



# **SPECIAL MEETING OF COUNCIL AGENDA**

*(available also at [www.citywindsor.ca](http://www.citywindsor.ca))*

## **Monday, November 28, 2016**

**6:00 o'clock p.m.**

**Council Chambers, 3rd Floor, Windsor City Hall**

### **Members:**

Mayor Dilkens

Ward 1 - Councillor Fred Francis

Ward 2 - Councillor John Elliott

Ward 3 - Councillor Rino Bortolin

Ward 4 - Councillor Chris Holt

Ward 5 - Councillor Ed Sleiman

Ward 6 - Councillor Jo-Anne Gignac

Ward 7 - Councillor Irek Kusmierczyk

Ward 8 - Councillor Bill Marra

Ward 9 - Councillor Hilary Payne

Ward 10 - Councillor Paul Borrelli

Monday, November 28, 2016

1. **ORDER OF BUSINESS**

- 1.1. In the event of the absence of the Mayor, Councillor Kusmierczyk has been appointed Acting Mayor for the month of November, 2016 in accordance with By-Law 189-2014.

2. **CALL TO ORDER**

3. **DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**

4. **COMMITTEE OF THE WHOLE**

5. **REQUESTS FOR DEFERRALS, REFERRALS OR WITHDRAWALS**

6. **PRESENTATIONS AND DELEGATIONS**

7. **REGULAR BUSINESS ITEMS**

- 7.1. Pelissier Street Parking Garage - Ward 3 **(S 209/2016)**

8. **BY-LAWS** (First and Second Readings)

- 8.1. **181-2016 A BY-LAW TO CONFIRM PROCEEDINGS OF THE COUNCIL OF THE CORPORATION OF THE CITY OF WINDSOR AT ITS MEETING HELD ON THE TWENTY-EIGHTH DAY OF NOVEMBER, 2016**

Monday, November 28, 2016

9. **MOVE BACK INTO FORMAL SESSION**
  
10. **THIRD AND FINAL READING OF THE BY-LAWS**  
By-Law 181-2016
  
11. **ADJOURNMENT**



CAO Office

**MISSION STATEMENT**

*"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together"*

<b>REPORT #: S 209/2016</b>	<b>Report Date: 11/16/2016</b>
<b>Author's Contact:</b> Onorio Colucci Chief Administrative Officer 519-255-6100 ext. 6439 ocolucci@citywindsor.ca	<b>Date to Council: 11/28/2016</b>
	<b>Clerk's File #: APM/12685</b>

**To: Mayor and Members of City Council**

**Subject: Pelissier Street Parking Garage - Ward 3**

**RECOMMENDATION:**

To Council for direction.

**EXECUTIVE SUMMARY:**

N/A

**BACKGROUND:**

On June 15, 2015, City Council was presented with the report of the Leasing Administration department respecting the future of the ground-level commercial units in the Pelissier Street Parking Garage (the "Garage") (Appendix "A"). At that time, Administration had recommended the conversion of the units back to parking given the challenges posed by water infiltration and vacancy issues. In consideration of neighbourhood concerns and the desire to maintain commercial presence along that portion of Pelissier Street, by CR 116/2015 Council directed that Administration return with proposed terms of reference to support an expression of interest ("EOI") for the renovation, maintenance, and operation of the ground level commercial units.

On October 5, 2015, Council received the requested report (Appendix "B"), approved the terms of reference and indicated a desired timeline for the making of submissions. The EOI was issued on November 23, 2015 and was picked up by 15 interested parties. On-site meetings were held on December 8, 2015 and January 8, 2016, and the EOI closed on February 22, 2016, with one response received and another party expressing interest outside of the defined process.

On June 20, 2016 by Council Resolution 425/2016, Council determined that the main floor of the Pelissier Street Parking Garage would remain as commercial space rather than being converted to parking. The companion in-camera report considering the two proposals received under the EOI process was deferred pending the outcome of the public debate regarding the parking conversion.

On July 18, 2016, at its in-camera session, the matter of the EOI was returned to Council, and Council resolved to reject both submissions, to commit to a base level of restorations, and to seek a master tenant for the entirety of the space through public advertisement.

The space was advertised in the Windsor Star on four consecutive Saturdays: August 6th, 13th, 20th and 27<sup>th</sup> (see Appendix "C"). The information was also included on the City's web site under "Property for Lease" and also advertised on Biddingo.com and Merx. Rhys Trenhaille, Larry Horowitz, Matt Komsa and the DWBIA were also notified by separate e-mails as they had previously expressed interest in the space. Significant additional exposure related to the leasing opportunity also came from the many media reports.

On November 7, 2016, at its in-camera session, Council resolved to reject the offer to lease presented for the space. As a continuation of this discussion, Council then further resolved to return the space to parking and to give the existing tenants six months' notice to vacate.

However, in order to allow for public input, the matter is being brought back to the November 28<sup>th</sup> public session of Council for final formal direction from Council with respect to the use of the space.

## **DISCUSSION:**

Numerous reports have been written on the garage and the issues and challenges posed both by leaving it as commercial or retail space, and also by converting it to parking. These reports are attached.

## **RISK ANALYSIS:**

There are no significant risks with respect to this report.

The commercial spaces within the garage continue to be utilized on a month-to-month basis. The ongoing repair and maintenance requirements for those spaces continue to be the responsibility of the City. No new tenants are being introduced to the Garage due to these needs, and pending the formal decision of Council at the upcoming public meeting.

## **FINANCIAL MATTERS:**

As noted in the attached reports, the costs of conversion of the garage back to parking are estimated at \$507,000. The costs of remediating the space to a base level are estimated at \$480,000. Rental rates would depend on the availability of suitable tenants.

If the option to convert the space back to parking is selected, 42 parking spaces will be created. It is anticipated that these new spaces would be allocated to hourly parking at the standard rate of \$1.50 per hour. Estimating the incremental revenues from these new spaces is somewhat speculative and requires making utilization assumptions. Given that the garage is currently full and no monthly passes are available, it is reasonable to assume that these spaces would generate revenues at least during regular business hours (i.e. Monday to Friday, 8am to 4pm). Making this assumption, it is possible that \$131,040 in new parking revenue could be realized. These projections will be heavily impacted by factors such as the state of the local economy, the activity in the downtown, the significant number of new students coming to the downtown area, and other related factors.

It should be noted that any gross parking revenue that is generated would be offset by additional incremental operating costs which the City would be required to pay such as property taxes (education portion only), utilities and maintenance cost. The total amount relating to these operating costs is estimated to be approximately \$11,000 annually.

City Council previously approved funding of \$480,000 from the 2014 Capital Budget Contingency Placeholder as the source of funds to proceed with the refurbishment of the retail space. Previous estimates indicated the conversion to parking could cost approximately \$507,000. Given this minor difference, it is recommended that should City Council proceed with the conversion to parking spaces that the approved amount of \$480,000 be redirected for that purpose. Should additional funds be required once final cost estimates are known, administration would then report back to City Council at that time.

## **CONSULTATIONS:**

See prior reports.

## **CONCLUSION:**

Administration seeks Council's direction on this issue.

## **PLANNING ACT MATTERS:**

N/A

**APPROVALS:**

Name	Title
Onorio Colucci	Chief Administrative Officer

**NOTIFICATIONS:**

Name	Address	Email

**APPENDICES:**

- 1 Appendix A - Pelissier Street Parking Garage Report #17284 to Council June 15, 2015
- 2 Appendix B - Expression of Interest for Pelissier Street Parking Garage Report #17954 to Council October 5, 2015
- 3 Appendix C Windsor Star Advertisement

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Office of the City Solicitor - Real Estate Division**



**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, business and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."*

<b>LiveLink REPORT #: 17284 APM2015</b>	<b>Report Date: March 25, 2015</b>
<b>Author's Name: Tony Sabelli</b>	<b>Date to Council: June 15, 2015</b>
<b>Author's Phone: 519 255.6100 ext. 6420</b>	<b>Classification #:</b>
<b>Author's E-mail: tsabelli@city.windsor.on.ca</b>	

**To: Mayor and Members of City Council**

**Subject: Pelissier Street Parking Garage – Ground Level Commercial Rental Units**

**1. RECOMMENDATION: City Wide: \_\_\_\_\_ Ward(s): 3**

THAT the report of Asset/Lease Administrator with respect to the Pelissier Street Parking Garage – Ground Level Commercial Rental Units **BE RECEIVED** for Information.

THAT **APPROVAL BE GIVEN** to convert the entire ground level commercial lease space, at Pelissier Street Parking Garage, back to ground level parking (Option #2) with tenants in good standing being provided up to six months' notice to provide vacant possession.

THAT the capital costs of approximately \$507,000 associated with the recommended Option #2 **BE FUNDED** from Multi-storey Parking Structure project 7145006.

**EXECUTIVE SUMMARY:**

N/A

**2. BACKGROUND:**

The Pelissier Street Parking Garage was constructed in 1979. The design and build stages resulted in the construction of a multi-level parking garage, which initially included parking on the ground level. In 1983, C. Mady Leaseholds Ltd. proposed a commercial development for the Garage ground level (406-450 Pelissier Street). Council agreed to enter into a Lease Agreement with C. Mady Leaseholds Ltd. (CR1267/83) who ultimately constructed eight commercial units providing approximately 14,250 square feet of commercial lease space at the site.

The Mady lease provided a term of twenty years (October 17, 1984 to October 16, 2004), with an option to renew for a further twenty years. In 2003, Mady advised it did not wish to renew the

1 of 40

lease. Accordingly, at the end of the term (October 16, 2004), the Corporation assumed possession and the role of Landlord over the sub-leases between the tenant (Mady) and the commercial tenants situated on the ground level of the Pelissier Street Parking Garage.

Over the years the commercial space was used as: retail; office; gallery; personal care; municipal office; amongst other uses. Regardless of the use or mixed use this space has historically experienced vacancy issues.

As of April 2015, three of the eight units are occupied, representing approximately 4,507 square feet (31%), and approximately 9,743 square feet (69%) are vacant. Only one of the three tenants is paying market value rent. The other tenants' rental rates range from recovery of property taxes and Common Area Maintenance (CAM), to a dollar per year. The remaining three (3) tenants are Windsor Pride, Youssef's Hair Boutique Inc., and Canada South Festival Network. One tenant has expressed interest in a new lease with additional space (it is noted that this tenant does not pay market rent). Pending a decision by Council regarding future use of the ground level space, tenants continue to lease space on a month-to-month basis under the terms of their original lease agreements.

On April 12<sup>th</sup>, 2013 Administration met with the DWBIA to exchange information related to the operation of the Pelissier Street parking garage. On May 17<sup>th</sup>, 2013 the DWBIA submitted a proposal to the City to lease the entire Pelissier Street parking garage. Administration recommended against the DWBIA proposal in Council report 16581 (attached as Appendix 'A'). However, both the original report 16334 and 16581 were deferred by Council in order to provide time for the DWBIA to submit an updated proposal. No updated proposal has been provided.

In its current configuration utilizing the first floor as commercial space, the garage has a total capacity of 346 parking spaces.

### **3. DISCUSSION:**

The DWBIA was provided sufficient time to consider submitting an updated proposal. At their April 30, 2014 meeting the DWBIA Board adopted the following resolution: "*...we will continue to encourage businesses to locate to the core by offering our incentives to all interested parties including to potential tenants of the parking garage bldg.*" As such, it appears the DWBIA is not pursuing the management/operation of the commercial units on the ground level of the parking garage. As of May 11, 2015 the DWBIA Executive Director reaffirmed the Board's resolution and their support for the continued commercial lease use of the space.

There are three fundamental problems related to the commercial units on the ground level of the Pelissier Street Parking Garage.

- Building Design
- Environmental/Mechanical
- Vacancy

#### Building Design

The design of the Garage called for precast double tee floor system on the upper decks with the premise of parking at grade level. Repurposing the ground level to a commercial development required the installation of retrofit drainage troughs on the underside of the existing precast

construction joints. This work was undertaken in an effort to keep water from entering into the ground level commercial units. No water proofing membrane was applied to the top of the precast floors during the build stage and the joints sealed using conventional methods. Over the years, the ground level of the Garage (commercial units) suffered from water leakage from the garage parking deck. The only proven method of eliminating water penetration into the ground units would be by installing a waterproofing membrane under the first level of parking, creating separation between parking levels and the ground floor units.

In recent years, a traffic-bearing waterproofing membrane was applied to the parking deck in an effort to minimize the water penetration problem. This has proven to be effective at reducing the water penetration, but not eliminating the problem entirely. Further, Public Works advises the waterproofing membrane must be applied every three years at a cost of approximately \$60,000.

In October of 2014, a tenant of the parking garage contacted the Ministry of Labour in respect of water infiltration concerns, resulting in two orders against the City to evaluate and address leakage issues. The report to council in respect of these matters is attached at Appendix "B".

It is noted that this year the stairwells, doors and window sills will be painted from operating budget funds for maintenance.

#### Environmental/Mechanical

The ongoing water penetration has resulted in significant visible mould in some units. Other units have no visible mould, but a strong mould odour. This suggests mould may be lurking behind walls, in the ceiling and/or throughout the HVAC system.

