REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED OCTOBER 27, 1999

On motion of His Worship Mayor Murray, the Report of the Executive Policy Committee dated October 27, 1999, was considered clause by clause.

Moved by His Worship Mayor Murray,
That the Consent Agenda, Clauses 1,2,3 and 4, be adopted.

Carried.

Expenditure from Land Dedication Reserve Fund - Tyndall Park Community Centre Inc. - Lord Selkirk- West Kildonan Community
File EP-2 (Vol. 25)

30 - 1. The Executive Policy Committee has been advised that the Lord Selkirk-West Kildonan Community Committee has concurred in the allocation of $25,000.00 from the Lord Selkirk-West Kildonan Land Dedication Reserve Fund to the Tyndall Park Community Centre Inc. to assist with the cost of operating the Community Centre with a sound effective structure.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of $25,000.00 be approved from the Lord Selkirk-West Kildonan Land Dedication Reserve Fund for the project.

Adopted by consent.

Expenditure from Land Dedication Reserve Fund - The West Kildonan Memorial Community Centre - Lord Selkirk- West Kildonan Community
File EP-2 (Vol. 25)

31 - 2. The Executive Policy Committee has been advised that the Lord Selkirk-West Kildonan Community Committee has concurred in the allocation of $15,000.00 from the Lord Selkirk-West Kildonan Land Dedication Reserve Fund to the West End Memorial Community Centre to assist with a plant refrigeration chiller.

The Executive Policy Committee concurs with the above and recommends that funds in the amount of $15,000.00 be approved from the Lord Selkirk-West Kildonan Land Dedication Reserve Fund for the project.

Adopted by consent.

Transcona Business Improvement Zone - 2000 Proposed Program, Zone Levy and Budget Estimates File FL-7.7 (Vol. 2)

32 - 3. On December 20, 1995, Council adopted By-law No. 6729/95, as amended by By-law No. 7198/98 being a by-law of The City of Winnipeg to designate a Business Improvement Zone to be known as the Transcona Business Improvement Zone and to establish a Management Board for the Zone. By-law No. 6729/95 as amended, requires that the Business Improvement Zone prepare its proposed program, zone levy and budget estimates for the consideration of Council.

Report of the Executive Policy Committee October 27, 1999

The Transcona Business Improvement Zone at its Annual General Meeting held on October 25, 1999, considered its 2000 Program of Events, Budget and Levy. In view of uncertainty as to whether the budget could be amended as no provision to make amendments could be found in the by-law, the Budget Committee was directed to prepare a revised Program, Budget and Levy for the year 2000 for consideration. On October 27, 1999, the Executive Director of the Transcona Business Improvement Zone was heard in delegation requesting an extension of time beyond the October 31, 1999 deadline, to allow their Business Improvement Zone to hold another general meeting.

The Executive Policy Committee recommends that the Transcona Business Improvement Zone be granted a 60 day extension of time in which to consider their 2000 Proposed Program, Zone Levy and Budget Estimates for submission to the East Kildonan-Transcona Community Committee and recommendation to Executive Policy Committee.

Adopted by consent.

Request to the Federation of Canadian Municipalities to re-create the National Action Committee on Municipal Access
File GC-5.1 (Vol. 44)

33 - 4. On October 20, 1999, Council ruled automatic referral of the following motion to the Executive Policy Committee under Rule 16.1 of the Procedure By-law No. 5400/90:

Moved by Councillor Gerbasi,
Seconded by Councillor Vandal,

WHEREAS the Federation of Canadian Municipalities (FCM) established the Municipal Access Program in 1992 and created the National Action Committee on Municipal Access;

AND WHEREAS the National Action Committee on Municipal Access developed and distributed the "How-to Manual on Municipal Access" which identified a municipal access checklist, and addressed improving municipal access;

AND WHEREAS the National Action Committee on Municipal Access has long since been disbanded and the "How-to Manual on Municipal Access" is no longer available;

THEREFORE BE IT RESOLVED:

i) That FCM be requested to re-create the National Action Committee on Municipal Access with regional representation; and

ii) That an updated "How-to Manual on Municipal Access" be compiled and made available.

The Executive Policy Committee recommends concurrence with the above and submits same to Council for approval.

Adopted by consent.

REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED NOVEMBER 10, 1999

On motion of His Worship Mayor Murray, the Report of the Executive Policy Committee dated November 10, 1999, was considered clause by clause.

Moved by His Worship Mayor Murray,
That the Consent Agenda, Clauses 1,2, 3,4,5,6 and 7, be adopted.

34 - Councillor Timm-Rudolph asked to be recorded as having voted against Clause 7, in accordance with Rule 50.7 of the Procedure By-law.

The motion to adopt the Consent Agenda, Clauses 1,2,3,4,5,6 and 7 was put and declared carried.

Renewal of Funding Agreements between the City of Winnipeg and Rossbrook House, Age and Opportunity Centre, Pritchard Place Drop-In Centre, Citizenship Council of Manitoba, Heritage Winnipeg Corporation, Salvation Army and Mediation Services
Files FG-1.1(R)(Vol. 12), (A)(Vol. 8), (P)(Vol. 4), (C)(Vol. 6), (H)(Vol. 4), (S)(Vol. 7) & (M) (Vol. 50)

35 - 1. The Executive Policy Committee has been advised that the current five year funding agreements with the above noted agencies expire December 31, 1999. These agencies are requesting that their funding agreements with the City of Winnipeg be renewed. Funding for non-profit organizations by way of a line item in the current estimates must be directed to Executive Policy Committee for approval.

For many years, the City of Winnipeg provided funding to a variety of local non-profit organizations delivering social service, health, education, recreation and other programs in the community through Special and Per Capita Grants. The Social Services Department administered the funding of these agencies based on the City's Policy on Grants, adopted by Council in 1979. Prior to 1994, with the exception of Main Street Project and Rossbrook House, the social agencies referred to in this report were being funded as Special Grants, submitting applications on an annual basis.

On December 13, 1994 Council approved the discontinuation of the process of Special Grants, and instead continued support for organizations warranting same was done by way of formal agreements and placement as line items in the City's budget. This was due to fiscal restraint (shrinking budget allocated for special grants and increasing number of applications), and the majority of the Special Grant budget being utilized to provide long-term funding to these eight organizations, recognized as providing demonstrable value to the City. At the same time Council also adopted the following criteria for funding:

- "Where it can be shown that a formally organized, not for profit organization cannot provide a social service, social development program, health, education, recreation or other similar service without aid and the City of necessity would have to provide this service in whole or in part, the City may contribute to the continuance of the service under these circumstances.

- Funding shall not be provided for any service for which clear legislative responsibility exists at any other level of government unless expressly authorized by City Council.

- Funding shall be provided by way of a formal agreement between the City of Winnipeg and the organization; such agreement to clearly stipulate the terms and conditions under which City support shall be rendered ."

