



RBE Staff Parking Lease - 2424 Retallack St

Date	October 20, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Land, Real Estate & Facilities
Item No.	EX21-67

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the City of Regina entering into an agreement for the lease of the City-owned property located at 2424 Retallack Street (identified on the attached Appendix A) to The Board of Education of the Regina School Division No. 4, 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 agreement upon review and approval by the City Solicitor.
4. Approve these recommendations at its meeting on October 27, 2021, following the required public notice.

ISSUE

The Board of Education of the Regina School Division No. 4 of Saskatchewan (RBE) has been utilizing the city owned parcel for over 30 years and has had a formal lease on the subject property since October 1, 2011 and wishes to renew the lease under the same terms and conditions as

previously agreed to. The property is utilized as a staff parking lot for the nearby Crescents Elementary School.

When considering the lease of City-owned property, standard procedure for Administration is to ensure that the property is made publicly available and leased at market value. In this case, the space is being provided without a public offering and at less than fair market value, which requires City Council approval. Administration is asking City Council to approve the terms and conditions of the proposed lease agreement with RBE for this space.

IMPACTS

Financial Impacts

The market value of the lease area is approximately \$7,500 annually. The proposed agreement would provide a \$1 lease to RBE. RBE is responsible for the maintenance and operations of the property. Estimated property tax is \$1,470 annually based off the current use of the property; however, schools are exempt from paying property tax as per section 262 of *The Cities Act*.

Environmental Impacts

City Council set a community goal for the City of achieving net zero emissions and sourcing of net zero renewable energy by 2050. In support of this goal, City Council asked Administration to provide energy and greenhouse gas implications of recommendations so that City Council can evaluate the climate impacts of its decisions. The recommendations in this report have limited direct impacts on energy consumption and greenhouse gas emissions.

OTHER OPTIONS

Option 1

The City could choose to not subsidize the lease rate and agree to lease the lands at market value of \$7,500 annually or any such amount that Council deems appropriate.

Option 2

The City could choose not to provide the lease to RBE, therefore requiring them to develop parking on their existing lot.

COMMUNICATIONS

Public notice is required for City Council to approve the lease of City-owned property without public offering and below market value. Notice regarding this proposal has been advertised in accordance with *The Public Notice Policy Bylaw, 2020*.

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

DISCUSSION

RBE has been utilizing this City owned parcel as a staff parking lot for the adjacent Crescents School located at 2401 Retallack Street for over 30 years. The City has always provided the property at \$1. A lease agreement formalized the use in 2011. The school's onsite parking lot is too small to provide adequate parking and expanding the lot on the school site would result in the reduction of greenspace and play areas.

The 2011 lease was approved conditionally upon the approval of a Contract Zone agreement for the use of the parking lot within a residential zone. Contract Zone approval was received in 2011 and was limited to the use of an off-site parking lot to be used exclusively by the Crescents Elementary School staff members and is effective as long as the school remains operational. However, with the adoption of the new Zoning Bylaw, the existing parking lot has become legally non-conforming and is subject to the provisions for existing non-conforming uses, buildings, and sites listing under Section 88 of the *Planning and Development Act, 2007*. Because the use was legally approved, it may continue in perpetuity in its current form. If the use ceases, then the property may only be developed in accordance with the current zone as residential. If the proposed lease is approved, RBE will be responsible for ensuring that use of the property continues to be compliant with relevant zoning regulations that apply to the property.

Administration is recommending a lease for an initial term of ten (10) years commencing on October 1, 2021. The lease will also provide for two options to renew for an additional five (5) years each at the existing lease amount. The lease is being offered at \$1, as this is consistent with the previously negotiated agreements for the past 30 years. Should the school cease operations the lease would become immediately null and void. Use or development of the property would be subject to the existing residential zoning.

DECISION HISTORY

On September 19, 2011 City Council considered item CR11-111 and approved the existing lease agreement which is due for renewal.

On November 9, 2011 City Council Considered item CR11-128 and approved the Contract Zone Agreement for the off-site parking lot.

On August 26, 2019 City Council considered item CM19-7 and approved the new *Zoning Bylaw 2019*.

Respectfully Submitted,

Respectfully Submitted,



Shaun Bzdel, Director, Land, Real Estate & Facilities

10/7/2021



Barry Lacey, Exec. Director, Financial Strategy & Sustainability

10/14/2021

Prepared by: Sherri Hegyi, Real Estate Officer

ATTACHMENTS

Appendix A - 2424 Retallack Street

Appendix B - Overview of School and Parking Lot Area