The life expectancy of the major building components within the commercial units (constructed in 1984) has lapsed, with most components in poor condition and some components are no longer functional. As such, there is the need to upgrade all HVAC systems, storefront windows and doors. Most of these commercial units do not meet accessibility standards and thereby impede the ability of some to access the units. Further, the commercial units, as constructed, do not meet current Building and Fire Code regulations. And, as a result of unauthorized electrical system modifications made by some tenants over the years, there may be electrical and other safety hazards within some units.

These environmental and mechanical issues have hindered the ability to effectively market and lease the units. They have also increased operating costs related to servicing existing tenants. As such, over the last few years, the units have not been actively marketed.

#### Vacancy

Over the past few years, minimal lease interest has been demonstrated for the Garage commercial lease units. And, any expressed interest was for space at far less than market value rent.

Council should also be cognisant of the direct competition with the private sector when considering leasing commercial space. A Vacancy Survey of Pelissier Street storefronts (400 and 500 block) was conducted on November 1, 2012 by Administration and revealed 55.5% of Pelissier Street storefronts occupied and 44.5% vacant. A similar Vacancy Survey was conducted April 3, 2014 by Administration and revealed 58.3% occupancy and 41.7% vacancy. Most recently, a Vacancy Survey conducted February 12, 2015 reveals 69.4% occupancy and

30.6% vacancy (APPENDIX 'C'). It is fair to conclude, that at this time, there is a surplus of commercial storefront lease space along this corridor.

The continued operation of the ground level, as commercial rental space, will require a significant capital investment which may not guarantee complete resolution of the water leakage problem nor the historical vacancy issue. Alternatively, the space could revert to at grade level parking, or a combination of the two uses.

As such, a critical decision is required regarding future use of this ground level space. The current state of City-owned parking resources in the downtown area is under review, and given that 100% of the leased space on the ground floor of this parking facility is either vacant or occupied on a month-to-month basis, now is an opportune time to make any necessary realignments.

There are three options for Council to consider as it relates to the future use of the first floor of the parking garage:

1. **Maintain the ground level as commercial lease space,**
2. **Convert the entire ground level commercial lease space back to ground level parking.**
3. **Maintain part of the ground level as commercial lease space (south side) and revert part back to ground level to parking (north side).**

The information below is based on empirical data and reasonable projections employing historical data. The lease/rental market is a fluid industry and as such is subject to change depending on economic conditions and other variables.

Based on current and past vacancy rates for this property and surrounding commercial storefront units, it is unlikely the Corporation will achieve occupancy greater than 50 – 70% (with 60% as the median) until there is either a reduced supply and/or increased demand for such units. Reasonable Base Rent for similar city centre storefront commercial space in the \$7 per square foot to \$9 per square foot range (with \$8 per square foot as the median). It is reasonable to conclude, if Base Rent is established higher than the market rate, the Garage commercial lease space vacancy rate will likely increase, as prospective tenants will seek more affordable space elsewhere.

### **Option 1 - Maintain the ground level as commercial lease space**

The current Gross Rent for this site is \$11 per square foot, consisting of Base Rent (\$6.00), CAM (\$1.49) and Base Property Tax (\$3.51), plus tenant pays the utilities. However, the majority of property tenants enjoy rents at far less than market rates.

In order to maintain the ground level of the Garage as a viable and marketable commercial lease space, an initial capital investment and on-going annual operating costs are required. This option involves: the replacement of all commercial rental unit walls, ceiling, flooring, HVAC's, electrical, plumbing, doors/windows; with significant mould remediation; and the application of a waterproofing membrane under the first level of parking.

The cost for this work is estimated by Facility Operations to be \$1,852,000.

The average Base Rent for comparable space in the city centre area is \$8.00 per square foot. With a 60% occupancy rate, at \$8.00 per square foot, the annual Base Rent revenue is projected to be \$68,400.

This option will also require an annual operating and capital budget commitment to provide funding for required annual operating costs. Capital repairs such as waterproofing membrane rehabilitation and joint repairs would require a capital allocation of approximately \$60,000 every three years. Annual ongoing operating costs would include the Corporation's share of the property tax, based on 40% vacancy, of \$18,287; repairs of approximately \$10,000; utilities of approximately \$3,500.

## **Option 2 - Convert the entire ground level commercial lease space back to ground level parking**

In order to convert the entire ground level back to parking, an initial capital investment and an on-going annual operating budget is required. This option involves re-establishing 42 parking spaces at grade level, the removal of all existing retail space, installing proper surface materials, pay, display machine and lighting. Public Works has received an order of magnitude cost estimate of \$507,000 including an allowance for a screening treatment on the street level between the parking area and the Pelissier Street sidewalk to make the area more safe, pedestrian friendly and aesthetically pleasing.

There is no existing demand for surface parking at this location, however an overall review of downtown City parking resources indicates an anticipated need for additional parking capacity. With the success of the Adventure Bay Family Water Park, the introduction of a downtown University of Windsor campus, and the planned redevelopment of City Hall and the potential redevelopment of the WaterWorld site, the demand for downtown parking will increase. The Pelissier Street Parking Garage is strategically located to address this need.

This street level covered yet open space could also be used as a possible venue to stage occasional or temporary community or special events.

The possible downside to eliminating the street level commercial uses is that parking as a land use tends to disrupt the continuity of the Pelissier streetscape and may discourage walking in the area. This could result in the further decline of Pelissier Street as a viable retail corridor. Also, areas that are largely devoid of activity and that lack street-level animation can contribute to a feeling that the area is unwelcoming and/or unsafe.

The Downtown Windsor Business Improvement Association (DWBIA) is aware that Administration is preparing a report to Council with options for the ground level of the Pelissier Street Garage. The DWBIA is not in favour of ground level parking and supports the continued commercial lease use of this space.

Any additional annual income from the parking spaces created by this option will be tied to demand. This is anticipated to occur in the near future as downtown development plans come to realization. It is noted that with the closing of a local law office, 100 spaces became available for monthly parkers. There were 20 people on the waiting list for monthly parking and those requests have been filled. Therefore 80 spaces remain which will be used for hourly parking and to accommodate those displaced from the city hall construction as needed. The University of Windsor downtown projects may increase the need for parking and the final disposition of parking associated with the new City Hall project may have an impact as well.

Under this option, the annual operating costs include property tax for the ground level estimated at \$6,950; repairs of approximately \$1,000; and utilities of approximately \$5,500.

**Option 3 - Maintain part of the ground level as commercial lease space (south side) and revert part back to ground level to parking (north side)**

The parking garage ingress/egress gate is a natural divide between the commercial units on the ground level. It separates 406 – 424 Pelissier Street (north side) from 430 – 450 Pelissier Street (south side). The north side consists of four units with approximately 6,600 square feet and the south side also has four units with approximately 7,650 square feet. The south side units have traditionally experienced less water penetration problems than the north side units as they are protected from the elements due to their location relative to prevailing winds.

In order to maintain part of the ground level of the Garage as a viable and marketable commercial lease space and part as ground level parking, an initial capital investment and on-going annual operating costs is required. As such, Option 3 involves returning the north side to parking with the removal of all existing commercial space, installing proper surface materials, pay and display machine and the rehabilitation of the commercial units on the south side by removing all commercial rental unit walls, ceiling, flooring, HVAC's, electrical, plumbing, doors/windows; mould remediation; and the application of a waterproofing membrane under the first level of parking (south side).

The north side could also lend itself to use as a possible occasional/temporary community venue as discussed in Option 2.

Public Works has estimated the cost to convert the north side at \$335,000. The cost to rehabilitate the south side is estimated by Facility Operations at \$994,500. The total cost estimate to complete both the north and south side is \$1,329,500 and would create 19 parking spaces and rehabilitate four commercial units with approximately 7,650 square feet of leasable space.

With a 60% occupancy rate, at \$8.00 per square foot, the annual Base Rent revenue under this option is expected to be \$36,720. Any additional annual income from the parking spaces created by this option will be tied to demand.

This option will also require an annual operating and capital budget commitment to provide funding for required annual operating costs. Capital repairs such as waterproofing membrane rehabilitation and joint repairs would require a capital allocation of approximately \$60,000 every three years. Annual ongoing operating costs would include the Corporation's share of the property tax, based on 40% vacancy of commercial space, of \$13,028; repairs of approximately \$5,000; and utilities of approximately \$4,200.

**4. RISK ANALYSIS:**

The options present varying different levels of risk.

**Option 1** – aside from the normal risk associated with managing lease commercial space, this option may have the highest level of risk, should the water penetration problem continue. There is the possibility of liability for compensation of tenant losses sustained as a result of water leakage and/or associated electrical problems (ie. property loss, data loss); possible withholding

of rentals; additional operating costs associated with the repair of damage caused by water leakage.

**Option 2** – aside from the normal risk of operating a parking garage, this option has a moderate to low level of risk, as occasional water penetration from parking deck to parking deck is not unusual nor does it impact on the use as parking.

**Option 3** -- has a moderate level of risk, as this option represents a combination of risk associated with both Option 1 and Option 2.

Options 1 and 3 both have a risk of negative impact amongst other landlords in the city centre, especially those with commercial vacancies. The Corporation's involvement leasing commercial space in a saturated market may be perceived as unfair by other landlords.

## 5. FINANCIAL MATTERS:

The initial investment required to maintain some (Option 3) or all (Option 1) of the area as leasable space is estimated between \$1.3295M to \$1.852M, respectively, while generating small net annual cash inflows for the City. The initial investment required to convert the leasable space to ground level parking (Option 2) is significantly less than the other two options, but also eliminates the annual revenue stream associated with the leased units. A summary of the financial impacts of each of the options is presented below, and detailed calculations are presented in APPENDIX 'D'.

	Initial investment	Net annual operating impact	Net present value
Option 1: Maintain ground level as commercial lease space	\$ (1,852,000)	\$ 36,613	\$ (1,588,882)
Option 2: Convert ground level commercial lease space back to ground level parking	\$ (507,000)	\$ (13,450)	\$ (679,823)
Option 3: Maintain south side of the ground level as commercial lease space and revert north side back to ground level parking	\$ (1,329,500)	\$ 14,492	\$ (1,350,621)

### Option 1: Maintain ground level as commercial lease space

Capital improvements required to maintain the leasable space in its entirety are described in the Discussion section of this report, and are estimated to cost approximately \$1.852M. Waterproofing of the membrane under the first level of parking will also be required, at a cost of approximately \$60,000 every three years.

With these improvements, annual lease revenue of \$68,400 is projected based on market rates and occupancy projections. This revenue will be offset by operating costs including utilities, repairs and property taxes of approximately \$31,787, for a net annual cash inflow of \$36,613 to the Corporation. However, due to the significant initial capital improvements required, the net present value to the Corporation of proceeding with this option is (\$1.589M). This option is the most costly from both an initial investment and a NPV standpoint.

## Option 2: Convert ground level commercial lease space to ground level parking

The conversion of the lease space to ground level parking will require an initial investment of approximately \$507,000, and operating costs including property taxes, utilities and regular repairs are estimated at \$13,450/year. Based on these estimates, the NPV of this option is (\$679,823). Note that any incremental parking revenue will offset the annual operating costs, but as this is difficult to predict at this time no estimate has been incorporated in the analysis here. This option is the least costly from both an initial investment and a NPV standpoint, and is the recommended option.

## Option 3: Maintain south side of the ground level as commercial lease space and revert north side back to ground level parking

Capital improvements required to maintain the south side as leasable space are similar to those described in Option 1, but over the reduced area. These improvements will cost approximately \$994,500. In addition, costs to convert the north side for parking purposes are estimated at \$335,000, for a total initial capital investment of \$1.3295M. Waterproofing of the membrane under the first level of parking will also be required, at a cost of approximately \$60,000 every three years.

With these improvements, annual lease revenue from the remaining leasable units of \$36,720 is projected based on market rates and occupancy projections. This revenue will be offset by operating costs including utilities, repairs and property taxes of approximately \$22,228, for a net annual cash inflow of \$14,492 to the Corporation. As with the preceding two options, the net present value to the Corporation of proceeding with this option is negative (\$1.351M).

## Funding

The Off-Street Parking Reserve Fund is typically used to fund capital improvements in existing parking facilities, on and off street parking and expansion of the municipal parking program. As of May 7, 2015, the Off Street Reserve Fund is in a deficit balance of \$1,887,744 and the reserve is not projected to be in a positive balance for several years.

By way of CR162/2014, Council approved \$7.2M for the construction of a multi-storey parking structure. As the conversion of the ground level of the garage (recommended Option 2) has been suggested as an interim solution while decisions are made regarding the implementation of a permanent parking solution, it is recommended that funding be drawn from those approved funds. There are sufficient funds currently available within the capital project (7145006) for the estimated \$507,000 required to implement Option 2. The balance remaining in the project for the future parking initiative would be approximately \$6.7M.

As there are no funds currently earmarked for Option 1 or Option 3, a funding source for the capital costs associated with these alternatives will need to be identified should Council instead wish to proceed with either of these options.

