Minutes – Executive Policy Committee - May 23, 2007

REPORTS

Minute No. 360 Contribution for Canadian Museum for Human Rights
File PR-9.8

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the administrative recommendation and recommends to Council:

1. That the June 28, 2006 Council decision be amended to be consistent with the Statement of Intentions developed between Her Majesty in Right of Canada, The Friends of the Canadian Museum for Human Rights, Her Majesty in Right of Manitoba, The City of Winnipeg as represented by the Mayor and The Forks Renewal Corporation, (the Statement of Intentions) subject to Canada and Manitoba ensuring that the City's cash contribution to the Canadian Museum for Human Rights shall not in effect exceed $5.1 million.

2. That the Chief Administrative Officer be authorized to do all things necessary to secure funding from the Province of Manitoba in the amount of $11.1 million to be used as payment in lieu of that portion of the City's contribution intended to be made by way of municipal tax relief and to provide for the repayment of such monies at no cost to the City through payments made by Canada pursuant to the Payments in Lieu of Taxes Act.

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

Minutes – Executive Policy Committee - May 23, 2007

DECISION MAKING HISTORY:

Moved by Councillor O'Shaughnessy,

That the administrative recommendation be concurred in and forwarded to Council.

Carried

COUNCIL DECISION:

On June 28, 2006, Council adopted the following:

1. That subject to successful conclusion of agreements with the City and other funding partners for the realization of the Canadian Museum for Human Rights, the City of Winnipeg approve a contribution of up to $20 million, towards the development of the Canadian Museum for Human Rights made-up as follows:

   A. Ninety-nine (99) year Ground Lease of Parcel 3 valued at: $ 2,500,000
   B. Municipal tax relief over the life of the lease up to a maximum value of: $ 11,100,000
   C. Development and Permit fee refund up to a maximum value of: $ 1,300,000
   D. One time capital cash contribution $ 5,100,000

2. That the previous $200,000 Interim Grant to the Canadian Museum of Human Rights approved by the City of Winnipeg on July 27, 2005, be recognized as the first charge against the $5.1 million cash contribution, thereby reducing the remaining capital cash contribution to $4.9 million.

3. That the source of the $4.9 million cash contribution be the General Purpose Reserve.

4. That the capital cash contribution not be made until following the commencement of construction.

5. That the subject Parcel 3 Lands, as outlined on the Site Plan (Attachment No. 3), be declared surplus for the purposes of leasing.

6. That the Chief Administrative Officer be authorized to finalize and approve the terms and conditions of any and all agreements required in respect of the City's $20 million contribution.

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

RE: CONTRIBUTION FOR THE CANADIAN MUSEUM FOR HUMAN RIGHTS

FOR SUBMISSION TO: **Executive Policy Committee**

ORIGINAL REPORT SIGNED BY: **Chief Administrative Officer**

REPORT DATE: **May 11, 2007**

RECOMMENDATION:

1. That Council's decision of June 28, 2006 be amended to be consistent with the Statement of Intentions developed between Her Majesty in Right of Canada ("Canada"), The Friends of the Canadian Museum for Human Rights ("Friends"), Her Majesty in Right of Manitoba ("Manitoba), The City of Winnipeg ("Winnipeg") as represented by the Mayor and The Forks Renewal Corporation ("FRC"), (the "SOI") subject to Canada and Manitoba ensuring that the City's cash contribution to the Museum shall not in effect exceed $5.1 million; and

2. That the Chief Administrative Officer be authorized to do all things necessary to secure funding from the Province of Manitoba in the amount of $11.1 million to be used as payment in lieu of that portion of the City's contribution intended to be made by way of municipal tax relief and to provide for the repayment of such monies at no cost to the City through payments made by Canada pursuant to the Payments in Lieu of Taxes Act.

Report Summary

Key Issues:

As a result of the Canadian Museum for Human Rights proceeding as a Federal project, all contributions will be directed to the Federal government.

The Province has undertaken to provide financing in the amount of $11.1 million in lieu of the City's contribution originally intended to be made by way of municipal tax relief.

All matters are to be finalized by agreement by April 1, 2008.