Report of the Executive Policy Committee dated November 10, 1999

Five year funding agreements were executed which provided for annual adjustments based on the Winnipeg All Items Consumer Price Index as published by Statistics Canada for the previous year, October to October. All of the agreements with the exception of Main Street Project, expire December 31, 1999. The five year funding agreement with Main Street Project expires December 31, 2001.

For many years, the City of Winnipeg, has provided funding to the above noted agencies. In most instances the City was involved in their inception, and has been a core funder since. These organizations have come to rely on City support and any significant changes in support would have a significant impact on their service delivery.

These organizations continue to demonstrate that they provide a valuable service to the community, and the demand for services for target populations served continues to grow, (elderly, and at risk children and youth). There appears to be a nation-wide recognition that effective city planning must encompass social as well as environmental issues. This position has been acknowledged in such documents as the Corporate Plan and Plan Winnipeg. A preliminary review of municipalities across the country suggests that although type and amount of municipal support for social programming varies, all municipalities provide some support to private non-profit organizations which offer social programming. The premise of most social programs being of course that they reduce or eliminate the demand for mandated, usually more costly, services.

While continued City funding is currently warranted, given the City's financial situation and significant cuts to departmental budgets, ever-increasing amounts of funding to external agencies does not appear reasonable or sustainable. Therefore, fixed amounts for the term of the agreements rather than annual adjustments are being recommended. Annual adjustments for arms-length community programs when the mandated services the City is obligated to provide are experiencing significant cuts cannot be justified.

Although municipalities across Canada currently provide fiscal support for social programming, a contemporary issue is the clarification or realignment of jurisdictional fiscal responsibilities. The City of Winnipeg is also engaged in that review, and has recently transferred the Social Assistance and Public Health Nursing Program to the Province, and is currently reviewing what business it should be in. Given this, along with significant cuts to departmental budgets and additional requests for funding from various agencies it is imperative that the City's future role in the funding of these agencies be examined. The renewal of five year agreements, would allow time for a comprehensive review of the City's current and future role in the funding of social programming, provide continued support for these agencies reliant on the City for Core funding, and allow sufficient time for agencies as well as other core funders such as the United Way and the Province to come up with alternate funding strategies depending on what direction the City takes regarding longer term funding.

With regards to not renewing the existing agreement with the Salvation Army, funding support was directly linked to the Social Services Department and the provision of after hours emergency social assistance, which has since become the responsibility of the Province of Manitoba's Employment and Income Assistance Program.

Appendices A to G, which are on file in the office of the City Clerk, provide more detailed information for each of the organizations which have been addressed in the recommendations of this report.

With regards to renewing the agreement with Winnipeg Heritage Corporation for one year only, Winnipeg Heritage are requesting a significant increase in funding. A comprehensive review is recommended to determine the potential value of this to be undertaken by the Property and Development Department.

The Executive Policy Committee recommends:

I. That the City of Winnipeg renew or replace five-year funding agreements commencing January 1, 2000 and ending December 31, 2004 with; Rossbrook House, Age and Opportunity Centre, Pritchard Place Drop-In Centre, Citizenship Council of Manitoba, Heritage Winnipeg Corporation, and Mediation Services, as outlined in Schedule "A".

II. That funding be at a fixed rate for the term of the agreements, with no provision for annual adjustments.

III. That the funding agreement between the City of Winnipeg and the Salvation Army to assist with staffing costs for an after-hours emergency response program which provides food, shelter, clothing and other special needs to people requiring emergency social assistance not be renewed. (This program was directly linked to the provision of social assistance through the City's Social Services Department and the responsibility has been transferred to the Province of Manitoba.)

Report of the Executive Policy Committee dated November 10, 1999

IV. That the Community Services Department conduct a comprehensive review of the City's role in funding social programming and provide recommendations for changes to the City's current policy and procedures by June, 2001.

V. That the Manager of Legal Services be directed to finalize renewal or replacement agreements as deemed necessary in order to satisfy the intent of Council, as follows:

i) Between the City of Winnipeg and Rossbrook House, for shelter, recreation, and educational programs for disadvantaged children and youth for the period January 1, 2000 to December 31, 2004, with funding at $205,000.00, and a provision for an annual increase in the funding at the rate of inflation not to exceed 2% per year.

ii) Between the City of Winnipeg and the Age and Opportunity Centre, Inc. for preventative health, recreation and leisure programs for local senior citizens for the period January 1, 2000 to December 31, 2004, with funding at $87,000.00.

iii) Between the City of Winnipeg and the Citizenship Council of Manitoba for 24 hour Language Bank interpreter services for all Civic Departments for the period January 1, 2000 to December 31, 2004, with funding at $27,000.00.

iv) Between the City of Winnipeg and Andrews Street Family Centre (formerly referred to as Pritchard Place Drop-In Centre Inc.), for social and recreational programs which offer alternatives to the street for disadvantaged children and youth for the period January 1,2000 to December 31, 2004, with funding at $38,000.00.

v) Between the City of Winnipeg and Heritage Winnipeg Corporation for a public education program on heritage building preservation for the period January 1, 2000 to December 31, 2000, with funding at $9,000.00.

vi) Between the City of Winnipeg and Mediation Services for a community dispute program which provides mediation to help local residents peacefully resolve conflicts for the period January 1, 2000 to December 31, 2004, with funding at $5,000.00.

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

Adopted by consent.

Taxation of Telecommunication Companies
File FG-2 (Vol. 9) [c/r GL-5.1 (Vol. 44)]

36 - 2. On March 22, 1996, Mayor Susan Thompson wrote to the Minister of Urban Affairs requesting that Section 172(1) and (2) of The City of Winnipeg Act be reviewed to establish the principle of paying grants-in-lieu and to determine what is the best vehicle available to keep values current.

Sections 172(1) and 172(2) of The City of Winnipeg Act provide that a statutory value of $1,200,000 be levied for pipes, wires etc. on Utility Companies' distribution system:

"Utility companies' property
172(1) All pipes, wires, poles, tracks, rails or other property of electric light, telegraph or telephone companies, fixed or placed in a street shall, for the purposes of assessment and taxation, be deemed land, but the assessor shall not value such property nor the engines, boilers, dynamos and other plant used in any power house, generating house or building for generating, transforming or distributing power, or electricity, but shall assess them by entering in the general assessment roll each year the value of the properties to fixed or placed in the streets and the plant in the buildings in the following gross amounts:

Report of the Executive Policy Committee dated November 10, 1999

a) each company supplying electric light for gain, as a valuation of the electric plant, the sum of $1,200,000;

b) each telephone company, the sum of $1,200,000.

172(2) The property and plant assessed as aforesaid, excepting properties belonging to or held in trust for the Crown, shall be subject to all the general levies and rates to which taxable land in the city is subject, as well as the local improvement rates or special assessments that are made applicable by the provisions of the Act, and may be sold for arrears of taxes in the same manner that real estate in arrears may be sold and become absolutely vested in the purchases, and the taxes accrued on the property shall be a special and first lien and shall have a preference over every other lien, claim or encumbrance."

