Minutes - Executive Policy Committee – July 20, 2005

Minute No. 529
Report - Standing Policy Committee on Property and Development – July 18, 2005

Item No. 20 Encroachment - Storm Water Relief Forcemain - Wellington Avenue - Winnipeg Airports Authority Inc.
File ED(31)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That an Encroachment Agreement in favour of the Winnipeg Airports Authority Inc. for the installation and maintenance of a Storm Water Relief Forcemain within the Wellington Avenue right-of-way, shown as 'Encroachment Area' on Misc. Plan No. 12599 be approved for the sum of One Dollar ($1.00), subject to the following:

    A. That the Director of Planning, Property and Development be delegated authority to negotiate and finalize, with the Winnipeg Airports Authority Inc. (on behalf of Transport Canada), the acquisition of a Water Feedermain easement which is required by the City of Winnipeg for the sum of One Dollar ($1.00).

    B. All maintenance of the forcemain to be the responsibility of the Winnipeg Airports Authority Inc.

    C. Such other terms and conditions as are deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to protect the City's interests.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes - Executive Policy Committee – July 20, 2005

Report - Standing Policy Committee on Property and Development – July 18, 2005

DECISION MAKING HISTORY:

Moved by Councillor De Smedt,

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, be considered by Committee.

Carried

Moved by Councillor De Smedt,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

Barry Rempel, President and Chief Executive Officer, Winnipeg Airports Authority, submitted a copy of a Power Point Presentation in support of the request for an Encroachment Agreement.

STANDING COMMITTEE RECOMMENDATION:

On July 18, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation, as amended, namely:

- Delete Recommendation No. 1 and substitute therefore the following:

  "1. That an Encroachment Agreement in favour of the Winnipeg Airports Authority Inc. for the installation and maintenance of a Storm Water Relief Forcemain within the Wellington Avenue right-of-way, shown as 'Encroachment Area' on Misc. Plan No. 12599 be approved for the sum of One Dollar ($1.00), subject to the following:

  A. That the Director of Planning, Property and Development be delegated authority to negotiate and finalize, with the Winnipeg Airports Authority Inc. (on behalf of Transport Canada), the acquisition of a Water Feedermain easement which is required by the City of Winnipeg for the sum of One Dollar ($1.00).

  B. All maintenance of the forcemain to be the responsibility of the Winnipeg Airports Authority Inc.

Report - Standing Policy Committee on Property and Development – July 18, 2005

DECISION MAKING HISTORY (continued):

C. Such other terms and conditions as are deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to protect the City's interests."

- Delete Recommendation Nos. 2 and 3 in their entirety,

and submitted the matter to the Executive Policy Committee and Council.

Barry Rempel, President and Chief Executive Officer, Winnipeg Airports Authority, submitted a copy of a Power Point Presentation in support of the request for an Encroachment Agreement.

Re: **Proposed Encroachment of a Storm Water Relief Forcemain within a portion of Wellington Avenue – Winnipeg Airports Authority Inc.**
Assiniboia Community
St. James – Brooklands Ward

For submission to: **Standing Policy Committee on Property and Development**

Original report signed by: **Director of Planning, Property and Development**

Report date: June 27, 2005

Recommendation(s):

1. That Council approve an Encroachment Agreement in favour of the Winnipeg Airports Authority Inc. for the installation and maintenance of a Storm Water Relief Forcemain with the Wellington Avenue right-of-way, shown as 'Encroachment Area' on Misc. Plan No. 12599; the Agreement to provide for such other terms and conditions as are deemed necessary by the Director of the Planning, Property and Development Department and by the City Solicitor/Manager of Legal Services to protect the City's interests.

2. a) That the request made by the Winnipeg Airports Authority Inc., to waive the annual rental fee ($79,947.00) associated with the proposed Encroachment Agreement, be denied.

   b) That should Council be of the opinion that the annual rental fee (associated with the proposed encroachment) should not be charged because of the importance of the Winnipeg International Airport, then Council could consider the provision of an Economic Development Incentive Grant equivalent to the value of the Encroachment fee ($79,947.00).

