STANDING COMMITTEE ON

FISCAL ISSUES

On motion of Councillor Silva, the Report of the former Committee on Finance and Administration dated July 15, 1997, was considered.

Moved by Councillor Silva,
That the Consent Agenda, Clause 1 be adopted.

Councillor Angus requested that Clause 1 be pulled from the Consent Agenda.

Proposed Lease of the Former Winnipeg Canoe Club Golf Course - The City of Winnipeg to the Germanic Cultural Centre of Manitoba Inc.
File PR-2.4.1 (Vol. 2)

46 - 1. On April 19, 1995, Council adopted the following recommendation contained in a report from the Committee on Finance and Administration:

I. That a Management Agreement for the operation of the Winnipeg Canoe Club be approved with the Germanic Cultural Centre of Manitoba Inc., in a form satisfactory to the City Solicitor/Manager of Legal Services as outlined in Appendix "A," subject to the following:

(a) the Germanic Cultural Centre of Manitoba Inc. remaining a non-profit organization;
(b) the parking lot remaining available for use in conjunction with the golf course use.

II. That the proper officers of the City be authorized to do all things necessary to implicate the foregoing, including the execution of any documents related thereto.

The Management Agreement referred only to the Clubhouse, tennis courts and parking lot. The golf course was identified as being subject to a separate lease agreement with the Germanic Cultural Centre of Manitoba Inc.

On April 3, 1995, the Committee on Finance and Administration approved a recommendation that the Director of Land and Development Services be delegated the authority to enter into a five (5) year lease with the Germanic Cultural Centre of Manitoba Inc. for the operation of the Winnipeg Canoe Club golf course, subject to the approval of the City Solicitor/Manager of Legal Services; and further that the Director of Land and Development Services be instructed to permit the proposed tenant to operate the golf course on an interim basis subject to terms authorized by him.

The Land and Development Services Department has negotiated a proposed lease with the Germanic Cultural Centre of Manitoba Inc. in basic accordance with the terms and conditions of the proposed lease that formed part of the original Call For Proposals. Since the matter of the golf course lease has never been formally dealt with by Council, final approval of the proposed terms and conditions by at least two thirds majority of Council is necessary, pursuant to Section 156(2) of The City of Winnipeg Act.

A summary of the proposed terms and conditions are as follows:

Rent:	- One dollar annually
Term:	- Five years - April 1, 1995 to March 31, 2000
Tenant's Responsibility:	- Pay all operating costs
	- Pay all taxes including real property taxes and business taxes
	- Maintain the lands and leasehold improvements
	- Perform seasonal maintenance requirements
	- Perform annual winterization requirements
	- Property general liability and business interruption insurance
Cancellation:	- Upon default by Tenant

Report of the Committee on Finance and Administration dated July 15, 1997

The Germanic Cultural Centre of Manitoba Inc. has advised that it accepts the proposed terms and conditions.

The urgency in dealing with this matter also relates to the liquor license in the clubhouse portion of the property. The current liquor license is in the name of The City of Winnipeg and will only be placed in the name of the Germanic Cultural Centre of Manitoba Inc. when it has a signed lease with the City on the golf course portion of the property. A hearing has been set for Monday, July 21, 1997, by the Licensing Board of the Manitoba Liquor Control Commission to review the suitability of the Germanic Cultural Centre of Manitoba Inc. to hold a dining room, cocktail lounge and sports facility liquor license as it does not presently comply with the Liquor Control Act.

Approval of the terms and conditions as outlined on Schedule "A" will regularize the management of the golf course by the Germanic Cultural Centre of Manitoba Inc. and provide it with the ability to secure a liquor license in its name.

The Committee on Finance and Administration recommends:

I. That a lease with the Germanic Cultural Centre of Manitoba Inc. for the operation of the Winnipeg Canoe Club golf course be approved in accordance with the terms and conditions as outlined on Schedule "A".

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

Pursuant to Section 156(2) of The City of Winnipeg Act, the approval of at least two-thirds majority of Council is required on the lease (or in this case a Management Agreement) of property designated or acquired for park purposes.

Copy of Schedule "A" is on file in the office of the City Clerk.

The Executive Policy Committee recommends that the following recommendations II. and III. be inserted, and that recommendation II. be renumbered to IV.:

II. That starting in 1998, $1.00 from each round of golf be incorporated into the life of the lease agreement, to be used for a golf course reserve fund.

III. That the City of Winnipeg have full operational audit rights for the agreements with the Germanic Cultural Centre.

Moved by Councillor Silva,
Adoption of the clause,

In amendment,

Moved by Councillor O'Shaughnessy,
That the amendment proposed by the Executive Policy Committee be adopted.

Moved by Councillor Angus,
That the clause be referred back to the Executive Policy Committee.

The motion to refer the clause was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillors Angus, Golden, Lubosch, Murray, O'Shaughnessy, Steek, Thomas, Vandal and Clement. 9

Nay: Councillors Prystanski, Lazarenko, Phillips, Silva, Timm-Rudolph and Her Worship Mayor Thompson. 6

and the motion to refer the clause back to Executive Policy Committee was declared carried.

STANDING COMMITTEE ON

FISCAL ISSUES

On motion of Councillor Silva, the Report of the former Committee on Finance and Administration dated September 15, 1997, was considered.

Proposed Acquisitions - The St. Vital Parkway File FI-2(35)(Vol. 5)

47 - 8. The Committee on Finance and Administration at its meeting held on January 6, 1997, and adjourned to January 7, 1997, considered two reports prepared by the Real Estate Division of the Land and Development Services Department dated, respectively, November 19, 1996 and December 20, 1996 concerning the property at 576 St. Mary's Road, which had been listed for sale during May of 1996. However, there was no approved program in place then to negotiate acquisition of this property. In October of 1996, the matter was brought before the Committee on Finance and Administration which authorized negotiations to proceed for acquisition of the property, subject to the Committee on Protection, Parks and Culture approving the "need" for the property by the City and by which time this property was conditionally sold. Despite the City's expression of interest and the Department's preparedness to present an offer, the property on November 7, 1996, had sold to a third party.

