Minute No. 568
Report – Executive Policy Committee – July 20, 2005

Item No. 12 **Transcona Recreation Park Facility – Proposal from East Winnipeg Sports Association Inc. to construct Sports Facilities**
File PR-2(33)

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the proposed Masterplan outlined as Appendix "A" in the report from the Director of Planning, Property and Development dated July 8, 2005, be received as information, and that the Chief Administrative Officer be delegated the authority to approve the Masterplan subject to obtaining the necessary revisions to satisfy the concerns of the Administration as stated in the aforesaid administrative report.

2. That the Business Plan dated April 2004 be received as information and that the Chief Administrative Officer be delegated the authority to approve the Business Plan subject to obtaining the necessary amendments to the Business Plan to satisfy the concerns of the Administration contained in the report from the Director of Planning, Property and Development dated July 8, 2005.

3. That East Winnipeg Sports Association Inc. request for a waiver of the $120,000.00 payable to the Land Operating Reserve be approved.

4. That subject to Recommendations 1 and 2 above, a Lease Agreement with East Winnipeg Sports Association Inc. be approved in accordance with the terms and conditions discussed in the report from the Director of Planning, Property and Development dated July 8, 2005, and that the Chief Administrative Officer be delegated the authority to finalize the Lease Agreement generally in accordance with the intent of the foregoing.

5. That subject to Recommendations 1 and 2 above, a Project Development Agreement with the East Winnipeg Sports Association Inc. be approved in accordance with terms and conditions discussed in the report from the Director of Planning, Property and Development dated July 8, 2005, and that the Chief Administrative Officer be delegated the authority to finalize the Project Development Agreement generally in accordance with the terms in the report from the Director of Planning, Property and Development dated July 8, 2005.

Report – Executive Policy Committee – July 20, 2005

COUNCIL DECISION (continued)

6. That subject to approval of Recommendations 1 and 2 above, and upon receiving an updated and revised request for funding from the East Winnipeg Sports Association Inc. based on Tender Prices and issues related to development and permit fees and GST, that the Administration report back on any request for capital funding.

7. That the Administration be requested to proceed with a comprehensive review of the rationalization process for the remaining athletic fields in Transcona and report back on the results of same and to identify the potential net proceeds from the sale of City-owned land which could be used to finance the development of the Transcona Recreation Park.

8. That upon the East Winnipeg Sports Association Inc. Inc. taking possession of the subject City-owned lands, By-law 89/2005 be amended by adding the subject occupancy to the Non Profit Community Groups Occupying City-owned Property List.

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DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,
That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 20, 2005, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

Re: **Transcona Recreation Park Facility - Proposal from the East Winnipeg Sports Association Inc. to Construct Sport Facilities upon City-owned land located west of Murdoch Road and north of the South Transcona Retention Lake and Proposed Terms and Conditions for a Lease and Project Development Agreement**
East Kildonan/Transcona Community
Transcona Ward

For submission to: **Executive Policy Committee**

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

Report date: July 8, 2005

Recommendation(s):

1. That the proposed Masterplan attached as Appendix "A", be received as information, and that the Chief Administrative Officer be delegated authority to approve the Masterplan subject to obtaining the necessary revisions to satisfy the concerns of the Administration as stated herein.

2. That the Business Plan dated April 2004 be received as information and that the Chief Administrative Officer be delegated authority to approve the Business Plan subject to obtaining the necessary amendments to the Business Plan to satisfy the concerns of the Administration contained herein.

3. That East Winnipeg Sports Association Inc. request for a waiver of the $120,000 payable to the Land Operating Reserve be approved.

4. That, subject to recommendations 1 and 2 above, a Lease Agreement with East Winnipeg Sports Association Inc. be approved in accordance with the terms and conditions discussed herein and that the Chief Administrative Officer be delegated the authority to finalize the Lease Agreement generally in accordance with the intent of the foregoing.

5. That, subject to recommendations 1 and 2 above, a Project Development Agreement with the East Winnipeg Sports Association Inc. be approved in accordance with the attached terms and conditions discussed herein and that the City Administrative Officer be delegated authority to finalize the Project Development Agreement generally in accordance with the terms herein.

6. That, subject to approval of recommendations 1 and 2 above, and upon receiving an updated and revised request for funding from the East Winnipeg Sports Association Inc. based on Tender Prices and issues related to development and permit fees and GST, that the Administration report back on any request for capital funding.

7. That the Administration be requested to proceed with a comprehensive review of the rationalization process for the remaining athletic fields in Transcona and report back on the results of same and to identify the potential net proceeds from the sale of City-owned land which could be used to finance the development of the Transcona Recreation Park.