Implications of the Recommendation(s):

General Implications

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

Comment(s):

Policy Implications

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

Regulatory Implications

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

Comment(s):

Environmental Implications

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

Human Resources Implications

(X) No
( ) Yes

Comment(s):

Financial Implications

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s): Of the City of Winnipeg's proposed total contribution to the CMHR of $20 million, $16.2 million is a cash contribution. $5.1 million of this amount is approved to be funded from the General Purpose Reserve, of which $200,000 was paid out in 2005. The remaining $4.9 million will be charged against account distribution 255-581040-120001-999 within the General Purpose Reserve. The remaining $11.1 million will be financed by the Province and the City will repay this amount using the income it receives from the Federal Government relating to payment-in-lieu of taxes on the museum facility. No interest will be charged on the financed amount. From a consolidated financial statement perspective, the City will record a grant expense of $11.1 million relating to this financing and a loan payable in an equal amount.

Report

REASON FOR THE REPORT:

Council approval is required to amend recommendations approved at its meeting held June 28, 2006.

HISTORY:

At its meeting held June 28, 2006, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That subject to successful conclusion of agreements with the City and other funding partners for the realization of the Canadian Museum for Human Rights, the City of Winnipeg approve a contribution of up to $ 20 million, towards the development of the Canadian Museum for Human Rights made-up as follows:

A.	Ninety-nine (99) year Ground Lease of Parcel 3 valued at:	$2,500,000
B.	Municipal tax relief over the life of the lease up to a maximum value of:	$11,100,000
C.	Development and Permit fee refund up to a maximum value of:	$1,300,000
D.	One time capital cash contribution	$5,100,000

2. That the previous $ 200,000 Interim Grant to the Canadian Museum of Human Rights approved by the City of Winnipeg on July 27, 2005, be recognized as the first charge against the $ 5.1 million cash contribution, thereby reducing the remaining capital cash contribution to $ 4.9 million.

3. That the source of the $ 4.9 million cash contribution be the General Purpose Reserve;

4. That the capital cash contribution not be made until following the commencement of construction;

5. That the Subject Parcel 3 Lands (refer the attached Site Plan) be declared surplus for the purposes of leasing;

6. That the Chief Administrative Officer be authorized to finalize and approve the terms and conditions of any and all agreements required in respect of the City's $20 million contribution, and;

7. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

Subsequently, a non-binding Statement of Intentions was signed by Canada, Friends, Manitoba, the Mayor on behalf of the City and FRC in the form attached.

DISCUSSION:

Attachments:

1. Copy of letter dated April 17, 2007 from Premier Gary Doer to Mayor Sam Katz;
2. Copy of letter dated April 19, 2007 from Mayor Sam Katz to Premier Gary Doer;
3. Copy of Statement of Intentions executed by Canada, Friends, Manitoba, the Mayor on behalf of Winnipeg, FRC.

The substantive differences between the SOI and the June 28, 2006 Council order relating to the City's contribution to the Museum are as follows:

Council approval approves a 99 year ground lease whereas the SOI requires a 99 year renewable ground lease;

Council approval speaks to municipal tax relief over the life of the lease up to a maximum value of $11.1 million whereas the SOI requires that such contribution be made by way of part of a total cash contribution by the City in the amount of $16.2 million (including the previous $200,000 interim grant);

Council approval stipulates a one-time capital cash contribution of $5.1 million whereas such amount is now included in the total cash payment of $16.2 million;

Council approval provided that the City's capital cash contribution be made following the commencement of the construction whereas the SOI requires cash payments to be made prior to the commencement of construction;

The SOI requires that all related matters be formalized by way of agreement by April 1, 2008.

As the City's cash contribution pursuant to the SOI is intended to be $16.2 million, it is proposed that the Province make $11.1 million available to the City and that such monies be recovered by Manitoba through Canada's Payment In Lieu of Taxes Act process.

