Report – Executive Policy Committee - February 14, 2007

Item No. 3 North End Wellness Centre – Additional Funding
File FI-2(34)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 14, 2007, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That the Council decision of January 26, 2005 and the Standing Policy Committee on Property and Development decision of January 17, 2005, regarding the acquisition and sale of 365 McGregor Street (former YMCA) to the North End Renewal Corporation, be amended so that the former North End YMCA site located at 365 McGregor, once declared surplus, be sold to the North End Wellness Centre, versus the North End Community Renewal Corporation.

2. That upon the North End Wellness Centre (NEWC) meeting all terms and conditions as required by the Administration as detailed in the report from the Acting Director of Community Services dated February 9, 2007, a one-time grant of $250,000.00 in 2007 to NEWC be approved in order to assist in the capital redevelopment of the former North End YMCA site.

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

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 14, 2007, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

COUNCIL DECISION:

On January 26, 2005, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That, upon the acquisition of the former YMCA located at 365 McGregor Street, shown outlined on Misc. Plan No. 8391/1, and subject to all conditions outlined in the report from the Director of Planning, Property and Development dated January 12, 2005, being complied with, the property be declared surplus to the City's requirements.

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 19, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 17, 2005, the Standing Policy Committee on Property and Development concurred in administrative recommendation 3A and recommended to Council:

1. That, upon acquisition of the former YMCA located at 365 McGregor Street, shown outlined on Misc. Plan No. 8391/1, and subject to all conditions outlined in the report from the Director of Planning, Property and Development dated January 12, 2005, being complied with, the property be declared surplus to the City's requirements.

STANDING COMMITTEE DECISION:

On January 17, 2005, the Standing Policy Committee on Property and Development concurred in administrative recommendations 1A, 1B, 2 and 3B, as amended, namely:

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DECISION MAKING HISTORY (continued):

STANDING COMMITTEE DECISION (continued):

1. That the Director of Planning, Property and Development negotiate the sale of the former YMCA located at 365 McGregor Street, shown outlined on Misc. Plan No. 8839/1, to the North End Community Renewal Corporation (NECRC) for the purchase price of $1.00 subject to:

    A. The Purchaser providing proof to the satisfaction of the Director of Planning, Property and Development that:

        i. funding has been secured from the Provincial/Federal Governments and the private sector in order to complete the proposed development of the North End Wellness Centre project.

        ii. provision is made in the project for a component dedicated to seniors residing in the North End community.

        iii. provision is made in the project for a component dedicated to pre-schoolers and youth residing in the North End community.

        iv. the North End Community Renewal Corporation undertaking a more current public consultation in co-operation with the Ward Councillor.

    B. the Purchaser agreeing to the City's standard terms and conditions of sale and such other terms and conditions negotiated or deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services in order to protect the City's interests.

2. That, subject to the successful negotiation of the terms and conditions of sale as outlined in Recommendation 1, the Director of Planning, Property and Development proceed with the acquisition of the former YMCA located at 365 McGregor Street pursuant to Tax Sale No. 102/247.

3. That upon the acquisition of the former YMCA located at 365 McGregor Street the Director of Planning, Property and Development finalize the sale to the North End Community Renewal Corporation (NECRC).

RE: Proposed Additional Funding for the North End Wellness Centre

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Clive Wightman, Acting Director
Community Services Department

REPORT DATE: February 9, 2007

RECOMMENDATION:

1. That Council amend the decision of January 26, 2005 (Re: Proposed Acquisition and sale of 365 McGregor Street (former YMCA) to the North End Renewal Corporation - Recommendation 3b.) so that the former North End YMCA site located at 365 McGregor, once declared surplus, be sold to the North End Wellness Centre, versus the North End Community Renewal Corporation.

2. That Council consider approval of, upon the North End Wellness Centre (NWEC) meeting all terms and conditions as required by the Administration as detailed in this report, a one-time grant of $250,000 in 2007 to NEWC in order to assist in the capital redevelopment of the former North End YMCA site.

Report Summary

Key Issues:

- Representatives from NEWC have agreed to provide the following information, and/or make amendments to financial information presented to the City, as a condition of Council consideration of the additional funding request of $250,000
    - Provide an update to the capital construction estimates as submitted as construction estimates are two years old
    - Revisit the proposed commitment for the construction contingency. The proposed contingency of 3% is far too conservative. A more accurate estimate would, at a minimum, be15%.
    - Provide City Administration details of the fundraising campaign with confirmation of major contributors.
    - Provide City Administration an explanation of the underlying assumptions behind the capital the operational budget projections.
    - Written confirmation of signed lease agreements with respective tenants.

- To date, the requested additional information request has not been fulfilled.

- On January 26, 2005 Council approved a financial commitment of approximately $350,000 (back taxes and land).

- A $250,000 funding source for the City's additional contribution for the capital development of the North End Wellness Centre has been identified in the 2007 operating budget.

- Consistent with the report to Standing Policy Committee on Planning, Property & Development of January 12th, 2005, any contribution including financial, land and tax forgiveness should count against the City's contribution under the Winnipeg Partnership Agreement in Component I: Aboriginal Participation.

- No ongoing operating dollars are being requested from the City of Winnipeg.

- A communication strategy to ensure that the three major deliverables in the area (North End Recreation Complex - Old Ex Site, North End Wellness Centre and Sinclair Park) dovetail into one another, in order to ensure appropriate synergy and also avoid duplication of deliverables and guarantee community need is addressed, is paramount.

- NEWC would like to make a project announcement imminently.

- No formal additional capital commitment to the NEWC has been made/offered.

