REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED NOVEMBER 25, 1996

On motion of Councillor Golden, the Report of the Committee on Finance and Administration, dated November 25, 1996, was considered clause by clause.

Moved by Councillor Golden,

That the Consent Agenda, Clauses 1,2,3,4,5,6,8,9,10,11,12,13,15,16,17 and 18 be adopted.

Councillor Timm-Rudolph requested that Clause 13 be pulled from the Consent Agenda.

Councillor Thomas requested that Clause 18 be pulled from the Consent Agenda.

The motion to adopt the Consent Agenda, Clauses 1,2,3,4,5,6,8,9,10,11,12,15,16 and 17 was declared carried.

Recommendations for Amusement Tax Exemption File FL-6 (Vol. 14)

151 - 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:

Festival du Voyageur for the following 1997 events at various locations in St. Boniface:

Fiddling and Jigging Contest, Patti and the Harmonies, Governor Ball: Bandeline and Barachois - February 8, 1997
First Nations Pow Wow - February 10, 1997
Marcel Soulodre, Balfand Toujours - February 13, 1997
Beard Growing Contest - February 14, 1997
Jean Le Loup, Louis St. Cyr - February 15, 1997

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.

Appointment of One Member of Committee, Three Members of Council and One Citizen Member to the Winnipeg Parking Authority File ST-8.1 (Vol. 9) (C/r GC-7 (Vol. 24)

152 - 2. Council at its Organizational Meeting held on November 6, 1996, referred to the Committee on Finance and Administration the matter of appointment of a representative from the Committee, three members of Council and one citizen member representing the Winnipeg Chamber of Commerce to the Winnipeg Parking Authority.

The Committee on Finance and Administration recommends that Councillor Golden be appointed for a one-year term to the Winnipeg Parking Authority as the Committee's representative.

Report of the Committee on Finance and Administration dated November 25 1996

The Committee on Finance and Administration has considered a recommendation from the Winnipeg Chamber of Commerce and therefore recommends the appointment of Mr. David Hicks to represent the Winnipeg Parking Authority for a three year term expiring November, 1999.

The Committee on Finance and Administration further recommends that Councillors Lubosch, Phillips and O'Shaughnessy be appointed for a one-year term to the Winnipeg Parking Authority as Council's representatives.

Adopted by consent.

Appointment of Citizen Member - Employee Benefits Investment Committee
Files GU-3.9 (Vol. 15) and GC-7 (Vol. 25)

153 - 3. Council on November 3, 1993, appointed the following citizen member to the Employee Benefits Investment Committee for a term to expire November, 1996:

Mr. Marshall Smith

The Committee on Finance and Administration on November 25, 1996, considered the recommendation of the Employee Benefits Board that this citizen member be reappointed to the Employee Benefits Investment Committee for a three-year term expiring November, 1999.

The Committee on Finance and Administration recommends that Mr. Marshall Smith be appointed as a citizen member to the Investment Committee for the Civic Employees' Pension Plan for a three-year term to expire November, 1999.

Adopted by consent.

Appointment of Six Representatives - Employee Benefits Board
Files GU-3.9 (Vol. 15) and GC-7 (Vol. 25)

154 - 4. In accordance with By-law No. 5644/91, the Employee Benefits Board interprets and administers the intent of the Pension Plan and oversees the Civic Employees' Group Life Insurance Plan and Investments.

Council, at its Organizational Meeting held on November 6, 1996, referred to the Committee on Finance and Administration the appointment of six representatives to the Employee Benefits Board.

The Committee on Finance and Administration recommends that Councillor Lubosch, Ms J. Ferrier, Mrs. E. Frame, Ms L. King, Mr. R. L. Borland, and Mr. J. Linton be appointed for one year as representatives on the Employee Benefits Board, for a term expiring November, 1997.

Adopted by consent.

1997 License Fees for Mobile Homes
File EL-8 (Vol. 3)

155 - 5. On June 19, 1991, Council adopted a system of taxing mobile homes in Winnipeg as well as a method of annually updating mobile home license fees for future years.

In subsequent years, license fees for mobile homes were increased by 2.4% in 1993, 1.2% in 1994, 2.3% in 1995, and 2.5% in 1996, using the method to calculate the fees approved by Council in 1991.

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The method of calculating the mobile home license fees is based on the following formula:

> the assessed average square foot value of mobile homes X the portion share for the class X square footage X the average city wide mill rate for the prior year.

The license fees for mobile homes are to be adjusted by new assessment information, and the change in the average city wide mill rate (from $58.605 to 59.532) as indicated on Exhibit 1. Mobile home fees are based on the prior year's mill rates and assessment values.

The recommended license fees for mobile homes for 1997 reflect a .91% increase over the 1996 license fees for mobile homes, an average increase of $ 4.20 per annum for mobile home owners. At present, approximately 610 mobile homes are being licensed, therefore, the revised fees should generate approximately $285,000.00 in 1997, an increase of approximately $ 2,500.00 over anticipated 1996 revenues.

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

I. That Schedule "A" to By-law No. 821/74 be repealed and that the following schedule be substituted therefor effective January 1, 1997.

LICENSE FEES FOR MOBILE HOMES		
Size of Mobile House (based on exterior dimensions)	Present Monthly Fee	Proposed Monthly Fee
400 square feet or less	$16.44	$16.61
Over 400 square feet • First 400 square feet • Each additional 100 square feet or part thereof	 16.44 4.11	 16.61 4.15

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.

Copy of Exhibit 1 is on file in the office of the City Clerk.

Adopted by consent.

Amendments to By-law No. 6123/93 - 1997
Taxicab License Fees
File EL-1 (Vol. 30)

156 - 6. On January 22, 1992, Council adopted a report from the Executive Policy Committee dated January 15, 1992 which recommended that all fees and charges for The City of Winnipeg be reviewed at least once every three years and that said fees and charges increase automatically, annually, by the rate of inflation, unless a review indicates otherwise.

Subsection 9(3) of The Taxicab Act (Manitoba) states:

> Payment of City of Winnipeg fee:
> In addition to requiring an application for a license under this Act to pay to the board such fees that may be prescribed by the regulation, the board shall also require, and the applicant shall produce to the board, the receipt issued by The City of Winnipeg indicating that the applicant has paid such fee for the license as may be prescribed by the relevant by-law of the city.

Prior to passage of By-Law No. 5165/89, the wording of subsection 9(3) of The Taxicab Act specifically noted the amount of the fee of $20.00 and had done so for a considerable number of years. The Act was amended to provide the City with the authority to set the amount of the fee.

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However, when By-law No. 5165/89 was passed on March 29, 1989, the fee was left at $20.00. The fee remained at $20.00 until By-law No. 5165/89 was repealed and By-law No. 6123/93 was passed on February 24,1993 which increased the fee to $25.00. The reason given for the increase in fee at that time was due to the increased cost of administering this fee. Taking into account the annual inflation rates for the years 1993 through 1996, this report is recommending a rate increase of $2.00 to $27.00 or a 12% increase.

Under the provisions of The Taxicab Act and the corresponding City of Winnipeg By-Law No. 6123/93, the License Branch of the Community Services Department collects approximately 650 taxicabs and/or booking offices licenses per annum generating approximately $16,000.00. This license fee increase will generate an additional $1,300.00 in revenue for a total of $17,500.00 per annum.

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

I. That By-Law No. 6123/93 be amended to increase the annual taxicab license from $25.00 to $27.00 effective January 1, 1997, in accordance with existing Council policy for the calculation of fees and charges.

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.

Jen-Den Investments Ltd. and Refund of Water and Sewer Maintenance Levies
File WW-2.3 (Vol. 10)

157 - 7. ***Note: This clause has been referred back by Executive Policy Committee to the Committee on Finance and Administration.***

Referred back by the Executive Policy Committee to the Committee on Finance and Administration

Business License in Lieu of Business Tax for Home-Based Businesses - By-law No. 201/72
File EL-1 (Vol. 30)

158 - 8. Council, on January 22, 1992, adopted a report from the Executive Policy Committee dated January 15, 1992 which recommended that all fees and charges for the City of Winnipeg be reviewed at least once every three years.

