

**Agenda – Standing Policy Committee on Property and Development, Heritage and
Downtown Development – October 28, 2019**

REPORTS

**Item No. 7 Proposed Lease Agreement between the City of Winnipeg and
Winnipeg Goldeyes Baseball Club Inc.
(Fort Rouge-East Fort Garry Ward)**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That this report be received as information.

Agenda – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 28, 2019

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 30, 2019, the Standing Policy Committee on Property and Development, Heritage and Downtown Development laid the matter over to its meeting on October 28, 2019.

On April 1, 2019, the Standing Policy Committee on Property and Development, Heritage and Downtown Development passed the following motion:

WHEREAS on October 22, 1997 Council approved the terms and conditions for a lease agreement of city property with Riverside Park Management Inc. for the development of a new baseball stadium;

AND WHEREAS the stadium was constructed using predominantly private funding along with some public funding;

AND WHEREAS the stadium served as the baseball venue for the 1999 Pan Am Games, and later as the main baseball venue for the 2017 Canada Games, and continues to serve as the home of the Winnipeg Goldeyes baseball team;

AND WHEREAS the lease of city property that was entered into with Riverside Park Management Inc. will expire on July 27, 2023, mandating the current Winnipeg City Council whose term of office expires November 1, 2022, to address a potential extension of the lease if the Goldeyes are to remain tenants for the 2023 season;

AND WHEREAS Riverside Park Management Inc. would like to make capital improvements to the stadium, and in order to obtain financing, would like to extend the term of the lease;

THEREFORE BE IT RESOLVED that the Winnipeg Public Service be directed to meet with Riverside Park Management Inc., and report back to the September 30, 2019 meeting of the Standing Policy Committee on Property and Development, Heritage and Downtown Development with terms for a lease extension.

ADMINISTRATIVE REPORT

Title: Proposed Lease Agreement between the City of Winnipeg and Winnipeg Goldeyes Baseball Club Inc.

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Pittet	J. Kiernan	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

On October 22, 1997, Council approved the terms and conditions for a lease agreement (the “Master Lease Agreement”) between the City of Winnipeg (the “City”) and Riverside Park Management Inc. (“Riverside”) for City-owned property located at 1 Portage Avenue East, for the purpose of constructing a multi-purpose sports and recreational facility, commonly known as Shaw Park. The facility was an important piece of sports infrastructure for the 1999 Pan Am Games, and the 2017 Canada Games.

The current Master Lease Agreement will expire on July 27, 2023.

Riverside would like to make capital improvements to the facility and has indicated that, in order to obtain financing, they will require an extension to the term of the Master Lease Agreement or a new lease agreement.

As there are no further extensions available in the Master Lease Agreement, the City and Riverside have been negotiating the proposed terms and conditions for a new lease. The parties to the agreement have been unable to reach an agreement on all of the material terms.

On April 1, 2019, the Standing Policy Committee on Property and Development, Heritage and Downtown Development approved a motion directing the Public Service to meet with Riverside and report back to the September 30, 2019 meeting with terms for a lease extension.

The Public Service recommended terms and conditions for a proposed new lease are provided herein.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On April 1, 2019, the Standing Policy Committee on Property and Development, Heritage and Downtown Development approved a motion directing the Public Service to meet with Riverside and report back to the September 30, 2019 meeting with terms for a lease extension.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory, environmental, operational, human resources or other implications associated with this report.

The proposed new lease will have financial implications to the City, but not until such time that the City and Riverside agree to the terms.

HISTORY/DISCUSSION

MASTER LEASE AGREEMENT (July 28, 1998 – July 27, 2023):

Summary:

On October 22, 1997, Council approved the terms and conditions for a lease agreement (the “Master Lease Agreement”) between the City of Winnipeg (the “City”) and Riverside Park Management Inc. (“Riverside”) for City-owned property located at 1 Portage Avenue East, for the purpose of constructing a multi-purpose sports and recreational facility, commonly known as Shaw Park.