3. That subject to the approval of Recommendation No. 1 and the direction received in Recommendation No. 2, the Director of Planning, Property and Development be delegated the authority to negotiate and approve the Encroachment Agreement in accordance with the terms and conditions contained herein and such other terms and conditions as are deemed necessary by the Director of the Planning, Property and Development and by the City Solicitor/Manager of Legal Services to protect the City's interests.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

- The Planning, Property and Development Department is in receipt of an application from the Winnipeg Airports Authority Inc. to permit the installation of a Storm Water Relief Forcemain within a portion of Wellington Avenue.
- The Department has commenced its negotiations of an Encroachment Agreement with the Winnipeg Airports Authority Inc.
- As Council and Standing Policy Committees of Council meetings are prorogued from July 29 to September 2, 2005, and that the Winnipeg Airports Authority Inc. has insisted that this matter be considered by Council at its July 27, 2005, the Planning, Property and Development Department requests that the Director be authorized to finalize an Encroachment Agreement in accordance with terms and conditions to be negotiated as outlined herein and such other terms and conditions deemed necessary by the City Solicitor/Manager of Legal Services.

Implications of the Recommendation(s):

General implications:

X	**None**
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

-

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

- There are no environmental implications associated with the recommendations of this report.

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

-

REASON FOR THE REPORT:

Council has the authority to permit or license the use of public right-of-way.

The Planning, Property and Development Department is in receipt of an application from the Winnipeg Airports Authority Inc. to permit the installation of a Storm Water Relief Forcemain within a portion of Wellington Avenue. The report seeks Council's approval to the proposed terms and conditions of an Encroachment Agreement, to be negotiated.

HISTORY:

The Consultants acting on behalf of the Winnipeg Airports Authority Inc. have advised the Planning, Property and Development Department that the proposed redevelopment of the Winnipeg International Airport includes construction of a new terminal building, apron, and parkade. In addition, the project is to include reconstruction of site roads and ground parking.

The redevelopment will create additional hard surfaces, which will increase the peak storm water flows collected at the site. In order to reduce the effect of this increase, a storage pond has been proposed for the groundside area that will reduce the peak flow by spreading the discharge over an extended period of time. This storage pond requires an outlet via a pumping station and forcemain, as the area is relatively flat and gravity discharge is not possible.

Several options have been considered for this outlet including; Omand's Creek at Sherwin Road (at the existing Airport discharge), Omand's Creek at Wellington Avenue, Assiniboine River and the City of Winnipeg storm sewer system.

The first of these options has been rejected following analysis and discussions with City staff because of severe capacity limitations at this location of Omand's Creek. A forcemain to the Assiniboine River has been found cost-prohibitive and existing City storm sewers do not have the required capacity. Omand's Creek at Wellington Avenue has been found to be the most feasible option but will require a 300 mm forcemain along the Wellington Avenue right-of-way,

extending from Airport property to Omand's Creek. In order to mitigate the impact on Omand's Creek, the forcemain will be limited to approximately 110 litres/sec.

DISCUSSION:

An encroachment application was circulated to various City Departments and public utilities for consideration and comments. No objections were received for the proposed installation of the Storm Water Relief Forcemain within the subject right-of-way.

The Water and Waste Department stated that it has no objection *"in principle"* to the proposed encroachment. Ultimate approval, however, would be contingent upon appropriate terms and conditions being established for long term operation and maintenance of this privately-owned facility within the public right of way. The Public Works Department also has no objections to the encroachment, subject to all works being approved by a registered Professional Engineer with the Association of Professional Engineers and Geoscientists of the Province of Manitoba. In addition, approval by the City's Riverbank Engineer will be required with respect to any outfall impacts this proposal may have on Omand's Creek.