Financial Impact Statement

Date: May 11, 2007

Project Name:

Contribution for the Canadian Museum for Human Rights

First Year of Program 2008

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 4,900,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 4,900,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	4,900,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Of the City of Winnipeg's proposed total contribution to the CMHR of $20 million, $16.2 million is a cash contribution. $5.1 million of this amount is approved to be funded from the General Purpose Reserve, of which $200,000 was paid out in 2005. The remaining $4.9 million will be charged against account distribution 255-581040-120001-999 within the General Purpose Reserve. The remaining $11.1 million will be financed by the Province and the City will repay this amount using the income it receives from the Federal Government relating to payment-in-lieu of taxes on the museum facility. No interest will be charged on the financed amount. From a consolidated financial statement perspective, the City will record a grant expense of $11.1 million relating to this financing and a loan payable in an equal amount.

original signed by
Carrie Erickson
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services

External Consultation With:

THIS REPORT SUBMITTED BY:

Department
Division
Prepared by:
File No.

ATTACHMENT 1

PREMIER OF MANITOBA

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

April 17, 2007

Mayor Sam Katz
Office of the Mayor
City Hall
510 Main St
Winnipeg MB R3B 1B9

Your Worship:

As per our discussion, I can confirm that the Province of Manitoba will assist the City of Winnipeg with its contribution to the Canadian Museum for Human Rights, in order to ensure that this national institution can become a reality in our capital city.

The Government of Canada has confirmed that it will make a payment in lieu of taxes to the City of Winnipeg on the museum facility, consistent with national museums in Ottawa and other federal buildings in Manitoba. This income can be used over time to offset a capital contribution of $11.1 million, which is required by the federal government on April 1, 2008 as part of Winnipeg's overall commitment to the museum.

Manitoba is prepared to enter into an agreement with the City of Winnipeg to provide financing of $11.1 million on April 1, 2008. In turn, the City of Winnipeg would transfer its annual payment in lieu of taxes from the federal government to Manitoba until such time as all financing is repaid. I am also prepared to discuss mechanisms to assume the interest related to this commitment.

We are prepared to enter into this arrangement to ensure that we can collectively meet the requirements of the federal government and capitalize on this incredible opportunity for our city and our province. Like you, I look forward to moving forward on this project.

Sincerely,

Gary Doer

** TOTAL PAGE.03 **

ATTACHMENT 2

Winnipeg

Office of the Mayor • Cabinet du Maire

Cc Len S.
LES

April 19, 2007

The Honourable Gary Doer
Premier
Room 204, Legislative Building
Winnipeg MB R3C 0V8

Dear Premier Doer:

Thank you very much for your letter of April 17, 2007 wherein you confirm your earlier offer to me to finance the City contribution in kind of $11.1 million to the Canadian Museum of Human Rights to be sourced from payments in lieu of taxes on the property from the federal government.

I will be very pleased to attend the formal public announcement of the Museum and take an amended motion to Council to reflect the few recent changes made to our package upon the assumption that this $11.1 million in financing comes at no cost to the City. Thus leaving our maximum cash contribution at $5.1 million under any circumstance, which has been the City offer since negotiations began some years ago.

These terms have been discussed by our respective political staff and I have been advised are mutually understood and agreed to.

I look forward to attending this wonderful announcement for our city, province and our country tomorrow. Thank you very much for this generous offer of financing to help make this project a reality.

Yours sincerely,

Sam Katz
Mayor

City of Opportunity • Ville d'avenir

City Hall, 510 Main Street • Hôtel de ville, 510, rue Main • Winnipeg • Manitoba R3B 1B9
tel/tél: (204) 986-2171 • fax/télé: (204) 949-0566 • www.winnipeg.ca

** TOTAL PAGE.02 **

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ATTACHMENT 3

April 20, 2007

STATEMENT OF INTENTIONS

By
Her Majesty in Right of Canada (Canada)
and
Friends of the Canadian Museum for Human Rights Inc. (Friends)
and
Her Majesty in Right of Manitoba (Manitoba)
and
The City of Winnipeg (Winnipeg)
and
The Forks Renewal Corporation (FRC)

Whereas the proposed Canadian Museum for Human Rights would promote tolerance and understanding among Canadians;

Whereas locating the proposed museum at the Forks in Winnipeg, a meeting place for thousands of years, would symbolize the vision for the museum;

Whereas all Parties wish to see the proposed Canadian Museum for Human Rights established as a national museum and are prepared to contribute to the initiative to achieve this objective;

Whereas, as a national museum, the proposed Canadian Museum for Human Rights would play an essential role, individually and together with other museums and like institutions, in preserving and promoting the heritage of Canada and all its peoples throughout Canada and abroad and in contributing to the collective memory and sense of identity of all Canadians;

Whereas, as a national museum, the proposed Canadian Museum for Human Rights would be a source of inspiration, research, learning and entertainment that belongs to all Canadians and provide, in both official languages, a service that is essential to Canadian culture and available to all;

Therefore, the Parties intend to move forward on the project in good faith based on the following intentions.