The City of Winnipeg currently charges a business license in lieu of business tax under By-Law No. 201/72 to businesses conducted from residential dwellings. The authority to levy this charge is provided under Section 183.1 of The City of Winnipeg Act. In 1995, the City issued 3,204 (3,381 - 1994) licenses under the provisions of this by-law for revenue of $333,719.00 ($362,695.00 - 1994). Based on preliminary figures, it is estimated that approximately 3,300 licenses will be issued in 1996 with revenue of approximately $370,000.00.

In 1994, a system was adopted by Council to set the amount of the annual fee, and based on this formula, the fee for 1994 was approved in the amount of $105.00 per annum, an increase of 5%. In 1995, the fee based on this formula was approved in the amount of $120.00 per annum, an increase of 14.29% and in 1996 in the amount of $125.00 per annum, an increase of 4.17%.

Because decisions affecting business tax such as the amount of the rate and so forth are generally approved in conjunction with the budget process, the adopted formula uses prior year's information to calculate the license fee in lieu of business tax as these licenses cover a calendar year and historically have been mailed in December with payment due January 1 of the following year. The use of prior year's information is similar to the policy adopted by Council for setting mobile home license fees. The variables of the business tax calculation include annual rental values, business tax rates and any approved phase-in calculations.

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A rate of $135.00 is recommended for 1997 (from $125.00 in 1996) based on the following information:

> Average annual rental value for 1996 of $3.50 per square foot X the maximum allowable area of 400 square feet = $1,400.00 X the business tax rate for 1996 of 9.75% = $136.50 per annum, rounded to the nearest $5.00 increment or $135.00 per annum.

The fee of $135.00 is an increase of $10.00 per annum or 8%, which may generate an additional $35,000.00 in revenue in 1997 for total revenue of approximately $405,000.00.

In subsequent years, changes in annual rental values caused by reassessment or changes in the uniform business tax rate, as well as changes in approved phase-in calculations will be reflected in the calculation of the fees for the subsequent year. These recommended fees will require a by-law amendment and, therefore, will be brought forward to Council on an annual basis for approval.

A very small number of home-based businesses, approximately ten, take advantage of the reduced annual fee of $12.00 for persons registered with a qualified organization for the physically handicapped or disabled. An amount of $13.00 is recommended for the 1997 reduced fee for persons registered with a qualified organization for the physically handicapped or disabled. This amount was not based on a formula and the $12.00 amount has been in place since January 1, 1994.

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

I. That By-Law No. 201/72 be amended to increase the annual license fee in lieu of business tax for home-based businesses from $125.00 to $135.00 effective January 1, 1997.

II. That the reduced fee for persons registered with a qualified organization for the physically handicapped or disabled be increased from $12.00 per annum to $13.00 per annum effective January 1, 1997.

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 thereto.

Adopted by consent.

Tax Credits for Home Renovations -
Amendments to By-law No. 6544/94
File FL-2.2 (Vol. 8)

159 - 9. On December 14, 1994, Council passed By-law No. 6544/94, establishing a scheme for tax credits for home renovations. Since that time, approximately 254 applications have been received and approximately $23,000 in tax credits have been given pursuant to the program.

The City of Winnipeg Act provides that a by-law which establishes a tax credit for home renovations scheme expires five years after the date it is passed unless, in the fifth year, Council reviews and approves continuation of the program. By-law No. 6544/94 established a tax credit scheme for the years 1995 to 1999 which will expire on December 31, 1999, unless Council reviews the program and approves continuation of By-law No. 6544/94.

Under By-law No. 6544/94, applicants do not know at the time of their applications the number of years for which they will be eligible for tax credits, as it will not be known if Council will approve the continuation of By-law No. 6544/94 until 1999.

A review of the program established under By-law No. 6544/94 indicates that the program has been successful. In order to give certainty to current and future applicants, it is recommended that a scheme of annual by-laws be established to replace the scheme established by By-law No. 6544/94. In this fashion, applicants would know up-front at the time of their application the number of years for which they would be eligible to receive tax credits, rather than waiting to see if By-law No. 6544/94 will be continued in 1999.

The establishment of a scheme of annual by-laws is consistent with the intent of Council in By-law No. 6544/94 and would have no impact on persons who have already made applications under By-law No. 6544/94.

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

I. That a scheme of annual by-laws be established to replace the scheme established by By-law No. 6544/94 in respect of tax credits for home renovations.

II. That said by-laws be enacted, establishing the tax credits for the home renovations program for 1996 and 1997.

Adopted by consent.

Discount(s) to be Allowed for the Prepayment of 1997 Realty and Business Taxes File FL-2.1 (Vol. 2)

160 - 10. The Committee on Finance and Administration is of the opinion that a discount rate should be established for the prepayment of 1997 realty and business taxes, which will financially assist in accommodating the City's fiscal requirements, and at the same time provide an attractive investment opportunity for Winnipeg taxpayers.

For comparative purposes, the prepayment of discounted taxes for 1996 and 1995 is as outlined on Exhibit “A”.

The Committee on Finance and Administration submits draft by-law to allow for the following discounts on prepayments received in the Tax Office during the months of January and February, 1997, on the City’s 1997 realty and business taxes:

	Face Value Discount Rate	Equivalent Annual Discount Rate
REALTY TAX - PAYABLE AT PAR UP TO JUNE 30		
January	1.00%	2.46%
February	.80%	2.41%
BUSINESS TAX - PAYABLE AT PAR UP TO MAY 31		
January	.80%	2.45%
February	.60%	2.39%

The Committee on Finance and Administration further recommends 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.

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

Adopted by consent.

By-law to Authorize the Borrowing of Monies during the Year 1997, under Section 281(1) of The City of Winnipeg Act File FC-2 (Vol. 18)

161 - 11. The City is authorized under Section 281(1) of The City of Winnipeg Act to pass a by-law to provide for the borrowing for capital and current purposes from banks or from any other persons or corporations in such amounts as the Council may deem necessary, and to issue promissory notes in respect thereof.

Report of the Committee on Finance and Administration dated November 25 1996

On December 16, 1992, Council adopted a policy whereby the annually approved short-term borrowing limit is established based on an analysis of cash flow projections and estimates requirements. The short-term borrowing limit for 1996 was $250,000,000.00.

An analysis of the City's cash flow projections for the balance of 1996 and 1997, indicates that a short-term borrowing limit of $250,000,000.00 will meet the City's requirements for 1997.

The Committee on Finance and Administration submits draft by-law approved as to the financial details by the City Treasurer and certified as to form by the City Solicitor/Manager of Legal Services, and recommends:

I. That Council authorize the City of Winnipeg to borrow monies for capital and current purposes during the year 1997, not exceeding in the aggregate sum of $250,000,000.00 at any one time, and to authorize the issuance and delivery of promissory notes in respect therefor.

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.

By-law to Authorize the Expenditure of Monies in 1997 prior to the Adoption of the 1997 Estimates under Section 281 (1)(d) of The City Winnipeg Act
File FC-2 (Vol. 18)

162 - 12. The City is authorized under Section 281 (1)(d) of The City of Winnipeg Act to pass a by-law authorizing the expenditure in any year prior to the adoption of the annual estimates for that year, of amounts not exceeding, in the aggregate, thirty percent of the estimate of expenditures adopted for the previous year.

Budgeted expenditures adopted in 1996 for both current and capital purposes totalled $1,209,409,392.00. The by-law provides for spending in 1997 of amounts not exceeding 30% of $1,209,409,392.00 or $363,000,000.00 prior to the adoption of the 1997 annual estimates.

The Committee on Finance and Administration submits draft by-law approved as to the financial details by the City Treasurer and certified as to form by the City Solicitor/Manager of Legal Services, and recommends:

I. That Council authorize the expenditure of up to $363,000,000.00 in 1997 prior to the adoption of the 1997 annual estimates.

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.

1997 Local Improvement Interest Rates
File SL-1 (Vol. 19)

163 - 13. Section 357 of The City of Winnipeg Act states that when local improvements are financed by means other than issuing debentures, the City Treasurer shall determine the appropriate rates of interest and the interest rates are to be authorized by resolution of Council.

Section 380 of The City of Winnipeg Act states that the City may establish the interest rates for local improvements assessment at up to 1% above the City's cost of funds to cover the costs for assessment and collection.

For many years all local improvements have been financed through the General Reserve Fund and it is appropriate that the 1997 interest rates be established before the end of 1996.

