

CITY OF FORT SASKATCHEWAN

Canadian Northern Railway Station Lease Space

Motion:

That the Canadian Northern Railway Station space formerly leased by the Fort Saskatchewan Chamber of Commerce be converted to public meeting room rental space at a cost not to exceed \$2,600, funded from the Financial Stabilization Reserve.

Purpose:

To provide Council with options for use of the space at the Canadian Northern (CN) Railway Station that was formerly leased by the Fort Saskatchewan Chamber of Commerce.

Background:

The Fort Saskatchewan Chamber of Commerce began leasing space at the CN Station in 1992 when restoration of the Station was completed. The lease space included:

- reception area
- office area
- common areas (washrooms, hallways, storage)

In 2016, the Chamber of Commerce paid an annual lease of \$13.79 per sq. ft. Included in the lease agreement was:

- free use of meeting space in the CN Station (up to 300 hours);
- storage in the basement; and
- parking.

On December 12, 2016, the Chamber of Commerce informed Administration that they would not be renewing their lease that was ending on December 31, 2016.

Administration has explored four options for the space formerly leased by the Chamber of Commerce which are detailed below:

Option 1: Public Meeting Room Rental Space

The City has a limited number of room rental spaces available and the space formerly occupied by the Chamber of Commerce could be turned into another public meeting room rental space.

The combined reception and office space totals 407 sq. ft. and has a room capacity of up to 25 people. For the area to be used as a rental space, a TV for meeting presentations and some furniture for the room are required. The total cost is \$2,600.

Meeting spaces at the CN Station are currently self-serve. For the CN Station to be more accessible to users, it should be changed from self-serve to the same level of service as the NWMP Fort program space and West River's Edge Pavilion. This service level change can be accommodated within the Facilities Custodial budget.

Proposed fees for Station Room are:

Casual Booking \$ 19.50 per hour
 \$156.00 per day

Block Booking (10 times a year or more) \$ 14.23 per hour
 \$113.84 per day

This public meeting room rental space also provides the City with the most amount of flexibility. If another option or need within the City arises, the use can be changed quickly and easily.

With this option and to maximize their use, the two basement rooms that are used approximately 73.5 hours per year could be leased instead of used as public meeting rental space. A not-for-profit organization has expressed interest in a below market paid lease for both of the basement rooms. To ensure all not-for-profit organizations have the same opportunity to lease the basement rooms, a call for an Expression of Interest will be done.

In the call for an Expression of Interest, criteria used to determine the not-for-profit organization that is the best fit for the space would be:

- a not-for-profit organization that provides services to Fort Saskatchewan;
- the use of the space and the compatibility with the tourism goals of the City;
- the value the organization would bring to the Fort Heritage Precinct; and
- the value the organization would bring to the Fort Saskatchewan community.

Option 2: Lease the Space Commercially

The second option is to lease the space to a for-profit organization. There are a number of challenges with this leasing option:

- the building is isolated from other developments that bring people to a business;
- the space is quite small at just over 400 sq. ft.;
- the space is not easily wheelchair accessible; and
- the City would be competing with other businesses currently leasing space in the downtown area.

Option 3: Lease the Space to a Not-For-Profit

The third option is to lease the space to a not-for-profit organization. At the same rate as the previous tenant, the annual lease cost would be \$6,882.29, plus GST based on approximately 407 sq. ft. for the office and 92 sq. ft. of common space.

Leasing to a not-for-profit organization has the potential to tie-in with the tourism element of the Fort Heritage Precinct, celebrate the history of the building, and have the building open to the public on a more regular basis.

The challenge with this option is finding a not-for-profit organization that requires that amount of space and has the funding available to pay a monthly lease rate.

Option 4: Fort Heritage Precinct Exhibit Space

The fourth option is to use the area as exhibit space for the Fort Heritage Precinct. In the 10 Year Guiding Document for the Historic Precinct, the plan calls for more integration of the 1905 CN Station into the Fort Heritage Precinct site interpretation. Turning the space into a permanent exhibit would help make the CN Station a key feature of the tour. The exhibit could tell the story of the train and its impact on the community, agriculture, and industry.

The challenge with this option is the time and resources required to build an exhibit. It would take nine months to a year to research, build, and install a new exhibit at a cost between \$60,000 and \$100,000, depending on the interactivity of the exhibit. The exhibit space is a good option for the future, but cannot be accommodated currently.

Plans/Standards/Legislation:

10 Year Guiding Document for the Historic Precinct

Financial Implications:

The cost would be \$2,600 for furniture and equipment, funded from the Financial Stabilization Reserve, to furnish the space for public meeting room rentals.

Internal Impacts:

Moving the CN Station from a self-serve facility to a custodial served facility has minimal impact on Facilities Services. The impact can be accommodated in the current budget.

Recommendation:

That the Canadian Northern Railway Station space formerly leased by the Fort Saskatchewan Chamber of Commerce be converted to public meeting room rental space at a cost not to exceed \$2,600, funded from the Financial Stabilization Reserve.

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Reviewed by:	Troy Fleming Acting City Manager	Date: March 23, 2017
Submitted to:	City Council	Date: March 28, 2017