

Recommendations

- (1) That the Infrastructure and Planning Committee recommends that Council authorize the following proposed lease:

- (a) Property:

Portion of:

PLAN CALGARY 2113JK

BLOCK ONE (1)

CONTAINING TWO HUNDRED AND FIFTEEN AND EIGHTY-FOUR HUNDREDTHS (215.84)

ACRES MORE OR LESS

EXCEPTING THEREOUT:

HECTARES (ACRES) MORE OR LESS

A) PLAN 3989JK ROAD 0.389 0.96

B) PLAN 0113558 ROAD 0.103 0.25

EXCEPTING THEREOUT ALL MINES AND MINERALS

and

PLAN 8911708

BLOCK 4

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 6.2 HECTARES (15.32 ACRES) MORE OR LESS

Comprising 181.03 acres, more or less, as more particularly shown cross-hatched in red on the site map (Attachment 2).

Municipally known as 2502 6 ST NE, Calgary, Alberta

For clarity, the approximately 1.105 hectares (2.73 acres) storm pond area will be surrendered from the Property's lease area and the Base Rent will be adjusted accordingly to reflect the reduced storm pond area.

- (b) PARTIES:

Landlord: The City of Calgary (the "Landlord")

Tenant: The Winston Golf Club Ltd. (the "Tenant")

- (c) TERM AND COMMENCEMENT DATE:

Twenty (20) years commencing on 1st day of March 2024.

- (d) CONSIDERATION:

- (i) Year 1 to 5:

\$164,732.75 plus G.S.T. per year payable in advance in equal quarterly instalments of \$41,183.19 beginning on the Commencement Date

Year 6 to 10:

\$176,264.04 plus G.S.T. per year payable in advance in equal quarterly instalments of \$44,066.01 beginning on the 1st day of March, 2029

Year 11 to 15:

\$188,602.53 plus G.S.T. per year payable in advance in equal quarterly instalments of \$47,150.63 beginning on the 1st day of March, 2034

Year 15 to 20:

\$201,804.70 plus G.S.T. per year payable in advance in equal quarterly instalments of \$50,451.18 beginning on the 1st day of March, 2039
(collectively the "Base Rent").

For clarity, the Tenant will be given three (3) months of free rent periods from April 1, 2024, to June 30, 2024, for granting the Landlord access to complete construction of a maintenance access road and storm pond on the Property.

(e) PERMITTED USES:

Operating and maintaining a golf course with related facilities and amenities for the following purposes:

- (i) Operation of a golf course and outdoor driving range;
- (ii) Operation of a "pro" shop for the sale and rental of related sporting equipment;
- (iii) Operation of a restaurant and other food services facilities;
- (iv) Operation of a lounge;
- (v) Any additional uses to which the Landlord has given its prior written consent; and
- (vi) Ancillary purposes to those listed above.

(f) SPECIAL TERMS AND CONDITIONS:

- (i) Provided the Tenant is not in default of the lease, the Tenant to have three (3) options to renew for terms of ten (10) years each provided the Landlord determines the Property is not required for municipal purposes (for clarity, the first (1st) renewal period for ten (10) years will not be subject to municipal purposes), upon the same provisions except for the Base Rent shall be based upon the fair market rental value of the Property as at the exercise date by the Tenant of the options to renew as agreed upon by the Parties or failing agreement to be arbitrated, however, the Base Rent shall not be less than the Base Rent for the immediate preceding year
- (ii) Security Deposit: The security deposit the Landlord currently holds in the amount of Ten Thousand (\$10,000.00) Dollars shall remain as a security deposit until the termination or expiration of the Lease, the security deposit to be used by the Landlord as security for the Tenant performing its obligations under the Lease which includes but is not limited to the rehabilitation of the Property. Any unused portion of the security deposit will be returned to the Tenant at the expiration or early termination of the Term.
- (iii) The Base Rent shall be completely net to the Landlord and all expenses, costs, payments and outgoings incurred in respect of the Property shall, unless expressly stipulated in the Lease to the contrary, be borne by the Tenant so that the Base Rent herein reserved shall be absolutely net to the Landlord free and clear of all abatement, setoff or deduction for realty taxes, charges, rates, assessments, expenses, costs, payments, or outgoings of every nature arising from or relating to the Property or the their use and occupation by the

Tenant and the Tenant shall pay all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings.

- (iv) The Landlord and its employees, agents and contractors shall, at all times during the continuance of the Term or any renewals, have the right to access and cross over, at any time, the Property for the purpose of access to repair, operate and maintain water, sanitary and storm infrastructure to which the Landlord owns. The Landlord will endeavour to use the existing access roads or other routes in consultation with the Tenant to limit damage to the golf course infrastructure and minimize disruptions to golf course operations where reasonable in the opinion of the Landlord.
- (v) The Tenant shall comply with the Public Use Policy CSPS031 which may be amended or replaced by the Landlord from time to time.
- (vi) The Tenant shall at its sole cost and expense complete and provide the Landlord a Phase 1 environmental review required the earlier of:
 - (a) The Tenant submitting a development permit application for the construction and/or renovation of the clubhouse; or
 - (b) Five (5) years from the Commencement Date.
- (vii) The Tenant shall provide the Landlord with a copy of an Exit Environmental Site Assessment upon expiration or early termination of the Lease.
- (viii) If the Tenant remains in possession of the Property after the expiry of the term renewal term, if any, with the consent of the Landlord but without execution and delivery of a new lease or other agreement, there will be no tacit renewal or extension of the term or renewal term, as the case may be, and the Tenant will be deemed to be occupying the Property on a month-to-month basis, which tenancy may be terminated by either party on one month's written notice to the other party. The Tenant shall pay the Base Rent during such overholding period in advance in equal quarterly instalments, and the Base Rent will be equal to 150% of the quarterly amount of the Base Rent payable during the preceding year. Otherwise, the month-to-month tenancy will be on the same terms, covenants and conditions as in the lease agreement insofar as they are applicable, except any right of renewal and nothing contained in the lease agreement will be construed to limit or impair any of the Landlord's rights of re-entry or eviction or constitute a waiver thereof.
- (ix) The Tenant may grant a financial encumbrance, lien, or charge against their leasehold interest for in the Property to allow improvements, construction and renovations to the existing golf course and clubhouse and/or to allow for the construction of a new clubhouse and other facilities on the Property subject to the prior written approval and consent from the Landlord. As part of this financing, the parties shall enter into a Consent to Mortgage Agreement that is acceptable to the Landlord, the Tenant and the party providing financing. The Landlord will require additional internal corporate approval for any Consent to Mortgage Agreement.
- (x) All other terms and conditions will remain the same in the lease agreement dated 2001 July 1, between the Tenant and Landlord, subject to any updates to statutory acts or laws.
- (xi) The rights of the Tenant under the Lease shall be subordinate to any rights of the Landlord in the proposed storm pond, access road, and related interests, and the Tenant shall postpone its interest in the Property in favour of the Landlord's rights related to the proposed storm pond and access road.