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The Committee on Finance and Administration recommends:

I. That the interest rates for local improvements in 1997 be established as follows:

Term	Current Market Interest Rate	Amount Added for Assessment and Collection	Total Interest Rate for Assessment
2 - 5 years	5.0%	1%	6.0%
6 - 15 years	6.5%	1%	7.5%
16 - 20 years	7.0%	1%	8.0%

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.

Moved by Councillor Steek,
Adoption of the clause.

The Speaker called the Deputy Speaker, Councillor Prystanski, to the Chair in order to participate in the debate.

The motion for the adoption of the clause was put and declared carried.

Business Tax Rate - Advertising Signs and Billboards File FL-1 (Vol. 10)

164 - 14. The City of Winnipeg Act provides for the application of business tax to advertising signs and billboards, however, these signs are currently not taxed. On January 29, 1996, the Committee on Finance and Administration appointed an Ad Hoc Committee on Signs and Billboards, comprised of Councillors Lubosch, Angus and Golden, to examine potential revenue streams pertaining to the billboard industry and report back to the Committee on Finance and Administration.

The Ad Hoc Committee on Signs and Billboards met on 4 occasions, and also solicited input from representatives of the sign industry. On November 25, 1996, the Ad Hoc Committee recommended to the Committee on Finance and Administration the implementation of a business tax on advertising signs and billboards.

In the past (prior to 1993) the owners of advertising signs and billboards have been taxed based on rental value of the land on which billboards and signs were located. The business tax rate was multiplied times the rental values to produce approximately $1,500.00 a year in revenue which probably exceeded the cost of administering the program.

In 1992 there were 4 businesses renting out approximately 876 signs which had a total of approximately 125,000 square feet on the face.

The legislation was changed for 1993 and for reasons which are unclear at this time, the taxing of advertising signs and billboards was discontinued even though the new legislation allowed greater flexibility.

Section 179(3) of The City of Winnipeg Act states:

> "A business tax shall be paid by the owner of an advertising sign, bill board or other similar device, as described by by-law, in an amount prescribed by by-law, and the amount shall be based on the area of the face of each device."

In order to implement Section 179(3) the Ad Hoc Committee considered the following three issues:

1. Definition of advertising signs and billboards to be taxed.
2. The level of taxation.
3. The square footage of signs to be taxed.

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The following definition was proposed by the Corporate Services, Legal Services Branch, which was concurred in by the Ad Hoc Committee, namely:

> *Advertising sign* means an exterior sign or billboard directing attention to a business, commodity, service, thing, message or entertainment and excluding:
>
> 1) an identification sign;
> 2) a mobile sign;
> 3) official public notice signs;
> 4) signs installed by the City for traffic control, parking, street names and direction;
> 5) street decorations installed by or authorized by the City;
> 6) signs required to be erected or maintained by law or governmental order;
> 7) signs installed on transit benches and shelters or located in the open air portion surrounding the playing area of a stadium, velodrome or similar athletic facility;
> 8) one (1) for sale or lease real estate sign, facia or free-standing, per property not exceeding thirty-two (32) square feet in sign surface area, of maximum height not exceeding twenty (20) feet, which sign shall be removed within fifteen (15) days of conclusion of the purpose for which the sign is erected;
> 9) non-illuminated construction signs not exceeding one hundred and eight (108) square feet in total sign surface area, to be located within the property, or attached to a fence or hoarding, of maximum height not exceeding twenty (20) feet, which sign shall be permitted from the date a development application is made until eighty (80) per cent of the building(s) is/are occupied, or a Zoning Compliance Certificate is issued confirming compliance with all rules, agreements and orders;
> 10) temporary signs not exceeding thirty-two (32) square feet in sign surface area or banners related to civic, non-commercial health, safety or welfare campaigns or to campaigns by educational or religious organizations, provided the signs are removed within fifteen (15) days following the date of the event and the signs are not erected earlier than the official date of the commencement of the above campaigns;
> 11) non-advertising memorial signs, commemorative plaques and corner-stones of bronze, brass, stone or other non-combustible materials when built into or attached to the walls of a building or other structure provided same bear only the name of the owner, the name and use of the building, the date of erection of the building and/or reading matter commemorating a person or event;
> 12) bulletin boards not exceeding eighteen (18) square feet in sign surface area.
>
> *Identification sign* means a sign that identifies a business, owner, resident, or institution by name, logo or street address, and which sets forth no other advertisement and which is on or attached to the property where the business, owner, resident or institution is located.
>
> *Mobile sign* means a sign which is mounted on a trailer, vehicle, stand or similar support structure which is designed in such a manner that the sign can be readily relocated to another location, and which may include copy that can be changed through the use of removable characters or panels.
>
> *Sign* means any writing (including letter, word, or numeral), pictorial representation (including illustration or decoration), emblem (including device, symbol, logo, or trademark), flag (including banner, or pennant), or any other figure of similar character which:
>
> (1) is a structure of any part thereof, or is attached to, painted on, or in any other manner represented on a building or other structure; and
> (2) is used to announce, identify, direct attention to, or advertise.

The taxation of advertising signs would exclude identification signs on businesses, interior signs (such as those in shopping malls) and mobile signs which are not permanently affixed to property. As well advertising on and in buses, bus stop benches and transit shelters are excluded as these are covered off under separate contract between the City (Transit Department) and the lessee.

It was the view of the Ad Hoc Committee that the level of taxation should be set in line with that which is charged to other businesses. Taxing based on the square footage of sign face is unique, and is difficult to equate to the other two methods currently permitted by legislation. Cable Companies are also unique and are taxed based on 1% of gross revenue. However, most businesses are taxed based on property rental value times the business tax rate of 9.75%.

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It is recommended to set the business tax rate at $1.50 per square foot of sign face. At some locations this may appear high, at other locations it may be low but on average it represents a reasonable level of taxation given the average value of the various advertising structures.

The following calculation equates the existing business tax formula of "annual rental value x 9.75%" to the recommended rate of $1.50 per sq. ft.:

Annual rental of land upon which the sign is located	$3,600.00
Capital cost of sign $15,000.00 Annual rate of return 10%	1,500.00
Maintenance costs (weed cutting, minor repairs)	300.00
Electricity costs	500.00
	$5,900.00
Annual rental value $5,900 @ 9.75% =	$ 575.00
10' x 20' sign = 200 sq. ft. x 2 faces = 400 sq. ft. @ $1.50 =	$ 600.00

It is estimated based on a June 30, 1994 report of the Canadian Outdoor Measurement Bureau, and other miscellaneous data, that the following number and sizes of advertising signs currently exist:

Type of Sign	Square Feet	Number of Sign Faces	Tax Per Square Feet	Total Tax
Horizontal Poster	200	330	$1.50	$ 99,000.00
Vertical Poster	192	92	1.50	26,500.00
Superboards	445	46	1.50	30,700.00
Superboards	672	7	1.50	7,000.00
Superboards	1,196	1	1.50	1,800.00
Superboards	1,456	2	1.50	4,400.00
Superboards	2,450	2	1.50	7,400.00
Back Lighted	300	18	1.50	8,100.00
Street Level	21.2	41	1.50	1,300.00
Electronic Message	est 500	2	1.50	1,500.00
				$187,700.00

Under Section 184 of The City of Winnipeg Act, the City can require owners of such advertising signs and billboards to advise the City on an annual basis of the number and type of signs and square footage of the sign face.

Section 184(4) of The City of Winnipeg Act states that:

> "Any person who fails to deliver to the assessor a written statement required by the assessor under this Part, within one week after being required by the assessor in writing to do so, is guilty of an offence and liable, for each day the statement is not delivered, to a penalty prescribed by by-law."

and this section will be used for enforcement.

The value to advertisers on billboards is the exposure resulting from traffic on the streets passing the billboard, and therefore it is reasonable that the billboard business tax revenue should go towards street maintenance.

The Committee on Finance and Administration concurs in the recommendations of the Ad Hoc Committee on Signs and Billboards, and submits draft by-law and recommends:

I. That a Business Tax rate of $1.50 per square foot of sign face effective for 1997 be assessed against exterior advertising signs and billboards in accordance with Section 179(3) of The City of Winnipeg Act.

Report of the Committee on Finance and Administration dated November 25 1996

II. That the Business Tax rate be increased annually by the percentage increase in business tax in the City of Winnipeg.

III. That the business tax revenue be dedicated to the maintenance and repair of streets.

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.