This applies specifically to Manitoba Telephone System. As a result of the legislation, Manitoba Telephone System pays taxes of approximately $26,000 annually on their distribution infrastructure. In July 1999, the Province of Manitoba introduced, and passed Bill 47, which amended The Municipal Assessment Act. The amendment in essence provided for an exemption from assessment for electric utilities and telecommunications companies for their personal property.

As section 172 of The City of Winnipeg Act deals specifically with the distribution infrastructure of such utilities operating within the City of Winnipeg, Bill 47 does not alter the set assessments for these utilities. However, the personal property of these utilities in the balance of Manitoba is now exempted due to Bill 47.

The City did request the Province, in a letter dated March 22, 1996, to review Section 172 of The City of Winnipeg Act, to establish the principle of paying such grants-in-lieu and to determine what is the best vehicle available to keep values current. To date the Province has not acted on this matter despite the privatization of Manitoba Telephone System.

Section 172 of The City of Winnipeg Act provides a major tax concession to the Manitoba Telephone System which is now a private, for profit company. Bill 47, affecting all other municipalities in Manitoba outside of Winnipeg, provides an even greater tax concession. Manitoba Telephone System has estimated that full taxation of their personal property based on their book value would result in a tax bill of $33.4 Million for the whole Province wide operation. Assuming 50% would be School Tax and assuming 60% of the value is located within Winnipeg, this amounts to $10 Million of Municipal Taxes which should flow to Winnipeg from only Manitoba Telephone System.

In 1998 Manitoba Telephone System recorded gross revenue of $636.2 million. A municipal tax of 3% of gross revenue would generate $19 million for the Province as a whole. Assuming 60% of the revenue is generated within the City of Winnipeg, the City would then realize $11.4 million.

Deregulation and technological changes within the communication industry has resulted in companies like Sprint, A T & T and Cantel who operate in Winnipeg and take profits from the community, but have no lines or poles which could be subject to taxes. However, subjecting these companies to Business Tax is appropriate. All of the Provinces in Canada are reviewing this issue but to date no one has come up with a solution.

Other Provinces have dealt in various ways with the issue of taxing and assessing personal property (distribution infrastructure) of the Provincial Telephone Utility. Details are outlined on Appendix "A".

Province	Telephone Utility	Treatment
Newfoundland	Private	exempt
Prince Edward Island	Private	2% of gross revenue of utility
Nova Scotia - Telephone - Hydro	Private	4% of gross revenue of utility 2 ½ % of retail sales
New Brunswick	Private	taxed on replacement cost new less depreciation

Report of the Executive Policy Committee dated November 10, 1999

Quebec	Private	exempt
Ontario	Private & Public	5% of gross revenue of utility. Revenue retained by the Province in exchange for reduction of education tax.
Saskatchewan	Public	exempt
Alberta	Private	taxed on replacement cost new less depreciation
British Columbia - Municipalities under the *Municipal Act* - All Other Municipalities	Private Private	taxed on replacement cost new less depreciation. 1% gross revenue of electricity sales

In reviewing the assessment treatment of Telephone Utility distribution system in other jurisdictions across Canada, it is clear that there is not one consistent treatment. It is also clear that Manitoba (and Winnipeg) lag far behind the majority of provinces in the manner in which personal property for Telephone companies are assessed and taxed. The 3 major treatments can be summarized as follows:

- exempt
- assessment based on cost (variations of cost), application of a tax rate
- taxation based on a percentage of revenue

The predominant method is a taxation based on a percentage of revenue. It appears that this form of treatment is growing, however this is not universal. It should be noted that in today's world of technological advancements, especially in the telecommunications industry, there is less reliance on a physical plant or infrastructure. Telecommunications companies today operate in a virtual world where such infrastructure such as lines, towers, and even air time are all rented. A system based on revenue is more open, understandable, equitable, and efficient in dealing with this new technological reality.

The distribution mechanism of how taxes are collected or allocated to individual municipalities on a province wide utility operation also vary. However, generally the utility provides a specific information breakdown for each municipality, and the revenue flows directly to the municipality in which that utility operates. However, there are other distribution mechanisms using assessment roll entries also in use.

It is also clear that there needs to be a high level of cooperation between the utility and the assessment jurisdiction / municipality, as in most provinces the provision of information (whether it be revenues or equipment book costs) is the responsibility of the utility.

The argument for taxing the distribution system of Manitoba Telephone System as a privately owned, for profit Corporation, it is entirely fair and equitable that this Company should pay taxes on its distribution systems (lines and poles) in addition to the existing taxes on its real property.

A precedent for the above position would be Centra Gas, which as a private company prior to its sale to Manitoba Hydro, paid taxes on its distribution system (approximately $4 million for Municipal taxes).

Manitoba Telephone System currently pays only $26,000 in Municipal taxes on the legislated value of $1.2 million for its lines and poles. This is only a token payment and fair taxation should generate taxes in the range of $10 million.

Most other Provinces (6 out of 9) allow Municipalities to tax telephone utilities on their lines and poles. The most common form or method of taxation is to charge a percentage of gross revenue. The other form or method is to establish an assessment market value for the lines and poles and apply the normal Municipal Mill Rates to those values.

Report of the Executive Policy Committee dated November 10, 1999

In summary, it is recommended that the lines and poles belonging to Manitoba Telephone System should be subject to taxes. It is further recommended that the method of taxation be a percentage of gross revenue. The actual percentage will be subject to negotiation, however, the range across Canada is 1% (British Columbia) to 4% (Nova Scotia).

Council's approval of all requests for legislative amendments is required. The issue of taxing the personal property of Public Utilities was adopted by Council on July 19, 1999, however, this report focuses on the recommended legislative changes required to permit the taxation of personal property to just the telecommunication companies in Manitoba.

The Executive Policy Committee recommends:

I. That appropriate amendments be made to The Municipal Assessment Act and The City of Winnipeg Act that provide for a fair and equitable taxation and assessment treatment of Telecommunication Companies that is applied equally and consistently across the entire Province.

II. That communications commence with all municipalities, the City of Winnipeg, the affected utilities, and the Province of Manitoba in order to review alternatives and chart a course of action.

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

Adopted by consent.

Zoo Animal Reserve Fund
File PR-7.1.1 (Vol. 16)

37 - 3. On July 14, 1999, the Executive Policy Committee referred back Clause 8 of the Report of the Standing Policy Committee on Protection and Community Services dated July 5, 1999, with respect to the referenced matter.

On September 7, 1999, the Standing Policy Committee on Protection and Community Services laid over Clause 8 to a special meeting at the call of the Chair.

On September 22, Council granted an extension of time of 30 days for further consideration of this matter.

On October 13, 1999, the Executive Policy Committee referred the matter back to the Standing Policy Committee on Protection and Community Services.

On November 1, 1999 the Standing Policy Committee on Protection and Community Services reaffirmed its previous decision of July 5, 1999.