Riverside indicated the cost of the facility would be \$10.0M in 1997, plus an additional \$1.0M to \$2.0M in servicing costs. The City contributed \$1.0M to the construction cost and waived permit fees.

The Master Lease Agreement has a commencement date of July 28, 1998, is for a term of twenty-five years (expiring on July 27, 2023) and does not include a provision for extension or renewal.

The Shaw Park site was leased to Riverside for a rate of \$1.00 per annum but the lands were identified to have a market value of \$5.0M in 1997.

Ownership of the improvements upon the City-owned leased land (i.e.: the ballpark facility) revert to the City upon expiration of the Master Lease Agreement. It is important to note that a portion of Shaw Park encroaches onto land owned by the Canadian National Railway Company (“CN”).

As part of the Master Lease Agreement, Riverside was obligated to make its best effort to obtain land owned by the Forks Renewal Corporation (the “Forks”) and CN for Shaw Park. The Shaw Park site is comprised of land once owned by The Forks, CN land and the City’s land.

- The City negotiated a land exchange with the Forks, as part of the Pioneer Boulevard Extension Project, to acquire the land necessary for Shaw Park.

- The City entered into a tri-party agreement with Riverside and 3346278 Manitoba Ltd. to secure the CN land. 3346278 Manitoba Ltd. entered into two long-term leases with CN, and subleased the CN land to Riverside.
- 3346278 Manitoba Ltd. granted the City an easement for the portion of Shaw Park which encroaches on CN land and provided for additional access easements should the Riverside sublease terminate. However, the tri-party lease terminates if the City/Riverside lease is not renewed or extended. For certainty, the City will require confirmation from 3346278 Manitoba Ltd. and Riverside that any proposed lease between the City and Riverside will extend the tri-party agreement.
- It is acknowledged that the 25-year sublease from 3346278 Manitoba Ltd. to Riverside has an associated rental cost (presently \$87,846 per annum), which would increase by a minimum of 125% from the previous rent during each successive five year renewal (possible 25-year renewal term).

Since the commencement date of the Master Lease Agreement, numerous amendments have occurred. The most significant amendment occurred in 2002 when the ballpark expansion was approved and the Provencher Bridge Project commenced. Riverside completed a \$6.5M expansion which was funded between the City (\$1.0M), Province (\$1.5M), the Government of Canada (\$1.5M) and Riverside (\$2.5M). The City also contributed approximately \$0.25M in infrastructure upgrades and provided a \$1.00 annual rent for the expansion lands (the market value of the expansion lands was approximately \$1.0M in 2002).

The evolution of the leased area is identified in Schedule A (current leased area) and Schedule B (historical leased area). It is noted that Schedule B is not an exhaustive review of all lease amendments.

Throughout the duration of the Master Lease Agreement, there have been a number of subsidies, credit and opportunity costs from the City which is summarized in Schedule C. A comparison of taxation to other sports franchises in the City is summarized in Schedule D.

PROPOSED NEW LEASE (July 28, 2023 – TBD):

Summary:

Riverside would like to make capital improvements to the facility and has indicated that, in order to obtain financing, they will require a new Lease Agreement. The current Master Lease Agreement does not contain a provision for extension or renewal beyond the expiration date of July 27, 2023. As such, the City endeavored to conduct due diligence with respect to a proposed new lease of Shaw Park.

In August 2016, the City engaged W.P.J. McCarthy and Company Ltd. as a consultant to provide market analysis and property research related to comparable sporting facilities to Shaw Park located in different municipalities.

In December 2016, the City received the final report from W.P.J. McCarthy and Company Ltd.

Based on the information provided by W.P.J. McCarthy and Company Ltd., the City developed terms and conditions of a new lease agreement, commencing on July 28, 2023 following the expiration of the original Master Lease Agreement. These proposed terms and conditions were delivered to Riverside on July 21, 2017.

On December 12, 2017, Riverside indicated that they did not agree with the proposed terms and conditions as presented.

The City and Riverside continued to meet in an effort to advance the negotiations.

On March 23, 2018, the City requested that Riverside engage their own consultant to provide a comprehensive and complete analysis of comparable facilities for review by the City.

