



REPORT OF COUNCIL-IN-COMMITTEE

For City Council – December 13, 2021

Additional Item

From: Office of the City Clerk

Date: Monday, December 13, 2021

Title: Short-term Lease of Small Craft Aquatic Centre to Fredericton Homeless Shelter Inc.

Description:

Council-in-Committee, at its session held on December 13, 2021 considered an administrative report from the Manager of Real Estate which requested council approval of a short-term lease to Fredericton Homeless Shelter Inc. (“FHSI”) for the purposes of operating an “Out of the Cold” shelter from December-late April in the upstairs portion of municipally owned building located at 63 Brunswick Street, Fredericton, NB (Small Craft Aquatic Centre).

As Council is aware, there have been various iterations of Out of the Cold (“OTC”) facilities in recent winters. These facilities provide overnight accommodations for those who do not otherwise have an indoor place/shelter to sleep when established shelters, etc. are at maximum capacity. Obviously, this practice (“sleeping rough”) is extremely dangerous, particularly during harsh Canadian winters. Previous OTC facilities have only operated during the coldest winter months (generally, December to April).

In past years these were operated by private, non-profit entities. The John Howard Society of Fredericton and the Fredericton Downtown Community Health Centre operated an Out of the Cold Shelter at Bishop’s Court at 791 Brunswick Street in 2018. In 2019, John Howard purchased a building at 332 Brunswick St. and the Out of the Cold Shelter was moved there, where it operated again in winter 2020. This location is set to undergo renovations, therefore is said to not be a viable solution for the coming winter.

As a result of discussions with community housing partners particular to the operation of an “Out of the Cold Shelter” for this winter, Warren Maddox, Executive Director of Fredericton Homeless Shelters Inc., has agreed to temporarily leasing the upstairs portion of the property located at 63 Brunswick Street (Small Craft Aquatic Centre) for use as an “Out of the Cold Shelter” from December 2020 to late April 2021. This is being prepared as a last resort and the intent is that it would only be operationalized if all other available shelter spaces were occupied, and a need still existed.

Based on their experience, community housing partners have indicated the demand for Out of the Cold spaces will become clearer once the colder weather settles in. Staff

Form No.:	GOV-FRM-259	Service:	Community Leadership
Issue No.:	1.2	Issue Date:	06/11/10
Printed On:	December 13, 2021	©	May 25, 2001

have been working hard to prepare for this possibility, culminating in a proposed lease between FHSI and the City. Should this proceed, responsibility for funding of the operations remains with either the community or other levels of government. The funding has yet to be confirmed but looks promising. The City would cover the cost of utilities and perform required building improvements as its contribution towards the initiative. The majority of the improvements are to meet the requirements of the Office of the Fire Marshall and improve the safety of the City's asset for alternative uses in the future.

A copy of the draft lease is attached to this administrative report. As Council will note from the summary below as well as the lease itself, Staff have considered many factors, including insurance/liability, operational requirements, improvements required to get required approvals and render the space useable for this purpose.

Finally, it should be noted that Staff have also notified other users of the building, Second Nature and local boat clubs, regarding the plans for the facility.

The Lease

To summarize, the main elements of the lease are as follows:

1. Premises –the top floor of the Small Craft Aquatic Centre. As noted above, this space sits vacant through the winter months (and is typically winterized), however, it is heated and insulated and also includes two bathrooms and a small office. The premises are accessible by two separate stairwells leading to doors on the front and rear of the building. As part of the due diligence process by Staff, multiple site visits have occurred, including with the Office of the Fire Marshall (who has subsequently approved of the use of the space for the purpose of an OTC).
2. Term –
 - a. the lease is short term, from early December 2021 until late April 2022 (operational dates being confirmed). If poor spring weather requires a later closing date, the lease includes a provision that it can be operated in overhold on a month-to-month basis, however this is not anticipated and is only to keep that emergency option open.
 - b. Note: due to operational reasons (Staffing by FHSI and completing improvements required by Fire Marshall), it is likely that the actual operation of the facility will begin in early January, however, moving ahead with the lease will allow FHSI to get in to the building and prepare it for use in December
3. Rent – FHSI will pay a nominal rent of \$1.00 for the term. Recognizing the overall benefit to the community, FHSI's willingness to collaborate with the City at the last minute, and the City's role in addressing the underlying problems that lead to this scenario, Staff do not believe that this is a scenario where market rate would or should apply.

4. Operations – FHSI will be solely responsible for operations of the facility.
 - a. the plan is for the OTC to operate with 10 beds maximum, from 8 pm to 7:30 a.m. daily.
 - b. FHSI will be solely responsible for the day-to-day operation of the Facility and shall ensure that the Facility is adequately staffed and supervised at all times consistent with industry standard and legal requirements. S. 4(d)
 - c. FHSI shall ensure that the Premises are kept in a reasonable state of cleanliness and shall be responsible for any janitorial costs associated therewith.

5. Liability (Insurance/lease provisions)
 - a. in light of concerns over liability, Staff have worked with insurers for both the City (Cain Insurance) and FHSI (Wilson’s) to ensure that appropriate coverage is in place. FHSI will be required to maintain appropriate insurance, as determined, at all times. s. 4(f)
 - b. Further, the lease contains language indicating that the City shall not be liable or responsible in any way for any personal injury or death that may be suffered or sustained by the Tenant or any agent, employee, customer or guest of the Tenant or any other person who may be upon the Premises or for any loss or damage or injury to any property belonging to the Tenant or any agent, employee, customer or guest of the Tenant or to any other person incurred while such property is on the Premises. s. 6(d)
 - c. The lease also contains an indemnification provision whereby FHSI would “indemnify and save harmless the (City) in respect of all losses, damages, liabilities, fines, suits, claims, demands and actions of any kind for which the Landlord may become liable. s. 4(l)
 - d. The lease requires FHSI to have risk management protocols in place as well as an operation plan to address COVID 19 concerns. S. 4(c)

6. Building Improvements -- In order to ensure that the premises are suitable for this type of operation, City Staff met with representatives from the Office of the Fire Marshall on site. During that meeting, the Fire Marshall indicated that several modifications needed to be made to prepare the site for use.

As a result, the City has agreed to make (at City’s cost) the following building improvements to prepare it for this use:

- (i) install of fire-resistant doors that are satisfactory to the Office of the Fire Marshall;
- (ii) install a security window (plexi-glass or equivalent) on the door of the office in the Premises or replace the existing door with a new door with such security window;
- (iii) install security cameras, the number and location of which shall be agreed upon by the parties;
- (iv) install of smoke alarms to the satisfaction of the Fire Marshall;
- (v) install of lighting on main exterior door at the back of the Building;
- (vi) install a panic button at an appropriate location;

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(vii) install of a new “buzzer” to allow for entry to the Premises from the stairwell at the rear of the Building and an alarm on the front door facing the river.

7. Utilities – the City will pay the cost of utilities during the term, including electricity and water consumption.

8. Termination – either party may terminate the lease with 7 days notice.

The Committee directed that the following resolution be forwarded to City Council for consideration:

BE IT RESOLVED that the Council of the City of Fredericton hereby approves and authorizes the lease of the upper level of the building located at 63 Brunswick Street, Fredericton, NB (PID 75025445) to Fredericton Homeless Shelter Inc. for a term of approximately four (4) months beginning December 9, 2020, for \$1.00 and subject to other terms and conditions in the Lease, and authorizes the Mayor and City Clerk to execute the legal documents required to complete the transaction.