In accordance with Section 61.5 of the Procedure By-law No. 5400/94 as amended, the Executive Policy Committee recommends that Council grant a further extension of time of 30 days for further consideration of this matter.

For the information of Council, the Administration has been requested to report back on the replacement and repair of animal enclosures.

Adopted by consent.

Report of the Executive Policy Committee dated November 10, 1999

Draft Winnipeg Housing Policy
File EX (Vol. 14)

38 - 4. On November 10, 1999, the Executive Policy Committee passed the following motion, namely:

WHEREAS the 1990's have seen a major reduction in federal and provincial government funding for housing programs for the upgrading of homeowner and rental housing, the acquisition and renovation or new construction of non-profit housing, and the provision and delivery of buy and renovate programs with the result that the City's direct housing delivery involvement has also been reduced;

AND WHEREAS Winnipeg has the largest stock of older poor quality housing in Canada, next to Montreal, with portions beyond rehabilitation and requiring urgent replacement and others in serious decline and distress;

AND WHEREAS homes in central and north end neighbourhoods have experienced significantly decreased market values, resulting in a reduction of the tax base and a shifting of the tax burden to other areas of Winnipeg, in the combined cost of purchase and rehabilitation being in excess of market values, and in homeowner investment in these areas being discouraged;

AND WHEREAS the need for concrete action has been acknowledged, including at the July 1999 Mayor's Forum on Housing where representatives from neighbourhoods, the business community, agencies and the three levels of government, identified the following necessary tools to assist in the involvement of neighbourhoods in renewal activity: flexibility within the City's administrative processes; overcoming financing obstacles; and, new development within declining neighbourhoods;

AND WHEREAS The City must play a proactive role in addressing the obstacles community groups face in achieving success in their efforts and must foster alliances which can facilitate both the structural and economic changes that communities are seeking;

THEREFORE BE IT RESOLVED THAT Council approve in principle the Draft Winnipeg Housing Policy dated October 25, 1999;

THEREFORE BE IT FURTHER RESOLVED THAT Council authorize the Mayor to engage the other levels of government in strengthened discussions towards immediately addressing Winnipeg's housing situation with concrete action and support, to elicit a coordinated approach with the other levels of government to address this common concern, and to negotiate with the other levels of government to obtain financial and all other relevant forms of support for the Draft Winnipeg Housing Policy;

AND BE IT FURTHER RESOLVED THAT, with the support of the Executive Policy Committee Secretariat, the Directors of Property and Development Services and of Community Services be instructed to:

1. *Review existing mandates, supportive measures and legislation and ensure that they are effectively communicated and are being used to their maximum potential; and*

2. *Prepare an Implementation/Business Plan to effect the intent of the Draft Winnipeg Housing Policy by March 31, 2000.*

and submits same to Council for favourable consideration.

Adopted by consent.

Report of the Executive Policy Committee dated November 10, 1999

City of Winnipeg / Elections Canada List of Electors Partnership
File GK-2.3 (Vol. 4)

39 - 5. In accordance with the provision of *The Local Authorities Election Act*, the Enumerator for the City of Winnipeg is required to compile a List of Electors for each general Civic Election. Traditionally this has been undertaken by the Assessment department utilizing a door-to-door enumeration. By 1992, City Council had recognized that door-to-door enumerations were costly and imprecise, and had directed that alternatives, including a continuous list, be explored.

For the 1995 Civic Election, the responsibility for the creation of the List of Electors was transferred to the City Clerk's Department. In accordance with legislative provision, and the fact that a Provincial Election occurred exactly 6 months prior to the 1995 Civic Election, the City Clerk's Department was able to utilize data from the Provincial List and avoid conducting an actual enumeration. The Provincial Voter's Lists for the Winnipeg area was sorted into municipal ward boundaries and updated using various methods including comparison to Civic databases and the setting up of a phone bank. The results were encouraging and financially impressive. Not only was the 1995 List of Electors created with a substantial savings over previous efforts, the quality was much higher as a result of the focus on the correction of the data rather than its collection.

By 1995, in preparation for future elections, the City Clerk's Department began meeting with Elections Canada, to explore sharing voter information. At this time, Elections Canada, the organization responsible for conducting Federal Elections, was in the process of beginning to gather data for its National Registry of Electors project, a permanent list of electors to be used and maintained for future electoral purposes. The impetus for this project two-fold. First, it was recognized that changing public perceptions and lifestyles had rendered door-to-door enumeration less precise than in the past and considerably costly. Second, was the growth in the availability of electronic data sources with which to create and maintain a list of electors.

The National Registry of Electors was initially created with data from the June 1997 Federal Election. The goal of the project was to create a permanent list of electors for use in future elections and thus avoid the enumeration process. The data in the registry is maintained using data gathered from various sources including Revenue Canada, Provincial Driver's Licensing, Vital Statistics and information arising out of elections.

At the request of the City of Winnipeg, in October of 1997, *The Local Authorities Election Act* was changed as follows to allow for usage of the National Registry of Electors:

> *11(11) In order to complete the list of electors for an election, the assistant enumerator of an urban polling subdivision shall obtain information for that polling subdivision from any of the following sources:*
>
> > *(a) the Register of Electors prepared and maintained under the Canada Elections Act;*

In 1997, the City of Winnipeg became the first major municipality in Canada to enter into a contract with Elections Canada to make use of data from the National Registry of Electors. Voter data was first received by the City in early 1998. The data contained the original Federal List of Electors data for the Winnipeg area for the June 1997 election as well as the updates that occurred at the poll. This data was used as the basis for the Winnipeg's 1998 List of Electors.

Once received, the data was updated using several different techniques. The data was compared to addresses in the City of Winnipeg's Assessment database to identify invalid property addresses and identify any missing addresses. Rental properties were identified, and letters requesting an update of information were sent to over 100,000 renter electors on the list. A series of newspaper, radio and television advertisements encouraged persons to phone in with address changes that had occurred since June of 1997. A call centre was established and staffed by summer students to record and apply changes to the list as required. In addition, Elections Canada provided updates from Vital Statistics to allow removal of 5,000 deceased persons from the list. Through these processes, a City of Winnipeg List of Electors was created by making approximately 25,000 changes to the 418,739 electors identified in the initial Federal database.

Report of the Executive Policy Committee dated November 10, 1999

The City of Winnipeg's experience regarding the usage of the National Registry of Electors, attested to the ease of usage of the Federal transfer process. The acquisition process was straight-forward and required only a minimal transfer fee ($300). The only restriction on the data was that it only be used for electoral purposes. The data was delivered in a quick, timely and secure manner, well in advance of when data would normally have been available through enumeration. The data itself contained all the information required by the City to put together its List of Electors, including the voter's first and last name, and the complete address including street number, name, type and postal code. The data was provided in an easy to use ASCII text format, which allowed quick conversion of the data for comparison to the City's Assessment database. This comparison also proved that the data delivered was extremely accurate and complete, with a very low percentage of errors such as invalid or missing addresses.