8. Upon East Winnipeg Sports Association Inc. Inc. taking possession of the subject City-owned lands, Council amend By-law 89/2005 by adding the subject occupancy to the Non Profit Community Groups Occupying City-owned Property List.

REPORT SUMMARY

Key Issues:

- The proposed Masterplan provides a basis for developing a regional sports site to serve the community of Transcona utilizing external funding, which creates an opportunity for the City to rationalize a portion of the athletic fields located in Transcona. However, there are several planning and design issues, which need to be finalized prior to signing off on the plan.

- A private consultant compiled a Business Plan for the development, management and operation of the Transcona Recreation Park by the East Winnipeg Sports Association Inc.. The Administration has reviewed and identified a number of concerns related to: (1) proposed capital costs, which have moved from $5.69 million to $7.50 million (2) estimated revenues and expenditures both of which appear to be understated relative to other quad-plex operations and the (3) feasibility of the re-adaptive use of the remaining baseball facilities in Transcona which may not be feasible and as such, the Administration wishes to discuss revisions prior to approving same. Where applicable, the subject proposal should be considered within the context of the Recreation, Leisure and Libraries Facility Policy. The East Winnipeg Sports Association Inc. has asked the City to: (1) contribute $1.38 million in capital to the project in 2006 (2) waive the $120,000 re-imbursement to the Land Operating Reserve Account for the transfer of jurisdiction (3) make an annual subsidy of $60,000 until Phase 2 is completed and (4) maintain the facility with City personnel on a fee for service basis.

  In this regard:

  1) The East Winnipeg Sports Association Inc. has raised in excess of $1.2 million in private donations ($800,000 announced, $400,000 to be announced);

  2) The East Winnipeg Sports Association Inc. has secured Municipal Rural Infra-Structure funding of $3.0 million;

  3) The City has made investments in various baseball facilities located in the City (John Blumberg, Charleswood South Baseball, Whittier Park, Old Exhibition Park with Manitoba Lotteries, and Canwest Stadium during the last 20 years)

- The Administration developed proposed terms and conditions for a lease and project agreement with the East Winnipeg Sports Association Inc. At this time, the Administration is seeking approval of the essential terms and is requesting delegated authority to finalize the agreements, including an adjustment to the most southerly boundary of the proposed lease area will need to be amended to reflect the current Water and Waste Department requirements.

Implications of the Recommendation(s):

General implications:

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

Comment(s):

- The subject proposal provides an opportunity for the City to establish new baseball and soccer facility to serve the recreation needs in East Winnipeg and to rationalize existing property assets using a significant amount of external funding.
- The East Winnipeg Sports Association Inc. is a community based and highly motivated community group wishing to implement the subject proposal in 2005.

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

-

Human resources implications:

	No
X	**Yes**

Comment(s):

- East Winnipeg Sports Association Inc. have requested that Public Works provide maintenance services to the subject property and, in their Business Plan, have identified adequate funds are available to reimburse Public Works for services. Public Works does not wish to have this requirement stipulated in the Lease Agreement.

Financial implications:

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

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REASON FOR THE REPORT:

The East Winnipeg Sports Association Inc. received funding from the Municipal Rural Infra-Structure Fund for the development of the Transcona Recreation Park.

The East Winnipeg Sports Association Inc. wishes to enter into a Lease Agreement and a Project Development Agreement with the City for the development and use of the City owned site located on Murdock Road.

By precedent, leases with a term of greater than (10) years have been referred to Council for approval.

Council approval of the request to waive the East Winnipeg Sports Association Inc. requirement to reimburse the Land Operating Reserve is required.

HISTORY:

At its meeting held on December 3, 2002, the East Kildonan/Transcona Community Committee directed the Administration, together with the Ward Councillor and baseball/softball players, to investigate and report back on the following:

> "Possible softball/ baseball park locations for a multiple diamond complex;
> a multiple diamond complex consisting of at least 10 diamonds with parking, canteen, seating, change rooms and proper ball diamond construction i.e. fields, cages etc, and costs, budget of such a recreation complex."

At its meeting held on April 8, 2003, the Standing Policy Committee on Property and Development directed the Administration to review and report back, the request from the East Kildonan/Transcona Community Committee to transfer approximately 139.8 acres of City-owned lands as referenced in the attached Misc. Plan 9120/4 from the Planning, Property and Development Department (Land Operating Reserve) and Water and Waste Department for parks and recreation purposes.