The Executive Policy Committee recommends that the paragraph beginning with "Identification sign" be amended by adding the words "and products sold," after the words "or street address," to read as follows:

Identification sign means a sign that identifies a business, owner, resident, or institution by name, logo or street address, and products sold, and which sets forth no other advertisement and which is on or attached to the property where the business, owner, resident or institution is located.

The Executive Policy Committee further recommends that Recommendation I. be amended by deleting the amount of "$1.50" and replacing it with the amount of " .34¢"

Moved by Councillor Steek,
Adoption of the clause.

In amendment,

Moved by Deputy Mayor Eadie,
That the recommendation of the Executive Policy Committee be adopted.

The Deputy Speaker called Councillor Phillips to the Chair in order to participate in the debate.

Moved by Councillor Lubosch,
That the clause be referred back to the Committee on Finance and Administration.

The Deputy Speaker here resumed the Chair.

The motion to refer was put.

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

Yea: Councillors Golden, Lubosch, Murray, Thomas, Vandal and Angus. 6

Nay: Councillors Clement, Lazarenko, O'Shaughnessy, Phillips, Silva, Steek, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Prystanski. 9

and the motion to refer the clause was declared lost.

The Deputy Speaker called Deputy Mayor Eadie to the Chair in order to participate in the debate.

Moved by Councillor Lazarenko,
That the question be now put.

Carried.

The amendment proposed by the Executive Policy Committee was put.

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Councillor O'Shaughnessy called for the yeas and nays, which were as follows:-

Yea: Councillors Prystanski, Clement, Lazarenko, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Her Worship Mayor Thompson and Deputy Mayor Eadie. 10

Nay: Councillors Golden, Lubosch, Murray, Thomas, Vandal and Angus. 6

and the motion for the adoption of the recommendation of the Executive Policy Committee was declared carried.

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 Prystanski, Clement, Lazarenko, O'Shaughnessy, Phillips, Silva, Steek, Her Worship Mayor Thompson and Deputy Mayor Eadie. 9

Nay: Councillors Golden, Lubosch, Murray, Thomas, Timm-Rudolph, Vandal and Angus. 7

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

Proposed Sale of Southeast Corner of Waverley Street and Taylor Avenue to Mondo Foods Company Ltd.
File FI-2.4(32) (Vol. 3)

165 - 15. On September 26, 1996 Council adopted the following recommendations of the Committee on Finance and Administration respecting the sale of the above noted property:

I. That the subject City property, as shown on Misc. Plan No. CC 8123/4, be declared surplus to the City's requirements.

II. That the sale of the subject City property, as shown on Misc. Plan No. CC 8123/4, be approved to Mondo Foods Company Limited for the price of $310,000.00, in accordance with the terms and conditions outlined and subject to all the necessary easements required by the City and other utilities, subject to the deletion of the requirement for the City to subdivide the saleable land into two lots (emphasis added for the benefit of this report).

III. That the net revenues arising from this transaction be credited to the General Revenue Account.

IV. That the Director of the Land and Development Services Department be delegated the authority to negotiate, approve and execute a rental agreement respecting the establishment of signs and accesses on adjacent City-owned property.

V. 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.

On being advised of the above decision Mondo Foods Company Limited tendered a suggested compromise advising that it continued to require the City to sub-divide the saleable land into two lots but that the Company would incur the costs of survey, and plan preparation and registration if the City would incur the associated dedication fees. In support of its proposal Mondo Foods Company Limited advised that:

1. "In our (Mondo's) opinion there is no increase in value as the price we offered to pay, being $310,000.00 is based on two buildable lots."

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2. "The subject land parcel is approximately 92,558 square feet which is approximately twice as large as that which we require to construct our proposed 10,000 square foot building and associated parking.....

Our request for two lots is not to allow us to make money on the sale of the second lot, but simply to recover the proportional share of the purchase price for the unused land..... It simply provides with the flexibility of selling unused portions of the land."

The correct dedication fees which would be applicable to a subdivision of the salable land into two lots would be $8,040.00. In addition to this would be the costs of survey, and of plan preparation and registration.

The Land and Development Services Department supports a sale of the subject property to Mondo Foods Company Limited at a price of $310,000.00 and on condition that the City assume the responsibility for the dedication fees but that Mondo Foods Company Limited be required to pay for all survey, and plan preparation and registration costs together with all other associated costs relative to subdividing the subject property into two lots. Mondo Foods Company Limited on October 31, 1996 confirmed that it is agreeable to a sale of this property on this basis.

As a further note, with regard to Mondo Foods Company Limited's proposed requirement that the City terminate the signage contract with Mediacom, the Land and Development Services Department has determined that the existing Mediacom sign which fronts onto Waverley Street exists by virtue of an agreement with the CNR, however, the sign is actually located partly on City property and partly on CNR right-of-way. Therefore, the CNR and Mondo Foods Company Limited and the City will jointly arrange to resolve this issue in a mutually satisfactory manner.

Furthermore, Mondo Foods Company Limited wishes to erect its own identification sign. Given the width of the land required for street purposes, the Streets and Transportation Division has no objection to Mondo Foods Company Limited erecting an appropriate identification sign, provided that it is located at least 20 metres from the Waverley Street pavement and further provided that the sign is removed at the expense of Mondo Foods Company Limited, at such time as the land is required for street purposes.

As previously reported, and subject to the receipt of approvals to construct the said sign and to place a vehicular approach along Taylor Avenue over land to be retained by the City, it will be necessary to enter into a rental arrangement with Mondo Foods Company Limited. The Land and Development Services Department observes that, in its Offer, Mondo Foods Company Limited requires the City to maintain on a weekly basis the land to be retained by the City. The Department is of the position that such a requirement will be difficult to administer and instead recommends that the responsibility for the maintenance of this land be assumed by Mondo Foods Company Limited and be offset against the rentals owing to the City for any authorized sign and approach placements.

The Committee on Finance and Administration recommends:

I. That the following recommendation as outlined in Clause 7 of the Committee's Report dated September 6, 1996, and adopted by Council on September 26, 1996, be rescinded, namely:

"II. That the sale of the subject City property, as shown on Misc. Plan No. CC 8123/4, be approved to Mondo Foods Company Limited for the price of $310,000.00, in accordance with the terms and conditions outlined and subject to all the necessary easements required by the City and other utilities, subject to the deletion of the requirement for the City to subdivide the saleable land into two lots."

II. That the sale of the subject City property, as shown on Misc. Plan No. CC 8123/4, be approved to Mondo Foods Company Limited for the price of $310,000.00 in accordance with the terms and conditions outlined and subject to all the necessary easements required by the City and other utilities, subject to:

a) the deletion of the requirement for the City to effect the removal of the referenced Mediacom sign other than by mutual arrangement with the parties concerned; and

b) the responsibility for the maintenance of the land to be retained by the City to be assumed by the Mondo Foods Company Ltd. as part of the rental to be negotiated with the City for sign placement and vehicular approach rights.

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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 thereto.

Copy of Misc. Plan No. CC 8123/4 is on file in the office of the City Clerk.

Adopted by consent.

Amendment to Leave and License Agreement - Kildonan Crossing Shopping Centre Ltd. File FI-2.2(33) (Vol. 1)

166 - 16. On September 21, 1994, Council granted a renewal of a Leave and License Agreement to Kildonan Crossing Shopping Centre Ltd. to use that portion of Lagimodiere Boulevard shown hatched on Misc. Plan No. EKT 7282/1, for parking and sign purposes. The Agreement was for a five year term which commenced April 1, 1994 at an annual rental of $7,330.00 - comprising of $7,000.00 per annum for parking purposes and $330.00 for sign purposes (two signs). As additional rent the company pays an amount equivalent to realty taxes.

The Land and Development Services Department received a request from Duchon Signs, authorized by the Property Management Company for Kildonan Crossing Shopping Centre, to increase the size of one of the previously approved signs from a 8'1" x 11'5" double sided sign to a 12'8" x 18' four sided sign.

The Streets and Transportation Department has advised that it has no objections to the proposed four sided pylon. On October 15, 1996, the East Kildonan-Transcona Community Committee concurred in the recommendation of the Community Planning Division that only a two sided pylon sign containing a maximum of 180 sq. ft. of signage per side would be appropriate at the subject location.