On October 28, 1996, when the Committee on Finance and Administration had authorized proceeding with negotiations to purchase 576 St. Mary's Road, a request was also made of the Director of Land and Development Services Department to monitor and advise the Director of Parks and Recreation of the availability of certain adjacent riverbank properties in order that they be acquired as they become available for sale. Since that time, Council, on November 20, 1996, adopted the report of the Committee on Parks Protection and Culture dated November 4, 1996, thus concurring in those recommendations.

As a matter of established policy, Council, on October 19, 1989, decided that the City shall acquire land to meet the active and passive needs of a public parks and recreation service. Such properties may be acquired through land dedication by developers, lease agreements, donations of property, and direct purchase. The fifth option of acquisition, that of land expropriation, shall not normally be utilized for parks and recreation purposes except under extreme and exceptional circumstances as may be warranted to complete a property consolidation for a long standing Council approved program. In assessing the merits for acquisition of any given property, certain criteria are used for evaluation, including the availability, size and shape of a property and the question of its need for a predetermined and warranted program. Additional criteria used for evaluation, called secondary factors, include: site amenities, uniqueness, location, accessibility and the question of whether a property is a predetermined component of a Council approved land acquisition program.

The City's policy for the sale, acquisition, rental or leasing and management of City properties provides, among other things, that when an approved capital project clearly identifies land acquisition, the departments are authorized to request the Director of Land and Development Services to begin negotiations without further approval from the Board of Commissioners, otherwise, the Board of Commissioners shall authorize the Director of the Land and Development Services Department to commence negotiations for all land acquisitions.

All land acquisition programs must be approved by Council, either through the Capital Budget or as separate programs; and once any land acquisition program has been determined by Council, the Committee on Finance and Administration shall finalize the terms and conditions of those acquisitions for which the Director of the Land and Development Services Department has no authority. Once a land acquisition program has been approved by Council, the Director of Land and Development Services has been delegated authority to finalize property acquisitions where the purchase price payable is $25,000.00 or less.

The procedure for acquisition of land for a program not approved by Council, requires that the results of the negotiations and terms and conditions of proposed acquisition be reported through the Technical Advisory Committee on City Properties to the Committee on Finance and Administration, which Committee recommends the proposed acquisition to Executive Policy Committee, and subsequently to Council.

Report of the Committee on Finance and Administration dated September 15, 1997

On October 15, 1975, Council delegated to the Board of Commissioners the authority to obtain options to purchase properties for public purposes and that the deposit for such options to be limited to 5% of the purchase price to a maximum of $10,000.00. On July 21, 1993, Council delegated the authority to obtain options to purchase properties to the Director of Land and Development Services once the Board of Commissioners has authorized the Director to undertake the land acquisition negotiations and to acquire an option to purchase with the deposit for such options being limited to 5% of the purchase price to a maximum of $5,000.00, and to report back on the results of the negotiations through the Technical Advisory Committee on City Properties.

Given the foregoing policy considerations, and given the November 20, 1996, Council Order, the system is now in place so that as individual properties are either made available to the City through unsolicited offers and/or individual properties are advertised for sale, the Real Estate Division of the Land and Development Services Department can collect and synthesize the pertinent data in order to advise the Parks and Recreation Department. That Department can than assess the merits of the particular property under consideration, identify an appropriate account number to which land acquisition costs can be charged and then, recommend to the Board of Commissioners that the Director of Land and Development Services proceed to negotiate for that acquisition, subject to final approval of the terms and conditions by Council.

A representative of the Real Estate Division will then develop a purchase proposal and negotiate with the property owner or the property owner's representative. The results of those negotiations would be communicated to the Parks and Recreation Department and, if satisfactory, reported through the Technical Advisory Committee on City Properties to the Committee on Finance and Administration, which Committee may recommend the acquisition to Executive Policy Committee and, subsequently, Council for final approval.

To summarize, the idea to pursue selected properties in order to establish the St. Vital Parkway has been approved in principle by Council on November 20, 1996. The Parks and Recreation Department has indicated that it is fully committed to the land assembly, but considers that expropriation is not yet warranted. As and when predetermined properties are either offered for sale to the City or publicly advertised for sale, upon learning of same, the Real Estate Division of the Land and Development Services Department can assemble the pertinent data for an evaluation and confirmation of need by the Parks and Recreation Department. Then, subject to availability of a suitable source of funding, and upon receipt of instructions from the Board of Commissioners, negotiations towards acquisition can proceed. Those negotiated purchase proposals are subject to approval as to the terms and conditions, including price, by the Committee on Finance and Administration and, finally, Council.

In considering this matter, the Real Estate Division of the Land and Development Services Department has examined the following process alternatives:

Alternative No. 1: Request Council to approve the St. Vital Riverbank Parkway initiative as a Capital Program

A Council approval of this project as a capital program, together with a source of adequate funding, would allow the Committee on Finance and Administration to give final approval to the terms and conditions of each individual property acquisition. This method would also eliminate the need that the Parks and Recreation Department proceed to the Board of Commissioners, recommending that the Director of Land and Development Services be authorized to negotiate for the proposed acquisition of each property offered to the City. However, it may be difficult to specifically allocate in advance an adequate sum of money to finance the proposed acquisitions, (as opposed to seeking funding for each potential acquisition on an individual case by case basis).

This alternative was explored during 1994, at the request of the Riverbank Management Committee through the Commissioner of Finance and Administration. The then Land Surveys and Real Estate Department, in consultation with the Parks and Recreation Department, commenced an investigation for the purposes of providing a cost analysis to acquire and demolish the properties, and to identify funding sources for the possible acquisition. The conclusion reached by both Departments was that given the contribution value of the building improvements, the second level prioritization of the property for riverbank acquisition purposes and the lack of current funding (a sum greater than $2.5 Million would have been required), it would not be appropriate to pursue an active acquisition program at that time. The Administration was to recommend that the City instead pursue a more passive acquisition program wherein as the individual properties are offered for sale to the City, their acquisition will be reviewed and evaluated and depending on the decision, funding would be identified at that time.