At its meeting held on April 22, 2003, the East Kildonan/Transcona Community Committee recommended that funds in the amount of $4,600 be allocated from the East Kildonan/Transcona Land Dedication Reserve Fund to the East Winnipeg Sports Association Inc. for the purpose of retaining an engineering consultant to prepare a conceptual layout plan and cost estimate for the development of a baseball complex in the Transcona Ward.

At its meeting held on May 20, 2003, the East Kildonan/Transcona Community Committee recommended that funds in the amount of $50,000 be allocated from the East Kildonan/Transcona Land Dedication Reserve Fund to the East Winnipeg Sports Association Inc. to obtain matched funding from the Province of Manitoba for the development of the ball parks.

At its meeting held on February 25, 2004, Council concurred in the Standing Policy Committee on Property and Development recommendations of February 5, 2004 as follows:

" 1. That the land identified as 'Subject City Property under consideration for transfer to Parks and Recreation jurisdiction" in Misc. Plan 9120/4 be transferred from the jurisdiction of the Water and Waste and Planning, Property and Development Departments to the jurisdiction of the Public Works Department for the purpose of the Transcona Recreation Park.

2. That upon full implementation and development of the Transcona Recreation Park, the Land Operating Reserve Account be reimbursed by the East Winnipeg Sports Association Inc. in the amount of $120,000 for the land under the jurisdiction of the Planning, Property and Development Department (unless such costs are waived at some future date).

3. That should the Transcona Recreation Park not be fully implemented and developed within a ten (10) year period of time, the "Subject City property under consideration for transfer to Parks and Recreation Jurisdiction" in Misc. Plan 9120/4 be transferred to the jurisdiction of the Planning, Property and Development Department for alternate disposition.

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

At its meeting held on March 16, 2004, the East Kildonan/Transcona Community Committee recommended that:

- the Transcona Recreation Park Business Plan be submitted to the Standing Policy Committee on Fiscal Issues;

- that funding be considered from any existing or future Tri-Partite Programs; and,

- that $1.38 million identified as the City's contribution to the project, be referred to the 2005 Capital Budget deliberations.

At its meeting held on April 14, 2004, the Executive Policy Committee approved the recommendation with an amendment that the request be referred to the Public Use of Facilities Study.

At its meeting held on May 4, 2004, the Standing Policy Committee on Fiscal Issues referred the Transcona Recreation Park Business Plan and Executive Summary to the Public Use of Facilities Study.

In June 2004, the Public Use of Facilities Study was released. It makes reference to the need for the Transcona Recreation Park on pages 78 and 79 of the Executive Summary.

On July 21, 2004, Council approved a grant of $10,000 from the East Kildonan/ Transcona Community Committee Cash in Lieu of Land Dedication Account to the East Winnipeg Sports Association to assist with the cost of planting trees.

At its meeting held on May 11, 2005, the Executive Policy Committee endorsed the East Winnipeg Sport Association application for funding under the Municipal Rural Infra-Structure Program.

At its meeting held on May 18, 2005, Council approved the endorsement of the Transcona Recreation Park under the Municipal Rural Infra-Structure Program.

On May 26, 2005, the Federal and Provincial Governments announced $3.0 million in funding to develop the Transcona Recreation Park.

DISCUSSION:

1. East Winnipeg Sports Association Inc. – Proposed Masterplan:

The East Winnipeg Sports Association Inc. engaged a consulting firm to develop a Masterplan for the development of the City-owned 139.8 acre site as identified on the attached Misc. Plan 9120/4. The Masterplan involves the development of two baseball quadplexes, one stand alone baseball diamond, six soccer pitches, basketball courts, parking lots, two ponds and a maintenance compound as shown on the attached Appendix "A".

The Administration has reviewed the Masterplan and is providing the following observations:

- The Planning, Property and Development Department received the final version of the Masterplan on June 17, 2004 and received the final detailed site plans and specifications on June 22, 2005. As with any Masterplan review, the process involves a detailed review of the concept plan to ensure that same is feasible. As well, the Department will examine the detailed plans and specifications to ensure against premature failure and under designed infrastructure. At this time, the Department anticipates that it will need to review various aspects of the plan (site layout, road alignments, parking capacity, land drainage, water and sewer service, etc.) to ensure that traditional site issues are addressed.

The City has already requested revisions including the elimination of one baseball diamond and consolidation of parking lots.

- Phase 1 of the Masterplan includes two softball quad-plexes, one baseball diamond, a washroom/canteen, parking, and associated landscaping and trails. The estimated cost of constructing Phase 1 is $ 4.10 million.