When evaluated using the four key factors of timeliness of delivery, ease of use of the system, accuracy of the data, and cost, the usage of the National Registry of Electors was an extremely positive one. It is inevitable that the system will improve in the future as more data sources come online. The original data file received by the City contained only the voter data from June 1997 Federal Election. A further update using Vital Statistics data was provided later on in the process. Other sources of data now coming on-stream to update the National Registry include Revenue Canada and Provincial Driver's Licensing data. These added data sources will likely increase the accuracy of the information.

The usage of the system also proved to be a financially sound decision. A typical door to door enumeration would have required the hiring of some 2,000 enumerators. These enumerators would have had to have been trained and managed, requiring extensive use of City managers' time. As well, numerous supplies would have had to have been provided, and the information would have had to be data entered into electronic form. All told, the expected cost of performing this process would likely have cost upwards of $600,000 based on the last enumeration performed by the City in 1992. Using the National Registry of Electors, total costs for conversion and correction of the data were able to be limited to approximately $150,000, close to a half million dollar savings.

It is recommended that the City continue its partnership with Elections Canada to ensure that the success achieved in 1998 can be duplicated in future elections. It is clear that door-to-door enumerations are an expensive and ineffective process to gather data in the electronic age. The City Clerk's Department has met with Elections Canada to negotiate a long-term contract, to ensure continued access to a complete, accurate data source to use as the basis for its List of Electors.

The Executive Policy Committee recommends:

I. That the City of Winnipeg enter into a long term partnership with Elections Canada, to exchange information in the development of voters' lists.

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

Adopted by consent.

Proposal to amend the Organizational By- law No. 7100/97 to provide for an appeal process File GL-5.6 (Vol. 9)

40 - 6. On September 22, 1999, Council ruled automatic referral of the following motion to the Executive Policy Committee, under Rule 16.1 of the Procedure By-law No. 5400/90:

Moved by Councillor Steek,
Seconded by Councillor Lazarenko,

WHEREAS Section 647(1) of The City of Winnipeg Act directs that an appeal of variance or conditional use be heard by a committee of Council as designated by by-law;

AND WHEREAS By-law No. 7100/97 currently identifies the Standing Policy Committee on Property and Development as the said appeals committee;

Report of the Executive Policy Committee dated November 10, 1999

AND WHEREAS it is deemed desirable to extend Council member representation to hear appeals;

AND WHEREAS the appeals workload can prove onerous for one committee;

THEREFORE BE IT RESOLVED that Executive Policy Committee explore i) the possibility of amending By-law No. 7100/97 to provide for an appeal process whereby each Standing Policy Committee and Standing Committee of Council would act as the said appeals committee on a quarterly basis; ii) other alternatives to address the hearing and deciding of appeals.

On September 29, 1999, the Executive Policy Committee laid the matter over for 60 days and requested the Chief Administrative Officer to report back on the legal options for the appeal process as it currently exists.

In accordance with Section 61.5 of the Procedure By-law No. 5400/94 as amended, the Executive Policy Committee recommends that Council grant an extension of time of 30 days for further consideration of this matter.

Adopted by consent.

CentreVenture Asset Agreement
File EP-1.2.3 (Vol. 2)

41 - 7. On September 29, 1999, Council adopted the following recommendation:

"IV. That appropriate City staff be authorized to define an asset agreement in partnership with CentreVenture, specifying the terms and conditions under which CentreVenture would be granted options to acquire an interest in all City-owned properties and heritage buildings within the downtown, for the approval of Council by the end of January 2000."

Also on September 29, 1999, Council endorsed the CentreVenture Startup Business Plan. Page 48 of the Business Plan states:

"The Board of Directors of CentreVenture has determined that the Asset Agreement should be finalized and fully executed no later than December 1, 1999."

On October 14, 1999, the Mayor requested that a report regarding the Asset Agreement be forwarded to the Manager of the EPC Secretariat by November 1, 1999.

On May 13, 1999, Council amended and adopted the *CentreVenture - Downtown Revitalization Report* and its companion, *CentreVenture: A New Approach to Downtown Revitalization Report*, dated May 5, 1999. City Council endorsed the creation of CentreVenture Development Corporation to provide leadership in creating and sustaining business opportunities and economic growth in downtown Winnipeg.

On July 9, 1999, CentreVenture Development Corporation was duly incorporated under the laws of the Province of Manitoba.

On September 20, 1999, the City held a workshop and tabled the preliminary draft of *Plan Winnipeg ... 2020 Vision* for review and consideration. This draft document identifies a "downtown first" philosophy as the number one priority for the City of Winnipeg.

Also on September 20, 1999, CentreVenture Corporation presented a workshop and tabled its Preliminary Draft Business Plan with Council.

On September 24, 1999, the CentreVenture Board adopted their Start-Up Business Plan, for final submission to a special September 29, 1999 Council Meeting.

On September 29, 1999, Council approved endowment and operating funds for the CentreVenture Corporation, and among other things, "endorsed the spirit and intent of CentreVenture's Startup Business Plan and recognized the CentrePlan Development Framework as a guideline for downtown redevelopment."

Report of the Executive Policy Committee dated November 10, 1999

On May 13, 1999, Council created CentreVenture as an arm's-length development corporation to revitalize downtown Winnipeg. As the 'single and special entity' mandated to provide leadership in creating and sustaining business opportunities and economic growth within the downtown, CentreVenture is to act in partnership with the City, as a small private authority with public accountability. Further to Council's September 29, 1999 direction, the administration has been in ongoing discussion with CentreVenture regarding an Asset Agreement.

CentreVenture's Request for Assistance

Within Appendix 4 (pages 48 and 49) of the Council-endorsed CentreVenture Startup Business Plan, Proposed Outline for the Agreement, CentreVenture states the following:

> "the Asset Agreement as it relates to the option on surplus properties, should be prepared in such fashion as to allow CentreVenture to acquire an interest, in the form of an option, on all current surplus City-owned properties in the downtown area at nominal value. The Asset Agreement should allow CentreVenture to acquire an interest in the form of an option on future surplus City-owned properties in downtown at an amount not to exceed the City of Winnipeg's direct cost ", and that;
>
> "CentreVenture has determined that the Asset Agreement should be the agreement that provides CentreVenture an option, at a nominal cost of $1, on all surplus City-owned properties and heritage buildings in the downtown as scheduled in this appendix", and that;
>
> "Future surplus City-owned properties, in the downtown area acquired through tax sale, should be optioned to CentreVenture at an amount not to exceed the City of Winnipeg's tax and direct costs", and that;
>
> "Existing City-owned properties, which become surplus within the term of the Asset Agreement, should be optioned to CentreVenture at amounts to be negotiated between CentreVenture and an officer of the City of Winnipeg, authorized by Executive Policy Committee," and that;
>
> "CentreVenture will rely on the Asset Management Agreement and other performance-related income to offset operating costs to ensure long-term sustainability", and that;
>
> "The Asset Agreement should have a term of three years with provisions for automatic renewals."