Duchon Signs has agreed to the change. The proposed sign would have a sign face area of 360 sq. ft. versus the previous 185 sq. ft. of sign face. As a result of the increased sign face area the annual rental would be amended to reflect the increased sign face area, based on a rate of $1.00 per square foot.

The Committee on Finance and Administration recommends:

I. That an amendment to the Leave and License Agreement to Kildonan Crossing Shopping Centre Ltd. be granted to permit an increase in the sign face to 360 sq. ft. at a rental of $360.00 per annum, in a form satisfactory to the City Solicitor/Manager of Legal Services.

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.

Copy of Misc. Plan No. EKT 7282/1 is on file in the office of the City Clerk.

Adopted by consent.

Offer to Purchase City Lands - Northwest Corner of Kenaston Boulevard and McGillivray Boulevard File FI-2.4(31) (Vol. 2)

167 - 17. The subject City property, as shown on Misc. Plan No. ASBA 8563/1, was obtained by expropriation in 1975 for purposes of the Streets and Transportation Department. The Streets and Transportation Department has indicated that the subject City property is surplus to its future transportation requirements.

On April 17, 1996, the Land and Development Services Department received an offer to lease a portion of the property. The offer to lease also included a request for an Option to Purchase the property for $217,200.00 ($30,000.00 per acre). The Committee on Finance and Administration at its meeting on May 29, 1996, approved a lease of the property as shown on Misc. Plan No. ASBA 8563/4 to Korpan Tractor Ltd. The lease has a 90

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day cancellation clause. Amongst other things, the Committee authorized the Director of the Land and Development Services Department to conclude a lease of approximately 2 acres of land based on a market value rate approximately $50,000.00 per acre. The lease has now been negotiated and reflects a $50,000.00/acre base rate.

The Department had recommended that the Option to Purchase not be approved in that a sale for the purposes of Korpan Tractor could be premature as it was felt that this use could conflict with probable future commercial land uses at this intersection. The Committee on Finance and Administration concurred with the recommendation of the Administration.

The subject property was listed for sale with Shindico Realty at the time of the lease negotiations subject to a price being determined.

The Committee on Finance and Administration, at the time of the approval of the lease, confirmed that this property was still available for sale and that the property should be actively marketed. The Committee stated that they were expecting to receive offers beyond the $30,000.00 per acre rate. The Committee was influenced by the growing importance of Kenaston Boulevard and by the increasing importance of the location of this property vis-à-vis the adjacent residential communities and by the spin-off benefits that this site will enjoy as a result of the probable development of the City-owned property at the Northeast corner of this intersection which is now foreseeable in the short term.

On June 20, 1996 the City's broker was advised that the price should be reviewed and to further examine the factors which affect value at this location to include aspects such as: servicing costs, zoning, highest and best use, access, development constraints, comparable sales and listings, etc. The Water and Waste Department have advised that they will be looking at receiving Trunk Service Rate (TSR) recoveries for this property at the rate of $5. 490.00 per acre. An offer was received for the property from Hubert Kleysen for $135,000.00, which was rejected by the Committee on Finance and Administration on September 6, 1996.

On November 25, 1996, the Committee on Finance and Administration was advised that the Land and Development Services Department is in receipt of two offers to purchase the subject property as shown on Misc. Plan No. ASBA 8563/1. The Committee is recommending acceptance of the offer submitted by Dr. H. L. Fleishman.

In the offers submitted the conditions precedent period exceeds the date of closing which is 91 days from the date of approval.

The City's standard term for the requirement for a developer to complete construction of buildings on a given site is three (3) years. The offer submitted by Dr. Fleishman contains a building completion date of seven years from the date of approval. The Land and Development Services Department is supportive of the building completion date to be seven (7) years based on the fact that:

a) this area is still in the developmental stage and there is a great deal of uncertainty as to what will be the highest and best use of the land,

b) the purchaser is not going to want to tie up his money or pay taxes on the vacant land any longer than he has to without a return on his investment.

The City will be preparing a plan of survey to open the required future street as right-of-way and to create a parcel of land that can be transferred to the purchaser. The Land and Development Services Department is opposed to the City absorbing the cost of dedication and surveys for a future plan of subdivision into up to three lots as requested by the Purchaser, for the following reasons:

1) it would reduce the net revenues of the sale to a point beyond what is supportable,

2) it is only logical that the subdivision should occur in the future at such a time as the developer goes ahead with the development. (The purchaser has requested a period of seven (7) years to complete construction of a building on the site),

3) since it is the intention to commit the net revenues to satisfy current estimates it would be difficult to deal with the costs of subdivision in the future.

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In its consideration of the 1996 current estimates, Council has directed that revenue in the amount of $4.964 M be generated in the sale of surplus City-owned properties. The net sale proceeds arising from this transaction will be credited to the General Revenue Account.

The Committee on Finance and Administration recommends:

I. That the subject City property, shown on Misc. Plan No. ASBA 8563/1, be declared surplus to the City's requirements.

II. That the sale of the subject property to Dr. H.L. Fleishman be approved for the price of $250,000.00 including Trunk Service Rate charges under the City's standard terms and conditions and the additional terms as outlined with the closing date to be within five working days of the date that the purchaser advises the City in writing that the conditions precedent have been satisfied, and that the purchaser be responsible for all future subdivision costs, with the City responsible for delivering a registerable transfer of the land for a single parcel of land.

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 thereto.

Copy of Misc. Plan. No. ASBA 8563/1 is on file in the office of the City Clerk.

Adopted by consent.

Proposed Brookside Boulevard Widening Project - Inkster Boulevard to the North City Limit - Canada/Manitoba Infrastructure Works Program
Files FI-2(34) (Vol. 4) and S-7 (Vol. 3)

168 - 18. The City of Winnipeg, through discussions with the Province of Manitoba/Infrastructure Secretariat, have identified the Brookside Boulevard Widening project for inclusion in the Canada/Manitoba/City of Winnipeg Infrastructure Works Program. This project was included in the 1997 and 1998 years of the City of Winnipeg's 1997-2001 Five Year Capital Forecast, as adopted by Council on February 28, 1996.

This proposed project would see the reconstruction of the existing two-lane undivided highway into a four-lane divided facility. Additional improvements include provision of storage lanes for left turning and "U" turning traffic, as well as provision of street lighting. This project would result in Route 90 being a four-lane divided facility over its entire length from Scurfield Boulevard, in the Fort Whyte area, to the North Perimeter Highway where Route 90 links up with Highway No. 7.

On July 4, 1996, the Board of Commissioners considered a report from the Director of Streets and Transportation, dated June 25, 1996 which recommended that the Land and Development Services Department be directed to negotiate for the acquisition of property required for the above noted widening, and the said recommendation was concurred in.

The Land and Development Services Department immediately initiated preliminary data collection such as title and encumbrance searches; plan preparation; etc. In order to determine the effect of this proposed widening project on the subject properties, the required survey work was contracted out as was the appraisal work; which appraisal product the City has just recently received. Currently, the preparation of the expropriation plan has been initiated and preliminary contact has been established with all of the owners of the subject properties as specified herein. Negotiations are continuing with the affected owners on the basis of an expropriation which would include the estimated market value of the subject properties plus the additional entitlements available to the expropriated owners under The Expropriation Act of Manitoba.

In a memorandum dated November 1, 1996, the Streets and Transportation Department advised that this proposed widening project was included in the Canada/Manitoba Infrastructure Works Agreement and that construction must commence in the spring of 1997 in order to complete the project within the Agreement deadline of March 31, 1999. In addition, the Land and Development Services Department was authorized to immediately begin the expropriation process and to do all things necessary to secure the right to enter and construct upon the properties required by May 1, 1997.

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The particulars of the properties required for this project are as specified on Schedule "A".

Schedule "B" illustrates an anticipated flow of events required in connection with this proposed expropriation.

In the event that an Expropriation Inquiry Hearing is deemed necessary on the proposed Brookside Boulevard Widening Project, such action will affect the City's ability to obtain possession of the required properties by the stipulated date of May 1, 1997. This in turn will have serious consequences on the timing of the award of the construction tender and ultimately, the commencement date for construction and completion of the roadworks by March 31, 1999. The Streets and Transportation Department has stressed that any delay in the City obtaining possession of the required properties by the May 1, 1997 target date will seriously impact the completion of construction of the Brookside Boulevard Project within the Canada/Manitoba Infrastructure Works Agreement deadline of March 31, 1999.

