REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED SEPTEMBER 29, 1999

On motion of His Worship Mayor Murray, the Report of the Executive Policy Committee, dated September 29, 1999 was considered clause by clause.

Provision of Support to CentreVenture Development Corporation ("CentreVenture") File EP-1.2.3 (Vol. 1)

863 - 1. 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 provided a workshop and tabled the preliminary draft of *Plan Winnipeg ... 2020 Vision* for review and consideration. This 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 for all Members of Council and tabled its Preliminary Draft Business Plan.

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

City Council approved the creation of CentreVenture, and charged the Administration with supporting the new Corporation as it undertakes its mission for downtown Winnipeg. This report is a response to both Council's direction and CentreVenture's Draft Preliminary Business Plan; it identifies supports that CentreVenture will require from the City so that its Board may initiate its planning, marketing, and staffing efforts.

Beyond the primary issues raised in the recommendations outlined below, additional matters which will require attention in the future include:

a) the final identification of City-owned properties that may be optioned to CentreVenture;

b) the conditions or parameters to which such property options would be subject;

c) the exact role of the CentreVenture Design Review Committee, and the nature of the administrative support the Committee will require; and,

d) any associated Organizational By-law revisions that may be required in support of the CentreVenture initiative.

CentreVenture's Preliminary Business Plan and the CentrePlan Downtown Design Framework

The CentreVenture Preliminary Business Plan and CentrePlan's Downtown Design Framework are companion documents that both reflect the spirit and intent of Council's May 13, 1999 direction, copies of which are on file in the office of the City Clerk.

CentreVenture's Preliminary Business Plan identifies the guiding principles, strategic direction, and the organizational concept for the CentreVenture Board, while the CentrePlan Development Framework document conveys graphically the vision, and confirms the work accomplished by CentrePlan since 1994. Both documents are, therefore, recommended for Council endorsement.

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CentreVenture Endowment and Operating Funding

CentreVenture's Draft Preliminary Business Plan requests an initial capital funding allocation of $3.0 million to endow its Development Bank. The funding is cash-flowed as $1.3 million in 1999 and $1.7 million in 2000. The Chief Executive Officer of CentreVenture confirmed on September 24, 1999, that the endowment and operating funding request of the City has not changed within their Board-approved CentreVenture Start-Up Business Plan.

CentreVenture defines its responsibility as a Development Bank to: "primarily focus on maximizing the leverage of CentreVenture's funding with public / private sector investment. The Development Bank will initiate creative financing, in the form of direct loans, loan guarantees, performance and discretionary grants, fund feasibility and architectural studies, realty, amusement and business tax concessions."

Further to Recommendation VII. of Council's May 13, 1999 direction, the Administration has reviewed a number of options for the support of CentreVenture through a re-allocation of the City's commitment to the Winnipeg Development Agreement (WDA). The status of the WDA Program as current to September 10, 1999, is outlined on Appendices "A" and "B". As at September 10, 1999, $4.28 million of WDA funding was uncommitted. It is important to note that, owing to the structure of the WDA, any proposed re-allocation is subject to the approval of all parties to the Agreement (Canada, Manitoba and Winnipeg).

CentreVenture's Draft Preliminary Business Plan identifies a need for an annual operating grant of $250,000 for each of the years 2000, 2001 and 2002.

In accordance with May's Council direction and CentreVenture's Preliminary Business Plan, and further to Council's discussion at the September 20, 1999 CentreVenture Workshop, it is recommended that Council approve a $3.0 million endowment to the CentreVenture Development Bank, as well as an annual operating grant of $250,000 for each of the years 2000, 2001 and 2002.

The $3.0 million in endowment funding would be cash-flowed as a $1.3 million payment in 1999 and a $1.7 million payment in the year 2000. It is recommended that the $1.3 million payment be made from re-allocated WDA program funds, with the source of the $1.7 million payment to be determined in the budget process.

The $250,000 annual operating grant would be paid in each of the years 2000, 2001 and 2002. It is recommended that the source of these funds be determined in the budget process. It is further recommended that these operating funds be identified as a line item within each of the Council-approved current budgets to ensure transparency.