  Phase 2 of the Masterplan includes lighting for one softball quad-plex and the baseball diamond, four soccer pitches, parking, and associated landscaping and trails. The estimated cost of constructing Phase 2 is $1.97 million.
  A future Phase 3 includes soccer pitches, washroom, concession kiosks, outdoor classroom, gravel paths, sodding, toboggan tower, playground structure and landscaping and property fence along the north boundary. The estimated cost of the future Phase is $1.44 million.
- The Public Works Department has identified a concern that the concept needs to be more defined as to the provision of winter sports facilities.
- The south property line between the South Transcona Retention Lake and the Transcona Recreation Park needs to be verified with the Water and Waste Department. As such, the amount of land to be made available to the East Winnipeg Sports Association Inc. may need to be amended.
- Further development and consultation with the Parks and Open Space Division and the Property, Planning and Development Department is required before redevelopment plans for the existing park sites are finalized.

Departmental Comment:

The Proposed Masterplan is a well-defined concept and proposed use of the 139.8-acre site. The Masterplan has been received and is currently being circulated for Departmental input. Discussion has been initiated with some changes being incorporated as of this date.

The Department anticipates that the detailed plans and specifications will be submitted in approximately two weeks for review. There will likely be several issues, which need to be addressed prior to approving the detailed site plans and specifications. In addition, it is possible that additional development permit issues may arise. The Administration is of the opinion that the Masterplan issues are resolvable at this time and is thereby requesting delegated authority to finalize same.

2. Business Plan (April 2004):

The East Winnipeg Sports Association Inc. engaged a consultant to prepare a Business Plan dated April 2004 in support of a proposal to develop the Transcona Recreation Park.
The Administration has reviewed the Business Plan and is providing several observations as follows:

- Currently, there is no regional recreation sports site to serve the East Winnipeg catchment area.
- Although the existing baseball diamond inventory in Transcona exceeds the number of baseball diamonds in Elmwood and North Kildonan relative to the population, there is concern with obsolescence and functionality with respect to current standards and little opportunity is available for expansion of the existing baseball fields for adult play. It is suggested that eight new fields are required for adult softball and one new field is needed for 16 years and older baseball. It is noted that the participation rate is declining for softball and baseball in the City; however, given that the softball participation rate increases with age, there is trend support for demand. The remaining baseball fields could then be upgraded for youth and children play.
- To address this need, the East Winnipeg Sports Association Inc. is proposing to develop 2 baseball quad plexes and one baseball diamond along with amenities (washrooms, parking lots) and to construct soccer pitches, basketball courts and winter facilities including a skating area and tobogganing hills.
- The original estimated cost of constructing Phase 1 and 2 was $5.69 million. The revised total cost for this project is now $7.5 million, which includes Phase 3. East Winnipeg Sports Association Inc. wishes to complete Phases 1 and 2 at this time at an estimated cost of $6.07 million.
- The East Winnipeg Sports Association Inc. secured $3.0 million through the Federal and Provincial Municipal Rural Infra-structure programs and $800,000.00 in private donations. The Association has indicated that it intends to make announcements regarding a further $400,000 in the next several weeks resulting in a total of $4.2 million raised to date. The East Winnipeg Sports Association Inc. requested that the City make a contribution of $1.38 million in capital funds. The following provides a summary of costs and revenues identified to date:

	Phase I	**Phase II**	**Phase III**	**Total**
Projected Est. Dev. Cost	$4,100,000	$1,970,000	$1,440,000	$7,500,000
Less Secured EWSA Funding				
Fed/Prov. Rural Infrastructure	$3,000,000			
Announced Private Donations	$ 800,000			
Unannounced Private Donations	$ 400,000			
Total Funding	$4,200,000	$ 100,000 Ph 1	$0	$4,200,000
Proj. Dev. Cost Shortfall	($ 100,000)	$1,870,000	$1,440,000	$3,300,000
City Contribution identified in Business Plan		$1,380,000		$1,380,000
Proj. Dev. Cost Shortfall (incl. City Capital Grant)		$ 490,000	$1,440,000	$1,920,000

- The Project Consultant advises that the unit prices have increased by $852,300 over the original unit prices, which in effect represents a market premium (net of inflationary increases) to begin construction in 2005. Given this market reality, weather conditions, and high demand for contractors, the cost incurred by any client are now higher than typical costs. Perhaps it would be advisable to consider the timing of the project to maximize the utility of the public investment.

- The East Winnipeg Sports Association Inc. has requested that it be allowed to name the proposed development as a condition of a donation to raise capital funds for this project.

- The East Winnipeg Sports Association Inc. intends to operate Phases 1 and 2 on annual budgets of $312,125 and $369,855 respectively. The Revenue projection includes an annual subsidy from the City of $60,000 per year until Phase 2 is completed. Projected user fees and concession and beverage sales appear to be understated and sponsorship and advertising appear to be overstated. Staffing costs appear to be understated and the contribution to life cycle costs appears to be significantly understated.