Since the Federal and Provincial governments are participating in the proposed construction of the Brookside Boulevard Widening Project, the costs of construction will be funded under the Canada/Manitoba Infrastructure Works Program. However, this Program does not finance the cost of land acquisition. The City will be expected to finance the land acquisition component from its own Capital Budget or funding source. Since the federal/provincial funding for construction is limited to a two year time frame and if construction of the proposed Brookside Boulevard Widening project extends past the March 31, 1999 deadline, this residual construction cost will also become the City's responsibility.

Given the limited time frame in the City obtaining possession of all the required properties by May 1, 1997 and the restricted two (2) year federal/provincial funding availability for completion of construction of this proposed project by March 31, 1999, the Streets and Transportation and Land and Development Services Departments are of the opinion that it would be in the best interests of the City to formally request the Province of Manitoba (Lieutenant Governor in Council) to dispense with the Expropriation Inquiry Hearing process.

Schedule "C" illustrates a projected time line which reflects a dispensation of the "Inquiry" process in connection with this proposed expropriation.

The Streets and Transportation Department in a report dated June 25, 1996 to the Board of Commissioners confirmed that the 1997 Capital Estimates contain a provision of $1,508,000.00 to finance the cost of property acquisition for the proposed Brookside Boulevard Widening Project and, recommended that the Land Acquisition For Future Transportation Purposes Account be used to provide interim funding in the amount of $200,000.00 for property acquisition until such time as the 1997 Capital Budget is approved by Council.

Capital Account No. 03-118117-5196100702 contains interim funding of $200,000.00 for property acquisition for the proposed Brookside Boulevard Widening Project.

On November 20, 1996, Council adopted Clause 6 of the Report of the Committee on Works and Operations dated November 5, 1996, which contained the following recommendations:

1. That the Brookside Boulevard - Inkster Boulevard to the North City Limit Street Improvement Project be approved for inclusion in The City of Winnipeg's Program under the Canada/Manitoba/Infrastructure Works Program.

2. That the City of Winnipeg fund its contribution for the project in the amount of $4,558,402.00 by utilizing $2,900,000.00 in City of Winnipeg funding available from the cancelled Kenaston Boulevard Underpass Project and $1,658,402.00 in additional City of Winnipeg funding by inclusion in the 1997 Annual Capital Estimates.

3. That the Administration be authorized to do all things necessary to enter into an agreement with the Canada/Manitoba Infrastructure Secretariat to undertake this project.

It is the City's intent to expedite the expropriation process by submitting formal Offers of Compensation to Council for approval concurrently with Council's confirmation of the expropriation on or about March of 1997. Therefore, upon issuance of the Offers of Compensation, all of the expropriated owners can demand the payment of the Offer as an advance on Due Compensation.

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

I. That the City Solicitor/Manager of Legal Services be instructed to initiate expropriation proceedings in the acquisition of the properties as identified and required by the City for the Brookside Boulevard Widening Project between Inkster Boulevard and the North City Limit.

II. That the Proper Officers of the City be instructed to formally request the Province of Manitoba (Lieutenant Governor in Council) to dispense with the need for an Expropriation Inquiry Hearing in connection with this proposed expropriation, in accordance with Section 9, Sub-section 8(2) of The Expropriation Act of Manitoba.

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 thereto.

Copies of Misc. Plan No. 9683/2 and Schedules "A", "B" and "C" are on file in the office of the City Clerk.

Moved by Councillor Steek,
Adoption of the clause.

Moved by Councillor Clement,
That the question be now put.

Carried.

The motion for the adoption of the clause was put.

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

Yea: Councillors Prystanski, Clement, Lazarenko, O'Shaughnessy, Phillips, Silva, Steek, Timm-Rudolph, Her Worship Mayor Thompson, Councillor Angus and Deputy Mayor Eadie. 11

Nay: Councillors Golden, Lubosch, Murray and Thomas. 4

and the motion for the adoption of the clause was declared carried.

Donation of the Capitol Theatre and Metropolitan Theatre to The City of Winnipeg File G-3.1.1 (Vol. 3)

169 - 19. On March 20, 1996, Council approved in principle the acceptance of an offer of donation made by Famous Players Inc. of the Metropolitan and Capitol Theatres in exchange for a tax receipt in the amount of $775,000.00 and the return of the 1995 property taxes, which offer of donation will expire on December 31, 1996. (Exhibit "A") The City has entered into a formal agreement with Famous Players setting out the terms and conditions for the acceptance of the gift. Council also approved an allocation of $100,000.00 from the Winnipeg Development Agreement (Program 14 - Strategic Initiatives), for property tax, insurance and building preservation measures.

On April 2, 1996, the Committee on Planning and Community Services met with Mr. Wayne Flett from Mr. Canada's Touring Network Inc. and received information about Mr. Flett's concept for attracting tourists to Winnipeg. On April 24, 1996, Council amended and adopted Clause 1 of the Report of the Committee on Planning and Community Services dated April 2, 1996 to approve in principle the concept of using old theatres as proposed by Mr. Canada's Touring Network. (Exhibit "B")

On May 1, 1996, the Executive Policy Committee approved the formation of a Steering Committee, approved the securing of the buildings, and directed the Forks North Portage Partnership to act as negotiators.

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The Steering Committee met 10 times since May. The Forks North Portage Partnership has been extremely active in their role as negotiators. The Civic Buildings department has been charged with the responsibility for "looking after" the buildings. They have undertaken basic measures to secure the theatres while they have been in the City's possession.

On June 19, 1996, Council approved the allocation of $147,450.00 from the Winnipeg Development Agreement under Program Authorization 14 - Strategic Initiatives, in order to conduct an Architectural / Engineering Study and a Historic Conservation Study on the Metropolitan and Capitol Theatres. Contracts were awarded to The Prairie Partnership, and Hannavan and Company for the Engineering / Architectural Study, and the Historic Conservation Study respectively. On October 17, 1996, Mr. Dudley Thompson of the Prairie Partnership delivered to the Steering Committee the completed Architectural and Engineering Studies.

In his report on the Capitol Theatre, David Hannavan concludes:

> As distressing as the present condition of the Capitol Theatre may be today, the auditorium at least, has great potential for a first rate restoration. . . . the Capitol was one of Lamb's most beautiful designs. . . Winnipeg is fortunate enough to have a theatre designed by probably the best theatre architect of the twentieth century, and it just happens to be one of his most beautiful theatre designs."

Prairie Partnership, in their Capitol Theatre report, recommended:

> We are recommending several emergency actions in order to protect and stabilize the fabric of the theatre from any further deterioration before the winter of 1996. We are recommending three specific actions with a total capital cost of under $50,000: Undertake emergency repairs on the roof; install new furnaces; and install a monitoring system. Also, we are recommending the following actions to place the building on long term hold over the next 5 to 10 years while waiting for a suitable use, should the current proposal not be realized: replace and insulate the entire roof; remove the signage canopy along Donald Street; install new plywood painted with graphics in the existing doors and windows; paint the upper window frames and stucco; demolish the building to the north of the theatre. We recommend a budget of $250,000.00 be allocated to stabilize and upgrade the theatre.

Prairie Partnership, in their Metropolitan Theatre report conclude:

> The Metropolitan Theatre in Winnipeg, built in 1919, was designed by Architect C. Howard Crane and is one of only three surviving works in Canada by this internationally renowned architect. . . The second floor lobby is probably the most remarkable part of the building with its grand oriel windows facing onto the street, the decorative painted plaster walls and ceilings and the mirrored wall panels."

Prairie Partnership, in their Metropolitan Theatre report, dated September 23, 1996, recommended:

We are recommending the following actions to place the building on long term hold over the next 5 to 10 years while waiting for a suitable use, should the current proposal not be realized: replace and insulate the entire roof; remove the signage canopy along Donald Street; install new plywood painted with graphics in the existing doors and windows; paint the upper window frames and cornice. We recommend a budget of $200,000.00 be allocated to stabilize and upgrade the theatre.