Pursuant to Section 4(1)(d) of the City's Encroachment By-law No. 692/74, the Department has commenced its negotiations of an Encroachment Agreement with the Winnipeg Airports Authority Inc.

As Council and Standing Policy Committees of Council meetings are prorogued from July 29 to September 2, 2005, and that the Winnipeg Airports Authority Inc. has insisted that this matter be considered by Council at its July 27, 2005, the Planning, Property and Development Department requests that the Director be authorized to finalize an Encroachment Agreement in accordance with terms and conditions to be negotiated as outlined herein and such other terms and conditions deemed necessary by the City Solicitor/Manager of Legal Services.

Briefly, proposed City standard terms and conditions of and Encroachment Agreement to be negotiated with the Winnipeg Airports Authority Inc. are as follows:

Term:	Annual continuing, commencing on the date of Council approval.
Purpose:	Installation and maintenance of a 300 mm Storm Water Relief Forcemain.
Rental:	$79,947.00 per annum, as prescribed in the City's Encroachment By-law as amended from time to time.
Insurance:	General Liability insurance of at least $5,000,000.00 naming The City of Winnipeg as additional named insured and containing a cross-liability clause.
Cancellation:	At the pleasure of Council.

The Winnipeg Airports Authority Inc. has advised that it agrees to enter into an Encroachment Agreement with the City, however, it is of the view that the proposed annual rental is not appropriate under this circumstance. In the attached correspondence (dated June 20, 2005), the Winnipeg Airports Authority Inc. has requested that Council waive the annual rental fee ($79,947.00) associated with the proposed Encroachment Agreement, given the importance of the Winnipeg International Airport as an economic catalyst for the City.

It should be noted that the Water and Waste Department requires run-off to be restricted to predevelopment rates for any development or expansion of property that generates increased run-off, all in accordance with both the Sewer By-law and the Lot Grading By-law. Although the Winnipeg Airports Authority Inc. alleges that *"...due to a lack of sufficient infrastructure which would allow WAA to make necessary connections in order to initiate our development work."* the City's By-laws governing land drainage place the obligation on the Developer to meet land drainage requirements associated with its project. On this basis, the Planning, Property and Development Department is of the opinion that the request made by the Winnipeg Airports Authority Inc., to waive the annual rental fee ($79,947.00) associated with the proposed Encroachment Agreement should be denied.

Should Council be of the opinion that the annual rental fee (associated with the proposed encroachment) should not be charged because of the importance of the Winnipeg International Airport, then Council could consider the provision of an Economic Development Incentive Grant equivalent to the value of the Encroachment fee ($79,947.00).

Financial Impact Statement

Date: June 20, 2005

Project Name:

Proposed Encroachment of a Storm Water Relief Forcemain within a portion of the Wellington Avenue – Winnipeg Airports Authority Inc.

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	79,947	79,947	79,947	79,947	79,947
Net Cost/(Benefit)	$ (79,947)	$ (79,947)	$ (79,947)	$ (79,947)	$ (79,947)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (79,947)	$ (79,947)	$ (79,947)	$ (79,947)	$ (79,947)

Additional Comments:

The financial implications indicated above are based on the assumption that Recommendation 2 (a) is approved by Council. Should Council opt for Recommendation 2 (b), there would be no out-of-pocket financial implications to the City. There would, however, be an annual "opportunity cost" (i.e. foregone encroachment fees revenue) of $79,947.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