- Several private donations are to be cash flowed over a period of several years and as such, the East Winnipeg Sports Association Inc. will require interim project financing from a financial institution. The Financial Institution will likely request approval to register their interests against "Title". In addition, there will be some interim financing costs, which will need to be factored into the Business Plan.

- The estimate of project costs for Phase 1 and 2 do not include GST or provide for the payment of the City's finance and administration costs (3%) nor provision for the payment of the development and building permit fees. The actual amount of available capital would be subject to the payment of these costs.

- The East Winnipeg Sport Association has requested that the Lease Agreement be granted a realty tax exemption as part of its Business Plan.

- The Association has requested that the City be responsible to perform the maintenance of the site once completed on a 'fee for service' basis. The estimated cost of maintaining Phases 1 and 2 are $112,400 and $131,100 per year respectively. While the Public Works Department confirms that it can maintain the site within these cost estimates, the Public Works Department does not wish to have their services as a requirement within the Lease Agreement. The Association has also asked the City to provide winter snow clearing of the parking lots and access roads, which have not been budgeted in the Business Plan. As well, it should be noted that the estimated maintenance costs do not include a consideration of the City's fully absorbed costs, which need to include the cost of acquiring additional equipment to perform the maintenance. In addition, should the City agree to maintain the site within the Lease Agreement versus a fee for service, a potential collective agreement issues could arise should the City not wish to continue maintaining the site. Moreover, by agreeing to maintain the site within the lease agreement, the City could be potentially exposed to cost over runs on the maintenance function.

- The recommended adaptive re-use and renewal of the existing ball diamonds and related sites is an integral part of this proposal. The generation of funds via residential lot sale for this purpose is an appropriate way to finance the park space redevelopment without incurring capital and borrowing costs. The feasibility of selling off parkland and the potential net proceeds need to be further investigated and reviewed. There could

potentially be a shortfall of $1.04 million if no land sales occur to finance the redevelopment of the existing ball diamonds.

- The East Winnipeg Sports Association Inc., a non-profit organization, proposes to operate the Transcona Recreation Park with representation from the community, community centers and from each level of government. Further, it intends to enter into a Facility Management Agreement with the City for the management and operation of the facility. The City's current practise is to enter into lease agreements and not facility management agreements. The City is able to accomplish the same agreement goals within the Lease Agreement structure.

Departmental Comment:

The Public Works Department and Planning and Land Use Division have reviewed the planning rationale for the proposed development of the Transcona Recreation Park and concur with the reported conditions of existing fields and their limitations and, of the need to construct new facilities.

The East Winnipeg Sports Association Inc. has demonstrated the capacity to generate significant public funds and to raise private donations for this project within a very short timeframe. With regards to baseball facilities, it should be noted that the City has allocated capital and cash in lieu of land dedication funds and entered into funding partnerships to establish new baseball facilities or to upgrade existing facilities in the City over the last twenty years.
Representatives of the Planning, Property and Development Department, the Project Consultant, and the East Winnipeg Sports Association Inc. met to discuss the various business plan issues. The Department is awaiting a revised Business Plan, which addresses the proposed operating budget issues and a basis upon which to determine the need for an annual subsidy. The Departments are of the initial position that the East Winnipeg Sports Association Inc. can operate the facility within the potential revenue streams available for this site without an operating subsidy. Special attention will be required within the start up period to ensure that sufficient cash flow is available to offset start up costs. The Department has now received an updated operating budget. However, it requires additional time to review the proposed budget and to discuss same with the East Winnipeg Sports Association Inc..

The East Winnipeg Sports Association Inc. is requesting that the Public Works Department maintain the facility and that it annually reimburse the Department for such costs. The Public Works Department is not prepared to assume the maintenance responsibility. However, it is recommended that facility maintenance occur under a fee for service arrangement versus a condition of the Lease Agreement.

With respect to the adaptive re-use segment of the Business Plan, the Departments are supportive of the concept, however, significant additional investigation and review is needed prior to approving this segment of the Business Plan. It should be noted that the development of Phases 1 and 2 and the rationalization of remaining baseball assets are related. The potential sale of property proceeds, if any, from the rationalization of lands used for baseball purposes could be

allocated to the Transcona Recreation Park as part of a potential City contribution to the project as opposed to upgrading remaining sites in Transcona. The Administration support is based on the concept of rationalizing the assets in some format.

The Administration is of the opinion that the subject issues are resolvable and is requesting delegated authority to finalize all matters related to the Business Plan pending the receipt of various Council decisions.