With regard to surplus City-owned properties within the downtown, CentreVenture's requests may be summarized as follows. CentreVenture proposes:

*that the Corporation be granted access to all surplus assets, including those downtown properties that may be declared surplus now or in the future, to provide CentreVenture with the maximum capacity and flexibility to market and develop properties.

*that the Corporation be charged the lowest possible price (preferably $1.00) for the options on surplus assets, to provide CentreVenture with a source of revenue in support of its efforts to achieve sustainability.

*that the fewest and least constraining terms and conditions possible be attached to these options, in recognition of the Corporation's credibility and Council's confidence in CentreVenture's ability to expedite decisions.

The Administration's Response

Further to Council's May 13 (Recommendation VIII.) and September 29 (Recommendation IV.), 1999 direction, City staff have assembled information to support the negotiation of an Asset Agreement with CentreVenture. This data base, comprising all of the City-owned property assets within the downtown, is intended to assist Council's decision regarding the level of support the City is allocating to the Corporation. Each of the City's downtown assets has its own separate page.

Should Council support CentreVenture's stated request with regard to the transfer of City-owned downtown properties, the most significant issues for the City can be summarized as follows:

Report of the Executive Policy Committee dated November 10, 1999

A. Upon sale of certain properties, the Property and Development Services Department (P&DSD) will lose a nominal revenue stream (i.e., parking lot lease payments) impacting current budgets. This loss could reach a maximum of $22,000 per year, depending upon the level of support determined by Council. Should CentreVenture exercise the option on these properties, it would result in the replacement of income or cash flow to the City, either equal to or greater than that income currently realized by the City.

Furthermore, where the City currently has an ongoing concern or an existing lease in place, the City shall retain the revenue accruing until such time as the property is sold. The option to CentreVenture will require, as a condition of the sale, that the terms of the lease are retained (i.e., proper notice is given to the lessee).

B. Upon the signing of the Asset Agreement, the City's Land Operating Reserve Fund (LOR), managed by the P&DSD, may be impacted (refer to Appendix 1 for information relative to the LOR). Due to the City's accounting practices, the LOR would be required to recognize (or write off) a maximum of $1.7 million in carrying costs, depending upon the level of support to CentreVenture, as determined by Council.

However, should the pending sale of the Union Bank Tower Building proceed, the effective impact on the LOR would be reduced to approximately $1.545 million.

CentreVenture has stated that the Corporation will only exercise its option when it has a bonafide project which will be added to the tax rolls and result in revenue to the City. The administration has determined that should CentreVenture conclude transactions for all properties within the LOR (at current assessments), it would generate an approximate combined taxation revenue of $602,000 per year (approx. $260,000 municipal, $138,000 provincial education, and $204,000 provincial special education taxes). Business, Business Improvement Zone (BIZ) levies, and possibly amusement taxes would be in addition to this amount.

Should improvements be made to these properties (which is anticipated), additional taxation revenue, as well as associated economic benefits (i.e. construction and employment) would be realized.

It is also important to note that CentreVenture has expressed concern over the accounting treatment proposed by the City with regard to the write-down of the LOR. The Finance Department is currently considering several options for the accounting treatment with respect to this Agreement.

C. Currently sixteen properties, including seven Category A (Appendix 2) and nine Main Street properties (Appendix 3), are listed for sale. Should CentreVenture receive and exercise options with respect to the five Category A properties with listed prices, the cost to the City would be a maximum of $1.4 million in revenue. This revenue would be subject to closing costs, broker commissions, and reduced offers to the listed price.

It is important to note that these same five Category A properties have been for sale for a number of years without a successful transaction.

D. Current Real Estate Listings and Closing Costs (Closing costs may include legal, Winnipeg Land Titles Office registration, land transfer tax, P.S.T. and G.S.T., in addition to possible Environmental Site Assessments and survey costs as may be required as a condition of sale.)

On November 3, 1999, CentreVenture stated that they will recognize existing listings and allow them to expire or deal with the real estate agents. The City will be indemnified against any claims and closing costs resulting in the exercise of an option.

E. The P&DSD currently budgets $139,195 annually in order to maintain and secure vacant City-owned buildings within the downtown. Should CentreVenture dispose of any of these properties, this budget could be reduced accordingly.

F. Should options on the properties be exercised without details of the sale being made public, City stewardship of its real property assets may come into question. The policy argument in support of this lack of public notification, is that consultations with the development industry indicate that a balance must be achieved between public scrutiny and effective business practices, including protection of intellectual property, and shareholder / investor confidentiality.

Report of the Executive Policy Committee dated November 10, 1999

In addition, on November 3, 1999, CentreVenture stated:

> "CentreVenture will agree to adhere to any current disclosure policies on the disposition of real property. The 'minimum selling price' policy of CentreVenture will become public information."

CentreVenture believes that any impacts identified above will be offset by the public good that can be achieved by a focused arm's-length Corporation working in partnership with the City, other levels of government, and the private sector, towards the common goal of creating a vibrant, active, and tax-paying City Centre. In order for CentreVenture to act as a catalyst for development within the downtown, the Corporation is seeking the ability to bring a mix of property and financial incentives to the table, not inconsistent with incentives the City has provided in support of recent downtown revitalization projects.

Council has previously approved both endowment and operating funds to CentreVenture, but with specific regard to the City's property assets, the Corporation's observations are as follows:

1. The greater the number of property assets optioned to CentreVenture, the greater the Corporation's likelihood of success.

2. The greater the extent to which CentreVenture is able to retain the proceeds of the sale of City-owned properties, the greater will be its capacity to become self-sustaining. CentreVenture refers to this revenue as 'performance-related income'.

3. The greater the latitude given CentreVenture, the clearer the message will be to the development community that the City is 'open for business', and the greater will be the Corporation's ability to expedite and finalize deals.

4. CentreVenture anticipates that the sale and development of surplus property assets will result in increased property and business taxes, as well as associated economic and social benefits.

5. The longer the City owns vacant buildings, the higher the cost of maintenance and security will be, including a greater likelihood of arson, vandalism, or damage due to neglect of the property.

6. CentreVenture believes that it will have a greater ability to attract and secure investment through innovative means such as unique marketing, packaging of properties, land assembly, the issue of debt, gap financing, and loan guarantees, as well as the provision of seed funding.

<u>CentreVenture Accountability</u>

By virtue of previous Council direction, CentreVenture will have certain obligations to Council. CentreVenture is required to report semi-annually to Council through the Executive Policy Committee, and to table an annual report within 120 days of the year end. In its Business Plan, CentreVenture has declared its intent to demonstrate the economic and social benefits of projects including gains in provincial sales tax, employment tax, provincial individual and corporate income taxes, as well as the short and long-term sustainable job creation accruing from their projects. CentreVenture believes that the ultimate test of the Corporation's accountability will be the extent of future economic development within the downtown.

Council may, at its discretion, eliminate the City's operating grant for CentreVenture through the annual budget process. Furthermore, normal City zoning, permit, and approval mechanisms will remain in place, providing the City with a measure of authority with respect to all projects.