Subject to the conclusion of a definitive agreement as described below, Canada will provide $100 million for the construction of the proposed Canadian Museum for Human Rights, as previously committed, and the other Parties guarantee that they will collectively contribute $165 million in cash and in-kind to the project by April 1, 2011. If, by April 1, 2008, half of this amount has been transferred to Canada and land has been made available at the Forks as the site for the museum, Canada would seek Parliament's approval to establish the institution as a national museum under the *Museums Act* and would construct a building to house the museum.

Consistent with the intended contributions as set out in the Parties' individual Statements of Intention as annexed to this document, the total cost of the building project would not exceed $265 million, including development, archaeological salvage, construction, fit-up and exhibit

April 20, 2007

STATEMENT OF INTENTIONS

development as well as an appropriate contingency fund to account for any potential cost overruns.

The intentions of each Party are set out in more detail in the annexes to this document, which are part of this document.

Any Party may revoke its stated intentions by April 1, 2008, if any of the other Parties fails to act in accordance with its stated intentions.

Should this Statement of Intentions be revoked by any Party, any funds contributed by any Party other than Canada or other benefit transferred to Canada in relation to the agreement would be returned to the appropriate Party.

By April 1, 2008, the Parties will seek to reflect the provisions of this Statement of Intentions in a definitive agreement that sets forth in detail the terms, provisions and conditions for the Parties' undertakings.

This Statement of Intentions is intended to be an understanding in principle, subject always to reaching a definitive agreement which will be the only binding agreement. It is not a binding instrument. This Statement of Intentions will become null and void if any Party revokes its stated intentions by April 1, 2008 or if no definitive agreement is reached and agreed to by all Parties by April 1, 2008. Failure by any Party to act in accordance with its stated intentions or failure of the Parties to reach a definitive agreement by April 1, 2008 shall not create or result in any legal or other obligation at law or in equity in favour of any other Party in respect of any matter referred to in this Statement of Intentions or any annex including, without limitation, any obligation to provide any funds to Canada.

In witness whereof, the Parties have executed this Statement of Intentions:

Her Majesty in Right of Canada

Friends of the Canadian Museum for Human Rights Inc.

Her Majesty in Right of Manitoba

The City of Winnipeg

The Forks Renewal Corporation

April 20, 2007
Annex

STATEMENT OF INTENTIONS

SUMMARY OF INTENDED CONTRIBUTIONS BY THE PARTIES

Canada	$100M
Friends	$105M
Manitoba	$ 40M
Winnipeg	$ 20M
	$265M
FRC	Land at the Forks as a site for the proposed museum

April 20, 2007
Annex

STATEMENT OF INTENTIONS

HER MAJESTY IN RIGHT OF CANADA (CANADA)

- If, by April 1, 2008, the other Parties have contributed at least half of the $165M in cash and in-kind as specified in the Parties' Statements of Intention, have made land available at the Forks as the site for the museum, and have unconditionally guaranteed to fulfil the balance of their commitments by April 1, 2011, Canada would seek Parliamentary approval to establish the proposed Canadian Museum for Human Rights (CMHR) as a national museum by amending the *Museums Act*. If necessary as an interim measure, Canada would, in cooperation with an existing National Museum and in accordance with the *Museums Act*, establish the CMHR as an affiliate museum.

- Subject to Parliamentary approval and in accordance with the *Museums Act*, Canada reserves the right to name the museum.

- Canada would invest the $100 million it has previously committed to the project (inclusive of the amount expended by the Friends pursuant to Canada's conditional grant in 2003) and the contributions to be received from the other Parties for planning, archaeological salvage, construction, fit-up and exhibit development for the museum. Canada would have sole control over all aspects of the building project, including the right to determine whether the project would proceed. Should the project not proceed, funds contributed by the other Parties or other benefits transferred to Canada for this purpose would be returned to the appropriate Party.

