Agenda – Executive Policy Committee – April 19, 2006

REPORTS

Item No. 7 Transcona Recreation Park Facility (Buhler Recreation Park) - Request for City Contribution and Funding Option File PR-2(33)

ADMINISTRATIVE RECOMMENDATION:

That the report be received as information and that the Executive Policy Committee provide direction with respect to the funding options for John Buhler Park and that the Transcona Recreation Park Facility name be now known as the Buhler Recreation Park.

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 14, 2005, the Executive Policy Committee referred the recommendation from the East Kildonan-Transcona Community Committee to the Chief Administrative Officer for review and comment on its implications on Council Policies and to examine other options to provide support for the Buhler Recreation Park that would fully comply with existing Council Policy.

COMMUNITY COMMITTEE RECOMMENDATION:

On December 12, 2005, the East Kildonan-Transcona Community Committee recommended to the Executive Policy Committee:

1. That funds, to a maximum of $1,500,000.00, be immediately provided to the Buhler Recreation Park (formerly known as Transcona Recreation Park) and the East Winnipeg Sports Association Inc., said funding would represent the City of Winnipeg contribution as per the Transcona Recreation Park Business Plan and addresses the Council Decision of July 27, 2005 (Minute 568, Item 12, Recommendation Nos. 6 and 7).

2. That the Administration be directed to utilize the following sources to realize funding to a maximum of $1,500,000.00:

    A. That any future application(s) for the development of the lands north of Devonshire Drive and south of the CPR Mainline and east of the North/South Transcona Route Alignment and west of Plessis Road, in cooperation with the applicant(s), be subject to a maximum of six percent (6%) land dedication for park space, with the balance of the land dedication of two percent (2%) to be cash in lieu towards the repayment of the $1,500,000.00 city receivable.

    B. That any future application(s) for the development of the lands north of Regent Avenue and south of the CPR Mainline, west of the North/South Transcona Route Alignment and east of Peguis Road, in cooperation with the applicant(s), be subject to a maximum of six percent (6%) land dedication for park space, with the balance of the land dedication of two percent (2%) to be cash in lieu towards the repayment of the $1,500,000.00 city receivable.

    C. That the Joint Venture Agreement with Genstar Development Company and the City of Winnipeg provide for a ten percent (10%) community dividend from the City of Winnipeg net income share and such funds shall be annually determined and fully directed towards the repayment of the $1,500,000.00 city receivable.

Re: **Transcona Recreation Park Facility (Buhler Recreation Park) - Request for City Contribution and Funding Option**
East Kildonan/Transcona Community
Transcona Ward

For submission to: **Executive Policy Committee**

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

Report date: April 11, 2006

Recommendation(s): That this Report be received as information and that Executive Policy Committee provide direction with respect to the funding options for John Buhler Park and that the Transcona Recreation Park Facility name be now known as the Buhler Recreation Park.

REPORT SUMMARY

Key Issues:

- The East Winnipeg Sports Association Inc. has requested the City to make a $1.5 million contribution towards the development of John Buhler Park and is awaiting a formal response.

- In accordance with the July 27, 2005 Council Directive, the Planning, Property and Development Department proceeded with a review of the rationalization process for the remaining athletic fields in Transcona as contained in the Business Plan Document prepared by the McGowan Russell Group and identified potential net proceeds from the sale of City-owned athletic field lands.

- At its meeting held on December 12, 2005, the East Kildonan/ Transcona Community Committee made a motion to provide up to $1.5 million to the development of John Buhler Park in 2006 and to be repaid via future land dedication and cash-in-lieu of land dedication payments from the development of Transcona West and funding from the City's share of future Joint Venture proceeds.

- On December 14, 2005, "The Executive Policy Committee referred the recommendation from the East Kildonan-Transcona Community Committee to the Chief Administrative Officer for review and comment on its implications on Council Policies and to examine other options to provide support for the Buhler Recreation Park that would fully comply with existing Council Policy."