The project information received to date is not fully quantified. Based on analysis of information received, it appears that there are sufficient capital dollars available from East Winnipeg Sports Association Inc. to complete Phase 1 of the project. It would also appear at this time, that this Phase of the project should be able to sustain its operations from a financial perspective.

Proposed Terms and Conditions for a Lease and Project Development Agreement

The Planning, Property and Development Department proposes to enter into a lease agreement with the East Winnipeg Sports Association Inc. for the development and operation of Transcona Recreation Park in accordance with the following particulars:

The particulars of the subject property and lease agreement are as follows:

Owner:	City
Tenant:	East Winnipeg Sports Association Inc.
Location:	Murdock Road
Use:	Amateur baseball and soccer
Zoning:	A - Agricultural
Term:	(10) years commencing August 1, 2005
Renewal:	One (10) ten year renewal
Area:	See attached Misc. Plan 9120/4(1)
Rent:	$1.00
Realty Taxes:	Exempt
Insurance:	Tenant to provide Comprehensive General Liability in the amount of $5.0 Million dollars including all necessary endorsements, as well as, and all property policies and endorsements as yet to be determined.
Tenant's Responsibilities:	Operate and manage the facility for amateur baseball and soccer programs, allocate fields in accord with schedule to be approved, levy fees and charges in accord with approved schedule, pay for all costs associated with the management and operation of the facility including utilities, operating costs, maintenance and repairs (2) and (3), provide for facility security, right to provide catering concessions; right to sell advertising subject to the Director's approval; Submit annual financial statements.
Special Conditions:	Contingency Fund - Annually contribute a negotiated amount to a contingency fund to pay for capital repairs to the Facility over the life of the Agreement.

City Responsibilities:	To contribute an annual operating grant of $60,000 until Phase 2 is completed

Notes:

1. The proposed leased area is subject to further modification as a result of recent communications with the Water and Waste Department. As such, the most southerly property boundary will be adjusted to ensure that the Water and Waste Department requirements are met. This will have a minimal impact of some proposed pathways as referenced in the Masterplan.

2. Should the Public Works Department agree to maintain the fields, this would create a liability within the collective agreement to continue maintaining the site with City forces. As such, a fee for service arrangement would be a less risk averse position to adopt from a cost containment perspective.

3. The Public Works Department indicates that it would incur a substantial cost to acquire additional equipment to maintain the Facility, which has not been factored into the proposed maintenance cost in the East Winnipeg Sports Association Inc. budget.

The East Winnipeg Sports Association Inc. and the Administration have agreed upon the above referenced essential terms and conditions of lease which is subject to finalization of terms in a manner satisfactory to the Chief Administrative Officer.

Proposed Terms and Conditions for a Project Development Agreement

The Planning, Property and Development Department proposes to enter into a project agreement with the East Winnipeg Sports Association Inc. for the development and operation of Transcona Recreation Park in accordance with the following particulars:

The particulars of the Project Development Agreement are as follows:

First Part:	City
Second Part:	East Winnipeg Sports Association Inc.
Location:	Murdock Road
Obligations of City:	To provide vacant possession of the land pursuant to the lease.
Obligations of Developer:	Standard project agreement terms in a form satisfactory to the City Solicitor.
Special Terms:	Damage to Murdoch Road or St Boniface Road: If at any time, any improvements within the Murdoch Road or St. Boniface Road right of ways is damaged during construction of the Transcona Recreation Park, the developer will notify the Director of Public Works and upon approval, proceed with any required repairs at its sole cost. Damage to the South Transcona Retention Lake: If at any time, any improvements within the South Transcona Retention Lake lands are damaged during construction of the Transcona Recreation Park, the Developer will notify

the Director of Water and Waste and upon approval, proceed with any repairs at its sole cost.

Off Site Improvements or Servicing: If during the development review process, certain upgrades or improvements are required to obtain a development permit or environmental license, the Developer will be responsible for all such costs.

Indemnification: Developer to indemnify and save the City harmless of and from any and all liability relating to or arising from the construction of the project.

Communication: the parties will approve all press releases and notices to the Public, including site signs, before being made.

Financial Impact Statement Date: July 7, 2005

Transcona Recreation Facility

COMMENTS:

The subject report is providing background information to Council regarding a request from the East Winnipeg Sports Association regarding the development of recreation facilities on land to be leased from the City. Until Council provides decisions regarding the requests, there are no financial impacts to report on. Pending Council decisions with regard to the Association's request, there could be an impact on the City's 2006 Captial Budget of $1.38 million, on the Land Operating Reserve of $120,000, and on the City's Current Budget of up to $60,000 for an annual operating grant.