On March 22, 2019, the City received a report from Riverside. This report was prepared by consultant John Dittrich, and included information pertaining to facilities comparable to Shaw Park.

Based on this information and negotiations to date with Riverside, revised terms and conditions were prepared by the City and delivered to Riverside. The proposed leased area is attached as Schedule E and the proposed terms and conditions are attached as Schedule F (the "Proposed New Lease").

Riverside has indicated that they are not in agreement with the Proposed New Lease as written.

A chart outlining the terms and conditions of the Proposed New Lease that Riverside agrees/does not agree with is attached as Schedule G.

The individual sections of the Proposed New Lease are discussed in more detail within the next segment of this report.

Proposed New Lease – Terms and Conditions:

Owner / Landlord: The City of Winnipeg is the owner of the land and structures that are proposed to be leased to the Tenant. Both parties agree.

Tenant: The original Master Lease Agreement was between the City of Winnipeg and Riverside Management Inc. ("Riverside"). Riverside is a registered non-profit organization, which was set up to manage the property matters associated with the ballpark. At the commencement of the Master Lease Agreement on July 28, 1998, the Master Lease Agreement was sub-leased to Winnipeg Goldeyes Baseball Club Inc. ("Goldeyes"). The Goldeyes are a registered for-profit share corporation in Manitoba. It has been determined that this type of sub-lease arrangement may limit the City's ability to enforce and monitor all aspects of the lease agreement. It is recommended that the City enter into the Proposed New Lease directly with the actual operator / tenant of the facility.

Furthermore, it should be noted that neither Riverside or Goldeyes meet the intent of the eligibility criteria under the "Policy on the Sale / Lease of City Lands to Non-Profit Organizations" adopted by Council on October 31, 1990, which would enable the City to enter into a lease at below market value.

Location / Leased Area The City has proposed amendments to the area to be leased to the Tenant as shown on Misc. Plan No. 11140/9, attached hereto as Schedule E (the "Subject Property").

The proposed lease will exclude City-owned parking facilities located at 110 Pioneer Avenue and 41 Westbrook Street that were included in the Master Lease Agreement. The Winnipeg Parking Authority will manage and program the City-owned parking facilities in these locations, which is consistent with the other City parking facilities in the area. The annual revenues are estimated at approximately \$105,000.00 for the facility at 110 Pioneer Avenue and \$270,000.00 for the facility at 41 Westbrook Avenue. The Tenant does not agree with this section.

- Primary Use:** The Subject Property is intended for the use of operating a multi-purpose sports and recreational facility. Both parties agree.
- Initial Term:** The City has proposed that the Initial Term of the Proposed New Lease will be for a period of fifteen (15) years. This falls within the range of comparable sporting facilities in other jurisdictions. Both parties agree.
- Extension Option:** The City has proposed two (2) x five (5) year options to extend this agreement beyond the Initial Term. These extension options would be subject to a review of the rent and other fees being collected by the City and also exercised only by mutual agreement. The Tenant does not agree with this section and seeks further guaranteed extension options and the option to proceed to arbitration, if necessary.
- Rental Fee:** The City had originally proposed an annual rental fee of \$150,000.00, which was recommended by the City's consultant in 2016. The Tenant has indicated that they do not agree with this rental amount. Due to the amount of time lapsed during these negotiations; the City has recently engaged an external appraiser to determine a recommended market rent. The City will continue to negotiate this facet once the external appraiser provides their comprehensive appraisal, which is expected to be completed in late September or early October 2019.
- Net Lease:** The City has proposed that the Tenant will pay all costs and expenses of every nature relating to the Subject Property and that the City shall not be responsible for any costs for the duration of the Proposed New Lease. This is materially consistent with the current terms under the Master Lease Agreement. Both parties agree.
- Municipal Taxes:** The City has proposed that the Tenant will pay all municipal taxes. Currently under the Master Lease Agreement, the Tenant receives additional property tax and entertainment funding tax subsidies under an existing Amateur Access Agreement. This refund amounts to approximately \$42,000.00 per year (2018) for property taxes and \$300,000 per year (2018) for entertainment funding tax, and is unique to the City's portfolio tenants. It is proposed that the Amateur Access Agreement be limited to its initial 25 year term (similar to True North BellMTS Centre). The Tenant does not agree with this section which will be discussed later in this report. A summary of the municipal tax structures for all other major sport organizations (Winnipeg Jets /

Manitoba Moose, Winnipeg Blue Bombers / Valour FC, and Winnipeg Goldeyes) is provided in Schedule D.