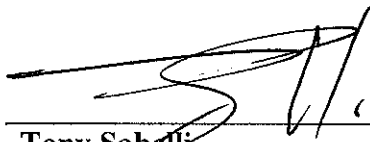
## **6. CONSULTATIONS:**

Downtown Windsor Business Improvement Area, Executive Director, Debi Croucher  
Senior Manager of Facilities, Tom Graziano  
Senior Manager Traffic Operations, John Wolf  
Manager of Urban Design, Neil Robertson

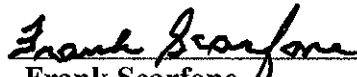
Deputy Treasurer- Taxation and Financial Projects, Janice Guthrie  
Deputy Treasurer - Financial Planning, Tony Ardovini  
Manager of Performance Measures and Financial Administration, Natasha Couvillon  
Financial Planning Administrator – PW Operations, Cindy Etmanski  
Financial Planning Administrator – Legal and Fire Rescue, Chantelle Anson

**7. CONCLUSION:**

The commercial space located on the ground level of the Pelissier Street Parking Garage requires the consideration of Council. Given the cost and risk associated with continuing to maintain commercial space in the facility, coupled with the current and projected downtown parking requirements, it is recommended that this space be returned to its original intended use as parking.



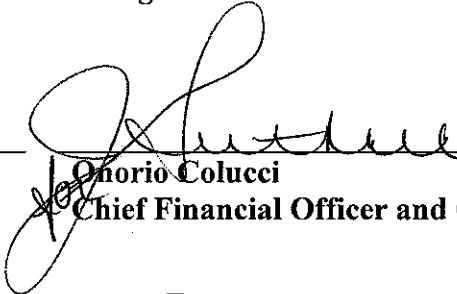
**Tony Sabelli**  
Asset/Lease Administrator



**Frank Scarfone**  
Manager of Real Estate Services (Acting)



**Shelby Askin Hagek**  
City Solicitor



**Onorio Colucci**  
Chief Financial Officer and City Treasurer



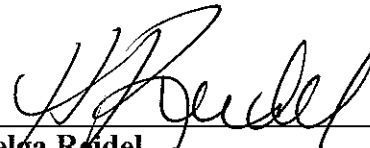
**Thom Hunt**  
City Planner and Executive Director



**Tom Graziano**  
Senior Manager Facilities



**Mark Winterton**  
City Engineer



**Helga Reidel**  
Chief Administrative Officer

(TS)

**APPENDICES:**

**APPENDIX 'A' – Council Report 16581**

**APPENDIX 'B' – Council Report 17457**

**APPENDIX 'C' - Pelissier Street Vacancy Survey (storefronts) February 12, 2015**

**APPENDIX 'D' – Pelissier Street Parking Garage – Financial Comparison of Alternatives**

**DEPARTMENTS/OTHERS CONSULTED:****Name:****Phone #: 519            ext.****NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX
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APPENDIX 'A'

Item No. 5

THE CORPORATION OF THE CITY OF WINDSOR  
OFFICE OF THE CITY ENGINEER- Operations



**MISSION STATEMENT:**

*"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"*

LiveLink Report #: 16581 APM2013	Report Date: May 27, 2013 (#PWB#3577)
Author's Name: Mike Palanacki	Date to Council: June 4, 2013
Author's Phone: 519-255-6415	Classification #:
Author's E-mail: <a href="mailto:mpalanacki@city.windsor.on.ca">mpalanacki@city.windsor.on.ca</a>	

To: Mayor and Members of City Council

Subject: DWBIA - Pelissier Street Parking Garage Proposal

1. **RECOMMENDATION:** City Wide:  Ward(s): \_\_\_\_\_

THAT Council NOT ENTERTAIN the proposal received May 17<sup>th</sup>, 2013 from the Downtown Windsor Business Association (DWBIA) regarding the Pelissier Street parking garage.

**EXECUTIVE SUMMARY:**

This report is supplemental to report 16334, "Pelissier Street Parking Garage – Ground Level Commercial Rental Units" which was originally scheduled to go before Council on March 18<sup>th</sup>, 2013 but was deferred to Council's June 4<sup>th</sup>, 2013 meeting. On April 12, 2013, Administration met with the DWBIA to hear their concerns regarding the Pelissier Street parking garage. On May 17<sup>th</sup>, 2013, the City Engineer received the attached email proposal (**Appendix A**) from the DWBIA regarding the Pelissier Street Parking Garage.

The DWBIA has requested to lease the Pelissier Street parking garage for a nominal amount and to share in profits above a to-be-determined benchmark amount. In addition, the DWBIA would undertake to fix up the retail space, recruit tenants and assume all capital and operating expenses of the garage.

Administration has reviewed the DWBIA's proposal and is not in favour of it. In short, the benefits of maintaining control outweigh any (unlikely) profit sharing potential. The Pelissier Street Parking garage is a valuable asset, both financially and strategically and is part of the City's overall Municipal Parking Program. It is misleading to look just at one parking asset in isolation from the program's other components. Other reasons Administration is not in favour of the DWBIA's proposal include:

- i. Administration has concerns regarding the operating and financial capability of the DWBIA to operate and maintain the parking garage. The DWBIA has no experience operating a parking garage. Further, if the DWBIA leased the parking garage and the venture was not successful, the DWBIA could potentially be dissolved and the

residual liabilities would be payable by the former members of the DWBIA if the City chose not to absorb the loss.

The DWBIA's proposal has labour relation implications which are covered in the accompanying private & confidential memo attached to this report.

- ii. The loss of control over fees charged and the maintenance performed on the structure and equipment to ensure its long-term viability. The Pelissier Street parking garage is a valuable asset to the Corporation and is an integral part of the City's overall Municipal Parking Program. As with any valuable asset, maintenance is critical in order to properly preserve its condition. Certain substances are banned from use in the garage – salt – sodium and other de-icing agents cannot be used in the garage as they will cause significant damage to the structure over time. Once these substances get into the concrete matrix, they cannot be removed. Sand can be used but it must not be allowed to get into the drains and internal pipes. The sand will plug the drainage system if allowed to enter it. Control over the asset's maintenance is critical to ensure the asset is available for the long term.
- iii. The level of service in the garage is currently determined by the City. Safety and security is also paramount in a parking garage. The City is well positioned to quickly address any issue related to level of service, safety or security to ensure that the asset meets its strategic objectives. For example, if the City wanted to offer free parking in the garage for an event, it could easily do so.
- iv. Loss of control over an asset critical to economic development in the area and other City of Windsor initiatives such as the Community Improvement Plan.
- v. Approximately 40% of the commercial space within 2 blocks or so of the Pelissier Street garage is vacant. Adding more commercial space at this time is not prudent. Parking fees charged are competitive with the private sector and are low compared to cities nationwide, yet there is still a surplus of capacity for parking.

Administration recommends to Council that it not entertain the DWBIA's proposal.

## **2. BACKGROUND:**

Report 16334, "**Pelissier Street Parking Garage – Ground Level Commercial Rental Units**", was originally scheduled to go before Council on March 18<sup>th</sup>, 2013. This report was subsequently deferred to Council's June 4<sup>th</sup> meeting. In the interim, Administration met with the DWBIA on April 12<sup>th</sup> to hear their concerns regarding the Pelissier Street parking garage. On May 17<sup>th</sup>, 2013, the City Engineer received the attached email proposal (**Appendix A**) from the DWBIA regarding the Pelissier Street Parking Garage.

The DWBIA has requested to lease the Pelissier Street parking garage for a nominal amount and to share in profits above a to-be-determined benchmark amount. In addition, the DWBIA would undertake to fix up the retail space, recruit tenants and assume all capital and operating expenses of the garage. The DWBIA indicates that it is in the process of formulating a business case that outlines all of the above, and will be in a position to share it in due course. This detailed plan was not available during preparation of this particular report.

This report will outline for City Council the operational and strategic reasons Administration opposes the DWBIA's proposal as well as provide a legal opinion regarding the DWBIA proposal.

### **3. DISCUSSION:**

The Downtown Windsor Business Association (DWBIA) "strongly believes that the Pelissier Street Parking Garage is an important facility that is critical for downtown Windsor merchants, residents and visitors". The City of Windsor agrees with the DWBIA. However, Administration opposes the DWBIA's proposal as presented in their email dated May 17<sup>th</sup>, 2013.

While the Parking Garage is indeed a valuable asset (the replacement cost is in the order of \$7 million for this facility) to the Corporation, it is not, by itself, a revenue generator. Last year the garage incurred a loss of \$205,917. Part of the mitigating measures to reduce this amount is a monthly parking increase of \$10 per space per month approved by Council as part of its 2013 operating budget.

#### **WHY KEEP THE GARAGE IF IT DOESN'T MAKE MONEY?**

The Pelissier Street Parking garage is part of an overall Municipal Parking Program. It is misleading to look just at one parking asset in isolation from the program's other components. The Municipal Parking Program is comprised of three different types of parking and each type of parking has specific attributes to address a specific need. The main reason to retain the garage is that since it comprises a component of the downtown parking plan for the City and since the city is ultimately responsible for this asset regardless of a DWBIA transfer or lease, it is in the best interest of the city to maintain decision making control.

Other specific reasons Administration is not in favour of the DWBIA's proposal include:

- a) The Corporation of the City of Windsor has the financial capacity to fund all planned, and more importantly, all unplanned maintenance and repairs to the Pelissier Street parking garage. For-profit operators may defer required maintenance which may impact structural integrity. There are recent examples of parking structures collapsing as a result of lack of proper maintenance. If the DWBIA were to fail in their venture, what would the condition of the parking garage be once it reverted to the City? If proper maintenance is not performed, the garage may be rendered unsafe and/or unusable.
- b) The Corporation currently has control of what the parking fees are in the garage which sets the tone for what the private sector sets their rates at in order to remain competitive. Traditionally, the City's rates are set in consultation with various stakeholders including BIA's. Absent municipal parking garages, other municipalities have experienced very high parking rates charged by the private sector.
- c) The Corporation currently controls what funds are spent on the asset. Further, it has control on what priority elements are addressed in order to ensure that the asset is maintained in a manner which does not compromise public safety. (i.e. perform assessments to ensure structural integrity).
- d) Certain substances are banned from use in the garage – salt – sodium and other de-icing agents cannot be used in the garage as they will cause significant damage to the structure over time. Once these substances get into the concrete matrix, they cannot be

removed. Sand can be used but it must not be allowed to get into the drains and internal pipes. The sand will plug the drainage system if allowed to enter it. Control over the asset is critical to ensure the asset is available for the long term.

- e) Parking drives development. The Pelissier Street garage is a corporate asset used to promote economic development in the area. The first question that comes up when a development is proposed for downtown is "Where's the parking?" As developments in the downtown area do not supply parking to meet any of the demands, the municipal parking program fills the role.
- f) Likewise, in the past, the City Community Improvement Plan (CIP) has offered parking as one of the incentives for businesses to move to the downtown area. Transferring control of the parking garage may impact on the Corporation's ability to offer this in the future.
- g) Through the setting of parking rates, the municipality can influence the transportation policy (i.e. transit usage). If it wanted to increase transit use, the municipality could reduce parking availability and/or raise parking rates.
- h) The City pays property taxes on the parking garage. These property taxes are paid only by the users of the parking garage through the collection of fees from users of the facility. Should the DWBIA proposal not contemplate the payment of property taxes, the shortfall would need to be funded through other means.
- i) The level of service in the garage is currently determined by the City. Safety and security is also paramount in a parking garage. The City is well positioned to quickly address any issue related to level of service, safety or security to ensure that the asset meets its strategic objectives. For example, if the City wanted to offer free parking in the garage for an event, it could easily do so.

### **Parking Operations**

Maintenance of any valuable asset is **critical** in order to properly preserve its condition. The Pelissier Street garage, as with all parking garages (public or private), is costly to operate and maintain. The garage generates its revenues in the form of:

- Fees paid by monthly parkers; and
- Fees paid daily patrons to the garage; and
- Rent from 1st floor retail space where applicable.

### **Monthly Parking**

Parking is very competitive and the fees charged for parking are a function of the local economy and by the supply and demand of parking. The City's monthly parking rate for unreserved parking<sup>1</sup> garages is \$60 per month plus HST. (This does not include a \$10 per month rate increase recently approved by City Council as part of its 2013 Operating Budget deliberations. This \$10 increase in the monthly parking rate is currently in process and the appropriate by-law amendments are being prepared to implement the new monthly rate effective July 1, 2013).

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<sup>1</sup> Unreserved Parking – The customer is guaranteed a space upon entry. If one of the City's municipal parking garages is full, patrons can park at a meter or other lot and display their garage parking pass. Parking Enforcement is notified accordingly.

High operating costs coupled with having to charge rates for parking acceptable to the public have resulted in two private sector parking structures in the downtown area going into receivership in the past few years.

A survey by Colliers International found that in 2012, the average of cost in Canada for monthly unreserved parking was \$241.72.<sup>2</sup>

Below is a breakdown of some other **monthly** unreserved parking rates in Canada:<sup>3</sup>

- Calgary, \$456.75
- Montreal, \$330.96
- Toronto, \$316.40
- Edmonton, \$295
- Vancouver, \$277.82
- Ottawa, \$225
- Victoria, \$184.80
- Regina, \$182.50
- Halifax, \$181.60
- Winnipeg, \$159.86
- Saskatoon, \$157.50
- Waterloo Region, \$132.49

Even with a current monthly parking rate of \$60 (Plus HST), the Pelissier Street garage has capacity for approximately 80 more monthly parkers. In short, the supply currently exceeds the demand for monthly parking in this segment of the downtown core. This is likely to change with all of the new development planned for the area.