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Alternative No. 2: Recommend that Council initiate an expropriation

This alternative would achieve acquisition of those properties identified, subject to the recommendations of an inquiry officer, pursuant to the process enunciated in Manitoba's Expropriation Act. However, this process would be appreciably more expensive, than acquisition by negotiation only. This process would also be contrary to the City's policy of not relying upon the expropriation method of acquisition for Parks and Recreation purposes, except in extreme circumstances.

Alternative No. 3: Request that the Board of Commissioners authorize the Director of Land and Development Services to take Options to Purchase on each property that becomes available

This alternative would first require that a suitable sum of money be set aside for the purpose of securing Options to Purchase for all identified potential acquisitions, and it presumes that adequate funds will become available to complete each acquisition. The process is an expedient one and it would permit the administration to bring to the Committee on Finance and Administration a firm transaction, however, this alternative could from time to time, result in lost option deposits in the event that the said Committee or Council did not approve a certain proposed acquisition once the Option to Purchase had been obtained. This alternative would enable the administration to treat each proposed property acquisition as a priority, subject to the inherent risks outlined herein.

Alternative No. 4 Confirm the existing land acquisition process as outlined herein

The existing land acquisition process works, however, it may not be expeditious enough in certain circumstances. Furthermore, this method does not result in the administration initiating acquisitions, but rather, the process reacts to either unsolicited offers to sell (to the City) or public advertisement of the property for sale. This process also, does not necessarily result in the Parks and Recreation Department deciding to pursue an acquisition of each and every property that may become available for sale. The Department evaluates each opportunity to purchase as it occurs. This process was developed in accordance with the Parks and Recreation Department's standing policy of acquiring riverbank properties as they become available for sale, and only at a fair and equitable cost to the City.

Alternative No. 5 Notify all potentially affected property owners of the City's long-term interest in acquiring properties

This alternative is a variation of Alternative No. 4, however, it has the advantage of formally informing all potentially affected property owners of the City's intentions, thus, minimizing the potential for losing an opportunity to acquire any property through a sale to another private party. In order to proceed with this alternative, specific political direction must first be obtained (to notify the property owners) together with an appropriate source(s) of funding for resulting property acquisitions.

In addition to the foregoing process alternatives, the Land and Development Services Department has further considered the matter, policy-wise.

Use of Private Real Estate Brokers

Specifically, as has been suggested, the Department has considered the notion to utilize private real estate brokers for the purpose of negotiating the proposed acquisitions.

Should the City wish to adopt a policy of utilizing a private real estate broker (as opposed to, or in addition to its staff resources), a complete re-engineering of existing policy, processes and systems would be required. This would include a thorough review of previous Council policies, staffing issues, collective agreement implications, discussions with private brokers and other government organizations. In view of the lack of resources and with existing priorities, the Real Estate Division of the Land and Development Services Department will require significant time to undertake a detailed and thoughtful process review and proposed policy change. On a preliminary basis, it would appear that this concept would involve trading one acceptable method of transacting business for another potentially acceptable method, while contending with the significant transitional issues which arise through the process of effecting the change. Perhaps an analyst with an appropriate range of experience could on a consulting basis expedite a policy and process review of this nature.

The Real Estate Division has also explored, with the Community Planning and Legal Services Divisions, the notion of withholding issuance of any building permits applied for in this area for a 60 day period to enable the administration to react and assess the situation for possible property acquisition. However, this is not a viable option given the limited circumstances as contained within the City of Winnipeg Act when the City may exercise

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this power. This potential strategy would have attracted unnecessary liability and exposure to financial risk for the City. However, the Director of the Parks and Recreation Department can request the Zoning Administrator to include the Parks and Recreation Department in the "One Stop Shop" for building permit process for selected areas where parks projects may be in the planning stages. The Department can then potentially persuade an applicant to delay any proposed construction if the circumstances so warrant.

It was the recommendation of the Administration that the existing process be confirmed for the acquisition of property required to establish the St. Vital Parkway over the long term.

The Committee on Finance and Administration does not concur in the administrative recommendation and recommends:

I. That the Director of Land and Development Services be authorized to negotiate for the acquisition of riverbank properties for the St. Vital Parkway situated west of St. Mary's Road between Dunraven and Harrowby Avenues; Vivian and Morier Avenues, and Fifth Avenue and Lyndale Drive, as they become available.

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

The Executive Policy Committee does not concur with the recommendations of the Committee on Finance and Administration, inasmuch as the subject property is not considered a priority in accordance with Policy C 185 of The City of Winnipeg, which policy provides for the acquisition of riverbank properties including priorities for same.

Moved by Councillor Golden,
Adoption of the clause.

In amendment,

Moved by Her Worship Mayor Thompson,
That the recommendation of the Executive Policy Committee be adopted.

Moved Councillor Murray,
Seconded by Councillor O'Shaughnessy,

THAT the clause be referred to the Standing Policy Committee on Property and Development for review against the riverbank policy and priorities and land acquisition and that the cost estimates and funding be identified.

The motion to refer the clause to the Standing Policy Committee on Property and Development with instructions, was put.

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

Yea: Councillors Lazarenko, Lubosch, Murray, O'Shaughnessy, Phillips, Silva, Thomas, Vandal, Deputy Mayor Eadie and Her Worship Mayor Thompson. 10

Nay: Councillors Prystanski, Angus, Golden and Clement. 4

and the motion to refer the clause to the Standing Policy Committee on Property and Development, with instructions, was declared carried.

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Proposed Pantages Playhouse Theatre Management Agreement
File F-6 (Vol. 9)

48 - 9. The Pantages Playhouse Theatre (the Theatre) was originally constructed in 1913. Upon acquisition via tax sale on July 31, 1944 Council determined that *". . . it is desirable that music, art and culture should be fostered and promoted by the City of Winnipeg for the advancement of its inhabitants . . . "*. The building was placed under the jurisdiction of the Civic Buildings Department in 1977 and declared a Grade II heritage building in 1981.

On May 8, 1985 Council directed the purchase of additional adjoining lands and the eventual restoration/addition to the Pantages resulting in a capital outlay of approximately $6.3 million dollars. In each of the past three years, the operation of the Pantages Playhouse Theatre has been subsidized by the City in the range of $190,000.00.