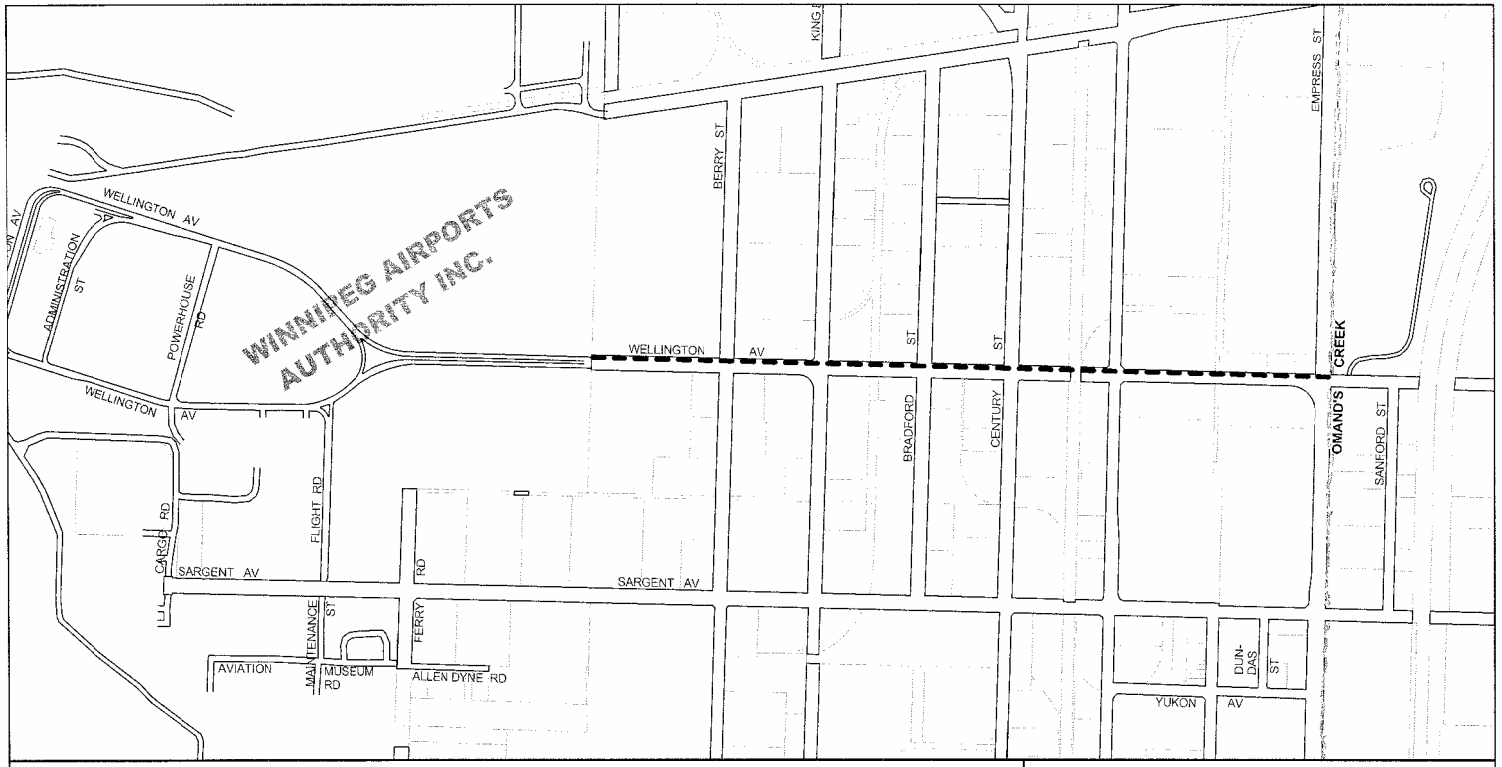
Water and Waste Department

Public Works Department

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: John S. Zabudney
PPD File #: 39/147(a)

Document name: o:\reports directive\real estate\sales\(jz)forcemain encroachment - waa.doc


WELLINGTON AV
ADMINISTRATION ST
POWERHOUSE RD
WINNIPEG AIRPORTS AUTHORITY INC.
BERRY ST
KING
EMPRESS ST
WELLINGTON AV
BRADFORD ST
CENTURY ST
CREEK
OMAND'S
SANFORD ST
CARGO RD
FLIGHT RD
SARGENT AV
SARGENT AV
RD
MAINTENANCE ST
FERRY RD
AVIATION
MUSEUM RD
ALLEN DYNE RD
DUN-DAS ST
YUKON AV
Date: 2005-JUNE-20
District: ASBA
File: 39/147(A)
Scale: 1:8000
METRIC
NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
N
Encroachment Area - 3.0 m wide
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12599