### **Daily Parking**

The current rate structure for daily parking in the Pelissier Street garage allows for free parking for the first hour with a \$0.25 charge for each 15 minutes thereafter. However, this practice has been in place for some time and given development anticipated in 2014, it would be appropriate to review the rate structure. Any rate changes would be submitted as part of the 2014 budget process.

### **Retail Component**

In 1983, C. Mady Leaseholds Ltd. proposed a commercial development for the Garage ground level (406-450 Pelissier Street). Council agreed to enter into a Lease Agreement with C. Mady Leaseholds Ltd. (CR1267/83) who ultimately constructed eight (8) commercial units providing approximately 14,250 square feet of commercial lease space at the site.

The Mady lease provided a term of twenty (20) years (October 17, 1984 to October 16, 2004), with an option to renew for a further twenty (20) years. In 2003, the tenant advised they did not wish to renew the lease. Accordingly, at the end of the term (October 16, 2004), the City assumed possession and the role of Landlord over the sub-leases between the tenant (Mady) and the commercial tenants situated on the ground level of the Pelissier Street Parking Garage.

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<sup>2</sup> Retrieved May 21, 2013 from <http://www.cbc.ca/news/business/story/2012/10/02/parking-rates-north-america.html>.

<sup>3</sup> Retrieved May 21, 2013 from <http://www.cbc.ca/news/business/story/2012/10/02/parking-rates-north-america.html>. Data for the 2012 survey were collected in June, include relevant taxes, and focus on covered or underground parking lots in prime central business districts. Adding to the information by Colliers was data from third parties, and parking lot owners and operators.

Over the years the commercial space was used as: retail; office; gallery; personal care; municipal office; amongst other uses. Regardless of the use or mixed use this space has historically experienced vacancy issues. In its current proposal, the DWBIA's proposes to "fix up the retail space and recruit tenants". It estimates that it will cost \$233,000 to repair the retail portion of the garage (mitigate water issues including applying sealants, mould remediation, interior repairs and upgrades). The complete details of the above estimate are not known but Administration believes that the cost to do the identified work is greater than \$233,000.

The City's estimate of \$1,710,000 is conservatively prepared but until the walls are opened up it is not known what will be found to be in need of repair. The units will likely need to be completely gutted and rebuilt to become rentable including mould remediation, new HVAC systems, new electrical panels and wiring, new plumbing, new sealing and drainage methods under the slab (complete separation of the commercial space and parking garage) to stop the leakage into the units, new insulation, vapour barrier, new drywall, paint, flooring, and ceilings, etc. This work would bring the space up to current building code.

The estimate to arrive at the \$1.71 million was based on \$120/SF for 14,250 SF and included:

- Engineering/Consulting: \$12/SF
- Mould Remediation and Demolition: \$16/SF
- Tenant Fit-up: \$75/SF (could be higher or lower depending on number of rooms and level of finishes)
- 16.5% Contingency: \$17/SF
- **Total: \$120/SF**

The DWBIA's estimate of \$233,000 represents a cost of \$16.35/SF to make the entire commercial space tenant ready which is totally unreasonable.

Regardless of the disparity in repair estimates, as approximately 40% of the privately owned store front commercial space within 2 blocks or so of the Pelissier Street parking garage space is currently vacant, there is not presently a business case for either party to create more vacant commercial space. In addition, publicly funded commercial space would not likely be well received by the private sector given the current tough commercial real estate market downtown.

Should Council wish to consider transferring control over the retail section of the Pelissier Street parking garage to a third party such as the DWBIA, it is recommended that an RFP be prepared in order to ensure that the Corporation receives maximum value. Administration, however, strongly recommends against transferring control of the **parking component** of the Pelissier Street parking garage.

#### **4. RISK ANALYSIS:**

##### **THIRD PARTY CONTROL OF PELISSIER STREET GARAGE**

###### **Concerns**

If Council is contemplating the transfer of control of the Pelissier Street garage to a third party, such as the DWBIA, Administration strongly recommends that an RFP be prepared to determine the operator, in accordance with our purchasing and property by-laws, in order to ensure that the City maximizes the value received in doing so. Since the Pelissier Street garage is an important, valuable and strategic asset it is imperative that it be run by a qualified operator with significant experience in the parking business.

Other considerations Administration believes must be addressed before any third party was to assume daily operation of the Pelissier Street garage relate to:

**a) Loss of Control of the Asset**

- At what level will the asset be maintained? How will Public Safety be ensured?
- Does the third party have the financial capacity to fund all planned, and more importantly, all unplanned maintenance and repairs. For example, as a result of water damage sustained in the June 2010 storm, the unscheduled replacement of the garage elevator was required. The damage was not repairable and required the replacement of the elevator (at a cost >\$200,000). This repair was done as part of the operating budget.
- How will Economic Development be impacted?
- How will the level of service be impacted?

**b) Audit Concerns**

- How will the City ensure that it receives what it is entitled? How do we ensure the revenues are, in fact, what is reported? How will utilization be verified?
- How will the risk associated with any cash handling business be managed? Although appropriate audit controls would be put in place, there is an inherent risk of loss in any cash handling business.

**c) Maintenance Concerns**

- How will the City ensure that all required maintenance will be performed on the parking garage's equipment and structures in a timely fashion so as to ensure the ongoing safety and viability of this asset? (This is precisely what happened with respect to the retail space in the Pelissier Street garage – maintenance of a capital nature was deferred until such time as significant problems arose and the space was no longer in a marketable state).

**LEGAL REVIEW AND COMMENT REGARDING THE DWBIA PROPOSAL**

**Inapplicability of Stated Precedents**

The DWBIA has asked to lease the garage for a nominal amount, with a profit-sharing above a benchmark amount. The DWBIA would assume all capital and operating expenses of the garage. The DWBIA proposal sets out as precedents the arrangements with the Bistro (RFP for food services), Willistead (RFP for food services) and Windsor Express (facility rental). None of these are applicable to the DWBIA proposal.

**Limited Authority of the DWBIA**

Pursuant to section 204 of the *Municipal Act, 2001* Council has given the DWBIA a very limited scope of authority. The DWBIA is limited to overseeing the improvement, beautification and maintenance of municipally-owned land, buildings and structures in the area beyond that provided at the expense of the municipality generally, and promoting the area as a business or shopping area. This authority does not extend to leasing and operating the garage and becoming a landlord of commercial retail space.

Before the DWBIA could take on the proposed venture, Council would need to pass a by-law to expand the mandate of the DWBIA using the provisions of section 216(5)(d) of the Act. An expansion of authority of this extent is rare. Please see **Appendix B** for the relevant legislation provisions that apply to the DWBIA.

### **Budget Approval by Council**

The DWBIA would need to prepare an appropriate Budget that takes into account the expenditures necessary for the repair and operation of the garage. That Budget would then need to be approved by Council.

### **Mandatory Meeting of the Members of the DWBIA**

Before entering into this venture, pursuant to the Act, the DWBIA would need to hold one or more meetings of its members to discuss the proposed Budget. Council should consider what level of member support would be appropriate before Council would consider the DWBIA's request.

**DWBIA members should also be made aware that if the garage venture did not succeed, the DWBIA could potentially be dissolved and the residual liabilities would be payable by the former members of the DWBIA if the City chose not to absorb the loss.**

**Council also needs to be aware that any uncollectible portion of the residual liabilities would become a debt of the City to be funded by municipal taxpayers.**

The DWBIA's proposal has additional legal implications which are covered in the accompanying Private & Confidential memo provided to Council under separate cover.

### **DEALINGS WITH REAL PROPERTY POLICY**

The Policy provides among other things that:

**5.2.3 Real Property shall be sold or leased at Current Market Value, current Market Value rent, or equivalent consideration, unless Council shall direct otherwise, or if the Real Property falls under the ambit of 856/2004, if the CAO shall direct otherwise**

**5.3.2 All Surplus Real Property to be disposed of or sold shall be listed on the MLS of the local Real Estate Board.**

If this transaction should proceed, council should specifically direct that the provisions of the Dealings with Real Property Policy do not apply to this transaction. Should council wish to stay compliant with its Purchasing By-law, as noted previously in this report, an RFP seeking an operator should be issued.

## **5. FINANCIAL MATTERS:**

The Pelissier Street garage has 349 spots. At present, there are approximately 270 monthly parkers. If all 349 spaces were continually utilized by monthly parkers only, the Garage would have annual revenue of approximately \$251,280 at the old monthly rate of \$60 and \$293,160 at the new monthly rate of \$70.

It should also be noted that the Corporation of the City of Windsor pays property taxes on the Pelissier Garage through an internal transfer of funds to the appropriate reserve account. The amounts paid since 2008 are produced below.

**Figure 1 – Pelissier Street Garage - Property Taxes Paid 2008-2012**

Year	Property Tax Paid
2008	\$0
2009	\$0
2010	\$477,042*
2011	\$73,531
2012	\$169,399
2013	\$121,000**

\*(includes amounts from previous years not paid)

\*\* (estimated)

It is advised that the private sector may perceive that an exemption from tax confers an unfair advantage to the City which runs counter to a free and open marketplace where the competitive climate and supply and demand forces determine the allocation of capital. It is noted that the parking rates currently being charged by the City of Windsor compel the private sector to price parking at rates which do not yield an acceptable return on invested capital thereby discouraging investment by the private sector in parking facilities.

Should the DWBIA proposal not contemplate the payment of property taxes, this would reduce property taxes collected by the City. The shortfall of approximately \$121,000 in property taxes would need to be funded through other means.

In addition, the Corporation performs annual repairs and maintenance on the Pelissier Street garage. Below are the totals paid for the years 2010 – 2013. These amounts include: building repairs, professional services, building maintenance, construction contracts, parking facility equipment, etc.

**Figure 2 – Repairs & Maintenance 2010 – 2013**

	2010	2011	2012	2013
<b>Maintenance Costs</b>	\$76,305 in regular maintenance plus capital project cost of \$68,238 noted below. The last membrane installation was in 2010 at a cost of \$68,238 excluding tax for 11,300 sq ft of the south half of Level 1 and included concrete patch repairs, joint repairs, construction joint repairs and traffic bearing waterproofing membrane.	\$37,870 in regular maintenance plus \$203,510 (elevator replacement)	\$41,544 in regular maintenance	*\$35,000 - \$40,000 *estimated for regular maintenance. Capital project for 2013 the following works are planned: repair membrane, repair on first floor south end, estimate is \$10,000; concrete repair in stairwell, estimate \$25,000; repair rails on roof level, reset rails and concrete repairs, etc., \$38,000; semi-depth concrete patchwork, \$3,300.
<b>Total</b>	<b>\$144,543</b>	<b>\$241,380</b>	<b>\$41,544</b>	<b>\$111,300 - \$116,300</b>

The annual utility expenses for the Pelissier Garage for 2010 – 2012 are:

**Figure 3 – Pelissier Street Garage – Utilities Paid 2010-2012**

Utilities	2010	2011	2012
Hydro	\$35,409	\$35,322	\$28,097
Water	\$4,981	\$8,097	\$7,436
Gas	\$2,069	\$2,440	\$2,135
Telephone	\$410	\$297	\$381
<b>Total</b>	<b>\$42,869</b>	<b>\$46,156</b>	<b>\$38,049</b>

The figure below illustrates other expenses since 2010 for the Pelissier Street garage.

**Figure 4 – Pelissier Street Garage – Other Expenses 2010-2012**

Other	2010	2011	2012
Salary	\$118,909	\$121,056	\$123,502
Overtime	\$27,103	\$30,312	\$25,085
Other pay	\$6,468		
Meal Allowance	\$954	\$900	\$1,050
Fringe Benefits	\$23,782	\$24,211	\$24,700
<b>Employee Costs - Total</b>	<b>\$177,216</b>	<b>\$176,479</b>	<b>\$174,337</b>
Supplies - all	\$12,340	\$17,378	\$7,791
<b>Security</b>			
Police - Off Duty	\$26,263	\$25,715	\$27,704
External	\$504	\$7,207	\$13,770
*Insurance	\$3,483	\$3,492	\$5,666
Miscellaneous	\$1,134	(\$4,699)	\$16,950
<b>Total</b>	<b>\$220,940</b>	<b>\$225,572</b>	<b>\$246,218</b>

\*The City self insures for losses up to \$250,000. Third parties, such as the DWBIA are unlikely to self insure (or to the level the City does). Therefore, it is reasonable to expect a third parties expenditures to be higher than those of the City.

The figure below illustrates the revenues and expenses since 2010 for the Pelissier Street garage.

**Figure 5 – Pelissier Street Garage – Revenues and Expenses 2010-2012**

Year	Revenues	Expenses	Net Totals
2007	\$327,012	\$538,993	(\$211,981)
2008	\$419,258	\$331,692	\$87,565*
2009	\$327,733	\$357,643	\$29,910*
2010	\$253,705	\$817,155	(\$563,450)
2011	\$312,945	\$586,639	(\$273,694)
2012	\$289,293	\$495,210	(\$205,917)
2013	\$301,192 estimated	\$476,192 estimated	(\$175,000) estimated

\*Property taxes assessed in 2010.