In a letter dated July 26, 1996, Mr. Bert Kroeker, on behalf of the Performing Arts Consortium of Winnipeg Inc. (PAC) proposed to manage the Theatre "as an active and viable facility that promotes local and commercial arts performances." Said proposal was as follows:

1. The City of Winnipeg would retain ownership of the Pantages Playhouse Theatre and responsibility for structural maintenance, related capital costs and taxes.

2. The City would enter into a lease agreement with the Performing Arts Consortium of Winnipeg for the sum of $1.00 per year for the facility. This agreement would be for an initial three-year period, with provision for renewal of the lease at the end of this period.

3. The Consortium would run the facility as a performing arts venue, ensuring access to the facility by community groups and for-profit enterprises.

4. The Consortium would be responsible for the hiring and supervision of staff required to properly operate and promote the facility.

5. The Consortium would be responsible for any operating losses incurred during the lease period.

6. The Consortium would undertake to enter into written agreements with strategic partners to ensure that the facility was utilized by both community groups and for-profit companies.

Council, at its meeting held January 29, 1997, directed:

> *That a short term lease agreement be entered into with the Performing Arts Consortium of Winnipeg Inc., (without tendering for proposals) for use of the Pantages Playhouse Theatre on a three year basis, subject to a suitable business plan and agreement being reached between the City of Winnipeg and the organization.*

Council, at its meeting held March 27, 1997, directed:

> "that the Civic Buildings Department provide minimal operational funding to ensure the Theatre's continued operation to September 1, 1997, and that funds in the total amount of $75,000.00 be added to the 1997 current estimates of the Civic Buildings Department for this purpose."

On July 11, 1997 a final meeting was held between the Civic Buildings Department/Legal Services and PAC's representatives. At said meeting, PAC provided a financial update to its Draft document entitled *"Business Plan for the Management of the Pantages Playhouse Theatre, June 1997"*.

For the information of Council, the Committee on Finance and Administration has requested the Civic Buildings Department to outline the differences between the business plan originally submitted to Council and the business plan for the Management of the Pantages Playhouse Theatre dated June, 1997.

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In summary, the latest PAC Proposal provides for the following:

- PAC will maintain overall responsibility for the management including the establishment of policy and the overall operation and marketing;
- Manitoba Centennial Centre Corp. to provide some administrative and clerical services necessary to accommodate the booking of and preparation for events.
- Revenue shortfalls, in the first three years, to be obtained from two benefactors who have agreed to provide financial support to a total of $250,000.00 each.
- An initial three year term; renewable at PAC's option, with six months prior notice, for a second term of seventeen (17) years.
- An Equipment replacement reserve, beginning in year 6, of $16,000 increasing $1,000 annually to year 10.
- Should Municipal Realty Taxes become payable, PAC would have the option of terminating the Agreement.

Based on the planned operation of the Theatre primarily as a performance venue for Manitoba based non-profit arts organizations and other not-for profit organizations, PAC has suggested that the proposed terms and conditions as outlined herein are all they are financially able to support.

In accordance with PAC's proposed offer, the City will continue to be responsible for the structural aspects of the building. This will include:

- building foundation, including piles, footings grade beams, support columns;
- interior structural support columns, excluding coverings and finishes;
- interior and exterior bearing walls, excluding all glass, cladding, inside finishing;
- structural sub-floors including beams, floor joints and structural sheeting, excluding floor coverings;
- beams and other structural elements thereof;
- roof support system including truss system and structural roof decking,

In this case PAC has requested that the exterior shell, the roof membrane and any extraordinary cost related to the Historic preservation of the structure be included. It may also be noted that in the first five years of PAC *Financial Forecast*, they have not included any funds for Equipment Replacement. That is, there is no allowance in the initial five years for the repair/replacement of any of the building's operating systems, for example HVAC, plumbing, electrical.

BUDGET IMPLICATIONS

Upon the commencement of this proposed agreement, likely 1998, amendment of the Civic Buildings Department Budget in the estimated amount of $50,000.00 will be required in order to continue responsibility for the structural aspects of the building outlined and a contingency to provide for any unforeseen expenses related thereto.

In all likelihood this proposed Agreement, if approved, will not commence before January 1998. The Civic Buildings 1997 Budget only provided a net allocation of $125,000.00 after revenues to carry operations to September 1, 1997. Another $60,000.00 will be required to ensure the Theatre's continued operation until December 31, 1997. This shortfall will be absorbed in the 1997 Civic Buildings Current Budget.

As a condition of the C.U.P.E. Collective Agreement, a report and business plan is required to be presented to the Joint Committee prior to services being contracted out. With the net cost of operating the Pantages, in the range of $190,000.00 annually, eliminated through the proposed PAC agreement with an offsetting amount of $50,000.00 to provide for the continuing City responsibilities, the City stands to save $140,000.00 annually. A list of C.U.P.E. positions affected by transferring management to the private sector include the following:

Clerk B	1	Permanent
Building Supervisor II	1	Permanent
Office Cleaner	1	Temporary
Concession Workers	9	Casual

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The Clerk B and Building Supervisor II will be transferred to the same positions within the Civic Buildings Department. The Office Cleaner will be accommodated as a rehabilitation employee with dual seniority in both the Civic Buildings and Parks and Recreation Department. The Concession Workers have not worked long enough to obtain seniority so they will be laid off upon transfer.

The Committee on Finance and Administration recommends:

I. That the Offer to enter into a Management Agreement for the operation of the Pantages Playhouse Theatre submitted by the Performing Arts Consortium of Winnipeg Inc. (PAC) be approved substantially in accordance with the terms outlined herein and such other terms and conditions required by the City Solicitor in order to fulfil the intent of Council.

II. That the requirement for the Civic Buildings Department to include $50,000.00 annually in its Current Estimates in order to provide for the City's continuing responsibilities for structural maintenance be referred to the Corporate Finance Department for amendment to the 1998 Budget Process.

II. That this Report and Business Proposal to enter into an Agreement transferring the management of the Theatre to the private sector, be forwarded to the Joint City-C.U.P.E Committee.