It is also recommended that all funding arrangements, including the timing and conditions of payment, be specified within a contribution agreement. Given that Executive Policy Committee (EPC) has authority with respect to economic development, it is recommended that EPC finalize the contribution agreement.

The May 13, 1999 Council Recommendation VI. requires that the CentreVenture Board report semi-annually to Council through EPC, and table an annual report within 120 days of year-end (beginning in the year 2000).

Access to City-Owned Properties and Heritage Buildings

Further to Council's May 13, 1999 direction Recommendation XIII., City-owned properties within the downtown generally consist of parks and public rights-of-way, vacant land, heritage buildings, Winnipeg Hydro properties, civic facilities and parking lots and parkades. A map indicating the geographic distribution and current ownership status of these properties is on file in the office of the City Clerk.

A list of lands potentially available for sale is outlined on Appendix "C". In each instance, the list indicates the property's location/address, whether or not the property has been declared surplus, as well as any relevant additional information. Appendix "D" identifies current City lease commitments in private buildings, as well as the pertinent conditions pursuant to these commitments. These lists have been prepared for Council and CentreVenture's information.

Vacant lands and heritage buildings may provide the most opportunity for partnership with CentreVenture. However, transferring ownership directly to CentreVenture is not practical, as CentreVenture would then incur the costs involved in the legal transfer of ownership and in operating and managing the property, including realty taxes. CentreVenture has, therefore, indicated that the Corporation wishes to be granted options to acquire an interest in all surplus City-owned properties and heritage buildings within the downtown. It is recommended that City staff be

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authorized to negotiate an asset agreement with CentreVenture, for Council's approval, as the vehicle by which such options might be provided to the Corporation, subject to appropriate terms and conditions.

An asset agreement with CentreVenture would include:

- an option for CentreVenture to acquire such interests as are necessary to develop surplus City lands and buildings over a three-year term, subject to renewal at the discretion of Council;
- an option price for each of the properties in question;
- a framework for financial reporting; and,
- such other terms and conditions as the City Solicitor deems necessary to satisfy the intent of Council.

Review of Forks/North Portage Partnership

Implementation of Council Recommendation IX. requires an extensive and cooperative review of the Articles of Incorporation by the shareholders of the Forks/North Portage Corporation. The Forks Renewal Corporation (FRC) is a non-distributing share capital corporation that is wholly owned by the North Portage Development Corporation (NPDC), a non-distributing share capital community development corporation that has three equal shareholders - Canada, Manitoba and Winnipeg. FRC and NPDC are separate legal entities, but have merged their day-to-day operations for greater efficiency. Canada, Manitoba, Winnipeg, NPDC and FRC have agreed to appoint the same individuals and chairperson to the Boards of FRC and NPDC.

FRC and NPDC are partners in the Forks/North Portage Partnership. The other partners are Cityscape Residence Corporation, the North Portage Theatre Corporation and Portage Place Development Ltd.; the latter two are wholly owned by NPDC.

On dissolution or winding up, the assets of FRC would become the property of its shareholder, NPDC. On the dissolution or winding up of NPDC, its assets would be distributed equally amongst its three shareholders, Canada, Manitoba and Winnipeg - unless an agreement were made providing for a different distribution. Because NPDC is a community development corporation, any distribution of assets on dissolution or of profits must be approved by order of the Lieutenant-Governor-in-Council.

A Forks / North Portage Corporation shareholders' meeting is scheduled for October 1999. It is recommended that at this meeting, The City of Winnipeg seek shareholders' direction concerning the future of the partnership.

Amendment to Downtown Zoning By-law

Council's May 13, 1999 Recommendation X. requiring an amendment to the Downtown Zoning By-Law No. 4800/88, is currently being undertaken by the Property and Development Services Department.

Review of the Legal Implications of CentreVenture

Council's May 13, 1999 Recommendation XI. required that The City of Winnipeg's Legal Services Division facilitate the incorporation of CentreVenture; CentreVenture was duly incorporated under the laws of the Province of Manitoba on July 9, 1999.

Legal obligations of the parties will be addressed upon the finalizing of a contribution agreement and an asset agreement.