Since 2008, daily revenues peaked in 2008 at \$208,780, since then daily revenues have gone down each year to a low of \$104,570 in 2012. Monthly revenues have been relatively stable, approx \$154,355 in 2008 to \$160,128 in 2012.

**City of Windsor Municipal Parking Program**

The Municipal Parking Program has a total of 4,701 municipal parking spaces comprised of three different types of parking:

- 1) On-street parking meters (consisting of 1,428 spaces);
- 2) Off-street surface lots (31 lots comprising 1,569 spaces); and
- 3) Parking garages (municipal garages providing 1,704 spaces).

Each type of parking has specific attributes to address a specific need. Typically, meters provide net revenue to the corporation, while garages and lots tend to operate at a net deficit; however the aim for lots and garages is to break even.

The City's Municipal Parking Program is self-funding and does not impact the tax base. Net surplus funds realized at the end of each fiscal year (parking revenues less operating expenses) are transferred to the Off Street Reserve Fund. This Reserve is used to fund capital rehabilitation projects, and/or parking expansion where required.

Data from the years 2010-2012 is provided below. Please note, the Transfer to Reserve line indicates the amount transferred to the Off-Street Reserve Fund for that specific year.

**Figure 6 – Summary of Revenues and Expenditures - 2010-2012**

	On/Off Street Parking								
	2010			2011			2012		
	Revenues	Expenses	Net Total	Revenues	Expenses	Net Total	Revenues	Expenses	Net Total
Garage 1 - Goyeau	\$583,002	(\$556,002)	\$36,400	\$583,594	(\$555,076)	\$28,518	\$589,978	(\$542,900)	\$27,089
Garage 2 - Peissler	\$253,705	(\$817,155)	(\$563,450)	\$312,945	(\$688,639)	(\$273,894)	\$289,293	(\$495,210)	(\$205,917)
Garage 3 - 1 Riverside	\$276,197	(\$495,824)	(\$219,627)	\$218,427	(\$402,856)	(\$183,429)	\$284,547	(\$394,148)	(\$109,601)
General (Lots & Meter Maintenance)	\$0	(\$1,115,077)	(\$1,115,077)	\$71	(\$1,191,582)	(\$1,191,511)	\$12,003	(\$1,025,498)	(\$1,013,485)
Administration	\$0	(\$133,284)	(\$133,284)	\$0	(\$188,427)	(\$188,427)	\$0	(\$184,003)	(\$184,003)
Meters*	\$1,079,122	\$0	\$1,079,122	\$1,061,086	\$0	\$1,061,086	\$1,135,092	\$0	\$1,135,092
Off Street Lots*	\$1,179,989	\$0	\$1,179,989	\$677,824	\$0	\$677,824	\$843,171	\$0	\$843,171
WSIB Payments for Lost Time Injuries	\$0	(\$23,246)	(\$23,246)	\$0	(\$26,581)	(\$26,581)	\$0	(\$30,995)	(\$30,995)
Transfer To/(From) Reserve, Net Profit/(Loss)			\$240,837			(\$66,204)			\$461,321

\*Expenses for these areas are contained in General (Lots & Meter Maintenance)

**6. CONSULTATIONS:**

- Finance
- Legal
- Planning

**7. CONCLUSION:**

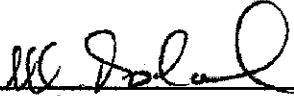
The City's Municipal Parking Program is self-funding and does not impact the tax base. Surplus funds realized at the end of each fiscal year (parking revenues less operating expenses) are transferred to the Off Street Reserve Fund. This reserve fund is used to fund capital rehabilitation projects, and/or parking expansion where required. In 2012, for example, the program had revenues of \$3,134,084 and expenses of \$2,672,763 (including \$706,228 paid in property taxes) for a net profit of \$461,321. In turn, the profit of \$461,321 was transferred to the On/Off Street Reserve Fund.


While the Pelissier Street garage currently is not by itself a revenue generator for the City of Windsor, it does provide exceptional value as part of the overall Parking Program and is a vitally important strategic asset to many other City programs and initiatives. As such, great care should be taken in protecting the City's interests.


The DWBIA has stated that it "will assume all capital and operating expenses", "fix up the retail space and recruit tenants" and has even offered to profit share at some mutually agreed upon threshold even though the garage has consistently lost significant money over each of the last three years. Absent a detailed business case, Administration has significant concerns about the DWBIA's financial and practical wherewithal to effectively operate the Pelissier Street parking garage, appropriately maintain the asset's condition and improve the retail space as they have indicated. Therefore, Administration recommends that Council reject the DWBIA's May 17<sup>th</sup> proposal to lease and operate the Pelissier Street garage.


Should Council wish to transfer control over the retail section of the Pelissier Street garage, it is recommended that an RFP be prepared in order to ensure that the Corporation receives maximum value.

  
\_\_\_\_\_  
MIKE PALANACKI  
Executive Director, Operations

*for*   
\_\_\_\_\_  
MARIO SONEGO  
City Solicitor and Corporate Leader  
Environmental Protection and Transportation

*for*   
\_\_\_\_\_  
ONORIO COLUCCI  
Chief Financial Officer & City Treasurer  
Corporate Leader Finance and Technology

  
\_\_\_\_\_  
GEORGE WILKKI  
City Solicitor and Corporate Leader  
Economic Development and Public Safety

*for*   
\_\_\_\_\_  
HELGA RENNER  
Chief Administrative Officer

hrs

**APPENDICES: Appendix A – Email Proposal from DWBIA, May 17<sup>th</sup>, 2013**  
**Appendix B – Relevant Legislative Provisions that Apply to the DWBIA**  
**Appendix C – ~~Private & Confidential Memo under separate cover~~**

**DEPARTMENTS/OTHERS CONSULTED:**  
Name:

**NOTIFICATION :**

Debi Croucher	419 Pelissier Street	<a href="mailto:debi@downtownwindsor.ca">debi@downtownwindsor.ca</a>	519-252-5723
---------------	----------------------	--	--------------

## Appendix A

**From:** Debl Croucher  
**Sent:** Friday, May 17, 2013 03:32 PM  
**To:** Sonogo, Mario  
**Cc:** Larry Horwitz; Valentinis, Fulvio; Wilkkt, George; Wolf, John; Sabelli, Tony  
**Subject:** Pelissier Street parking garage

Hi Mario:

I am writing on behalf of the DWBIA regarding their interest in the Pelissier Street Parking Garage and the upcoming report to Council.

The Downtown Windsor Business Association (DWBIA) strongly believes that the Pelissier Street Parking Garage is an important facility that is critical for downtown Windsor merchants, residents and visitors. As of now, the Garage is being utilized primarily as a parking facility. However, the DWBIA envisions a future for Downtown in which the Garage would be a strategic weapon for business attraction and retention. Downtown has been experiencing some stagnation. Skillfully utilized, the Garage would be an instrument for attracting and stimulating shoppers' traffic downtown — a matter that would make it attractive for new retailers to locate, as well as bring in more business for existing ones.

With the above in mind, and subject to the consultation and approval of all interested parties, the DWBIA sets out the following for your consideration:

The City leases the Garage for a nominal amount to the DWBIA -- with the understanding that when the revenues reach a mutually agreed upon benchmark, the net profits will be split evenly between the City and the DWBIA. The DWBIA will assume all capital and operating expenses. It will fix up the retail space and recruit tenants. It will then use the parking and rental revenue to do the necessary repair and the routine maintenance of the Garage. It will promote the Garage to increase parking and rental revenues. It will promote the Garage to attract shoppers to the downtown.

There are precedents for this arrangement practised by the City, e.g., the arrangements with the Bistro, Willistead, and Windsor Express.

This option offers the following benefits to the City:

- Revenue for the City through profit sharing
- Relieving the City from the financial and administrative burden of owning and running the Garage as outlined by Administration in Report No. 16334 APM 2013.
- Increased tax base due to creating retail space
- The DWBIA will use the Garage as a tool for attracting shoppers to downtown, a matter that will help in business retention, thus keeping existing businesses in the tax base.

The DWBIA is in the process of formulating a business case that outlines all of the above, and will be in a position to share it with you in due course. Further, in its Report No. 16334 APM 2013, Administration quoted a fee of \$1,710,000 to maintain the ground level as commercial lease space. The DWBIA has obtained an estimate from a long-established and reputable Windsor contractor, in the amount of \$233,000, to mitigate water issues including applying

14 of 17

sealants, mould remediation, interior repairs and upgrades. This arrangement would be mutually beneficial, and represents a \$1,477,000 reduction in expenditure.

Regards,

Debi

Debi Croucher  
Acting Director  
Downtown Windsor BIA  
419 Pelissier Street  
Windsor, ON N9A 4L2  
T 519-252-5723 x 201

## Appendix B

### **RELEVANT LEGISLATIVE PROVISIONS THAT APPLY TO THE DWBIA**

The Downtown Windsor Business Improvement Association ("the DWBIA") was created by the Council of The Corporation of the City of Windsor ("the City") pursuant to the provisions of the *Municipal Act, 2001* and its predecessor legislation ("the Act").

**204. (1)** A local municipality may designate an area as an improvement area and may establish a board of management,

The Act restricts the mandate of the DWBIA as follows:

- (a) to oversee the improvement, beautification and maintenance of municipally-owned land, buildings and structures in the area beyond that provided at the expense of the municipality generally; and
- (b) to promote the area as a business or shopping area.

The DWBIA is a Local Board of the City.

**Local board status**

**(2.1)** A board of management is a local board of the municipality for all purposes.

**Council created the board of management of the DWBIA and appoints the directors of the board for the term of the appointing council.**

**Corporation**

**(2)** A board of management is a corporation consisting of the number of directors established by the municipality.

**Composition**

**(3)** A board of management shall be composed of,

- (a) one or more directors appointed directly by the municipality; and
- (b) the remaining directors selected by a vote of the membership of the improvement area and appointed by the municipality.

**Term**

**(10)** The term of the directors of a board of management is the same as the term of the council that appointed them but continues until their successors are appointed.

**Council reviews the Budget prepared by the DWBIA and approves it in whole or in part.**

**Budget**

**205. (1)** A board of management shall prepare a proposed budget for each fiscal year by the date and in the form required by the municipality and shall hold one or more meetings of the members of the improvement area for discussion of the proposed budget.

**Council to approve**

**(2)** A board of management shall submit the budget to council by the date and in the form required by the municipality and the municipality may approve it in whole or in part but may not add expenditures to it.

**The DWBIA is limited to spending what is in the approved Budget or a Reserve Fund, cannot incur indebtedness beyond the current year with approval by Council, and cannot borrow money.**

**Limitations**

- (3)** A board of management shall not,
  - (a) spend any money unless it is included in the budget approved by the municipality or in a reserve fund established under section 417;
  - (b) incur any indebtedness extending beyond the current year without the prior approval of the municipality; or
  - (c) borrow money.

**The DWBIA must submit an annual report to Council, accompanied by audited financial statements prepared by the City's auditor.**

**Annual report**

**207. (1)** A board of management shall submit its annual report for the preceding year to council by the date and in the form required by the municipality and the report shall include audited financial statements.

**Auditor**

**(2)** The municipal auditor is the auditor of each board of management and may inspect all records of the board.

**If the DWBIA is dissolved, its assets and liabilities become the assets and liabilities of the City and any excess of liabilities over assets may be recovered by a charge on the former members of the DWBIA.**

**Dissolution of board**

**214. (1)** Upon the repeal of a by-law under subsection 204 (1), the board of management is dissolved and the assets and liabilities of the board become the assets and liabilities of the municipality.

**Liabilities exceed assets**

**(2)** If the liabilities assumed under subsection (1) exceed the assets assumed, the council may recover the difference by imposing a charge on all rateable property in the former improvement area that is in a prescribed business property class.

**Council has the power to dissolve or change the DWBIA.**

**Power to dissolve or change local boards**

**216. (1)** Without limiting sections 9, 10 and 11, those sections authorize a municipality to dissolve or change a local board.

**Council has the power to restrict or expand the mandate of the DWBIA.**

**Scope of power to change a local board**

**(5)** Without limiting sections 9, 10 and 11, the power of a municipality to change a local board under those sections includes the power to pass by-laws with respect to,

- (d) the restriction or expansion of the mandate of the board.

APPENDIX "B"



File - also CIR

**THE CORPORATION OF THE CITY OF WINDSOR**  
Office of the City Clerk – Human Resources

Item No.

502014



**MISSION STATEMENT:**

"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."

LiveLink REPORT #: 17457		Report Date: November 3, 2014	
Author's Name: Vincenza Mihalo, Executive Director of Human Resources & Rob Carruthers, Occupational Health & Safety Advisor		Date to Council: December 15, 2014	
Author's Phone: 519 -255-6515 ext. 6245	Classification #:	COUNCIL AGENDA	
Author's E-mail: rcarruthers@city.windsor.on.ca	COMMUNICATION	COMMUNICATIONS	

**DEC 15 2014**  
NO. 32

To: Mayor and Members of City Council

Subject: Ontario Ministry of Labour ID #: 01248HSLN672  
Compliance with Ministry of Labour order related to Parking Garage #2 Park St. & Pelissier St.