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

Moved by Councillor Silva,
Adoption of the clause.

Carried.

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

STANDING COMMITTEE ON

FISCAL ISSUES

On motion of Councillor Silva, the Report of the former Committee on Finance and Administration dated October 27, 1997, was considered clause by clause.

Moved by Councillor Silva,
That the Consent Agenda, Clauses 1,2,3,4,5 and 6 be adopted.

Councillor Golden requested that Clause 3 be pulled from the Consent Agenda.

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

Recommendations for Amusement Tax Exemption File FL-6 (Vol. 16)

49 - 1. The Committee on Finance and Administration has considered recommendations received from the Winnipeg Arts Advisory Council for exemption to the Amusement Tax By-law.

The Committee on Finance and Administration submits draft by-law and recommends:

I. That the following list of exemptions be added to subsection 7(6) of the Amusement Tax By-law No. 3107/81, namely:

Dalnavert Museum for:
"Richard Hurst reads A Christmas Carol" from December 16 to 21, 1997, at the Dalnavert Museum

Dance Manitoba for:
"Annual Provincial Dance Festival" from May 25 to June 6, 1998 at the Pantages Playhouse Theatre and Manitoba Theatre Centre

Phoenix Kildonan Theatre for:
"Out of the Frying Pan" on December 11, 12 and 13, 1997 at the Chief Peguis Junior High

Primus Theatre for:
"Show Girls, A Festival of Women's Theatre" from November 26 to 30, 1997 at 286 McDermot Avenue, 100 Arthur Street and other Exchange District locations

Mennonite Oratorio Choir for:
"Brahms: A German Requiem" on November 23, 1997 at the Centennial Concert Hall

Rusalka Ukrainian Dance for:
"Rusalka - 35 Years" on November 29 and 30, 1997 at the Pantages Playhouse Theatre

Winnipeg International Children's Festival for:
"1998 Winnipeg International Children's Festival" from June 4 to 7, 1998 at the Forks

Winnipeg Jewish Theatre for:
"That's Life" from April 30 to May 10, 1998 at the MTC Warehouse

Winnipeg Singers for:
events held at the Sturgeon Creek United Church as follows:

"The Messiah" on December 14 and 15, 1997
"Two Solitudes, One Voice" on March 1, 1998 at the Sturgeon Creek United Church
"25th Anniversary Gala Concert" on May 3, 1998 at the Sturgeon Creek United Church

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

Adopted by consent.

Report of the Committee on Finance and Administration dated October 27, 1997

Licensing of City Digital Map Data
File GC-11 (Vol. 6) [c/r GL-9 (Vol. 10)]

50 - 2. The Committee on Finance and Administration has been advised that the City and Province developed the digital parcel base map of the City of Winnipeg between 1989 and 1995, during which time there was growing interest in purchasing the data. Accordingly, the City, together with the Province and Linnet Geomatics, developed a proposed digital data distribution and pricing formula in 1994 based on market studies and discussions with prospective purchasers. In 1996, a conditional licensing arrangement pertaining to a large component of the base map was made with Manitoba Hydro, based on the 1994 formula. This transaction was completed quickly to meet Manitoba Hydro's immediate deadlines and was based on a letter of intent. Shortly thereafter, the City was approached by Winnipeg Videon Limited and a proposed licensing arrangement took shape.

Although an Access to Electronic Information Committee was established by the Board of Commissioners in October, 1996, with the goal of recommending a City strategy for the marketing of digital information, a report from that committee is not expected in the near future.

Besides Manitoba Hydro and Winnipeg Videon, expressions of interest in accessing the digital map database have been received from other agencies and private companies, including Centra Gas, Manitoba Telecom Services, Shaw Cable and the Winnipeg Real Estate Board. To encourage the participation of these agencies in the use of the City's digital map data, it is important to have in place a policy which permits the City to respond quickly to providing the base map data, and collecting the revenue.

Collection of annual maintenance revenues by the City will produce the result of having the various utilities and agencies share in the maintenance costs of the base map. It is critical to the long term efficiency of managing all utility information that the providers of such services are all using the same base map for geographic referencing.

Pricing of the digital map data will vary depending on the content, how the customer will use the data, and how the customer will access the data. A pricing formula has been established as a result of several years of research, negotiation and discussion with consultants, customers, and private and public sector agencies in Winnipeg, across Canada and around North America, to determine the market for digital map data. With the rapid changes in technology continuing to advance the capability to manage data more efficiently and economically, we should not lock the City into a fixed price policy which will frustrate negotiations for the most effective use of the data.

Proceeds from the licensing of digital base map data will be shared with the Province. Although a revenue sharing agreement with the Province is not in place, proposals on the table call for the City, in most instances, to receive 66 percent and the Province 34 percent of the initial sale price. Certain components of the map base are considered to be jointly owned by the City and the Province and other components are solely owned by the City, in accordance with the Memorandum of Understanding between the City and Province dated November 3, 1988. Revenue sharing for maintenance is still under negotiation with the Province.

The agreement, as outlined in Schedule "A", between the City and Videon includes terms and conditions which differ somewhat from the standard terms and conditions contained in the proposed template agreement. This transaction involves only block outline and street data, which according to the pricing formula generates twenty-five percent of the proceeds that would be derived from the provision of full land parcel-level detail. These terms are specific to Videon's unique requirements. Proceeds from the provision of the complete block outline database covering Videon's service area are in the amount of $35,950.00. The agreement also provides for a renewable licence fee to cover the annual updates and maintenance to the block outline database, in the amount of $3,750.00.

As the datasets involved in the Videon license agreement consist of digital graphics depicting the City's street system and map base only (public information), confidentiality is not an issue.

Upon approval of this report, terms and conditions for an agreement between the City and Manitoba Hydro, as well as others, will be finalized and submitted for approval and execution by the City.

The Committee on Finance and Administration recommends:

I. That the Director of Land and Development Services be delegated the authority to negotiate agreements for the licensing of digital map data and that any agreements so negotiated be substantially in the form as outlined in Schedule "A", subject to any unique requirements of the licensee.