The Engineering / Architectural studies on the Metropolitan and Capitol Theatres estimate the redevelopment costs as follows:

Capitol Theatre Redevelopment	$ 8.25 million to $ 10.0 million
Metropolitan Theatre Redevelopment	$ 6.40 million to $ 7.9 million
Walker Theatre Upgrading	$ 1.125 million
Pantages Theatre Upgrading	$ 0.5 million

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It is important to understand the current status of the buildings, and the issues surrounding the proposed donation. There are two key points to focus on:

1) On May 1, 1996 Executive Policy Committee gave the following commitment to Famous Players:

"*The City of Winnipeg, by the end of 1996, will decide the historical status of the Metropolitan Theatre. If at any time it is decided by Council to designate the Metropolitan Theatre, then The City of Winnipeg will take title to the theatre. The title will be in exchange for a tax receipt in the fashion and amounts that have been previously stated. If it is decided by Council not to designate the theatre, and if Council does not wish to proceed in the redevelopment of the theatre as an outcome of the business plan review, then your client will be able to proceed with their plans for the theatre."*

2) The Agreement with Famous Players provides as follows:

"The City acknowledges and agrees that should the City notify Famous Players that it will not accept the donation, Famous Players may proceed with the demolition upon the understanding that the applications will be processed in the usual manner, subject to compliance with the necessary by-laws and City policies"

The City also entered into an undertaking with Famous Players that the City would not use the Historical Buildings By-law to prevent Famous Players from demolishing the Capitol Theatre, for 90 days following the date Council decides not to accept the donation.

In summary as to the status of the theatres, should the City choose not to accept the donation by the end of 1996, it is the clear intention of Famous Players Inc. to move ahead with demolition of the Capitol Theatre. Famous Players Inc. has already obtained a demolition permit for the Capitol Theatre. Their possible intent for the Metropolitan Theatre is less clear.

In considering this issue, it is very important to note that there is an effort and cost associated with mothballing either of these buildings. Immediate work is required to be undertaken to secure the facilities, and as winter is upon us, to provide for basic heating in the structures. An identification of funds, and authorization to carry out such work is required.

A. <u>IMMEDIATE CONCERNS</u>

The current estimated finances, relative to the two theatres as well as the projected costs to maintain same until December 31, 1996 is summarized as follows:

Realty Taxes Estimated (1995) Capitol and Met	68,000*
Realty Taxes Estimated (1996) Capitol and Met	68,000
Estimated Registration Fees & Land Transfer Tax	9,000*
Estimated Goods & Services Tax	23,250*
Costs incurred to date (Electrical, Repairs, rentals, etc)	13,600
Work in Progress (gutter repair, water proofing)	15,000
Anticipated (heat, light labour, etc)	36,200
Contingency based on work in progress and anticipated	10,000
Total	$243,050
Current Funding - WDA program 14	100,000
Shortfall	$143,050

*to be paid only if the City accepts the donation

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B. INTERMEDIATE CONCERNS

With regard to the long term prospects of the Capitol Theatre, Prairie Partnership, in their report dated September 23rd, 1996 recommended:

> After a comprehensive analysis of the facility by the consultant team of architects, engineers and specialty consultants, it is our conclusion that the Capitol Theatre is structurally sound and has significant historic merit. . . . the existing theatre should be fully restored and fully transformed into a first class theatre venue blending the best of historic restoration with modern services and systems.

Essentially the same thing was said of the Metropolitan Theatre.

Therefore, in order that redevelopment of the two theatres is not made any less viable an intermediate strategy must be considered.

Although no independent analysis has been undertaken by the Civic Buildings Department with regard to the long term hold issue, based on the consultants estimates the City should set aside an amount of $450,000.00 as suggested by Prairie Partnership plus a continency allowance of 25% to cover the unforeseen, any inflationary cost increases, design fees, taxes, plus internal finance and accounting charges. The total would amount to $562,500.00.

The Civic Buildings Department, in its 1997/1998 Current Estimates, has submitted an ADDITIONAL FUNDING REQUEST in the amount of $20,000.00 annually for each theatre to cover maintenance and heating of the theatres in a "moth balled' state so that further deterioration is minimized.

SUMMARY:

In good faith, the City of Winnipeg entered into an agreement with Famous Players, owner of the Metropolitan and Capitol theatres in an attempt to "buy time" to finalize an agreement with Mr. Canada's Touring Network for the redevelopment of these theatres. Funds were expended to secure the structures while in the interim possession of the City. Funds were also expended to conduct a detailed architectural / engineering study, as well as a historic conservation study. This information has been extremely valuable, as we now have a very accurate and reliable condition report on the structures. These studies have also given us an excellent "vision" with associated costs to bring the theatres up to modern capabilities.

Much work was undertaken with respect to negotiations with Mr. Canada's Touring Network, and there were tough negotiations, with all parties demonstrating extreme flexibility, creativeness, and effort. The work done by the Forks North Portage Partnership on behalf of the City has been superior. It is probably fair to say the City has extended every opportunity to make this vision a reality. In some cases, the City has bent almost to the breaking point in exploring options, and working with all parties. However, even with all that work, it appears that a deal is not imminent.

The vision of redeveloping these theatres and adding much needed energy and vitality to a downtown in need is certainly great. Perhaps what is needed is some additional time to grow other concepts, other visions, and other funding mechanisms. The goal of having these grand theatres contribute to a "Vibrant and Healthy City" still may be ahead of us.

However, a resolution of the ownership of the Theatres is needed quickly as the offer of donation expires on December 31, 1996. On October 29, 1996, the Committee on Planning & Community Services recommended to the Committee on Finance and Administration that the City accept the donation of the Capitol and Metropolitan Theatres.

For the information of Council, the Committee on Finance and Administration is recommending that a tax receipt be issued to Famous Players Inc. for the fair market value of these properties as determined by an appraisal, and that the determination of any matters arising from the issue of the tax receipt will be a matter that is between Revenue Canada and Famous Players Inc.

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The Committee on Finance and Administration therefore recommends:

I. That the City of Winnipeg accept the offer of donation made by Famous Players Inc. to donate the Metropolitan Theatre and the Capitol Theatre to the City of Winnipeg in exchange for a tax receipt in the amount of $775,000.00.

II. That the City of Winnipeg pay to Famous Players Inc. an amount equal to the 1995 City of Winnipeg taxes, as consideration for extensions of time.

III. That the City of Winnipeg apply for funding in the amount of $143,000.00 to be allocated from the Winnipeg Development Agreement under Program Authorization 14 - Strategic Initiatives, which funds are to be used to undertake immediate measures to prevent further deterioration to these buildings in the ownership and control of the City of Winnipeg and to complete the financial details of the agreement.

IV. That the Civic Buildings Department be authorized to expend these funds immediately to undertake the required stabilization measures.

V. That the consultant's recommendation that funds in the amount of $562,500.00 to undertake intermediate repairs should the City acquire and "hold" both theatres be received as information.

VI. 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 recommends:

That Recommendation II not be concurred in, and

That Recommendation III. be amended to delete the amount of $143,000.00 and replace it with the amount of $75,000.00, and

That Recommendation IV. be amended by deleting the word "immediately"

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

Moved by Councillor Steek,
Adoption of the clause.

In amendment,

Moved by Councillor Clement,
That the recommendation of the Executive Policy Committee be adopted.

Moved by Councillor Angus,
That the question be now put.

Carried.

The recommendation of the Executive Policy Committee was put and declared lost.

The motion for the adoption of the clause was put and declared carried.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED DECEMBER 10, 1996

On motion of Councillor Steek, the Report of the Committee on Finance and Administration, dated December 10, 1996, was considered.

Proposed Expansion of New Flyer Industries Plant - south side Pandora Avenue West, east of Plessis Road
File FI-2.4(33) (Vol. 2)

170 - 1. On April 24, 1996, Council declared the City-owned property located on the south side of Pandora Avenue West, east of Plessis Road, surplus to the City's requirements, and approved the sale of the property as shown on Misc. Plan No. EKT 9612 (Exhibit "A") to New Flyer Industries Limited at a price of $130,000.00, in order to facilitate expansion of their Winnipeg plant.

New Flyer Industries Limited is proposing a plant expansion which could take place at their Winnipeg and/or Crookston, Minnesota plants. If said expansion occurs in Winnipeg it would include an 88,000 square foot addition to their existing manufacturing facility and a new 56,000 square foot office building/warehouse. Total overall investment would be approximately $14.2 million by New Flyer. New Flyer presently employs approximately 950 people. It is projected by New Flyer that as many as 100 to 200 new jobs could be created by 1998 by this expansion.