- The Council decision of January 26, 2005 directs the Director of Planning, Property and Development to finalize the sale of the former YMCA located at 365 McGregor to the North End Community Renewal Corporation. As NEWC will be the landlord of record it is logical to amend the decision of Council to reflect this relationship.

Implications of the Recommendation(s):

General Implications

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

Comment(s): Enhanced provision of service to the impacted community.

Policy Implications

(X) No
( ) Yes
Comment(s):

Regulatory Implications

(X) None
( ) Eliminates or reduces regulatory impact
( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(X) No
( ) Yes
Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

( ) Within approved current and/or capital budget

(X) Current and/or capital budget adjustment required

Comment(s): A $250,000 funding source for the City's additional contribution for the capital development of the North End Wellness Centre has been identified in the 2007 operating budget

Report

REASON FOR THE REPORT:

To provide Council information so that Council can consider, after all Administrative terms and conditions have been met, providing a one time 2007 financial contribution of $250,000, above current Council approved contributions, for the capital development of the proposed North End Wellness Centre.

To amend the Council decision of January 26, 2005 (Re: Proposed Acquisition and sale of 365 McGregor Street (former YMCA) to the North End Renewal Corporation - Recommendation 3b.) so that the former North End YMCA site located at 365 McGregor, once declared surplus, be sold to the North End Wellness Centre, versus the North End Community Renewal Corporation.

HISTORY:

Background:

- The North End Wellness Centre approached the City of Winnipeg in early 2006 relative to the possibility of securing additional Capital funding.
- The project proponent submitted a business plan for the North End Wellness Centre on August 8, 2006.
- Met with the project proponent on November 23, 2006 to get clarification on issues related to the submitted business plan (see key issues and Discussion sections of the report).

Project Description:

- Building owned and operated by North End Wellness Centre Inc. (not for profit incorporated body)
- The existing structure at 365 McGregor is in the process of being demolished and a new 25,000 sq. ft. multi-service wellness centre structure will be constructed.
- Project will include a gymnasium, youth recreation centre, indoor skateboard park and play structure, youth-sized workout equipment, childcare facility, community kitchen, community meeting spaces and 3,000 sq. ft. of office space occupied by the WRHA.
- NEWC will be the owner of the facility, and it will be occupied and operated collaboratively by the YMCA-YWCA of Winnipeg, Ma Mawi Wi Chi Itata Centre and Splash Childcare.
- Capital budget, as submitted by NEWC, is approximately $5.5M

Project Funding:

- Funding partners Identified in Business Plan
    - $1.0M – Federal
    - $1.0M – Province
    - Remainder to be funded by other Public and Private Sector commitments.

Project Goals:

- Encourage daily physical activity of children and youth
- Promote recreational opportunities for persons of all ages
- Elimination of financial barriers to participation in recreational activities
- Provide increased quality childcare options
- Facilitate sharing and cooperation among established community organizations
- Create increased opportunities for volunteerism
- There will be no mortgage on the building and rents will be set to pay the ongoing operating costs, including a provision for capital replacement (Loewen letter of June 21, 2006 and reconfirmed in letter of August 8, 2006)

Current City Commitment:

- January 26, 2005 - Approximately $350,000 (back taxes and land)

DISCUSSION:

- Representatives from NEWC have agreed to provide the following information, and/or make amendments to financial information presented to the City, as a condition of Council consideration of the additional funding request of $250,000.
    - Provide an update to the capital construction estimates as submitted as construction estimates are two years old
    - Revisit the proposed commitment for the construction contingency. The proposed contingency of 3% is far too conservative. A more accurate estimate would, at a minimum, be15%.
    - Provide City Administration details of the fundraising campaign with confirmation of major contributors.
    - Provide City Administration an explanation of the underlying assumptions behind the capital the operational budget projections.
    - Written confirmation of signed lease agreements with respective tenants.

- To date, the requested additional information request has not been fulfilled.

- Should Council consider a request for funding, a $250,000 funding source for the City's additional contribution for the capital development of the North End Wellness Centre has been identified in the 2007 operating budget

- Consistent with the report to Standing Policy Committee on Planning, Property & Development of January 12th, 2005, any contribution including financial, land and tax forgiveness should count against the City's contribution under the Winnipeg Partnership Agreement in Component I: Aboriginal Participation.

- No ongoing operating dollars are being requested from the City of Winnipeg.

- A communication strategy to ensure that the three major deliverables in the area (North End Recreation Complex - Old Ex Site, North End Wellness Centre and Sinclair Park) dovetail into one another, in order to ensure appropriate synergy and to also avoid duplication of deliverables and guarantee community need is addressed, is paramount.

- NEWC would like to make a project announcement imminently.

- No formal additional capital commitment to the NEWC has been made/offered.

- The Council decision of January 26, 2005 directs the Director of Planning, Property and Development to finalize the sale of the former YMCA located at 365 McGregor to the North End Community Renewal Corporation. As NEWC will be the landlord of record it is appropriate to amend the decision of Council to reflect this relationship.

Attachments:

- Site map (NEWC, Sinclair Park Community Centre, Old Ex Site)
- Distance / Physical Barriers

Financial Impact Statement — Date: January 29, 2007

Project Name:North End Wellness Centre **First Year of Program** **2007**

	2007	2008	2009	2010	2011
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 250,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 250,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 250,000	$ -	$ -	$ -	$ -

Additional Comments: A funding source for the City's additional contribution has been identified as part of the 2007 operating budget.

original signed by
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Planning, Property and Development

External Consultation With:
Project Proponent, North End Wellness Centre

THIS REPORT SUBMITTED BY:
Clive Wightman,
Acting Director, Community Services Department