Ontario Ministry of Labour ID #: 01248HSLN673  
Compliance with Ministry of Labour order related to Parking Garage #2 Park St. & Pelissier St.

**1. RECOMMENDATION:** City Wide: \_\_\_\_\_ Ward(s): \_\_\_\_\_

THAT City Council **RECEIVES FOR INFORMATION** this report from the Executive Director of Human Resources with respect to the October 14, 2014 Ministry of Labour (MOL) orders regarding contraventions of the Occupational Health and Safety Act R.S.O. 1990; and further

THAT City Council and Administration **BE MADE AWARE** that the Public Works Department will take appropriate action to comply with the new timelines as requested by the Corporation and agreed upon by the Inspector, and as such these orders should not be appealed.

**EXECUTIVE SUMMARY:**

N/A

**CITY OF WINDSOR  
COUNCIL SERVICES**

DEC 11 2014

**RECEIVED**

**2. BACKGROUND:**

On October 14, 2014 as part of a proactive inspection of area parking structures for structural integrity and safety issues a Ministry of Labour Inspector and a Ministry of Labour Specialized Professional Services Engineer did visit Parking Garage #2 at the corner of Park St. and Pelissier St. In the course of its inspection the Ministry of Labour did discover water damage to the east wall of the retail space at 440 Pelissier St. which is leased to Canada South Festival Network.

The Ministry of Labour arranged a follow up meeting for October 15, 2014 to deliver and explain its report. Present were the Acting Supervisor of Occupational Health & Safety and a management and labour representative of the Joint Health & Safety Committee overseeing Parking Garage #2. As a result of the October 14, 2014 visit the Ministry of Labour Inspector issued two orders to the City of Windsor:

- (1) To repair the ceiling tiles, drywall, and other building materials that exhibited signs of water damage on the east side of the main office located at 440 Pelissier St.
- (2) To have an assessment completed, by a person with knowledge in parking garage drainage, to assess the root cause of water leaks that are occurring in the 440 Pelissier office space, and to assess the effectiveness of the applicable rainwater pipes/drains located in Parking Garage #2.

All City owned-operated garages are overseen by L.P. Meyer & Associates as it relates to regular "condition assessments." LP Meyer has significant experience in this area and has been conducting these assessments for the Corporation for municipally owned and operated parking garages for twenty years. The first floor of Parking Garage #2 has been converted to commercial space which is leased out.

**3. DISCUSSION:**

During his October 15, 2014 follow-up visit Inspector John Lepera issued **Ministry of Labour Field Visit Report ID# 1248HSLN671** to the Corporation of the City of Windsor containing two orders detailing issues of non-compliance with the Occupational Health & Safety Act R.S.O. 1990.

The orders are detailed below with the actions taken by the Public Works Department on behalf of the Corporation to achieve compliance:

**Table 1: Ministry of Labour Orders**

<b>Order</b>	<b>Note</b>	<b>Compliance</b>	<b>Disposition</b>
Pursuant to Section 25(1)(b) of the Occupational Health & Safety Act, the equipment, material, and protective devices provided by the employer are maintained in good condition.	Order is specific to the east side of the main office located at 440 Pelissier St. which included ceiling tiles, drywall, and other building materials, that were observed to be damaged from water leaks from the overhead parking garage structure.	Nov. 05, 2014	Repairs identified in the report from L.P Meyer & Associates were completed November 10 <sup>th</sup> , 2014. Additionally the encapsulation of the 6" drain pipe with outside covering and

			injected expandable insulation was done to prevent minor cracks or separations in the joints. This will be re-visited if leaks are still an issue in heavy rains.
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**Table 2: Ministry of Labour Orders**

Order	Note	Compliance	Disposition
Pursuant to Section 54(1)(f) of the Occupational Health & Safety Act an Inspector may for the purposes of carrying out his or her duties under the powers of this act and the regulations, (f) require in writing an employer to cause any tests described in clause (e) to be conducted or taken, at the expense of the employer, by a person possessing such special expert or professional knowledge or qualifications as are specified by the inspector and to provide, at the expense of the employer, a report or assessment by that person;	<p>The owner shall complete an assessment to determine the root cause of water leaks that is [sic] occurring at the east side main floor office of Canada South Festival Network, located at 440 Pelissier St. Windsor, Ontario.</p> <p>The effectiveness of the applicable rainwater pipes/drains that are located in the City of Windsor Parking Garage #2 parking structure shall be included in the assessment. The assessment shall be completed by a person with knowledge in parking garage drainage.</p>	Nov. 05, 2014	Site assessment completed on Oct. 20, 2014. Report submitted to City of Windsor by LP Meyer & Associates on Oct. 27, 2014.

Joint Health & Safety Committee worker members from the site were present at time of the Ministry of Labour issuance of the Field Visit Report dated October 14, 2014. Administration has determined that it would be in the Corporation's best interests to be in compliance with Ministry of Labour orders included in the Field Visit Report: "Ontario Ministry of Labour ID # 01248HSNL672" and "Ontario Ministry of Labour ID #: 01248HSNL673" and NOT appeal them. These orders were posted on the applicable Health & Safety boards within the Corporation.

Although the completion of the assessment of the parking garage drainage system has been completed, there has been a short delay in the ability to complete the repair work on the affected unit. Public Works Operations Department has reviewed the current damage and determined an estimated time frame for repairs. The compliance date for the repair work was November 5<sup>th</sup>, 2014, the Corporation has

contacted the Ministry of Labour Inspector and requested and was granted an extension of 10 days to have all required repair work completed.

The recommendations from the LP Meyers & Associates (LPMA) assessment of the parking garage include the following work to be completed:

**Item #1:**

Since the precipitation leakage defect only occurs during particularly heavy rainfalls, a few times a year, this indicates to LPMA, in our opinion, that the ex 6" rain water leader, as shown on attached dwg M-1, is surcharging (becoming pressurized with full water condition), and only during this situation, does the ex. RWL pipe leak. This suggests that the ex. RWL pipe and sump body joints may be loose and leaking during this annual occasional surcharge condition.

To correct this, LPMA recommends a Plumber removes ex susp ceiling locally as required to inspect all the ex RWL piping and sump, and correct any and all loose joints as evidenced by leakage stains, etc. LPMA will attend the site at the same time as the plumber, for re-inspection of this area.

**Item #2:**

Also, LPMA will recommend new BASF Conipur II TBS be applied locally around ex one vert RWL area and level one parking deck TBS around ex floor sump, to ensure these areas are maintaining their watertight condition.

**Item #3:**

The ex suspended ceiling should be locally replaced with new suspended ceiling tiles as required to remove evidence of water stains, and the ex carpet floor locally cleaned around this precipitation defect as required.

#### **4. RISK ANALYSIS CHARTS:**

**Resource Risks:** Failure to obtain a qualified professional consultant with experience and working knowledge of parking structures and the subsequent knowledge of parking structure drainage systems could result in additional damage to site occupied by tenants. Failure to provide financial support in relation to the required assessment and repair work could result in additional visits by the Ministry of Labour and/or additional orders. The likelihood is UNLIKELY providing a LOW risk to the Corporation. As the City of Windsor is the owner of this site, the Operations Department has contracted the required services of a consultant and completed the assessment and the repair work as required to the affected unit by the extended compliance date of November 15th 2014.

**Timing Risks:** Failure to meet the compliance dates issued by the Ministry of Labour, could result in additional orders, fines and/or charges laid against the Corporation. It is considered POSSIBLE to occur, therefore a MODERATE risk. Public Works, Operations Department have completed the assessment of the parking garage drainage system and continues to work with the affected tenant and outside contractor to complete all required repair work. As per the Corporation's request, the Ministry of Labour Inspector has granted an extension to November 15th to enable the Corporation to complete the required repairs to the parking garage.

**Cross-Corporation Impact Risks:** Failure to meet the requirements of the orders issued by the Ministry of Labour could impact additional departments including Legal, Asset Management and On/Off Street Parking. Currently, the City of Windsor is the owner of this parking garage and leases the first floor to various tenants. The legal department is responsible for the leases in the parking garage. Corporately, this parking garage is a source of income for public parking to the Corporation, as well as, employee parking. These Cross-Corporation Impact Risks are considered POSSIBLE to occur, therefore a MODERATE risk. The completion of the repair work to the affected unit, and a complete assessment of the parking garage drainage system as required by the Ministry of Labour will allow the Corporation to maintain the parking structure as a safe facility.

**Community Impact Risks:** Failure to meet the requirements of the orders issued by the Ministry of Labour could result in the community at large not accessing public parking for downtown businesses at this parking facility. Additionally, tenants of the parking garage could be displaced if repairs are not completed and irreparable damage to the units results. These Community Impact Risks are UNLIKELY therefore there is LOW risk. The Corporation continues to use the services of LP Meyer & Associates in relation to the structural maintenance of the parking garage. Maintenance issues are addressed when they are identified by from LP Meyer & Associates.

**Other Risks:** Failure to comply with the Ministry of Labour orders as issued in relation to the Pelissier Parking Garage facility could result in additional Ministry of Labour visits including additional orders, fines and potentially charges if orders not complied with or appealed within the stipulated timeframes. The likelihood is POSSIBLE resulting in a MODERATE risk. The Public Works, Operations Department has complied with all orders at this time. The required assessment has been completed by the outside consultant, and repair work is scheduled to be completed by November 12th, prior to the extended compliance date of November 15th. As the owner of the facility, failure to comply affects the City's relationship with its tenants. The likelihood is UNLIKELY resulting in a LOW risk. The Corporation continues to contract LP Meyers & Associates to continue with the assessment and maintenance of the parking garage.

## 5. FINANCIAL MATTERS:

The Corporation will incur costs as a result of the orders issued by the Ministry of Labour. The Operations Department has secured the services of LP Meyer & Associates an outside consultant to conduct the required assessment of the parking garage into the effectiveness of the rainwater pipes/drains that are located in the City of Windsor Parking Garage #2 parking structure.

The Corporation will incur additional costs in completing the required repair work on the unit currently leased to Canada South Festival Network. The estimation costs of all assessments and work completed for this worksite will be approximately \$3000.00. At the time of this report exact costs were not fully reported. All costs, including assessment and repairs, will be covered within the Public Works Budget.

## 6. CONSULTATIONS:

John Wolf, Manager Traffic Operations  
Bob Godin, Supervisor On/Off Street Parking

5 of 11


32 of 40


Shelby Askin Hager, City Solicitor  
Julie Ryckman, Acting Manager of Organizational Development & Occupational Health & Safety  
Kimberley Brown, Acting Supervisor of Occupational Health & Safety  
John Lepera, Inspector, Ontario Ministry of Labour  
Brian Sanders, Professional Staff Services Engineer, Ontario Ministry of Labour  
Doug Brink, Ontario Ministry of Labour

**7. CONCLUSION:**

The Corporation must take all necessary steps to achieve compliance with the Ministry of Labour orders identified within Field Visit Report ID # 0128HSLN671 by the extended compliance date of **November 15<sup>th</sup> 2014**. Achieving compliance will enhance worker and commercial space tenant safety and protect the Corporation and its representatives from the possibility of fines and charges in relation to the contraventions of the Occupational Health and Safety Act cited in the above Ministry of Labour orders.

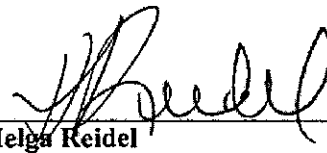
  
\_\_\_\_\_  
**Kimberley Brown**  
Supervisor of Occupational Health & Safety  
(Acting)

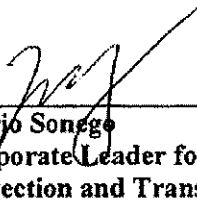
  
\_\_\_\_\_  
**Valerie Critchley**  
City Clerk/Licence Commissioner and  
Corporate Leader Public Engagement and  
Human Services

  
\_\_\_\_\_  
**Julie Ryckman**  
Manager of Organizational Development &  
Occupational Health & Safety (Acting)

  
\_\_\_\_\_  
**Shelby Askin Hager**  
City Solicitor

  
\_\_\_\_\_  
**Vincenza Mihalo**  
Executive Director of Human Resources

  
\_\_\_\_\_  
**Helga Reidel**  
Chief Administrative Officer

  
\_\_\_\_\_  
**Mario Songge**  
Corporate Leader for Environmental  
Protection and Transportation

  
\_\_\_\_\_  
**Robert Carruthers**  
Occupational Health & Safety Advisor

**APPENDICES:**  
Ministry of Labour OHS Case ID 1248HSDQ659  
Ministry of Labour Field Visit ID 1248HSLN671  
Ministry of Labour Orders to the Corporation of the City of Windsor issued October 14, 2014  
Garage #2 Report LP Meyer & Associates C14375

**DEPARTMENTS/OTHERS CONSULTED:**  
N/A

**NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX

Ministry  
of  
Labour **Safe At Work**

Operations Division Occupational  
Health and Safety



Page 1 of 3

OHS Case ID: 01248HS0457  
Field Visit no: 01248HS1N471  
Visit Date: 2014-OCT-14  
Field Visit Type: FOLLOW-UP  
Workplace Identification: CANADA SOUTH FESTIVAL NETWORK  
Notice ID:

440 PELLISSIER STREET, WINDSOR, ON, CANADA N9A 4K7

Telephone: (819) 971-0930  
JHSC Status: Inactive  
Work Force #: 2  
Completed %:

Persons Contacted: SHARON JARVIS-BOOKKEEPER, RITA ORDEGON-DIRECTIVE DIRECTOR, KIMBERLY BROWN-CITY OF WINDSOR A CITY  
HEALTH & SAFETY SUPERVISOR, BOB WILLIAMS-BOARD MEMBER, ACCOMPANIED BY BRIAN SANDER, MCI  
PROFESSIONAL STAFF SERVICES ENGINEER & DRUG MINK-MCI

Visit Purpose: INSPECTION-CITY OF WINDSOR PARKING GARAGE #2

Visit Location: 440 PELLISSIER ST. (WINDSOR)

Visit Summary: PARKING GARAGE INITIATIVE- PELLISSIER PARK PARKING GARAGE, THE CITY OF WINDSOR; PARKING GARAGE # 2

Detailed Narrative:  
This field visit was carried out to discuss water leaks that have occurred on the main floor of the east side of the office of Canada South Festival Network, located at 440 Pellissier St. The undersigned inspector was accompanied by Mr. Brian Sander, Ministry of Labour Specialized Professional Services Engineer.