CentreVenture has requested that the term of the Asset Agreement be three years, with provisions for automatic renewals. The administration concurs with a three-year term, but recommends that any renewal be subject to Council approval. This provision would provide Council with the authority and opportunity to measure CentreVenture's performance.

<u>Access to Information</u>

CentreVenture has stated that the Corporation wishes to remain a small organization, with a maximum of four or five staff. In order for the Corporation to effectively fulfill its mandate, and for the city to achieve its desired goal, the administration will provide CentreVenture with access to in-house resources and information.

Report of the Executive Policy Committee dated November 10, 1999

The administration, at the discretion of the CAO (and subject to the legislation and policy concerning Access to Information), will provide the Chief Executive Officer (CEO) of CentreVenture with access to property files and information, on a confidential basis, relative to the Corporation's mandated area.

Requests for Proposals (RFPs)

On October 27, 1999, CentreVenture stated:

> "The City should agree to rescind any outstanding Requests for Proposals and make CentreVenture fully aware of the status of any negotiations. CentreVenture should either assume responsibility with the City in bringing the current negotiations to fruition; or, be involved with the City in bringing current negotiations to fruition."

In response, it was previously stated that the administration will apprise CentreVenture of property-related matters to the extent possible. Council has recently directed the administration to prepare a RFP for the James Avenue Pumping Station. The administration will actively involve CentreVenture within the RFP evaluation process. On November 3, 1999, CentreVenture requested that the City consider the establishment of a definitive time frame with regard to finalization of an offer to purchase for the James Avenue Pumping Station. The administration concurs with CentreVenture's request and will work with the Corporation to ensure that the City conclude the decision regarding the current RFP for the James Ave. Pumping Station, on or before May 31, 2000.

The Standing Policy Committee on Property and Development (SPC on PD) had previously instructed that an RFP be prepared with regard to the Metropolitan Theatre. This RFP is in the very early stages of development. It is therefore recommended that, consistent with CentreVenture's October 27, 1999 request, Council rescind the SPC on PD instruction for the development of an RFP for the Metropolitan Theatre, and that, subject to a canvass of City Departments, this property be declared surplus to the City's needs, and optioned to CentreVenture in accordance with terms and conditions as determined by Council.

City-Owned Property Categories and Alternatives for Terms and Conditions

Four categories of properties have been identified and listed in the form of attachments, to facilitate Executive Policy Committee and Council decision-making as to the level of support to be offered to CentreVenture (refer to Appendices 2, 3, 4 and 5):

Category A:	City-Owned Properties Declared Surplus
Category B:	City-Owned Properties in Process of Being Declared Surplus
Category C:	City-Owned Properties Currently in Negotiation and/or Subject to Outstanding Instruction
Category D:	City-Owned Properties that may be Declared Surplus Following the Implementation of Capital Programs

Both CentreVenture and the administration acknowledge Council's expressed issues with regard to the Trizec Parking Structure and the East Yards properties. The Trizec Parking Structure will not be considered unless Council should declare it be surplus to the City's needs. The administration is not recommending such action, nor is CentreVenture requesting that such action take place. The East Yards properties have been identified within Category D noted above. Following implementation of the proposed Provencher Bridge and its new roadway alignment, Council, at its discretion, may choose to declare portions or all of the remaining East Yards property as surplus to the City's needs.

A list of all other City-owned properties within the downtown is outlined within Appendix 6. None of these properties is currently being considered to be optioned to CentreVenture.

The following alternatives have been identified for Council's consideration; Alternative I is CentreVenture's preferred option:

ALTERNATIVE I

As noted above, this is CentreVenture's preferred option. CentreVenture would be granted an option for each property for $1.00, and minimal terms and conditions would be placed upon the conveyance. Furthermore, the City would not be impacted by closing costs as a result of the purchase.

Report of the Executive Policy Committee dated November 10, 1999

Benefit: CentreVenture could negotiate and expedite business deals free and clear of any further approval, as well as retain any proceeds from the sale to assist in the Corporation's sustainability.

Risk: Council, within the terms of the Agreement, would delegate all authority and potential proceeds from the sale to CentreVenture.

The administration has identified two additional potential alternatives for Executive Policy Committee and Council consideration, as follows:

ALTERNATIVE II

That CentreVenture be granted an option for each property identified for 75% of the appraised property value. At Council's discretion, the percentage could be adjusted (refer to Appendix 7 for a proposed method of determining a property's appraised value).

Benefit: The City would receive proceeds from the sale of City-owned assets to replenish the LOR, while also providing CentreVenture with a potential source of revenue.

Risk: CentreVenture's ability to attract investment and to become self-sustaining may be diminished.

ALTERNATIVE III

That the approval of each option to be granted to CentreVenture be based upon the tabling of a Business Plan to Executive Policy Committee for the property under consideration.

Benefit: The City would retain authority over property, while being able to respond reasonably quickly.

Risk: CentreVenture's negotiated agreement could be overturned or revised by Executive Policy Committee in any given instance, potentially damaging CentreVenture's, and the City's, business credibility.

These alternatives, or some combination thereof, may be applied either to entire categories of properties (as presented in the appendices), or any of the individual properties. In order to assist Council discussion regarding the application of alternatives to specific properties, the administration has prepared individual fact sheets on each of the properties appended hereto.

Furthermore, any and all property assets can have specific terms and conditions placed upon them for incorporation within the Asset Agreement (i.e., subject to assignment of leases, retention of easements, retention of public access to the waterfront, etc.). A draft copy of a proposed Application and Agreement for Option to Purchase is outlined on Appendix 8. Following Council direction as to the level and type of support to be provided to CentreVenture, this document will be considered in finalizing the Asset Agreement. It is intended that CentreVenture and the City exercise their best efforts to ensure, by way of the Asset Agreement, that optioned properties be recoverable in the event that a project should fail to be completed.

Future Tax Sale Properties

In the future, the City may come to own further properties within the downtown by virtue of tax sale.

On November 3, 1999, CentreVenture stated that:

> "It is essential that a pre-determined option price be determined such that CentreVenture can be proactive in contacting property owners who are two years in arrears and offer assistance where possible. Assistance may be exploring the options available to the owner, reviewing potential zoning issues and identifying the CentreVenture priorities for the area."

Report of the Executive Policy Committee dated November 10, 1999

With regard to additional downtown properties acquired via tax sale, on October 27, 1999, CentreVenture stated :

> "These properties should be optioned to CentreVenture for the last three years of realty taxes, prior to becoming City-owned properties, net of interest and penalties."

The administration concurs with CentreVenture request in that:

i) the Corporation has committed to taking a proactive approach to retaining and sustaining viable tax paying businesses within the downtown;

ii) should the City acquire additional tax sale properties, the process and option price for both CentreVenture and the City would have been established; and

iii) the City's financial exposure within the LOR would be reduced pending the sale of the property.

