it was determined that it was best for them to stay in the current location in the Old Fire Hall #1 as the area has been fitted with items built specifically for the Radio Shop.

In addition to the office space, the Board will receive two parking spaces on the premises. Spaces will be mutually agreed upon between the City of Regina Facilities Building Services Branch and the Board and are subject to change based on need.

The agreement provides for an ongoing, indefinite occupancy of the area until such time it is terminated in accordance with the terms of the agreement, which provides for termination upon thirty (30) days written notice. As the Board carries on community/municipal work for the City, the property will not be subject to property assessment and taxation. Common area/operational costs are collected annually from the Board when actual costs are available. Insurance is provided by the City; however, the Board reimburses the cost for the insurance on their assets within the building from their annual budget.

While this is essentially a lease of real property, the agreement is different than a typical lease. As the City has a statutory obligation to provide space to the Board for police services unless the request is determined to not be reasonably necessary, a Use and Occupancy Agreement has been utilized. This allows the Board to have possession and occupancy of the premises but does not explicitly create a tenancy or other interest in the real property which remains under the ownership of the City.

DECISION HISTORY

Previous approval was provided by Administration based off the requirements of *The Police Act*; however, as the Use and Occupancy Agreement is providing an interest in real property at less than fair market value, without a public offering, and for longer than ten years, City Council approval is required.

Respectfully Submitted,

Respectfully Submitted,



Shaun Bzdel, Director, Land, Real Estate & Facilities

4/28/2021



Barry Lacey, Exec. Director, Financial Strategy & Sustainability

4/29/2021

Prepared by: Sherri Hegyi, Real Estate Officer

ATTACHMENTS

Appendix A