- The Planning, Property and Development Department was also requested to explore the possibility of selling land from the North/South Transcona Route Alignment if this land is declared surplus. The Public Works Department advised that until the Plan Winnipeg review and, in turn, the review of the North/South Transcona Route alignment is

completed, disposition and/or development of any City-owned lands acquired for the North/South Transcona Route would be premature and that Council approval would be required to dispose of the lands. City Policy also requires that monies realized from the sale of North/South alignment lands be returned to the Land Acquisition Account for Future Regional Transportation Facilities of the Public Works Department.

- As a result of a significant financial contribution by Mr. John Buhler, the naming of the Transcona Recreation Park Facility has been requested to be changed to Buhler Recreation Park.

- In accordance with the rationale contained in the Business Plan submitted by the East Winnipeg Sports Association and the proposed Plan of Action contained herein, the Planning, Property and Development and Public Works Departments support the orderly disposition of surplus or obsolete parkland in the East Kildonan/ Transcona Community as referenced herein and the allocation of any cash in lieu of land dedication payments from future subdivision applications, where appropriate, towards the development of John Buhler Park Phase II up to a total maximum of $1.5 million.

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 potential sale of City-owned park sites and recognition of net proceeds is subject to: (1) declaring the property as surplus to City requirements (2) the rezoning process and (3) the determination of detailed site restoration and replacement costs.
- Reducing the amount of open space in a neighbourhood prior to the submission of a subdivision plan does not allow a thorough analysis using the open space guidelines to determine the amount, location and type of open space needed to serve the residents in the Transcona West neighbourhood and community and would be considered to be premature.
- Depositing all the cash in lieu from future developments in the Transcona West area into the East Kildonan/ Transcona Land Dedication Reserve Account may be considered a departure from the apportioning formula of the Land Dedication Account of sharing revenues with other Community Committees. .
- Net Revenue from the City's Joint Venture Agreements are deposited into the Land Operating Reserve and used for the purposes as approved by Council policy, which do not include regional sport site developments.
- The North/South Transportation Alignment's location, timing, and need is an evaluation that Planning, Property and Development Department and Public Works Department recommend be addressed as part of the Plan Winnipeg review as it forms part of the inner ring route which has significant city-wide

implications.

Policy implications:

No

X **Yes**

Comment(s):

- Use of the proceeds from the sale of City lands acquired for Transportation purposes would require an amendment to Council policy.
- Use of funds from the Land Operating Reserve would require Council approval.

Environmental implications:

X **No**

Yes

Comment(s):

-

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:

As directed by Council on July 27, 2005, the Administration was 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 John Buhler Park.

On December 14, 2005, "The Executive Policy Committee referred the recommendation from the East Kildonan-Transcona Community Committee to the Chief Administrative Officer for review and comment on its implications on Council Policies and to examine other options to provide support for the Buhler Recreation Park that would fully comply with existing Council Policy."

HISTORY:

At its meeting held on July 27, 2005, Council considered a report regarding the East Winnipeg Sports Association and the Buhler Recreation Park Development and, amongst other things, directed the Administration (See Appendix "A") to proceed with a comprehensive review of the rationalization process for the remaining athletic fields in Transcona, to 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. The Administration undertook this work between August and December 2005.

At its meeting held on December 12, 2005, the East Kildonan/ Transcona Community Committee approved the following motion:

1. "That funds, to a maximum of $1,500,000.00, be immediately provided to the Buhler Recreation Park (formerly known as Transcona Recreation Park) and the East Winnipeg Sports Association Inc., said funding would represent the City of Winnipeg contribution as per the Transcona Recreation Park Business Plan and addresses the Council Decision of July 27, 2005 (Minute 568, Item 12, Recommendation Nos. 6 and 7).

2. That the Administration be directed to utilize the following sources to realize funding to a maximum of $1,500,000.00:

    A. That any future application(s) for the development of the lands north of Devonshire Drive and south of the CPR Mainline and east of the North/South Transcona Route Alignment and west of Plessis Road, in cooperation with the applicant(s), be subject to a maximum of six percent (6%) land dedication for park space, with the balance of the land dedication of two percent (2%) to be cash in lieu towards the repayment of the $1,500,000.00 city receivable.

