

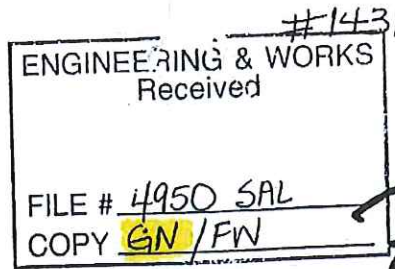
E - MAIL CORRESPONDENCE
City of Regina

TO: Larry Boyko; Brian Hamblin
FROM: A. R. Linner, City Manager
DATE: August 18, 2003
FILE: 6840 GEN
RE: Regina and District Food Bank

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CITY OF REGINA

Memo

August 13, 2003
File #: 4950/Winnipeg Street - 445

To: *City Manager*
Director, Corporate Services

Re: **Regina & District Food Bank Inc.**
Property at 2201 - 1st Avenue, Regina

As you are aware, there have been recent discussions regarding the potential acquisition of the old Dairy Producers on Winnipeg Street by the Regina & District Food Bank Inc. I have now been informed by Ed Bloos that the property acquisition is proceeding, and is expected to close within the foreseeable future.

Regardless whether the proposed acquisition finalizes, the Food Bank has officially requested that the City of Regina remove its caveat from the title of the existing property on 1st Avenue. The caveat that was registered was intended to protect the City's rights in regards to the sale of the subject property to the Food Bank, and referenced the actual sales agreement. The particular portion of the agreement that is in now under discussion is as follows:

8. **REVERSIONARY INTEREST/RIGHT OF FIRST REFUSAL**

In the event that the Purchaser:

- (a) *ceases to use the Land for the purposes of a food bank or substantially changes the type of operation;*
- (b) *ceases to operate entirely;*
- (c) *loses its corporate status;*
- (d) *declares bankruptcy or enters into receivership; or*
- (e) *decides to offer the Land for sale or entertains an offer from a third party;*

the Purchaser shall promptly give notice of the event to the City and shall make the Land available to the City for purchase at the same price as paid under this Agreement, less the cost of removing any encumbrances on the title. The City shall have three months upon receipt of the notice to purchase the Land.

You will recall that the Food Bank initially agreed to pay the sum of \$283,000 towards the purchase of the property, but was later relieved of that obligation by City Council. The City, in the end, provided the \$850,000 property to the Food Bank as a total contribution to their operations.

In your memorandum of March 3, 2003, you reviewed the various potential issues related to the Food Bank's current and proposed properties, and indicated that you could support in principle waiving the reversion rights. This would allow the Food Bank to take advantage of the City's initial contribution as value to them at the new site. Do you continue to provide that support in principle regardless of whether they proceed with the acquisition of the Winnipeg Street property? Or, is your support only to be provided if they are acquiring this new property?

You further indicated that the actual removal of the caveat and cancellation of the reversion rights would have to be approved by Committee and Council. Should I proceed with the preparation of a report recommending this to the Finance and Administration Committee?

I look forward to your comments and any additional direction that you may have.



Larry Boyko
Manager, Real Estate Division

LB/dj

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