CentreVenture's Articles of Incorporation and General Operating by-laws must be consistent with CentreVenture's obligations to deliver services pursuant to a contribution agreement and an asset agreement required to be approved by Council. An acknowledgement of this requirement would be incorporated within each of these agreements.

CentreVenture Design Review Committee

CentreVenture identifies, within their Preliminary Business Plan, a comprehensive role for the CentreVenture Design Review Committee. CentreVenture envisions establishing an all-encompassing body enfolding current design committees such as the Historic Advisory Committee and the Downtown Design Review Committee, which would coordinate a single clear design review and approval process for downtown Winnipeg.

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It is recommended that the City Administration meet with the CentreVenture Board to discuss the establishment of the CentreVenture Design Review Committee, with the goal of preparing a co-authored report for the approval of Council clearly defining City and CentreVenture roles, responsibilities and expectations.

The City and the Province are currently in the midst of contracting a study looking at the Winnipeg Centre Residential Market Analysis, which will be shared with CentreVenture, enabling the Corporation to determine its most appropriate course of action with respect to future housing initiatives.

CentreVenture and the City should also cooperate with other levels of government to identify strategic areas of interest and key support infrastructure, and determine the best party to proceed with research and the gathering of background information on these issues.

Outstanding Request for Proposals (RFPs)

The Standing Policy Committee on Property and Development currently has outstanding directives to the Administration to prepare Requests for Proposals (RFPs) for three properties within the CentreVenture mandated area: the Metropolitan Theatre, the Epic Theatre, and the James Avenue Pumping Station. A report regarding the proposed evaluation criteria to be used for the James Avenue Pumping Station RFP is to be received by the Standing Policy Committee on Property and Development at its September 30, 1999 meeting.

Consistent with Council's direction that the CentreVenture Development Corporation be the authority to provide leadership in creating and sustaining business opportunities and economic growth in downtown Winnipeg, Council may wish to consider referring such RFP requests to the CentreVenture Board.

Financial Impact:

The total financial implications of CentreVenture are presently not quantifiable, except with regard to the proposed Development Bank endowment funding of $3 million and the proposed three annual operating grants, which would total $750,000. The Financial Impact Statement outlined on Appendix "E" refers only to the known financial implications discussed within this report. The Financial Impact Statement's assumptions with respect to the sources of CentreVenture funding are consistent with the recommendations, contained herein.

The Executive Policy Committee recommends:

I. That Council endorse the spirit and intent of both CentreVenture's Start-up Business Plan and the June, 1999 CentrePlan Development Framework, copies of which are on file in the office of the City Clerk.

II. That Council approve a total of $3 million in endowment funding for the CentreVenture Development Bank, as well as an annual operating grant of $250,000 for the years 2000 through 2002, inclusive, subject to:

A) shareholder agreement to re-allocate $1.3 million in WDA program funds in 1999, to the CentreVenture Development Bank's endowment fund;

B) budget approval for a $1.7 million endowment payment in the year 2000, the source of which is to be determined in the budget process;

C) budget approval for annual operating grant payments of $250,000 for each of the years 2000, 2001, and 2002, to be identified as line items within the respective current budgets, and;

D) the signing of a contribution agreement between the City and CentreVenture, to be finalized by the Executive Policy Committee.

III. That The City of Winnipeg seek shareholders' direction concerning the future of the Forks/North Portage Corporation at the scheduled October 1999 shareholders' meeting.

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 surplus City-owned properties and heritage buildings within the downtown, for the approval of Council by the end of January 2000.

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V. That appropriate City staff in partnership with CentreVenture define the establishment of a CentreVenture Design Review Committee, and that a report which offers recommendations regarding the Committee's role and operations be prepared for the approval of Council.

VI. That the City's Organizational By-law be reviewed as required, in conjunction with establishment of the Design Review Committee and finalizing of the asset agreement, to determine if any revisions are required in support of CentreVenture; and that any findings issuing from this review be submitted for Council's consideration.

VII. That the Chief Administrative Officer be requested to define for Council a governance structure that would ensure there is a succession plan for the CentreVenture Board of Directors.