WINNIPEG

June 20, 2005

Mr Harry Finnegan,
Director
Planning, Property and Development
City of Winnipeg
3rd Floor, 65 Garry Street
Winnipeg, Manitoba R3C 4K4

Re: Winnipeg Airports Authority
Airport Site Redevelopment Program
Storm water Forced Main Wellington Avenue Encroachment Agreement

Dear Mr Finnigan:

We understand that in accordance with City bylaws an annual fee is applied for all Encroachment Agreements. To enable the Winnipeg Airports Authority to complete any development within the terminal complex area, there is a requirement for the installation of a forced main down Wellington Avenue to Omands Creek. This is required due to a lack of sufficient City infrastructure which would allow WAA to make necessary connections in order to initiate our development work.

In view of these circumstances, WAA feels that the City fee is inappropriate in this case. We therefore request a complete waiver of all associated fees.

City Administration and Council are fully aware of the importance of Winnipeg International Airport to the life of this community. Some highlights are noted below:

- Winnipeg Airports Authority Inc is incorporated under Part II of the Canada Corporations Act as a corporation without share capital. WAA operates the Winnipeg International Airport under a long-term lease with Transport Canada exclusively for the benefit of this community.

- Despite our status as a corporation without share capital, WAA is 100% self-sufficient, receiving no financial contribution from any level of government, including the City of Winnipeg.

- Winnipeg International Airport is a major economic driver for this community. Our most recent economic impact study reported that WIA generates over $2.6 billion in total output and close to $800 million in total labour income each year. For your further information, following is a table containing further details regarding the economic contribution of this community's airport facilities based on 2003 data:

Winnipeg Airports Authority Inc.
249-2000 Wellington Avenue
Winnipeg, Manitoba, Canada R3H 1C2
Phone 204 987-9400 Fax 204 987-9401
web site: http://www.waa.ca

IMPACT	JOBS	PERSON YEARS	WAGES	GDP	ECONOMIC OUTPUT
Direct	9,300	8,800	$390 M	$520 M	$1,360 M
Indirect	6,200	5,600	$190 M	$300 M	$620 M
Induced	5,400	4,900	$200 M	$300 M	$640 M
TOTAL	20,800	19,300	$780 M	$1,120 M	$2,620 M

- In the past year, we have gone out to the community on dozens of occasions in a consultative fashion to discuss our plans for Airport Site Redevelopment and to benefit from the candid feedback of Winnipeg residents. This process has included our stakeholders, customers, civic groups and the general public e.g. more than 400 people attended a public presentation of our schematic designs at the Winnipeg Convention Centre in February 2005.

  A point that has been brought home again and again is that the airport is an absolute focal point for civic pride and community spirit. Winnipeggers are well aware that their airport facility is very much responsible for creating a lasting impression of their entire city in the minds of hundreds of thousands of tourists and business travelers each year. As a direct result, the designs for the new facilities have been received by Winnipeggers with excitement and enthusiasm. Residents of this city understand that an important benefit of their community's Airport Site Redevelopment Program is the repositioning of our city as an exciting and important business and cultural centre, across the country and throughout the world.

Winnipeg Airports Authority is fully committed to taking responsibility for installation of the infrastructure necessary for our community's airport development work and will be pleased to work with the corresponding City officials in a cooperative fashion to meet City requirements. However, we do request that the Encroachment Agreement fees be waived in view of the lack of appropriate City infrastructure and due to the unique nature of our Airport Redevelopment Program.

Please contact me directly if there is further information required.