    B. That any future application(s) for the development of the lands north of Regent Avenue and south of the CPR Mainline, west of the North/South Transcona Route Alignment and east of Peguis Road, in cooperation with the applicant(s), be subject to a maximum of six percent (6%) land

dedication for park space, with the balance of the land dedication of two percent (2%) to be cash in lieu towards the repayment of the $1,500,000.00 city receivable.

C. That the Joint Venture Agreement with Genstar Development Company and the City of Winnipeg provide for a ten percent (10%) community dividend from the City of Winnipeg net income share and such funds shall be annually determined and fully directed towards the repayment of the $1,500,000.00 city receivable."

During the period between January and February 2006, the Planning, Property and Development Department reviewed the feasibility of the proposed funding alternatives as suggested by the East Kildonan/ Transcona Community Committee.

DISCUSSION:

The East Winnipeg Sports Association has requested that the City make a capital contribution of $1.5 million towards the development of the Buhler Recreation Park.

Council and the East Kildonan/ Transcona Community Committee have requested that the Planning, Property and Development Department examine various alternatives to provide $1.5 million in capital funding to the East Winnipeg Sports Association for the development of Phase II including the following:

1. Athletic Field Rationalization in Transcona
2. Cash in Lieu of Land Dedication
3. Land Operating Reserve
4. Sale of City-owned land south of Pandora Avenue

1. Athletic Field Rationalization

The Planning, Property and Development and the Public Works Department have completed a comprehensive review of the athletic fields in Transcona. Eight (8) existing park sites may have surplus land available for potential residential development.

The Department assessed the potential development concepts for each site and determined that $950 to $1,050 per front foot reflects the market value for serviced residential land in Transcona. Subsequently, an estimate of potential net proceeds from each site was compiled as follows:

Site			(Est.) Net Proceeds	Use	Zoning
Arts Action Centre			$ 93,225	Single	R2/PR
Bernie Wolfe Park (Rougeau Front)			$ 28,430	Family	R1-5
East End Community Ctr(Pandora)			$ 57,590	Residential	R2/PR
Morley R. Kare Park					
Parcel A		$ 97,330			PR
Parcel B		$103,050			PR
Parcel C		$ 80,150	$ 280,530		PR
Transcona Stadium					
Parade	Lot 26	$ 44,650			R1-5
	Lot 27	$ 46,400			R1-5
Harold North	Lot 39	$ 49,400			R1-5

Lot 38	$ 46,400			R1-5
Lot 37	$ 46,400			R1-5
Harold South Corner	$ 38,000			
4 lots	$159,000	$ 430,250		R1-5
Bayview Place		$ 277,000		PR
Victoria Jason Park (Victoria Ave.)		$ 506,100	Multi-Family	PR
Wynford Park		$ 202,500	Multi-Family	PR
Total Net Proceeds		$ 1,875,625		

The potential sale of surplus athletic fields in Transcona ($1,875,625) could provide the City's portion of funding for Phase II of the John Buhler Park in the amount of $1,500,000 and up to $375,625 towards the improvement of existing athletic facilities in Transcona. However, the amount of land that can be sold and corresponding net revenues are subject to the following:

1. The aforementioned eight park sites have not yet been circulated to the any other Civic Departments relative to corporate need or to the East Kildonan/ Transcona Community Committee regarding their support for declaring the lands surplus to Community open space requirements, as required by City Policy.

2. The redevelopment of existing park sites is dependant on successful rezoning applications. The potential redevelopment of open spaces can be controversial and it cannot be predicted with any certainty whether a particular rezoning application will be successful or how many lots might be created.

3. A portion of Net Revenue from potential sales will be required to remediate impacts upon the remaining park sites such as the loss of amenities to complete athletic field reconstruction or to address interrupted land drainage patterns. These costs have not been quantified at this time pending further direction from the Executive Policy Committee.

4. The sale and redevelopment of lands requires time to complete and is dependant upon the demand for it within the market. This method of financing the City's requested capital contribution is not likely to occur in a short timeframe.

Although there appears to be an opportunity to generate revenue from the sale of City-owned park sites in Transcona, additional tasks would need to be completed to further quantify the amount and timing of same. In the short term, it is not likely that proceeds would be available to finance a capital contribution to the Buhler Recreation Park project.