Other Fees,
Licenses, Taxes:

The City has proposed that the Tenant will pay all other license fees and business taxes which may be charged. Both parties agree.

Insurance:

The City has proposed that the Tenant will provide and maintain standard insurance coverages during the duration of the Proposed New Lease. Both parties agree.

Cancellation &
Termination:

The City is proposing that the Proposed New Lease can be terminated by either party at the end of the Initial Term by providing one (1) years written notice. For clarity, the City would have no option to cancel during the Initial Term of fifteen (15) years. Furthermore, the Proposed New Lease could be terminated by the City if the baseball team ceases to operate / occupy the Subject Property on a continuing basis for three (3) baseball seasons. Lastly, the Proposed New Lease may be terminated by the City if the Tenant defaults under the terms of the Proposed New Lease. The Tenant does not agree with this section of the Proposed New Lease, specifically, that the City shall have the option to terminate at the end of the Initial Term by providing one (1) years written notice.

Tenant
Improvements:

The City is proposing that any / all improvements to the Subject Property will be completed at the Tenant's sole cost and expense. Both parties agree

Development,
Repairs and
Maintenance:

The City is proposing that any / all development, repairs and maintenance to the Subject Property will be completed at the Tenant's sole cost and expense. Both parties agree.

Advertising /
Signage:

The City is proposing that the Tenant may erect Advertising within the Subject Property, subject to certain restrictions (i.e.: no firearm, illicit drug ads, etc.). Both parties agree.

Sponsorship /
Naming Rights:

The City is proposing that any / all sponsorships that are entered into by the Tenant shall comply with the City's Sponsorship Policy, adopted by Council on November 14, 2007. The Tenant does not agree and is seeking an exemption to this Policy. It is noted that the City's policy was adopted after the Tenant's Master Lease Agreement was signed and a waiver of policy would require Council approval.

Assignment or
Sub-let:

The City is proposing that the Tenant may not assign or sublet the Proposed New Lease without prior written consent of the City. Both parties agree but the Tenant has requested that all existing sublet leases are to remain in place.

Conditions:

The City is proposing that the existing Amateur Access Agreement be limited to its initial 25 year term. The existing Master Lease Agreement permits for an Amateur Access Agreement, where the Tenant agrees to permit amateurs to have access to the Subject Property each year and

the City will, in turn, refund the municipal portion of real property taxes which relates to the area of the Land necessary for baseball games (i.e.: the ballpark itself). The entertainment funding tax related to Winnipeg Goldeyes baseball games is also refunded through the Amateur Access Agreement. The Tenant does not agree with this section. Council approval would be required to approve an Amateur Access Agreement.

The City is proposing that the Proposed New Lease be subject to the City successfully extending the existing tri-party agreement between Riverside and 3346278 Manitoba Ltd. for the CN property. The Tenant will not agree with this section of the Proposed New Lease unless the City grants the Initial Term of fifteen (15) years plus two (2) guaranteed extension options of the current area leased under the Master Lease Agreement (i.e.: the City would have to include the 110 Pioneer Avenue and 41 Westbrook Avenue parking facilities).

The City is proposing that the Tenant shall enter into an Amending Agreement for the original Master Lease Agreement. Section 10.01 of the Master Lease Agreement suggests that there shall be certain cost-sharing for capital repairs to the facility in the last five (5) years of the agreement. The City is proposing that this shall be amended to shift all costs to the Tenant should the Proposed New Lease be concluded and approved. Both parties agree.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 23, 2019

Project Name:

**Proposed Lease Agreement between the City of Winnipeg and
Winnipeg Goldeyes Baseball Club Inc.**

COMMENTS:

There are no financial implications associated with this report.