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

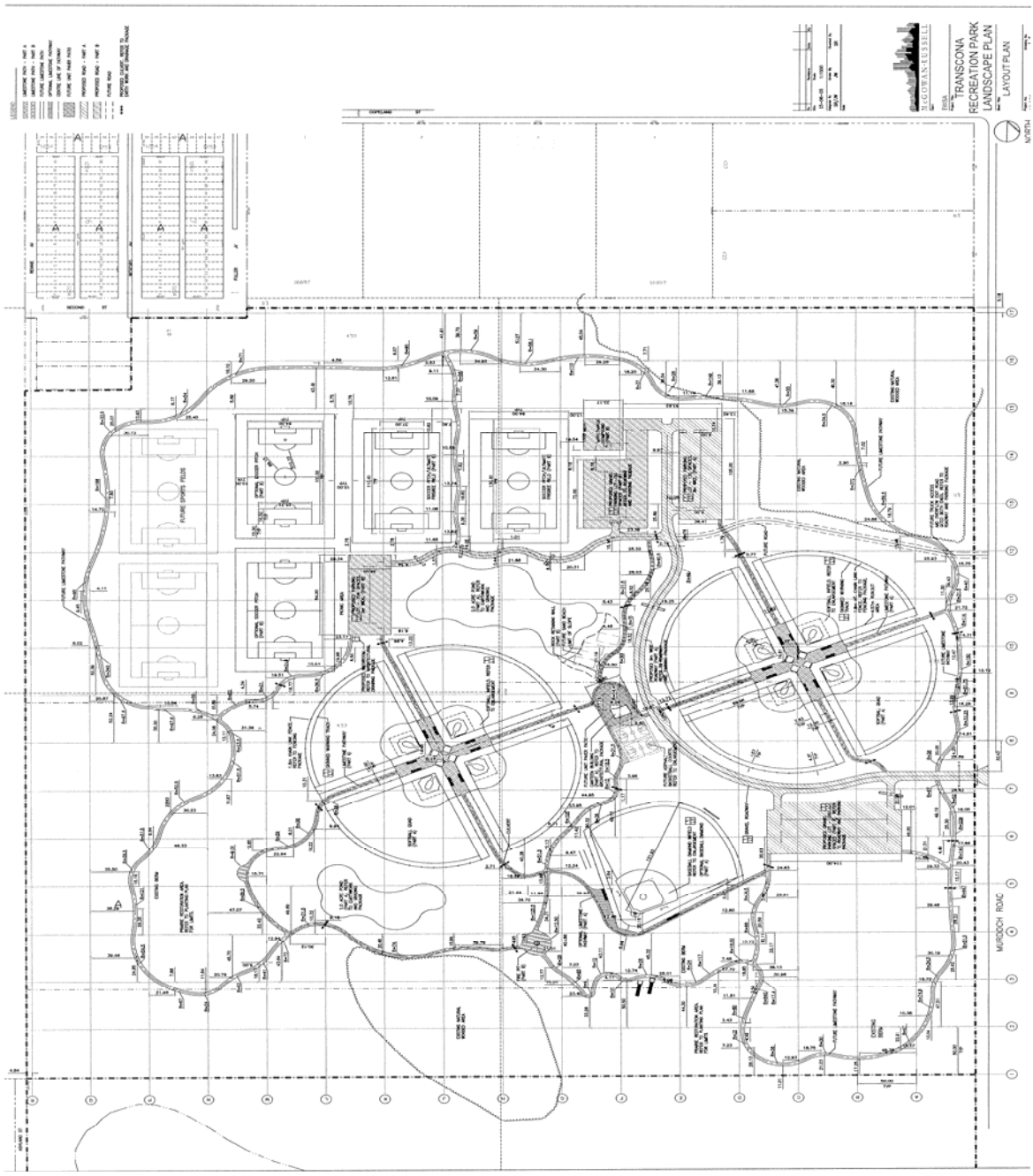
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