Report of the Committee on Finance and Administration dated October 27, 1997

II. That an agreement between the City and Winnipeg Videon Limited for licensing of digital mapping data be approved in accordance with the terms and conditions set out in this report.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related hereto.

A Copy of Schedule "A" is on file in the office of the City Clerk.

Adopted by consent.

Proposal by Pavilion Gallery Trust Inc. to develop a permanent Open-Air Bandshell in the "Children's Meadow" of Assiniboine Park File PR-7.1 (Vol. 9)

51 - 3. From the earliest days of Assiniboine Park, nearly one hundred years ago, band concerts were performed on a permanent carousel band stage in the "Children's Meadow" of the Park until the Great Depression Years, when the band stage fell into such disrepair that it had to be demolished. However, the tradition of open-air performances and public ceremonies continued in the Assiniboine Park. During 1959, a temporary stage was erected in the "Children's Meadow" to host the Royal Visit of Queen Elizabeth II to Winnipeg. Over the decades, numerous other ceremonies and concerts were conducted in the meadow backing onto the historic Pavilion, utilizing the City's "Bandmobile". In more recent years, a more informal stage terrace was constructed backing onto the Pergola of the Pavilion, through funding provided by the Royal Winnipeg Ballet, to carry on the tradition of outdoor cultural concerts in Assiniboine Park.

The proposal by The Pavilion Gallery Trust Inc. would restore the long standing tradition of outdoor concerts in Assiniboine Park, on a permanent basis. Moreover, such a facility would further other successful attempts of the past decade to revitalize the prominence of "City" (Assiniboine) Park as the heritage "Jewel in the Crown" of Winnipeg's parks and recreation system. The concept of the Bandshell is of a heritage theme fully complimentary to the Tudor architectural style of the Pavilion, and would "blend" well with other traditional styles and surroundings throughout the Park.

The proposed Bandshell structure would be adequate to house the needs of the Winnipeg Symphony Orchestra, the Royal Winnipeg Ballet, Manitoba Theatre Company ("Shakespeare-in-the-Park"), Jazz Concerts as well as folk festivals and fashion shows. Such a live-entertainment facility in Assiniboine Park would serve to broaden the scope of public use and interest in the Park, somewhat eclipsed over the past decade by the advent of the historic "Forks" complex. The proposed Bandshell, in concert with the significant development in recent years of the Leo Mol Sculpture Garden, the Citizen's Hall of Fame, the retrofitting of the Pavilion as an Art Gallery and year-round restaurant, as well as the restoration of the English Gardens, will accomplish much in the revitalization of Assiniboine Park as the "showcase" park of Winnipeg, at no cost to public funding, as the Park approaches its 100th year (2004) of service to the public.

The total cost of the Bandshell structure, including provision of an adequate endowment fund for ongoing maintenance purposes, has been estimated at $500,000.00, and is proposed to be entirely privately funded. Moreover, the Bandshell, being situated on public property, would increase the assets of the City by approximately $400,000.00. From preliminary discussions with the Proponent's representatives, it is also possible that a cost sharing of revenue might be realized by the City in negotiations towards a Management Agreement. As well, there is receptivity towards arrangements in the Agreement to the allotment of time for City use of the facility.

It is the intention of the Pavilion Gallery Trust Inc. to manage the operation of the Bandshell. The Parks and Recreation Department strongly supports this initiative as, in return, the Trust would reserve right to cordon-off select areas fronting the Bandshell, in which areas, a modest cost to the patrons would be charged.

In summary, the Parks and Recreation Department is highly supportive of the proposal by The Pavilion Gallery Trust Inc. for the following reasons:

1. The location and style of the Bandshell in the Park is consistent and complimentary to the "English Landscape" heritage style of Assiniboine Park.

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2. The Bandshell would further recent developments/redevelopments to re-vitalize Assiniboine Park as the preliminary public open space in Winnipeg.

3. The Partnership with private development could result in increased revenues to the City, as well as serve as an outdoor location for civic functions and ceremonies.

4. The Bandshell would be constructed, operated and maintained entirely through other than public funding.

5. The Bandshell would serve to enhance the viability of the Pavilion Restaurant, and, consequently ensure the perpetuation of the historic Assiniboine Park Pavilion.

On October 6, 1997, the Committee on Protection, Parks and Culture considered an administrative report dated September 9, 1997, and concurred in the recommendations contained therein, and referred the matter to the Committee on Finance and Administration for consideration and submission to Council. The Committee on Protection, Parks and Culture also requested that the final plans for the Open-Air Bandshell and expansion of the parking lot, be subject to approval by the Committee on Protection, Parks and Culture, and that the Administration be requested to develop a defined use agreement for the Open-Air Bandshell, for submission to the Committee on Protection, Parks and Culture for approval.

On October 27, 1997, the Committee on Finance and Administration considered this matter and recommends:

I. That approval, in principle, be provided to the proposal by The Pavilion Gallery Trust Inc. to construct an open-air bandshell in Assiniboine Park, in the general vicinity of the Pavilion, as illustrated on Plan No. A.1, at no cost to the City for construction, operation and maintenance.

II. That the Proper Officers of the City be directed to meet with representatives of The Pavilion Gallery Trust Inc. for the purposes of developing a Management Agreement between the City of Winnipeg and the Pavilion Gallery Trust Inc.

III. That the Proper Officers of the City be authorized to do all things necessary to arrive at an Agreement acceptable to all affected parties, and to report back to Council for final approval of the Agreement.

Copies of Plan Nos. A.1, A.2 and A.3 are on file in the Office of the City Clerk.

Moved by Councillor Silva,
Adoption of the clause.

Carried.

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

Proposed Sale of Part of Lot 22, Plan 6381 - East side of Century Street Adjoining 725 Century Street
File FI-2.4(31) (Vol. 3)

52 - 4. The subject City property, shown on Misc. Plan No. 9916, as outlined in Exhibit "A", formed part of the lands developed by the former Rural Municipality of St. James as an Industrial Area. Pursuant to a tri-party agreement between the Canadian Northern Railway Company (CN), the Canadian Pacific Railway Company (CP) and the R.M., the subject land was reserved for a spur line.