"Original Signed By"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)
Assessment & Taxation Department
Winnipeg Parking Authority

OURWINNIPEG POLICY ALIGNMENT

01-1c – Key Directions for Specific City Areas

“Support the expanded presence of arts, culture, sports, entertainment and leisure throughout Downtown”

The Proposed New Lease aligns with this section of the OurWinnipeg Policy, as the Winnipeg Goldeyes and Shaw Park represent a valuable and important sport and entertainment asset to the City of Winnipeg. This facility and its operations draw more people and create more extended hour activity throughout the downtown area.

01-3 Direction 8 – Encourage Activities Beneficial to the Winnipeg Economy

“Promote Winnipeg as a world-class venue for national and international events and Downtown in particular as a tourism destination.”

The Proposed New Lease aligns with this section of the OurWinnipeg Policy, as Shaw Park represents an important facility that can be used for hosting special events (formerly used for the Pan Am Games in 1999 and the Canada Summer Games in 2017, among others). The operations of the Winnipeg Goldeyes baseball organization also contribute to the downtown area by serving regular sporting entertainment and promoting tourism in the area.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Julian Roberts, Senior Negotiator
Date: October 1, 2019
File No:

Attachments:

Schedule A – Current Leased Area
Schedule B – Historical Leased Area
Schedule C – Summary of Subsidies, Credits and Lost Revenue to the City
Schedule D – Major Sport Organizations Tax Subsidy Chart
Schedule E – Proposed Leased Area
Schedule F – Proposed New Lease (Terms and Conditions)
Schedule G – Chart of Agreed to Terms vs. Non Agreed to Terms

Schedule A – Current Leased Area



SUBJECT PROPERTY

Date: 2019-JUN-25
 District: CCLSWK
 File: 7933
 Scale: 1:1600
 Requested by: JR
 Drawn by: JP
 Reference Dwg No.: Misc. Plan No. 11140/2
NOTE: Information displayed herein has been compiled or compiled from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.



**CITY OF WINNIPEG
 PLANNING, PROPERTY AND DEVELOPMENT
 DEPARTMENT
 LAND INFORMATION SERVICES
 MISC. PLAN NO. 11140/8**

Schedule B – Historical Leased Area

Master Lease & Parking Lot Lease – October 22, 1997



Red

- City-owned property
- Leased to Riverside for \$1.00

Blue

- Forks Renewal Corporation property, acquired by City through a land exchange
- Leased to Riverside for \$1.00

Yellow

- CN property, secured through a tri-party agreement
- Lease Amendment – June 3, 1999



Green

- City-owned property
- Leased to Riverside on a 50/50 revenue split once capital costs are repaid
- Lease terminated on June 30, 2001 due to the Provencher Bridge Project

Note: the lease for the "island parking lot" (between the ballpark and the land shaded in green) was terminated on December 29, 2000

Lease Amendment – July 17, 2002



Green

- City-owned property
- Riverside continued to lease these properties, after the Provencher Bridge Project requirements were established, on a short term basis for \$1.00 until 2008

Purple

- City-owned property
- Leased to Riverside for \$1.00

Schedule C

Assessment & Taxation:

- The Assessment & Taxation Department has provided a summary of subsidies, credits and lost revenue to the City from the commencement of the Master Lease Agreement until December 31, 2018. This amount has been estimated at \$7.47M.
- The subsidies, credits and lost revenue to the City can be summarized as:

Entertainment Tax:	\$4.81M +/-
Municipal Tax Credit:	\$1.97M +/-
Paid by PPD:	\$0.69M +/-

Parking:

- The Winnipeg Parking Authority has provided a summary of subsidies, credits and lost revenue to the City from the commencement of the Master Lease Agreement until December 31, 2018. This amount has been estimated at \$5.2M.