- Plans for the building project would include an appropriate contingency fund to ensure that the project cost does not exceed the funds contributed by the Parties. Should the project be completed under budget, the remaining funds and any accrued interest would be contributed to an endowment fund for the museum.

- In accordance with the *Museums Act*, the museum's Board of Trustees would determine the building design based on the funds available and the functional specifications developed to suit its program vision. Consideration would be given to the architectural design submitted to the Friends by Mr. Antoine Predock and to the exhibit plan submitted to the Friends by Ralph Appelbaum Associates. Canada would tender all aspects of the building project in accordance with federal legislation and policies and would manage the construction project.

- All governance arrangements for the museum would be in accordance with the *Museums Act* and principles of good governance. In recommending initial appointments to the Governor-in-Council to give effect to the creation of the Board, Canada would give consideration to ensuring that there is minority representation of non-governmental major donors.

April 20, 2007
Annex

STATEMENT OF INTENTIONS

- Based on the projected operating costs for the building and the planned program for the museum, Canada would provide appropriate funding subject to annual appropriations from Parliament. As is the case with the other national museums, the proposed CMHR would also be expected to generate revenues.

- Should the CMHR become a national museum, the management of the museum would determine the ongoing content, day-to-day operations and other activities of the museum in accordance with the *Museums Act*. As a national museum, the CMHR would be expected to have national outreach activities, to provide services in both official languages, to provide leadership to other museums in its field and to cooperate with other institutions in achieving its mandate.

- Canada will indemnify the other Parties from any third party claims that arise out of any act committed by Canada directly or indirectly related to its undertakings in this Statement of Intentions.

Her Majesty in Right of Canada

April 20, 2007
Annex

STATEMENT OF INTENTIONS

FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS INC. (FRIENDS)

- The Friends will guarantee private funding in the amount of $105 million (inclusive of $14.23 million expended by the Friends for its operating, fundraising and financing costs until 2011 and a $1.25 million contribution in kind to the building project) to be contributed to the cost of development, archaeological salvage, construction, fit-up and exhibit development for the proposed Canadian Museum for Human Rights (CMHR). This total may include contributions by the other Parties over and above the amounts reflected in their Statements of Intention.

- Of this amount, $26.1 million will be transferred to Canada by April 1, 2008, and $26.3 million will be transferred annually to Canada by April 1, 2009, 2010 and 2011. The schedule for amounts to be deducted in each year for the Friends' operating, fundraising and financial costs, as specified above, will be included in the definitive agreement.

- The Friends' fundraising approach will respect Canada's role in determining the design, content and public programming activities for the museum and in appointing the Board. The Friends must obtain Canada's approval for publicity materials and donor consent forms developed for the fundraising campaign. Such approval would not be unreasonably withheld.

- When funds are transferred to Canada, the Friends will provide written evidence that donors have agreed that funds may be transferred to Canada for the project to build a national museum without condition, unless Canada has specifically agreed to a particular condition.

- The Friends will return to Canada, for the building project, by April 1, 2008, the balance of funds (estimated at approximately $25 million) remaining in the trust account established pursuant to Canada's conditional grant in 2003 and any accrued interest. Until that balance is returned, the trust account shall be frozen as of May 1, 2007, taking into account eligible expenditures that were incurred by the Friends prior to this date. These funds form part of Canada's contribution to the project.

- The Friends may propose to Canada naming opportunities within the CMHR in order to secure major donations. In accordance with the *Museums Act*, decisions on such matters would be the responsibility of the museum's Board of Trustees.

- The Friends will, by April 1, 2008, assign to Canada all rights, title and interest in any intellectual property related to the CMHR including, but not limited to, architectural designs, content development studies, trade marks and trade names, and the domain name for the institution, on condition that Canada would re-assign such rights, title and interest to the Friends if the project does not proceed.

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STATEMENT OF INTENTIONS

- The Friends will discharge all contractual obligations or charges entered into by the Friends directly or indirectly related to the development, archaeological salvage, construction, parking, fit-up and exhibit development of the CMHR.