The adjoining owner of 725 Century Street, Empire Sheet Metal Mfg. Co. Ltd. (Empire), has requested to purchase the spur line as an addition to its holding in order to expand its business.

The CN has advised that most of the trackage, if not all, has now been removed and it is prepared to discharge the easement against the City's land. CP has replied that it has no further interests in this property and has no objection to the proposed sale. No easements are required from the City or any of the Utilities.

The other adjoining owner, Jim Pattison Industries of 1695 Sargent Avenue, has not contacted the City in connection with the spur nor has it been contacted by the Land and Development Services Department.

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Historically, sales of railway spur lines have not been forwarded to Council for approval; the Committee on Finance and Administration has been accepted as the final authority. The Land and Development Services Department is unaware of any specific policy which may have delegated to the Committee on Finance and Administration authority to approve sales of this kind.

The Committee on Finance and Administration therefore recommends:

I. That the Committee on Finance and Administration be delegated the authority to accept offers to purchase railway spur-lines.

II. That Part Lot 22, Plan 6381 be declared surplus to the needs of the City and be sold to Empire Sheet Metal Mfg. Co. Ltd. in accordance with the terms and conditions as outlined in Schedule "A".

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related hereto.

A copy of Schedule "A" is on file in the office of the City Clerk.

Adopted by consent.

Sale of Surplus City-owned Property - Northwest Corner of Wilkes Avenue and Waverley Street - Jurai Bohna/Grant Memorial Baptist Church
File FI-2.4(31) (Vol. 3)

53 - 5. On April 11, 1997 the Committee on Finance and Administration approved the sale of the "Subject City Property" as shown on Misc. Plan No. CC 9613/1, as outlined in Exhibit "A", to Jurai Bohna or Nominee. The Grant Memorial Baptist Church submitted correspondence and appeared as a delegation at the Committee on Finance and Administration at its meeting held on June 2, 1997. The Church advised the Committee that it continued to have an interest in developing at least part of the subject property in connection with its own adjacent facility.

Since then Mr. Bohna and the City have executed a Sales and Purchase Agreement. The Land and Development Services Department has now received a letter from the Church dated October 24, 1997, advising that:

1. the Church must relocate its existing playing fields from the lands to be utilized by Mr. Bohna in his development;

2. it would like to proceed with an acquisition of that part of Mr. Bohna's property generally shown hatched on Misc. Plan No. CC 9613/1;

3. it would like to lease from the City that part of the City's right-of-way shown hatched and identified as "Leave and Licence Area" on Misc. Plan No. CC 9613/1;

4. it would like to have possession of the aforementioned lands immediately in order to carry out its "filling and regrading works" this autumn and prior to the freeze-up so that the actual development of the playing fields can be constructed as soon as is possible in the Spring of 1998;

5. it proposes a rental of $1.00 per year for the rental of the "Leave and Licence Area";

6. it would like to pursue future discussions respecting the potential to use other City-owned lands lying in the vicinity of the retention pond and to the west of the Church property.

In reviewing these requests the Land and Development Services Department:

1. has been advised by Legal Services that the Agreement with Mr. Bohna provides that he shall not sell, assign or otherwise dispose of the subject land or any part thereof or any interest therein until such time as the building has been constructed on the subject land in accordance with the Agreement. Also it should be noted that Mr. Bohna does not get title to the land until he completes the foundation.

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If Mr. Bohna negotiates a sale of part of the land to Grant Memorial, there will have to be an amending agreement to authorize that sale. How this will be worded will depend on whether Mr. Bohna anticipates having completed the foundation of his building prior to title being transferred to Grant Memorial. He will then be the registered owner and will be able to transfer the land to Grant Memorial. Alternately, there may be a direct transfer from the City to Grant Memorial with the transfer to Bohna later of the balance of the land when he has completed the foundation;

2. has been orally advised by Streets and Transportation that it does not have any objection to a "Leave and Licence" Agreement being approved and being applicable to the area shown hatched and identified as "Leave and Licence Area" on Misc. Plan No. CC 9613/1 until such time as the property is required for the construction of the future grade separation project.

The Land and Development Services Department advises that:

1. It supports the approval of an amendment to the Sales and Purchase Agreement with Mr. Bohna to permit an early transfer of part of this land to the Church. Doing so will apparently allow both Mr. Bohna and the Church to satisfy their respective property needs for their respective projects;

2. The normal terms of a "Leave and Licence Agreement" would require the tenant to pay a rent equivalent to no less than a 10 % return on market value together with an additional payment respecting an amount equivalent to realty taxes. On the basis of the sale to Mr. Bohna the annual rental for this property should be $7,150.00 per annum plus an amount equivalent to realty taxes.

   The Church is proposing to pay only $1.00 in recognition of the City's reduced maintenance cost respecting the subject lands.

   If the City was to approve the Church's requests then it will be necessary for the Church and the City to enter into an appropriate "Leave and Licence Agreement". At this time there have been no negotiations respecting the terms of such an Agreement.

3. Any arrangement that the City may contemplate entering into with the Church must be subject to the concurrence of Mr. Bohna.

The Committee on Finance and Administration recommends:

I. That subject to the concurrence of Mr. Bohna, the City Solicitor be authorized to amend the Sales and Purchase Agreement with Mr. Bohna to allow for the direct transfer of a parcel of land generally shown hatched and identified as "Bohna to Grant Memorial Baptist Church" on Misc. Plan No. CC 9613/1 (Exhibit "A").

II. That subject to recommendation number I, a "Leave and Licence Agreement" be approved in favour of the Grant Memorial Baptist Church respecting those lands generally shown hatched and identified as "Leave and Licence Area" on Misc. Plan No. CC 9613/1.

III. That the Director of the Land and Development Services Department be authorized to negotiate and approve the terms of the Leave and Licence Agreement, such terms to include provision for a rental of $1.00 per annum.

IV. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related hereto.