Real Estate:

- The original Master Lease Agreement included a \$1.0M grant, waiver of permit fees up to \$0.1M, and included a \$1.00 per annum rent for land which was valued at \$5.0M.
- The 2002 lease amendment included a \$1.0M grant, contribution of infrastructure costs valued at \$0.25M, and rent of \$1.00 per annum for land which was valued at \$1.0M.
- The short term leases on the south side of Pioneer were typically leased for \$1.00 per annum but the land was valued in excess of \$7.0M near the end of the leases.

***Note that the amounts referenced above are estimated for the purpose of this analysis and may not represent *all* subsidies, credits and lost revenues provided to Riverside / Goldeyes over the duration of the lease.**

Schedule D

	Investors Group Field (Winnipeg Blue Bombers and Valour FC)	BellMTS Place (True North)	Shaw Park (Winnipeg Goldeyes)
Municipal Taxes	Not Taxable ₁	Taxable ₂	Taxable (Rebated) ₃
Entertainment Taxes₄	Rebated	Rebated	Rebated
Business Taxes	Not Taxable	Taxable (Partially Rebated) ₅	Taxable

Notes:

₁ Investors Group Field is on university-owned land and under the Municipal Assessment Act is considered designated higher education, which has a portioning percent of 0% and makes the municipal taxes zero.

₂ BellMTS Place (True North) has been classified as a recreational property and has a portioning percentage of 10%. Municipal taxes are calculated in accordance with legislation.

₃ Shaw Park (Riverside) has been classified as a commercial property and has a portioning percentage of 65%. Please note that the Goldeyes receive a grant equal to the municipal taxes on the main roll number (for the presentation of baseball) due to the existing Amateur Access Agreement.

₄ All three of the facilities referenced above are charged entertainment funding tax in accordance with the Simplified Entertainment Funding Tax By-Law. Based on separate agreements, all three organizations receive a refund equal to the amount of the tax remitted to the City of Winnipeg.

₅ BellMTS Place (True North) receives a business tax rebate on non-restaurant/retail operations.

Schedule E – Proposed Leased Area



SUBJECT PROPERTY

Date: 2019-AUG-07
 District: CCLSWK
 File: 7933
 Scale: 1:1600
 Requested by: JR
 Drawn by: IP
 Reference Dwg No.: As requested

NOTE: Information displayed herein has been compiled or compared from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.



**CITY OF WINNIPEG
 PLANNING, PROPERTY AND DEVELOPMENT
 DEPARTMENT
 LAND INFORMATION SERVICES**

MISC. PLAN NO. 11140/9

Schedule F

Proposed Terms & Conditions for a Lease Agreement between the City of Winnipeg and Winnipeg Goldeyes Baseball Club Inc. (Shown as “Subject Property” on attached Misc. Plan No. 11140/9)

<u>Owner / Landlord:</u>	The City of Winnipeg (the “City”);
<u>Tenant:</u>	Winnipeg Goldeyes Baseball Club Inc. (the “Tenant”);
<u>Location / Leased Area:</u>	1 Portage Avenue East, Winnipeg, Manitoba, and other such related properties;
<u>Leased Area:</u>	The land, buildings and fixtures located within the area shown on attached Misc. Plan No. 11140/9 (the “Subject Property”);
<u>Primary Use:</u>	For the purpose of operating a multi-purpose sports and recreational facility;
<u>Initial Term:</u>	Fifteen (15) years, commencing on July 28, 2023 and expiring on July 27, 2038;
<u>Extension Option:</u>	Two (2) x Five (5) year options to extend; The Tenant will notify the City in writing a minimum of three hundred and sixty five (365) days prior to the expiration of the Term of its intention to exercise the option to extend; Any option to extend will be subject to a review of the Rent and any other fees being collected by the City, all of which are subject to adjustment at the sole discretion and option of the City;
<u>Rental Fee:</u>	TBD;
<u>Net Lease:</u>	The Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Subject Property during the duration of the Agreement. The City shall not be responsible during the Term for any costs, charges, expenses and outlays of any nature arising from or relating to the Subject Property; Unless otherwise specified herein, the Tenant is to pay all operating costs, including but not limited to the cost of any utilities, including but not limited to electricity, water and gas consumed on the Subject Property; the cost of cleaning, maintaining and servicing the Subject Property, including snow removal, garbage and waste collection and disposal, and the cost of security, policing and monitoring of the Subject Property;
<u>Municipal Taxes:</u>	The Tenant shall pay to the local taxing authority all municipal taxes, which shall be billed directly to the Tenant;
<u>Other Fees, Licenses, Taxes, etc.:</u>	The Tenant shall pay all license fees and business tax, and all other taxes which may be charged in respect of the use and occupation of the Subject Property;