Best regards,

R. [Bob] Edgar
Senior Vice President, Airport Redevelopment

c.c. Deepak Joshi, Manager of Development and Inspections
Ian McKay, Senior Manager of Operations
✓Ray Klassen, Acting Manager of Real Estate

Submission by Barry Rempel, President and Chief Executive Officer, and Bo Gulay, Senior Consultant, Winnipeg Airports Authority Inc.
Standing Policy Committee on Property and Development - July 5, 2005

Winnipeg Airports Authority Inc.
Airport Site Redevelopment

City of Winnipeg
Standing Committee
Planning, Property & Development

July 18, 2005



Purpose

- Storm Water Forcemain
  Wellington Avenue Encroachment
- Request waiver of all associated fees
  - City infrastructure insufficient in this case
  - WAA will install necessary infrastructure
  - WAA will work cooperatively with City



6762

Corporate information

- Corporate status
  - Incorporated as a corporation without share capital
  - WAA operates Winnipeg International Airport [WIA] under long-term ground lease with Transport Canada for benefit of community
  - All revenues in excess of expenses fund airport capital improvements

Business information

- WAA is 100% self sufficient
  - **Operating funds earned through customer fees, concessions, parking, space & land rental, passenger security fees etc**
  - **All airport improvement funded through Airport Improvement Fees [AIF]**
  - **No funding received from any level of government**
  - **WAA pays $2.1 million in annual taxes to the City**

Impact of Capital Projects

- Airport Redevelopment Program [2003-09] total contributions:

	2005 Forecast
Person years:	3,205
Wages:	$140 million
GDP:	$158 million
Economic Output:	$494 million

Program Components &Timing

- Roadways/Site Works 2005
- Parkade 2005-06
- Airport Terminal Building Phase I 2006-09
- Airside 2007-08
- Airport Terminal Building Phase II TBD