For the duration of the Asset Agreement, as the City acquires additional downtown properties via tax sale, it is therefore recommended:

a) that the properties be processed through the City's normal procedure to declare properties surplus; and

b) that the property be optioned to CentreVenture for the last three years of realty taxes, prior to becoming City-owned properties, net of interest and penalties.

Category D Properties

Once the proposed Provencher Bridge and Waterfront Drive alignments have been determined, at Council's discretion and subject to a canvass of City Departments, several small properties associated with the former East Yards and Transfer Track properties may be declared surplus to the City's needs.

On October 27, 1999 CentreVenture stated:

> "These properties (Category D) when deemed surplus, should be optioned to CentreVenture for $1. The option will represent a right to acquire an interest in the form of an option."

The administration concurs with CentreVenture with regard to the proposed process for the granting of options. The administration suggests that Executive Policy Committee and Council be made aware of the potential financial impact of the granting of the option(s).

It is, therefore, recommended that for all Category D properties that have been declared surplus, that Executive Policy Committee recommend to Council, on a property-by-property basis, if and how (i.e., Alternatives I-III), the asset shall be made available to CentreVenture in the form of an option.

Remaining Work to be Completed

The following work remains to be completed for the approval of Executive Policy Committee and/or Council:

1. Should Executive Policy Committee direct, the administration will review and comment on the Corporation's proposed Governance (Succession Planning) Model. CentreVenture have indicated their intention to have this approved by Council at their December 1999 meeting.

2. A report concerning the proposed administration by CentreVenture of the Heritage Conservation Tax Credit Program to be approved by Council. (CentreVenture is seeking approval prior to the end of January 2000.) CentreVenture have proposed an expansion of this Program to include all downtown construction.

3. The CentreVenture Design Review Committee's role, responsibilities, and expectations, including an articulation of the single clear design review and approval process for downtown Winnipeg, as well as any by-law revisions as may be required, will be defined in a forthcoming report for Council's review. As an

Report of the Executive Policy Committee dated November 10, 1999

outcome of the report, a Letter of Understanding regarding the nature of administrative services to be provided to CentreVenture would be formalized. (CentreVenture is seeking approval prior to the end of January 2000.)

FINANCIAL IMPACT:

The total financial impact of this report can only be determined upon finalization of the Asset Agreement. Depending upon Council's decision as to the level of support to be provided to CentreVenture, the possible financial impact to the City would be summarized as follows:

a) Potential reduction in P&DSD operating revenues from short term leases, to a maximum of $22,000 per annum.

b) Potential write-off from the LOR, to a maximum of $1.7 million. It is anticipated that should pending sales proceed, the potential write-off to the LOR would be approximately $1.545 million.

c) Potential loss of revenue to a maximum of approximately $1.4 million (less closing costs) from the sale of currently listed properties.

d) If Alternative II is selected, the City would be required to bear the cost of private appraisals.

Further to "b" and "c" above, the major impact on City finances would likely be to reduce the viability of the LOR and increase interest costs the City must bear to finance the Reserve. There would also be a reduction to any amount that might be transferred to the Commitment Reserve Fund, which could reduce the City's ability to finance special one-time or capital costs. The Finance Department is currently considering several options for the accounting treatment with respect to this Agreement.

Several of the properties currently held within the LOR were purchased through capital programs. The cost of such purchases has not been identified within this report. CentreVenture has proposed a formula (that the administration concurs with) with regard to the option price on future tax sale properties (i.e. the cost of the last three years of realty taxes, prior to becoming City-owned properties net of interest and penalties). The City may be subsidizing the ongoing costs incurred by these properties until the event of sale. However, this subsidy would likely be incurred by the City irrespective of the option to CentreVenture and the City's risk has been reduced through the option formula.

The policy argument in favour of incurring such costs is that the sale of City-owned assets would reduce the annual operating, maintenance, and security costs, estimated at $139,195 per year.

The Corporate Finance Department has determined that should CentreVenture conclude transactions for all properties within the LOR (at current assessments), it would generate an approximate combined taxation revenue of $602,000 per year (Refer to Appendix 9) (approximately $260,000 municipal, $138,000 provincial education, and $204,000 provincial special education taxes). Business, Business Improvement Zone (BIZ) levies, and possibly amusement taxes would be in addition to this amount.

Should improvements be made to these properties (which is anticipated), additional taxation revenue, as well as associated economic benefits (i.e. construction and employment), would be realized.

The Executive Policy Committee recommends:

I. That Executive Policy Committee recommends to Council that Alternative I be the level of support to be provided to CentreVenture, namely, that CentreVenture would be granted an option for each property for $1.00, and minimal terms and conditions would be placed upon the conveyance.

II. That, for the duration of the Asset Agreement, upon receipt of title and possession of future tax sale properties within the downtown, each property be processed through the City's normal procedure to declare properties surplus and that each property be optioned to CentreVenture for the last three years of realty taxes, prior to its having become a City-owned property, net of interest and penalties.

Report of the Executive Policy Committee dated November 10, 1999

III. That for any identified Category D downtown property which is deemed surplus to capital projects, Executive Policy Committee recommend to Council, if and how the asset shall be made available to CentreVenture in the form of an option.

IV. That Council rescind the Standing Policy Committee on Property and Development's outstanding instruction for the development of a Request for Proposals (RFP) for the Metropolitan Theatre, and that, subject to a canvass of City Departments, this property be declared surplus to the City's needs, and optioned to CentreVenture in accordance with the Asset Agreement.

V. That, following Council direction, the City finalize an Asset Agreement with CentreVenture, in accordance with this report, together with such other terms and conditions required to meet the intent of Council, as may be determined by the Chief Administrative Officer (CAO) in consultation with the City Solicitor.

VI. That properties that currently indicate a Land Operating Reserve Fund (LOR) carrying cost, the inventory carrying costs be written off and recognized as expenses at the time of signing the Asset Agreement.

VII. That the Asset Agreement have a term of three years, and that any renewal of the Asset Agreement be subject to Council approval.

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

Adopted by consent.

(See Minute No. 34 for opposition recorded by Councillor Timm-Rudolph)

EXECUTIVE POLICY COMMITTEE

CONSIDERATION OF BY-LAWS

42 - On motion of His Worship Mayor Murray, the following by-laws were read a first, second and third time, the rule being suspended for the third reading of each by-law, and were passed and ordered to be signed and sealed, namely:

By-law No. 7516/99, a by-law of The City of Winnipeg to amend By-law No. 7100/97 being the City Organization By-law. Files GL-5.6 (Vol. 19) and GP-1.29 (Vol. 1)

By-law No. 7523/99, a by-law of The City of Winnipeg to establish a program of property tax assistance credits in the year 2000 to encourage and assist in the renovation of residential premises in the City of Winnipeg. Files FL (Vol. 7) and GG-2 (Vol. 25)

By-law No. 7524/99, a by-law of The City of Winnipeg to amend By-law No. 821/74, being a by-law relating to mobile houses, tourist camps and trailer parks. File EL-8 (Vol. 4)