2. Land Dedication from Sub-division Applications:

When land is being developed, a condition of subdivision approval normally requires the dedication of a portion of the land for parks to serve the needs of that neighbourhood. The amount, according to the City of Winnipeg Charter, shall not be less than 10 % of the total land area being developed. The City may require land or cash in lieu as determined by the Planning, Property and Development Department. This requirement is dependant upon each individual subdivision application relative to the need for open space within a particular region, community, neighbourhood or sub-neighbourhood within the City.

If land is dedicated it must be improved with sod, grading and land drainage by the developer. The City generally takes 8 % land and requires that 2% of the value be used for improvements. If dedication is cash in lieu of land, then the developer is required to pay the City its share of the costs of land improvements and services equal to 10 % of the land area. Under Council policy, 75% of any cash dedication goes to the local Community Committee's Land Dedication Reserve Fund. The remainder is shared with other Community Committees. Any variation to the apportioning formula of the Land Dedication Account requires Council approval.

There are no firm policies regarding the appropriate amount, type and location of open space required in new and existing Winnipeg neighbourhoods. The Charter has established the minimum requirement at 10 %. It is difficult to determine the appropriate level of dedication until there is an actual development proposal and an understanding of the type, densities and configuration of housing development. The existing amount and configuration of open space (Community, Neighbourhood –School, Neighbourhood and Sub-Neighbourhood open space) sites within a community should also be considered. In addition, the developers of the land have an interest in the amount of open space servicing their development. Six percent land dedication in Transcona West for all future subdivision may not be sufficient to ensure the availability of adequate local recreation facilities (including athletic fields) convenient to the new residents of Transcona West.

Although there may be a potential to alter the City's position in future land development negotiations by accepting less dedicated land for open space and by implementing a cash in lieu of land dedication approach, the Planning, Property and Development Department is of the opinion that it would be premature to make a financial commitment to fund the development of John Buhler Park using this alternative on such a broad approach for the reasons as noted above.

3. Land Operating Reserve

A "10% community dividend from the City's Joint Venture with Genstar" is contrary to Council policy. All potential revenues from the Joint Venture are shared with the City's partner. Revenues received by the City through the Joint Venture pursuant to Council policy, are credited towards the Land Operating Reserve Account.

The Land Operating Reserve policy states that "the disbursements from this Reserve will be limited to the cost of acquisition of properties for resale and any other expenses directly related to the acquisition, sale and improvement of disposable City properties. The Reserve will be maintained by the proceeds from the sale of City owned properties. Any variation to the intended use of the Land Operating Reserve Account requires Council approval."

4. City-owned land south of Pandora

The City acquired land for the North/South Transportation Corridor, as an eastern component of the Inner Ring Road, connecting Chief Pequis Trail with the Trans-Canada Highway. During the 2001 adoption of Plan Winnipeg a motion from Council amended part of this North/South route by shifting it from the acquired Bradley Street alignment to Plessis Road. As a result, a portion of the acquired land was declared surplus by Council and sold and developed as a car dealership.

The Standing Policy Committee on Public Works subsequently recommended that Plan Winnipeg be amended back to the Bradley Street alignment.

On November 25, 2004, the Executive Policy Committee (EPC) held a public hearing to give consideration to realigning the North/South Transcona Route from Plessis Road to Bradley Street. The proposed Bradley Street alignment was strongly opposed by Mission Garden residents who are located adjacent to the alignment. The Automotive Dealership also appeared at the hearing in opposition to the proposed Bradley Street alignment.

EPC adjourned the November 25, 2004 public hearing and directed the Administration to submit a report outlining the following:

- A comprehensive traffic analysis
- A comparative cost analysis of the present alignment versus the proposed alignment, including potential expropriation costs
- Definition (clarification) of Plessis Road as a regional street vs. a major arterial route.

On February 10, 2006, the Director of Planning, Property and Development, in consultation with the Director of Public Works, withdrew the current application to amend Plan Winnipeg to realign the North/South Transcona Route from Plessis Road to Bradley Street. The application was withdrawn on the basis that a review of the location, timing and need of the alignment should occur as part of the upcoming Plan Winnipeg review. It was considered that this alignment should be addressed from a citywide perspective since the route will form part of the City's regional transportation system. The review presents an opportunity for broader public consultation on the location, timing and need of the North/South Transcona Route.