VIII. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing, including the execution of any documents related thereto.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

In amendment,

Moved by His Worship Mayor Murray,
Seconded by Councillor Clement,

BE IT RESOLVED THAT Recommendation No. 1 be deleted and replaced by the following:

"That Council endorse the spirit and intent of CentreVenture's Start-up Business Plan and recognize the CentrePlan Development framework as a guideline for downtown development".

In amendment,

Moved by Councillor Smith,
Seconded by Councillor Prystanski,

WHEREAS Recommendation 2. A introduces an endowment fund for CentreVenture;

AND WHEREAS the designated funding for the endowment fund has identified funding from Inner Winnipeg neighbourhoods;

AND WHEREAS these neighbourhoods are neighbourhoods in need that cannot afford to lose any funding;

THEREFORE BE IT RESOLVED THAT no funds be taken from any projects currently designated for the inner Winnipeg area, specifically 3A Neighbourhood Revitalization and 12A Riverbank Development; and that the requested $1.3M be found from general revenues.

Moved by Councillor Golden,
That Council go into Committee of the Whole.

The motion was put.

Councillor Lazarenko called for the yeas and nays, which were as follows:-

Yea: Councillors Clement, Gerbasi, Golden, Lubosch, Prystanski, Smith, Steek, Vandal, His Worship Mayor Murray and Councillor O'Shaughnessy. 10

Nay: Councillors De Smedt, Lazarenko and Deputy Mayor Thomas. 3

and the motion that Council go into Committee of the Whole was put and declared carried and Council went into Committee of the Whole at 2:04 p.m.

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Councillor Lazarenko in the Chair.

Moved by Councillor Thomas,
That Committee of the Whole rise and report.

The Committee of the Whole rose and reported at 3:05 p.m.

The Speaker here resumed the Chair.

The amendment proposed by Councillors Smith and Prystanski was put.

Councillor Prystanski called for the yeas and nays, which were as follows:-

Yea: Councillors Golden, Lazarenko, Prystanski and Smith. 4

Nay: Councillors Clement, De Smedt, Gerbasi, Lubosch, Deputy Mayor Thomas, Vandal, His Worship Mayor Murray and Councillor O'Shaughnessy. 8

and the amendment proposed by Councillors Smith and Prystanski was declared lost.

The amendment proposed by His Worship Mayor Murray and Councillor Clement was put and declared carried.

Councillor Golden asked to be recorded as having voted against the amendment, in accordance with Rule 50.7 of the Procedure By-law.

The motion for the adoption of the clause, as amended, was put.

Councillor Golden called for the yeas and nays, which were as follows:-

Yea: Councillors Clement, De Smedt, Gerbasi, Golden, Lazarenko, Lubosch, Prystanski, Smith, Steek, Deputy Mayor Thomas, Vandal, His Worship Mayor Murray and Councillor O'Shaughnessy. 13

Nay: 0

and the motion for the adoption of the clause, as amended, was declared carried.

Community Consultation Process - Budget Policy Framework File FE (2000)

864 - 2. On September 29, 1999, the Executive Policy Committee passed the following motion, namely:

WHEREAS at a Council Seminar on September 13, 1999, a draft five year plan budget policy discussion paper entitled "Achieving Affordable Government For a Sustainable Winnipeg - Getting Taxes Off Our Backs and On Our Side", was tabled for Councillors' consideration;

AND WHEREAS the discussion paper identified a number of budget options to achieve a level of taxation competitive with other comparable cities, specifically working towards a property tax reduction;

AND WHEREAS the discussion paper outlined a Community Consultation Process which encourages citizen, community and business input, and identified a critical path for the public consultation process;

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THEREFORE BE IT RESOLVED THAT:

I. The discussion paper entitled "Achieving Affordable Government For a Sustainable Winnipeg - Getting Taxes Off Our Backs and On Our Side" be received as information at this time;

II. The public consultation process as outlined in the discussion paper be implemented in accordance with the identified critical path with additional ideas generated by Members of Council being included in the community consultation process;

and submits same to Council for favourable consideration.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.