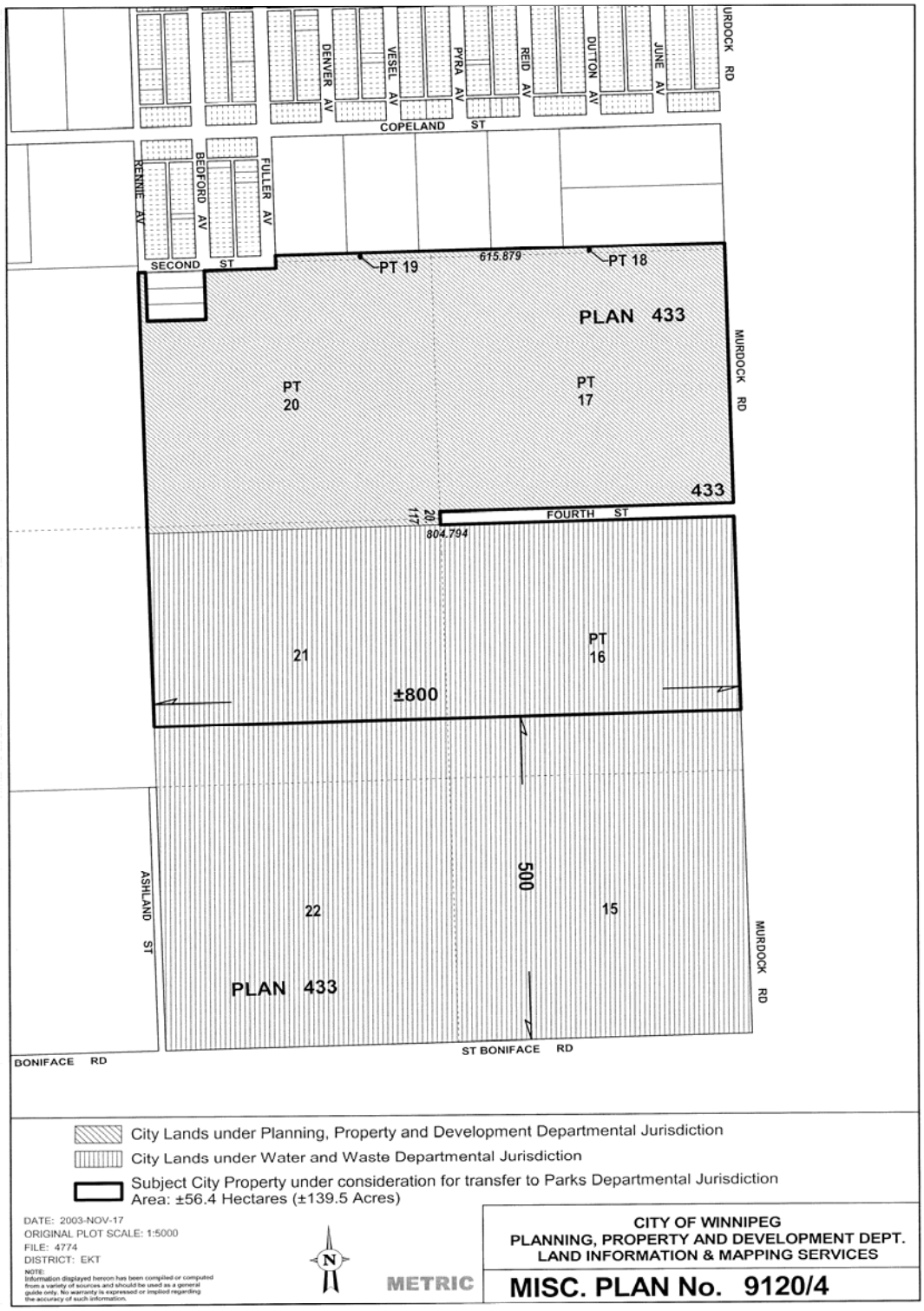
Water and Waste Department
Public Works Department
Community Services
Legal Services Division

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: D. Armstrong
PPD File #: 7342

Document name: o:\reports directive\real estate\leasing\(da) east winnipeg5.doc


TRANSCONA
RECREATION PARK
LANDSCAPE PLAN
LAYOUT PLAN
NORTH
MURDOCH ROAD


URDOCK RD
JUNE AV
DUTTON AV
REID AV
PYRA AV
VESEL AV
DENVER AV
COPELAND ST
FULLER AV
BEDFORD AV
RENNIE AV
SECOND ST
PT 19
615.879
PT 18
PLAN 433
PT 20
PT 17
MURDOCK RD
433
FOURTH ST
20.117
804.794
21
PT 16
±800
500
22
15
ASHLAND ST
PLAN 433
MURDOCK RD
BONIFACE RD
ST BONIFACE RD
City Lands under Planning, Property and Development Departmental Jurisdiction
City Lands under Water and Waste Departmental Jurisdiction
Subject City Property under consideration for transfer to Parks Departmental Jurisdiction
Area: ±56.4 Hectares (±139.5 Acres)
DATE: 2003-NOV-17
ORIGINAL PLOT SCALE: 1:5000
FILE: 4774
DISTRICT: EKT
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.
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METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN No. 9120/4