Based on their analysis, Public Works remain confident that the Bradley Street alignment is preferred because of route location and efficiency, neighbourhood impact, environmental impact, safety, property requirements, and capital costs. The Bradley Street alignment is presently owned by the City of Winnipeg under the jurisdiction of Public Works or is controlled under development agreements, with the exceptions of 964 Regent Avenue West (private car dealership), and 1201 Regent Avenue West (privately owned parking area for Buhler Industries). Public Works advises that expropriation of applicable lands is estimated to be between $5.4M to $6.4M, depending on the cost to expropriate and remove affected lands.

If the decision was made to utilize the Plessis Road alignment, Public Works estimates the expropriation costs associated with street widenings etc. would be in the $7.6M range. The Plessis Road option permits surplus City land acquired for the North/South Transportation Corridor alignment (located south of Pandora Avenue W) to be developed. Should these lands be marketed for sale as parcels or improved lots, the Department's analysis indicates the following:

- That 89 residential lots could be developed;
- That a 4 acre commercial site could be created; and
- That an 82 acre industrial parcel could be made available for sale.

The revenue derived from the sale of these residential, commercial and industrial sites/lots would contribute to the acquisition of the required Plessis Road lands. This would reduce the Plessis

expropriation costs to the City to an amount that would be less than the costs required for the Bradley Street alignment.

It should be noted that a Council Policy Decision of October 6, 1982 stated, in part that:

> Monies realized from the sale of any properties acquired for future transportation purposes as the result of the cancellation of a transportation project by City Council shall be returned to the Land Acquisition Account for Future Regional Transportation Facilities of the Streets and Transportation Department

The Transcona North/South Corridor is specifically listed and any variation to this policy requires Council approval.

The Transcona North/South Corridor issue will be reviewed as part of the upcoming Plan Winnipeg review. A decision on the status of any City-owned lands required for any of the transportation corridor alternatives would be considered premature at this time.

Should Executive Policy Committee determine that Option Number 4 above be pursued, the following actions would be required:

1. Executive Policy Committee confirms the Plessis Road alignment, as presently identified in Plan Winnipeg 2020, as the location for the North/South Transportation Corridor.

2. The Executive Policy Committee amend its November 25, 2004 direction, by rescinding the requirement to provide:
   - A comprehensive traffic analysis
   - A comparative cost analysis of the present alignment versus the proposed alignment, including potential expropriation costs
   - Definition (clarification) of Plessis Road as a regional street vs. a major arterial route.

3. The city-owned property reserved for the Bradley alignment, located south of Pandora be declared surplus to the City's needs,

4. Council would require a motion exempting the proceeds from the sale of the surplus North/South Transportation Corridor lands from the October 6, 1982 policy stated above, to a maximum of $1.5M, in order to permit the funds to be transferred to the John Buhler Park project.

In addition, with the significant financial contribution made by Mr. John Buhler, a request has been made to change the name of the Transcona Recreation Park Facility to the Buhler Recreation Park. The Administration is supportive of this request and is seeking Council approval of the name change.

Financial Impact Statement Date: April 11, 2006

COMMENTS:

The subject report is for informational purposes only and as such, there are no financial impacts to report.

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

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

Public Works Department

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Prepared by: Real Estate Division, R. Klassen & W.Bollman
Planning and Land Use, Jacquie East
PPD File #: 7342

Document name: o:\reports directive\real estate\leasing\(wb)jbpark april 11 06.doc

Appendix "A"

The recommendations contained in the July 7, 2005 report entitled "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" and approved by Council on July 27, 2005/

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

1. 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.
2. That East Winnipeg Sports Association Inc. request for a waiver of the $120,000 payable to the Land Operating Reserve is approved.
3. 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.
4. 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.
5. 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.
6. 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.
7. Upon East Winnipeg Sports Association Inc. taking possession of the subject City-owned lands, Council amends By-law 89/2005 by adding the subject occupancy to the Non Profit Community Groups Occupying City-owned Property List."