Insurance: The Tenant agrees to provide and maintain standard insurance coverage, as determined by the City acting reasonably.

Cancellation & Termination: The Agreement may be terminated by either party at the end of the Initial Term by providing one year's written notice. Following the Initial Term, either party may terminate the Agreement at the end of any extension option by providing one year's written notice.

The Agreement may be terminated by the City if the Winnipeg Goldeyes, or a comparable professional baseball team cease to occupy the Subject Property on a continuing basis for such purposes for three (3) baseball seasons.

The Agreement may be terminated by the City if the Tenant defaults under the terms of the Agreement.

Tenant Improvements: All Tenant Improvements are to be performed at the sole cost, expense and effort of the Tenant, subject to prior written approval by the City;

Development, Repairs and Maintenance: All development and maintenance of the Subject Property will be performed at the sole cost, expense and effort of the Tenant, including, but not limited to, obtaining all permits required to develop, occupy and utilize the Subject Property for its intended use; In the event that the Subject Property requires repair, the Tenant shall perform at its sole cost, expense and effort required repairs within sixty (60) days of written notice provided by the City;

Advertising / Signage The Tenant shall be entitled to erect Advertising within the Subject Property, subject to certain restrictions as determined by the Director of Planning, Property and Development, acting reasonably.

Sponsorship / Naming Rights All Sponsorships entered into by the Tenant shall comply with the City's Sponsorship Policy.

Assignment or Sub-let: The Tenant is not to assign or sub-let or part with possession of all or any part of the Subject Property without the Tenant first obtaining the prior written consent of the City. In such event, the City in its sole discretion may cancel this Agreement and enter into a new agreement;

Conditions: Any Amateur Access Agreement that relates to the land, buildings or fixtures within the Subject Property will be terminated upon commencement of this Agreement.

These proposed terms and conditions are subject to the renewal of the tri-party agreement between the City, Riverside and 3346278 Manitoba Ltd. for access to the adjacent property owned by Canadian National Railway.

These proposed terms and conditions are subject to the City of Winnipeg and Riverside Park Management Inc. successfully entering into an Amending Agreement relating to the original Master Lease Agreement dated on October 31, 1997. Such Amending Agreement will modify section 10.01 of the existing Master Lease Agreement to

convey that the Tenant will at its own expense maintain the facility, and that the City shall not be responsible for any repairs or replacements of any nature, whether deemed structural or otherwise. Such Amending Agreement must be executed to the satisfactory of the City.

Other:

The Tenant will enter into a formal Lease Agreement with the City embodying the terms and conditions contained herein using the City's Standard Form Agreement and such other terms and conditions as the City Solicitor/Director of Legal Services deems necessary;

All terms and conditions contained herein, are subject to the approval of Council, or its delegated authority, and are not binding until such time as that approval is obtained.

Schedule G

	Tenant Agrees	Tenant Does Not Agree
Owner / Landlord	X	
Tenant	X	
Location / Leased Area		X
Primary Use	X	
Initial Term	X	
Extension Option		X
Rental Fee		X
Net Lease	X	
Municipal Taxes		X
Other Fees, Licenses, Taxes	X	
Insurance	X	
Cancellation / Termination		X
Tenant Improvements	X	
Repairs & Maintenance	X	
Advertising / Signage	X	
Sponsorship		X
Assignment or Sub-let	X	
Condition 1		X
Condition 2		X
Condition 3	X	