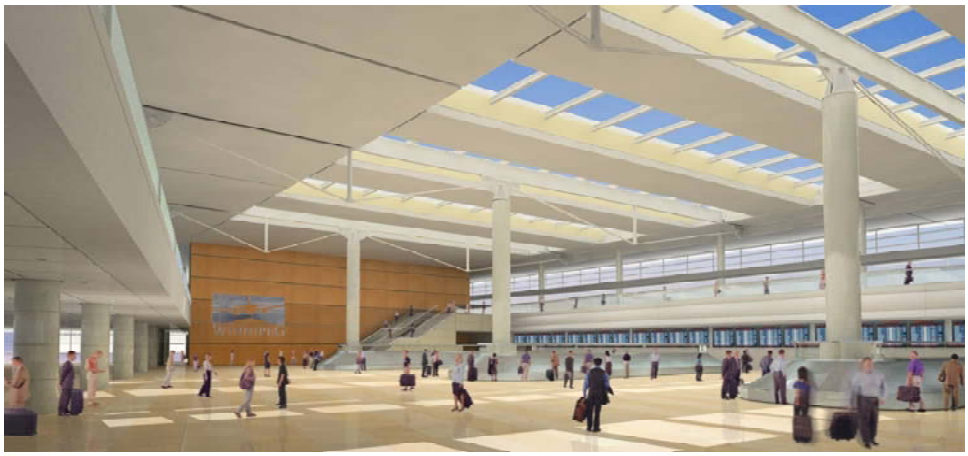
WIA Important to City

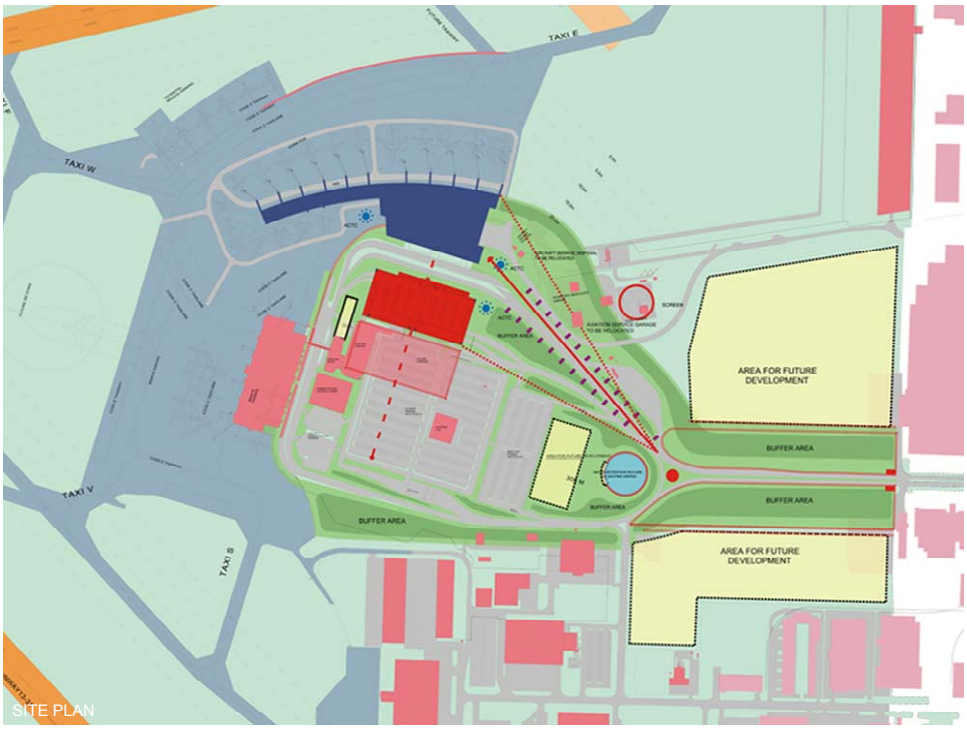
- First, last, and sometimes the only impression visitors have
- A signature building is planned
- World Class Architect (Caesar Pelli and Stantec)
- Economic catalyst
- WAA is a good corporate citizen

Terminal Renderings








TAXI E
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AREA FOR FUTURE DEVELOPMENT
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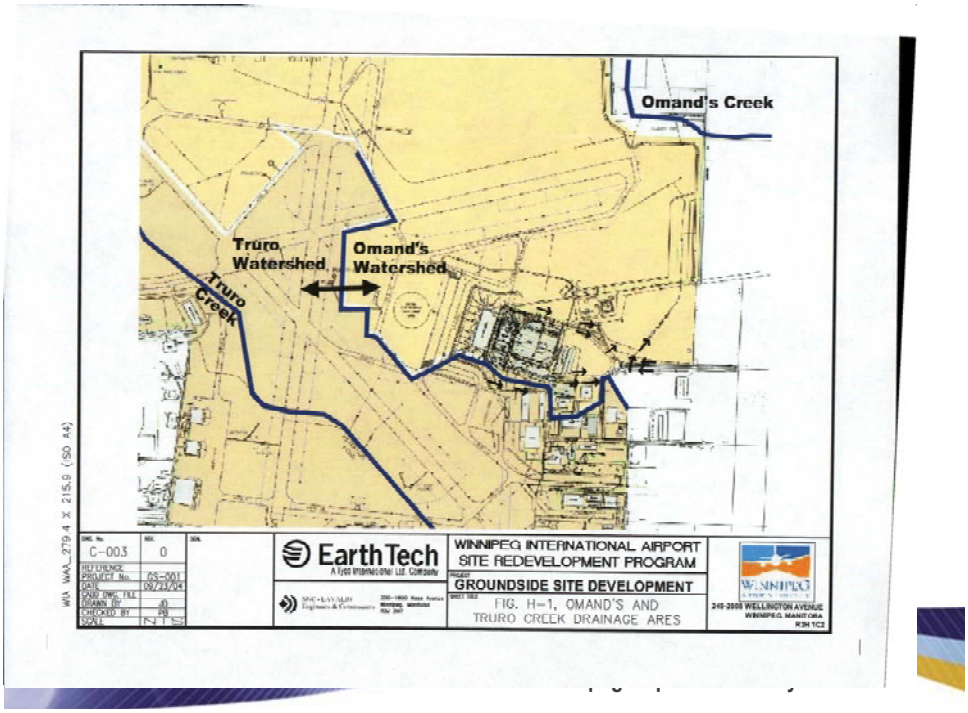
AREA FOR FUTURE DEVELOPMENT