The following engineering comments are provided by Mr. Sander:

It was reported that there had been water leaking near the rear exit of Canada South Festival Network. Upon visual inspection, some ceiling tiles had water stains as well as some damage to the (east side) back wall's drywall and the insulation in the ceiling space where the drainage piping comes into this business, adjacent to the back closet. Further inspection was completed above the space on the first parking level and there was some water ponding in close proximity to the drainage piping. There visually appeared to be no major cracking or spalling of the concrete in the vicinity of the drainage piping. Further assessment of the drainage piping shall be completed by an expert on behalf of the owner to determine the root cause of the leaking and remediate as instructed by their expert.

Due to IT information technology issues, this report was not able to be completed on today's visit-October 14, 2014. The report will be delivered and explained on October 16, 2014.

2 orders have been issued under the authority of the Occupational Health & Safety Act. Send notice of compliance to the Ministry of Labour after compliance to the orders have been achieved. Post a copy of this report at a conspicuous location of the workplace, where it is most likely to come to the attention of the workers.

Recipient	Inspector Data	Worker Representative
Name: <i>Kimberly Brown</i> Acting supervisor of Occupational Health & Safety	JOHN LEFERA OCCUPATIONAL HEALTH & SAFETY INSPECTOR PROVINCIAL OFFENCES OFFICER 4510 Rhodes Drive, Suite 610 Windsor, ON N9W 3K8 Tel: 819-977-8181 Fax: 819-258-1221	Name: <b>NOT REQUIRED</b> Title:
Signature: <i>[Handwritten Signature]</i>	Signature: <i>[Handwritten Signature]</i>	

You are responsible for the Occupational Health and Safety Act to post a copy of this report in a conspicuous place of the workplace and provide a copy to the health and safety committee or the joint health and safety committee if one exists. Failure to comply with an order, direction or requirement of an inspector is an offence under section 64 of the Occupational Health and Safety Act. You have the right to appeal any order or direction within 30 days of the date of the order issued and to request suspension of the order or direction by filing your appeal (prescribed in writing on the appropriate form) with the Ontario Labour Relations Board, 330 University Ave., 2nd floor, Toronto, Ontario M5G 1S2. You may also contact the Board by phone at (416) 326-7220 or 1-877-389-6226 (toll-free), or at its website of <http://www.ohrbo.org/ontario/ohs-appeals.htm> for more information.

Operations Division Occupational Health and Safety

OHS Case ID: **01248HSDG651** Visit Date: **2014-OCT-14** Field Visit Type: **FOLLOW-UP**  
 Field Visit no: **01248HSLN671**  
 Workplace identification: **CANADA SOUTH FESTIVAL NETWORK** Notice ID:  
**440 PELLISSIER STREET, WINDSOR, ON, CANADA N9A 4K9**

Order(s) / Requirement(s) issued to:  
 For: **CORP OF THE CITY OF WINDSOR, THE** Org./Ind Role: **Owner**

Mailing Address:  
**380 CITY HALL SQ W, WINDSOR, ON, CA N9A 6S1**

Order(s) / Requirement(s) Description:  
 You are required to comply with the order(s) / requirement(s) by the dates listed below.


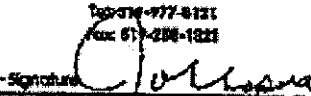
No	Type Code	Acting	Year	Sec.	Sub Sec.	Clause	Text of Order/Requirement	Comply by Date
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1	Time 01248HSDG651	OHS	1990	25	1	b	An employer shall ensure that, (b) the equipment, materials and protective devices provided by the employer are maintained in good condition.	2014-NOV-06
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NOTE: Order is specific to the east side of the main office located at 440 Pellissier St. which included ceiling tiles, drywall, and other building materials, that were observed to be damaged by water leaks from the overhead parking garage structure.

2	Remt 01248HSLN673	OHS	1990	54	1	f	An inspector may, for the purposes of carrying out his or her duties and powers under this act and the regulations, (f) require in writing an employer to cause any tests described in clause (e) to be conducted or taken, at the expense of the employer, by a person possessing such special expert or professional knowledge or qualifications as are specified by the inspector and to provide, at the expense of the employer, a report or assessment by that person;	2014-NOV-05
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NOTE: The owner shall complete an assessment to determine the root cause of water leaks that is occurring at the east side main floor office of

Recipient	Inspector Data	Worker Representative
Name: _____	JOHN LEFEBVA OCCUPATIONAL HEALTH & SAFETY INSPECTOR PROVINCIAL OFFENCES OFFICER 4510 Brockton Drive, Suite 410 Windsor, ON N9W 5K5 Tel: 519-977-8121 Fax: 519-226-1822	Name: _____
Title: _____		Title: _____
Signature: 	Signature: 	Signature: _____

You are required under the Occupational Health and Safety Act to post a copy of this report in the workplace and provide a copy to the Health and Safety representative of the workplace or safety committee if any. Failure to comply with this order or declaration within 30 days of the date of this order issued and to request suspension of the order or declaration is an offence under section 64 of the Occupational Health and Safety Act. You have the right to appeal this order or declaration to the Ontario Labour Relations Board (OLRB) within 30 days of the date of this order or declaration by filing your appeal and request in writing on the appropriate forms with the Ontario Labour Relations Board, 520 (Brimley) Ave., 2nd Floor, Toronto, Ontario M5G 2B1. You may also contact the Secretary phone at (416) 594-7520 or (416) 594-5535 (Toll Free), mail or by website at <http://www.ohs.gov.on.ca/english/consultation/consultation.htm>

Operations Division Occupational Health and Safety

OH3 Case ID: **DL248HSDQ689** Visit Date: **2014-OCT-14** Field Visit Type: **FOLLOW-UP**  
 Field Visit no: **DL248HSLN471**  
 Workplace Identification: **CANADA SOUTH FESTIVAL NETWORK** Notice ID:  
**440 PELLISSET STREET, WINDSOR, ON, CANADA N9A 4K9**

Order(s) / Requirement(s) issued to:  
 To: **CORP OF THE CITY OF WINDSOR, THE** Org/Ind Role: **Owner**


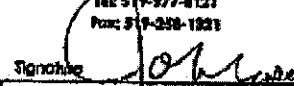
Mailing Address:  
**350 CITY HALL SQ W. WINDSOR, ON, CA N9A 6S1**

Order(s) / Requirement(s) Description  
 You are required to comply with the order(s) / requirement(s) by the dates listed below.

No	Type	Acting	Year	Sec.	Sub	Clause	Text of Order/Requirement	Comply by Date
	Code							

Canada South Festival Network, located at 440 Pellisset St., Windsor, Ontario.

The effectiveness of the applicable stormwater drain pipes/drains that are located in the City of Windsor Parking Garage # 2 parking structure shall be included in the assessment. The assessment shall be completed by a person with knowledge in parking garage drainage.

Recipient	Inspector Data	Worker Representative
Name _____	<b>JOHN LEHSA</b>	Name _____
Job _____	<b>OCCUPATIONAL HEALTH &amp; SAFETY INSPECTOR</b>	Job _____
	<b>PROVINCIAL OFFENCES OFFICER</b>	
	<b>4510 Rhodes Drive, Suite 610</b>	
	<b>Windsor, ON N9M 5R5</b>	
	<b>Tel: 519-977-8123</b>	
	<b>Fax: 519-258-1921</b>	
Signature: 	Signature: 	Signature _____

You are required under the Occupational Health and Safety Act to post a copy of this report in a conspicuous place of the workplace and provide a copy to the health and safety representative or the health and safety committee. You also have the right to appeal any order or decision within 30 days of the date of the order issued and to request suspension of the order or decision by filing your appeal and request in writing on the appropriate forms with the Ontario Labour Relations Board, 426 University Ave., 2nd Floor, Toronto, Ontario M5G 3P1. You may also contact the Board by phone at (416) 316-7300 or (1-877-509-3538) toll free, or by website at <http://www.ohsrb.gov.on.ca/english/about/faq.html>.

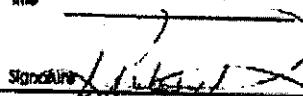
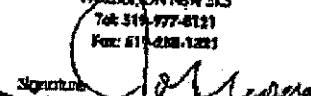
Operations Division Occupational Health and Safety

OHS Case ID: 01348HSD0659  
 Field Visit no: 01348HSLP674  
 Visit Date: 2014-OCT-18  
 Field Visit Type: FOLLOW-UP  
 Workplace Identification: CANADA SOUTH FESTIVAL NETWORK  
 Notice ID:  
 440 PELLISSIER STREET, WINDSOR, ON, CANADA N9A 4K9

Telephone: (519) 977-8150  
 JHSC Status: Inactive  
 Work Force #: 2  
 Completed %:

Persons Contacted: RITA OSSINGTON-EXECUTIVE DIRECTOR-NOT AVAILABLE; KIMBERLY BROWN-CITY OF WINDSOR ACTING HEALTH & SAFETY SUPERVISOR; BOB WILLIAMS-BOARD MEMBER-NOT AVAILABLE; ACCOMPANIED BY DOUG BEECH-BOC 1 BOB GODAL-JKSC  
 ALAN RFP  
 JAMES SMITH  
 JESSE WALKER RFP  
 Visit Purpose: DELIVER & EXPLAIN REPORT;  
 Visit Location: 440 PELLISSIER ST. (WINDSOR)  
 Visit Summary: PARKING GARAGE INFRINGEMENT- PESTER PARK PARKING GARAGE; THE CITY OF WINDSOR; PARKING GARAGE 4

Detailed Narrative:

Recipient	Inspector Data	Worker Representative
Name	<b>JOHN LIPORA</b> OCCUPATIONAL HEALTH & SAFETY INSPECTOR PROVINCIAL OFFENCES OFFICER 4570 Rhodes Drive, Suite 410 Windsor, ON N9W 5K5 Tel: 519-977-8121 Fax: 519-258-1221	Name <u>NOT REQUIRED</u>
Title		Title
Signature 	Signature 	Signature

The undersigned, under the Occupational Health and Safety Act, has a duty to post a copy of this report in conspicuous places of the workplace and provide a copy to the health and safety representative or the health and safety committee if any. Failure to comply with this section, or with any other provision of the Act, is an offence under section 46 of the Occupational Health and Safety Act. You have the right to appeal any order or decision within 30 days of the date of the order or decision and to request suspension of the order or decision. For more information on the appropriate forms, visit the Ontario Labour Relations Board, 805 University Ave., 2nd Floor, Toronto, Ontario M5G 1S1. You may also contact the Board by phone at 416-326-2339 or 416-326-2333 (toll-free), post or by website at <http://www.olsrb.on.ca/eng/olr/olrmainpage.htm> for more information.