- The Friends will indemnify the other Parties from any third party claims that arise out of any act committed by the Friends directly or indirectly related to its undertakings given in this Statement of Intentions.

Friends of the Canadian Museum for Human Rights Inc.

April 20, 2007
Annex

STATEMENT OF INTENTIONS

HER MAJESTY IN RIGHT OF MANITOBA (MANITOBA)

- Manitoba will contribute $40 million (inclusive of the $1.2 million it has previously contributed to the Friends) to the cost of development, archaeological salvage, construction, fit-up and exhibit development for the proposed Canadian Museum for Human Rights (CMHR). This amount will be transferred to Canada by April 1, 2008, with no conditions other than the requirement that the funds be used for the intended purpose.

- Manitoba will, to the extent that it has the power to do so, facilitate the granting of any permits required under its *Heritage Resources Act* to enable the archaeological salvage required by the environmental assessment.

- Manitoba will, in collaboration with Winnipeg and the FRC, address any transportation and parking issues associated with the establishment of the museum at the Forks.

- Manitoba will discharge all contractual obligations or charges entered into by Manitoba directly or indirectly related to the development, archaeological salvage, construction, parking, fit-up and exhibit development of the CMHR.

- Manitoba will indemnify the other Parties from any third party claims that arise out of any act committed by Manitoba directly or indirectly related to its undertakings given in this Statement of Intentions.

Her Majesty in Right of Manitoba

April 20, 2007
Annex

STATEMENT OF INTENTIONS

THE CITY OF WINNIPEG (WINNIPEG)

- Winnipeg will contribute cash, land and infrastructure with a total value of $20 million to Canada for the proposed Canadian Museum for Human Rights (CMHR).

Specifically:

- Winnipeg will contribute $16.2 million (inclusive of the $200,000 interim grant it previously made to the Friends) to the cost of development, archaeological salvage, construction, fit-up and exhibit development for the CMHR. The balance of this amount will be transferred to Canada by April 1, 2008, with no conditions other than the requirement that the funds be used for the intended purpose.

- Winnipeg, will, by April 1, 2008, conclude an agreement with Canada to grant a renewable 99 year ground lease to Canada for City of Winnipeg land located at the Forks in that city that will form part of the site on which the CMHR would be constructed. The estimated value of this contribution is $2.5 million.

- Winnipeg will, by April 1, 2008, conclude an agreement with Canada to provide development and other required permits for the project to Canada without charge. The estimated value of this contribution is $1.3 million.

- Winnipeg will, in collaboration with Manitoba and the FRC, address any transportation and parking issues associated with the establishment of the museum at the Forks.

- Winnipeg will discharge all contractual obligations or charges entered into by Winnipeg directly or indirectly related to the development, archaeological salvage, construction, parking, fit-up and exhibit development of the CMHR.

- Winnipeg will indemnify the other Parties from any third party claims that arise out of any act committed by Winnipeg directly or indirectly related to its undertakings given in this Statement of Intentions.

The City of Winnipeg

April 20, 2007
Annex

STATEMENT OF INTENTIONS

The Forks Renewal Corporation (FRC)

- The FRC will, by April 1, 2008, conclude an agreement with Canada as to development of the proposed Canadian Museum for Human Rights (CMHR) on FRC's land, subject to "The Forks Planning and Development Guidelines".

- The FRC will, by April 1, 2008, conclude an agreement to grant Canada a renewable 99 year ground lease on that land to accommodate a building footprint currently estimated at approximately 100,000 square feet and adjacent outdoor associated elements, subject to "The Forks Planning and Development Guidelines".

- The FRC will advise Canada with respect to archaeological salvage and mitigation of impact and with respect to building design as it affects the overall concept for the Forks.

- The FRC will collaborate with Manitoba and Winnipeg to identify parking and transportation issues associated with the establishment of the museum at the Forks and options for a plan to address these issues.

- The FRC will discharge all contractual obligations or charges entered into by the FRC directly or indirectly related to the development, archaeological salvage, construction, parking, fit-up and exhibit development of the CMHR.

- The FRC will indemnify the other Parties from any third party claims that arise out of any act committed by the FRC directly or indirectly related to its undertakings given in this Statement of Intentions.

The Forks Renewal Corporation