SITE PLAN


Omand's Creek
Truro Watershed
Omand's Watershed
Truro Creek
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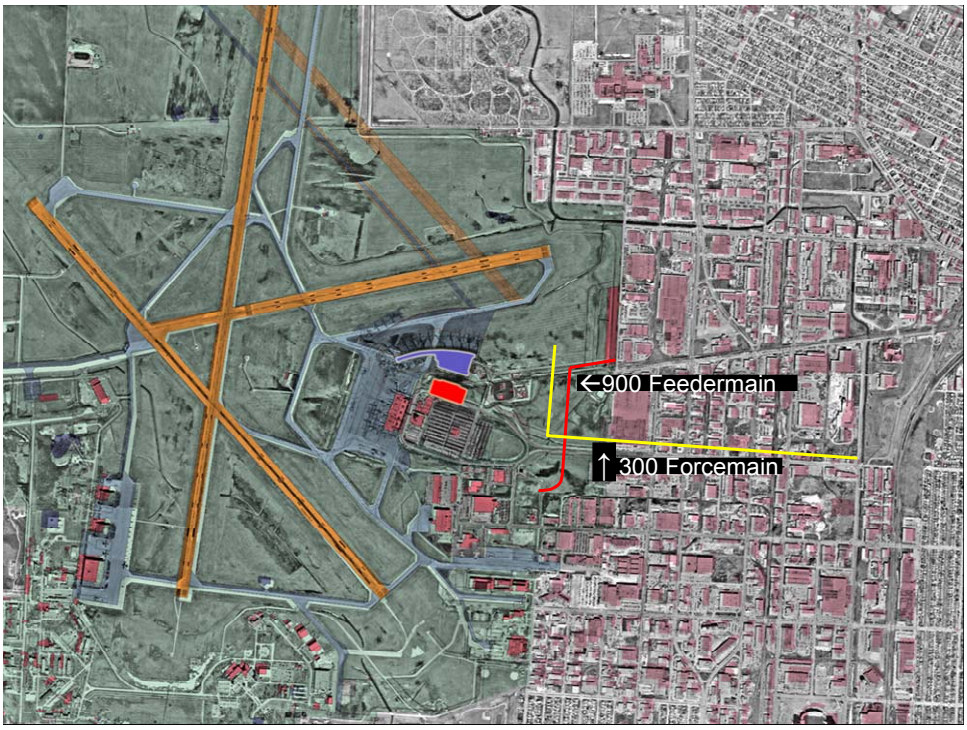
EarthTech
WINNIPEG INTERNATIONAL AIRPORT
SITE REDEVELOPMENT PROGRAM
GROUNDSIDE SITE DEVELOPMENT
FIG. H-1, OMAND'S AND
TRURO CREEK DRAINAGE ARES


←900 Feedermain
↑300 Forcemain

Contacts

- Highlights of meetings with Water and Waste Department e.g.
  - September 15 2004
    - Discussed all servicing options
  - January 27 2005
    - Provided various alternatives prior to determining that Forcemain only viable option based on cost, timing & technical criteria

Contacts

- Meetings have occurred with Water and Waste Department e.g.
  - May 20 2005
    - **Confirmed that land drainage to existing City system already overloaded and that City wishes to decreased combined sewer overflows**
    - **Study of Ferry Road option has been commissioned by City. Piping solution approximately five years in future**

Summary

- Winnipeg International Airport, including the ASR Program, is integral to this community
- City infrastructure insufficient in this case
  - WAA will take responsibility for installation of necessary infrastructure
  - Will work cooperatively with City officials
- WAA requests a complete waiver of all associated fees
- Approval is urgent for us. Out for tender August 18, Bids close September 15, 2005

Thank you!