The Business Liaison and Intergovernmental Affairs Department has been in discussion with New Flyer Industries Limited regarding their proposed plant expansion since April of 1996. The basic aim is to assure that New Flyer's projected future (after expansion) annual taxes are as follows:

Municipal Taxes (excluding School Taxes)	Current	After Expansion	Increase
Property Tax	$215,000.00	$430,000.00	$215,000.00
Business Tax	$77,000.00	$197,000.00	$120,000.00
Total	$292,000.00	$627,000.00	$335,000.00

As a result of an ongoing review, the Business Liaison and Intergovernmental Affairs Department has continued to investigate various options available to the City of Winnipeg that would ensure New Flyer's proposed plant expansion occurs in Winnipeg.

The previous sale price of $130,000.00 is equal to approximately 5 months ($130,000.00/ $335,000.00 = 0.39 years or 5 months) of the new revenue generated to the City of Winnipeg through additional property and business taxes. It is important to note that, with respect to the security for payment of the purchase price provided by New Flyer Industries to the City through a conditional promissory note, said security would rank after any real property mortgage granted by New Flyer Industries.

The City of Winnipeg is committed to improving the City's fundamental business climate and playing a support role in business expansion or relocation, however, direct concessions to specific businesses have been the exception rather than the rule in Winnipeg and are generally contrary to current philosophy. For this reason it is has been consistently recommended that if Council approves business requests for concessions, that it be done on the sole basis of a business case based on the merits (possible job creation and increased tax base) rather than as response to economic incentives of another municipal agency. In the case of New Flyer Industries the relative payback in the form of both job creation and increased tax base significantly outweigh the initial investment (sale of the required City-owned property) by the City of Winnipeg.

Report of the Committee on Finance and Administration dated December 10, 1996

The Committee on Finance and Administration therefore recommends:

I. That the City of Winnipeg sell the property required for New Flyer Industries' expansion, as described on Miscellaneous Plan No. EKT 9612, for the sum of one dollar ($1.00) subject to the following terms and conditions:

- The date of possession, closing and adjustment of sale shall be no later than December 31, 1996.
- Construction of New Flyer's expansion on said property shall be completed no later than December 31, 1997.
- Within two years of December 31, 1997, New Flyer will provide the City Clerk with a certificate from New Flyer's auditors showing that employment levels of New Flyer's Winnipeg plant have increased by 150 from present levels based on their payroll levels (as of October, 1996 the company's level of employment is 950 thus the required staffing level for the removal of said condition, in that instance would be 1,100). Failing the aforementioned, New Flyer will pay on demand to the City $130,000.00, that being the sale price previously approved by Council on April 24, 1996. These unpaid monies shall be secured by a conditional promissory note for the required amount from New Flyer Industries in favour of the City. Any caveat filed as evidence of such unpaid monies shall be a second charge subject only to New Flyer's first mortgage.
- Such other terms and conditions deemed necessary by the City Solicitor to give effect to the intent of Council.

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 concurs in the recommendations of the Committee on Finance and Administration and recommends the following additional recommendations be added, namely:

II. The City of Winnipeg will review on a regular basis the requirement for a signalized traffic signal at the intersection of Kernahan Avenue and Plessis Road based on methods currently acceptable by certified Transportation Engineers. If and when the required criteria are met the City will put said location on the priorized listing of traffic signals requiring construction subject to the standard criteria and restraints of the City of Winnipeg Capital Budget Program.

III. The City shall endeavor to provide technical assistance to New Flyer Industries to help review their expansion plans in an attempt to allow for efficient use of both water consumption and sewage discharge. The liability for the function and detail of the design rest with New Flyer and their consultant.

and that recommendation II. of the Committee on Finance and Administration recommendations be renumbered to IV.

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

Moved by Councillor Steek,
Adoption of the clause.

In amendment,

Moved by Councillor Clement,
That the recommendation of the Executive Policy Committee be adopted.

The recommendation of the Executive Policy Committee was put and declared carried.

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

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

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

171 - On motion of Councillor Steek, the following By-laws were read a first, second and third time, the rule being suspended for the third reading of each by-law and were passed and ordered to be signed and sealed, namely:-

By-law No. 6906/96, a By-law of The City of Winnipeg to authorize the expenditure of monies in 1997 before the adoption of the 1997 annual estimates. File FC-2 (Vol. 18)

By-law No. 6907/96, a By-law of The City of Winnipeg to authorize the borrowing during the year 1997 of monies not exceeding the sum of $250,000,000.00 in aggregate at any one time for capital and current purposes, and to authorize the issuance and delivery of promissory notes as security for such borrowing. File FC-2 (Vol. 18)

By-law No. 6921/96, a by-law of The City of Winnipeg to amend By-law No. 821/74, being a By-law relating to mobile houses, tourist camps and trailer parks.
File EL-8 (Vol. 3)

By-law No. 6922/96, a By-law of The City of Winnipeg to amend By-law No. 201/72, being a By-law to impose a license fee in lieu of business tax upon certain persons carrying on business in The City of Winnipeg. File EL-1 (Vol. 30)

By-law No. 6927/96, a By-law of The City of Winnipeg to establish a program of property tax credits in the year 1996 to encourage and assist in the renovation of residential premises in The City of Winnipeg and to amend By-law No. 6544/94. File FL-2.2 (Vol. 8)

By-law No. 6929/96, a By-law of The City of Winnipeg to amend By-law No. 6123/93, being a By-law to prescribe the fee payable to The City of Winnipeg by taxicab license applicants. File EL-1 (Vol. 30)

By-law No. 6930/96, a By-law of The City of Winnipeg to establish a program of property tax credits in the year 1997 to encourage and assist in the renovation of residential premises in The City of Winnipeg. File FL-2.2 (Vol. 8)

By-law No. 6931/96, a By-law of The City of Winnipeg to amend By-law No. 6551/95, being The City of Winnipeg License By-law. File EL-1.33 (Vol. 4)

By-law No. 6943/96, a By-law of The City of Winnipeg to amend the Amusement Tax By-law No. 3107/81. File FL-6 (Vol. 14)

By-law No. 6944/96, a By-law of The City of Winnipeg to provide for discounts where Realty or Business Taxes are prepaid. File FL-2.1 (Vol. 2)

On motion of Councillor Steek, By-law No. 6928/96, a By-law of The City of Winnipeg to impose a business tax on advertising signs, was read a first time. File FL-1 (Vol. 10)

Councillor Steek moved that this constitute the first reading of By-law No. 6928/96, which motion was carried.

On motion of Councillor Steek, By-law No. 6928/96, a By-law of The City of Winnipeg to impose a business tax on advertising signs, was read a second time.

Committee on Finance and Administration - Consideration of By-laws (continued)

In amendment,

Moved by Councillor Steek,

That the By-law be amended by deleting the amount of "$1.50" and replacing it with the amount of $0.34" and that the definition of "identification sign" be amended by adding the words "and products sold" after the words "or street address".

Carried.

Councillor Steek moved that this constitute the second reading of By-law No. 6928/96, as amended, which motion was carried.

Councillors Golden, Thomas and Lubosch asked to be recorded as having voted against the second reading of By-law No. 6928/96, as amended, in accordance with Rule 50.7 of the Procedure By-law.

On motion of Councillor Steek, the rule was suspended and By-law No. 6928/96, as amended, was read a third time and was passed and ordered to be signed and sealed.

Councillors Golden, Thomas and Lubosch asked to be recorded as having voted against the third of By-law No. 6928/96, as amended, in accordance with Rule 50.7 of the Procedure By-law.

On motion of Councillor Steek, the rule was suspended and the following by-laws were read a first, second and third time, the rule being suspended for the third reading, and were passed and ordered to be signed and sealed, namely:

By-law No. 6916/96, a by-law of The City of Winnipeg to authorize the City Clerk or designate to authorize by permit fund raising activities for charitable purposes as provided by The Charities Endorsement Act. File GL-5.2 (Vol. 13) .

By-law No. 6918/96, a by-law of The City of Winnipeg to acquire land for the purpose of Public Street for the widening of Brookside Boulevard, between Inkster Boulevard and Mollard Road, in the City of Winnipeg, in Manitoba.
Files FI-2 (34) (Vol. 4) and S-7 (Vol. 3)

Councillor Thomas asked to be recorded as having voted against all three readings of By-law No. 6918/96, in accordance with Rule 50.7 of the Procedure By-law.