Adopted by consent.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

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Proposal to Locate a Royal Bank of Canada Cash Machine at the Dakota Community Centre - (Riel Community)
File PR-2(35) (Vol. 1)

54 - 6. The Committee on Finance and Administration has been advised that in January of 1997, the Dakota Community Centre informed the Parks and Recreation Department that it wished to enter into an agreement with the Royal Bank of Canada for the installation of an Automated Banking Machine (ATM).

The Dakota Community Centre recently completed the construction of a new Twinned Arena Complex. In the design phase of the project, the Community Centre made provision for the installation of a banking machine to provide an on site complementary service for users of the facility. While this idea has considerable merit, there are various issues and impacts that require Council's consideration.

Provision of Parks and Recreation Facility Space for Use by a Financial Institution

The Parks and Recreation Department usually undertakes to construct Community Centre facilities in the $100.00/ square foot range. On average, a financial institution will require approximately 10 square feet for the installation of a free standing banking machine in addition to an access or entrance area. Essentially, this requires that Council would approve an indirect subsidy of approximately $1,000.00 per location for an ATM; assuming that the Bank does not share in the cost of construction for its space and which is the industry practise.

Although the provision of an on-site ATM at Parks and Recreation Facilities is a complementary service which improves the service to facility users, the allocation of Civic Capital must be considered, whether in the form of borrowed funds via loan guarantee or direct capital.

Competition Equity in the Delivery of Financial Services

The Royal Bank of Canada was the financier of the Dakota Community Centre Twin Arena Project and as a result became involved in the development of same. During the planning and construction stages of the project, discussions occurred between the Dakota Community Centre Executives and the Royal Bank regarding the installation of an ATM on-site. The final building plans for the facility included an area for an ATM.

Although the Royal Bank was closely involved in the project, consideration needs to be given to providing "competition equity" to all financial institutions given that the subject location provides a competitive advantage to one financial company over another. A proposal call for the provision of an ATM at the Dakota Community Centre, as well as other sites, would be more appropriate from an equity perspective.

Security and Pedestrian/Vehicle Traffic Impacts

The presence of an ATM on-site could impact the existing level of safety for Community Centre users. In reviewing the risk factor associated with the installation of an ATM with the Winnipeg Police Service, it was found to be of marginal concern especially during the daytime hours within this part of the City. Nevertheless, the introduction of this risk into the Community Centre environment needs to be evaluated. Moreover, in the event that approval is given for implementation, careful review of the location and other design criteria must be provided in order to maximize the safety of both patrons and users of the ATM.

In addition to considering the safety issue, the impact upon Community Centre operations must also be considered. Although the intent of the Bank is to provide a service to Community Centre users, it is very likely that area residents will also use the ATM for personal uses; which is related in part to the Bank's objective of "Channel Expansion" within existing market boundaries. This could have impact upon vehicle parking, and traffic circulation problems may evolve at the Community Centre Site.

Existing Land Uses and Zoning Issues

Existing Community Plans, Land Uses and Zoning regulations were not designed to accommodate Commercial Uses within Parks and Recreation Land Use and Zoning Definitions. The introduction of Commercial Land Use and Zoning Uses into PR locations could impact upon the existing adjacent land owners and park users.

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Although the provision of an ATM as a complimentary service to users of the facility, it raises the issue of whether such is appropriate from a Community Planning perspective. If the ATM is acceptable, then it follows that other complimentary commercial services may also be eligible to be considered at Community Centre sites.

The Community Services Department has indicated that the proposal to locate an ATM at the Dakota Community Centre site is acceptable provided it is an ancillary land use at this location.

Operations, Maintenance, Insurance, Assessment and Advertising

The proposed terms of an agreement provide for the "Company" (Dakota Community Centre) to provide and pay for heat, light, electric power, air conditioning, rubbish disposal and cleaning services. The Bank would be responsible to operate and maintain the machine, as well as be responsible for providing insurance and paying all taxes, rate and assessments.

In addition, the proposed terms provide the Bank with the right to install outdoor advertising regarding the existence of the ATM on site. Currently, the City does not permit outdoor commercial advertisements at any Community Centre site and as such, this matter would require further consideration and review by the Community Services and Parks and Recreation Departments and would have to be subsequently addressed through the Riel Community Committee and Standing Committees of Council.

Notwithstanding the above discussed issues, the idea of providing an ATM at the Dakota Community Centre has considerable benefit to Community Centre users and to residents in the Community. Given the direct and previous involvement of the Royal Bank in the development of this project and the fact that the Community Centre has made certain verbal commitments to the Bank and that the installation of an ATM at this location would allow the City to experiment with same as a basis for developing a policy and procedure regarding the installation of ATM's on Civic property, the Parks and Recreation Department is supportive of entering into a trial arrangement with the Royal Bank for the provision of an ATM at the Dakota Community Centre site in accordance with the terms and conditions as outlined in Schedule "A".

Coincident with this matter, the Department is also supportive of recommending that a policy and procedure be established for the provision of ATM's at any Civic owned location and to report the results of same back to Council by July, 1998.

The proposed installation of an ATM at the Dakota Community Centre will not require the City to incur any new capital debt as all development costs relative to this proposal will be assumed by the Bank. Moreover, all operating costs associated with the proposal will be borne by the Bank and the Community Centre.

The net financial effect on the City's Current Budget should be positive given the intent to negotiate a rental fee in accordance with Industry Standards including the requirement to pay realty taxes on the area used for commercial purposes. Although the rental revenue will likely flow to the Community Centre, the operating grant of the Centre will be reduced accordingly. An estimate of the future cash flows is not available at this time as negotiations have not been initiated.

The Committee on Finance and Administration recommends:

I. That a policy and procedure for the installation of Automated Banking Machines within Civic owned facilities be developed by the Civic Buildings, Land and Development Services, Community Services and Parks and Recreation Departments.

II. That the City Solicitor/Manager of Legal Services and Director of Parks and Recreation be requested to enter into an appropriate legal agreement with the Royal Bank of Canada for the installation of an Automated Banking Machine (ATM) at the Dakota Community Centre on a one year trial basis utilizing terms and conditions reflecting the Industry Standards.

III. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing, including the execution of any documents related hereto.

A copy of Schedule "A" and Plan No. 21-97 are on file in the office of the City Clerk.

Adopted by consent.