## APPENDIX 'C'

### Pelissier Street Vacancy Survey (storefront)

February 12, 2015

Total Storefronts – 36 (Does not include commercial units in Municipal Parking Garage)

Total Storefronts Occupied – 25 (69.4%)

Total Storefronts Vacant – 11 (30.6%)

	<b>Address</b>	<b>Status</b>
1)	405	Occupied
2)	411	Occupied
3)	415	Occupied
4)	419	Occupied
5)	423	Occupied
6)	429	Vacant
7)	435	Vacant
8)	441	Vacant
9)	445	Occupied
10)	455	Occupied
11)	469	Vacant
12)	472	Vacant
13)	477	Vacant
14)	480	Vacant
15)	484	Vacant
16)	485	Occupied
17)	490	Occupied
18)	494	Occupied
19)	492	Occupied
20)	504	Occupied
21)	510	Occupied
22)	511	Occupied
23)	520	Occupied
24)	530	Occupied
25)	532	Occupied
26)	531	Vacant
27)	536	Vacant
28)	540	Occupied
29)	550	Occupied
30)	551	Occupied
31)	553	Occupied
32)	555	Occupied
33)	557	Vacant
34)	559	Occupied
35)	563	Occupied
36)	567	Occupied

**APPENDIX 'D'**

**Pelissier Street Parking Garage - Financial Comparison of Alternatives\***

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
<u>Initial Investment</u>			
Parking Garage	\$ -	\$ (507,000)	\$ (335,000)
Commercial/Rental Units	(1,852,000)	-	(994,500)
Total Initial Investment	<u>\$ (1,852,000)</u>	<u>\$ (507,000)</u>	<u>\$ (1,329,500)</u>

Net Annual Operating Cash Flows

Annual Base Rent Revenue (14,250sq. ft. x 60% x \$8/sq. ft.)	\$ 68,400	\$ -	\$ -
Annual Base Rent Revenue (7,650sq. ft. x 60% x \$8/sq. ft.)	-	-	36,720
Less: Estimated Annual Expenses			
Property Taxes	(18,287)	(6,950)	(13,028)
Repairs	(10,000)	(1,000)	(5,000)
Utilities	(3,500)	(5,500)	(4,200)
Net Annual Operating Cash Inflows/(Outflows)	<u>\$ 36,613</u>	<u>\$ (13,450)</u>	<u>\$ 14,492</u>

Maintenance (waterproofing)

Year 3	(60,000)	-	(60,000)
Year 6	(60,000)	-	(60,000)
Year 9	(60,000)	-	(60,000)
Year 12	(60,000)	-	(60,000)

Net Present Value (NPV) Summary

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
Initial investment	(1,852,000)	(507,000)	(1,329,500)
Present Value (PV) of net annual operating cash flows	470,450	(172,823)	186,212
Present Value (PV) of maintenance (waterproofing)			
Year 3	(56,539)	-	(56,539)
Year 6	(53,278)	-	(53,278)
Year 9	(50,205)	-	(50,205)
Year 12	(47,310)	-	(47,310)
Total Net Present Value (NPV)	<u>\$ (1,588,882)</u>	<u>\$ (679,823)</u>	<u>\$ (1,350,621)</u>

\* Options evaluated over 15 year period at 2% discount rate.

Item No. 8

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Office of the City Solicitor – Legal Services Division**



**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, business and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."*

<b>LiveLink REPORT #: 17954 APM2015</b>	<b>Report Date: 14 September 2015</b>
<b>Author's Name: Shelby Askin Hager</b>	<b>Date to Council: October 5, 2015</b>
<b>Author's Phone: 519 255 6100 ext. 6424</b>	<b>Classification #:</b>
<b>Author's E-mail: shager@city.windsor.on.ca</b>	

**To:** Mayor and Members of City Council

**Subject:** Expression of Interest for Pelissier Street Parking Garage

**1. RECOMMENDATION: City Wide: Ward(s): 3**

- I. That the Terms of Reference outlined in this report **BE APPROVED** by Council for issuance in an Expression of Interest process

**2. BACKGROUND:**

On June 15, 2015, City Council heard the report of the Leasing Administration department respecting the future of the ground-level commercial units in the Pelissier Street Parking Garage (the "Garage"). Administration had recommended the conversion of the units back to parking given the challenges posed by water infiltration and vacancy issues. In consideration of neighbourhood concerns and the desire to maintain commercial presence along that portion of Pelissier Street, Council directed that Administration return with proposed terms of reference to support an expression of interest ("EOI") for the renovation, maintenance, and operation of the ground level commercial units.

CR116/2015 directed as follows:

“CR116/2015

That the report of the City Solicitor dated March 25, 2015 entitled “Pelissier Street Parking Garage – Ground Level Commercial Rental Units” **BE RECEIVED** for information; and further,

That Administration **BE DIRECTED** to prepare a report for Council’s consideration on criteria for an Expression of Interest of the lease of the commercial space at the Pelissier Street Parking Garage, with the final parameters of the Expression of Interest to be set by Council.”

### **3. DISCUSSION:**

#### *Council Direction*

By CR116/2015, Council directed that Administration propose terms of reference for an EOI for the management and operation of the ground-level commercial space. The key aspects of this role were to include:

- Completion of all necessary waterproofing and water diversion (troughing) work inside of the units on the underside of the garage floor, in accordance with the City’s specifications
- Completion of all necessary repair and refurbishment of the ground-level commercial suites, including bringing all units in compliance with all applicable legislation
- Maintenance of the commercial suites and waterproofing within the ground level
- All ‘landlord’ obligations related to marketing, leasing, management and oversight of the ground-level commercial units

#### *Expression of Interest*

An EOI is an information-gathering tool that gauges public interest in participating in an opportunity through a non-binding process that allows parties to submit proposals for consideration and further action. The City’s form of EOI includes a list of mandatory subjects to be addressed, and a scoring mechanism. Unlike an RFP or a tender, no legal contract is created by issuing or responding to an EOI, but the outcome of the process generally leads to negotiations for a formal agreement based on the contents of the EOI.

The EOI is evaluated against pre-established criteria by an evaluation committee selected to provide a cross-section of expertise in relevant areas. Each evaluator will review the submissions and grade each aspect separately. The evaluation team will then conduct meetings facilitated by the purchasing department in order to reach consensus on all scoring. The highest scoring proposal is then presented to Council as the recommended submission. As noted above, the EOI does not create the same legal obligations as the RFP or tender but creates an orderly framework for evaluation and decision-making.

Public purchasing activities are administrative and not political in nature, as highlighted by Madam Justice Bellamy in her inquiry into the Toronto computer leasing scandal, and accordingly the review and evaluation process is conducted by administration. The City follows the most current best practices in procurement activity, adhering strictly to the Purchasing Bylaw which was developed in consideration of the Ontario Broader Public Sector Procurement Directive. This is a provincial directive prescribing standards for public procurement practice.

### ***Agreement Structure***

The Garage was constructed in 1979. In 1983, Council approved a lease to C. Mady Leaseholds Ltd. ("Mady") under which Mady constructed eight commercial units comprising about 14,250 square feet of retail and commercial space. The 20-year lease terminated in 2004. At that time, Mady determined that it did not wish to renew the lease, and the City took over the units as the owner of the building.

While the EOI will provide for flexibility and negotiation, it would be based on a twenty-year lease agreement with an option to renew for a further ten year renewal, subject to agreement on financial terms, provided the tenant remains in good standing. The lease would be fully net to the City, meaning the tenant would be required to pay all taxes, levies, utilities, operation and maintenance charges incurred by the venture, and the City would incur no costs. Revenue sharing on the units would be included in the lease document.

The City would continue to operate and maintain the parking structure, exclusive of the commercial units, and would also maintain the waterproof membrane on the garage floor of level 1.

### ***Terms of Reference:***

Given the particular challenges posed by the Garage space, as well as Council's vision for the area, the potential tenant would need to exhibit certain characteristics in order to be considered a viable operator for the space. Accordingly, Administration recommends that the EOI contain the following:

- History of proponent operations and prior comparable experience
- Renovation plan for the refurbishment of the units
- Conceptual plan for the development of the units, including the observation of Council's vision for inviting, pedestrian-friendly, commercial space which enhances the street experience
- Marketing and business plan
- Financial stability and plan
- Revenue sharing proposal

In order to assess each proposal, the following evaluation criteria and weights are proposed:

History and Experience	20
Concept Plan	10
Renovation Plan	10
Marketing and Business Plan	20
Financial stability and plan	30
Revenue Sharing	10

The project requires a considerable initial capital outlay, and the current vacancy rates in the core indicate the need for significant financial stability and experience to allow this project to develop. Marketing and business plans are derived from these two primary areas. While the concept and plan to renovate are important, there is significant room to negotiate these issues. Revenue does have relevance to the exercise, but it would not appear to be a primary driver and as such, is not accorded significant weight.

Following Council direction on the parameters of the EOI, the formal document will be developed and issued before the end of October. Submissions will be received in November and evaluated in December, with a recommended proposal anticipated to be presented in January. The timelines may be affected by proponent requests for additional time, as well as the number and complexity of the proposals to be reviewed.

#### **4. FINANCIAL:**

The financial aspects of the current Garage operation are outlined in the June report. The EOI will include a request for a financial proposal, as well as evidence of financial stability and the ability to make required repair investments.

There are no further financial impacts as a result of this report; the ultimate outcome of the EOI will require full financial analysis, as will any negotiated agreement.

#### **5. RISK CONSIDERATIONS:**

There are no risks associated with accepting this report.

#### **6. CONSULTATIONS:**

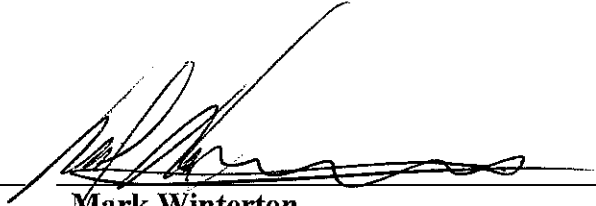
John Wolf  
Tom Graziano  
Thom Hunt

**7. CONCLUSION:**

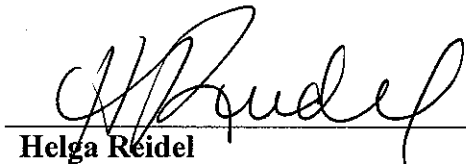
Council has directed Administration to propose parameters for an EOI to find a tenant to take over the maintenance and management of the ground-floor commercial spaces, in similar format to the Mady arrangement which terminated in 2004. If the parameters are accepted, an EOI will be issued by Administration.



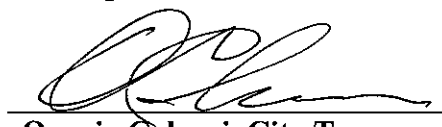
**Shelby Askin Hager**  
**City Solicitor and Corporate Leader,**  
**Economic Development and Public Safety**



**Mark Winterton**  
**City Engineer and Corporate Leader**  
**Environmental Protection and**  
**Transporation**



**Helga Reidel**  
**Chief Administrative Officer**



**Onorio Colucci, City Treasurer and Chief**  
**Financial Officer/Corporate Leader Finance**  
**and Technology**

**APPENDICES:**  
**Council Report #17284 dated March 25 2015 (Mayor and Council only)**

**DEPARTMENTS/OTHERS CONSULTED:**

**Name:**  
**Phone #:**

<b>NOTIFICATION :</b>				
Name	Address	Email Address	Telephone	FAX
Downtown Windsor BIA c/o Debi Croucher	debi@downtownwindsor.ca			



# Notice of Retail Space for Lease

## **PELISSIER STREET PARKING GARAGE STREET LEVEL RETAIL SPACE FOR LEASE**

The City of Windsor is offering a long term lease to an interested party to take over all of the street level retail space (approximately 14,250 square feet) in the Pelissier Street Parking Garage, located at the southeast corner of Pelissier Street and Park Street West. The space is to be used for retail purposes and can be divided for sublease as desired.

The City will provide a remediated, unfinished, base building. The City will complete mould abatement where needed, waterproofing, replace air handling units and repair exterior windows, doors and flashing. All other improvements will be at the sole cost of the interested party.

Offers must be received no later than 4:00 p.m. on **Friday, September 2, 2016**. No late offers will be accepted.

For further information and an appointment to view the site please contact:

- Tony Sabelli (Asset/Lease Administrator) at 519-255-6100 ext. 6420 [tsabelli@citywindsor.ca](mailto:tsabelli@citywindsor.ca)
- or
- Frank Scarfone (Manager, Real Estate Services) at 519-255-6100 ext. 6855 [fscarfone@citywindsor.ca](mailto:fscarfone@citywindsor.ca)



TTY: 1-866-488-9311

[www.citywindsor.ca](http://www.citywindsor.ca)

BY-LAW NUMBER 181-2016

A BY-LAW TO CONFIRM PROCEEDINGS OF THE COUNCIL OF THE CORPORATION OF THE CITY OF WINDSOR AT ITS MEETING HELD ON THE TWENTY-EIGHTH DAY OF NOVEMBER, 2016

Passed the 28<sup>th</sup> day of November, 2016.

**WHEREAS** it is deemed expedient that the proceedings of the Council of The Corporation of the City of Windsor at this meeting be confirmed and adopted by by-law;

**THEREFORE** the Council of the Corporation of the City of Windsor enacts as follows:

1. The action of the Council of The Corporation of the City of Windsor in respect to each recommendation contained in the Report/Reports of the Committees and the local Boards and Commissions and each motion and resolution passed and other action taken by the Council of The Corporation of The City of Windsor at this meeting is hereby adopted and confirmed as if all such proceedings were expressly in this by-law.
2. The Mayor and the proper officials of The Corporation of the City of Windsor are hereby authorized and directed to do all things necessary to give effect to the action of the Council of The Corporation of the City of Windsor referred to in the preceding section hereof.
3. The Mayor and the City Clerk are authorized and directed to execute all documents necessary in that behalf and to affix thereto the seal of The Corporation of the City of Windsor.

This by-law shall come into force and take effect on the day of the final passing thereof.

DREW DILKENS, MAYOR

CITY CLERK

First Reading - November 28, 2016  
Second Reading - November 28, 2016  
Third Reading - November 28, 2016