REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED SEPTEMBER 6, 1996

On motion of Councillor Steek, the Report of the Committee on Finance and Administration, dated September 6, 1996, was considered clause by clause.

Moved by Councillor Steek,
That Consent Agenda, Clauses 1,2,3,5,6 and 7 be adopted.

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

Councillor Murray requested that Clause 2 be pulled from the Consent Agenda.

The motion to adopt the Consent Agenda, Clauses 3,5,6 and 7 was put and declared carried.

Her Worship the Mayor and Councillors:

Feasibility of City-Wide Low Cost Spay and Neuter Program Error! Bookmark not defined.

File EL-4 (Vol. 27)

1051 - 1. Council, at its meeting held on August 10, 1995, ruled automatic referral of the following motion to the Committee on Finance and Administration, under Rule 16.1 of the Procedure By-law No. 5400/90:

Moved by Councillor Duguid,
Seconded by Councillor Hyman,

WHEREAS Stray dogs and cats are a growing problem in the City of Winnipeg causing thousands of animals to be euthanized each year;

AND WHEREAS by taking a preventative approach, these lives and thousands of dollars could be saved;

AND WHEREAS the City of Regina has realized such savings in a city wide low cost spay and neuter program;

BE IT RESOLVED THAT the City of Winnipeg examine the City of Regina's system and determine whether such a program, working in conjunction with the Humane Society, is feasible for the City of Winnipeg.

Council, on December 20, 1995, February 21, April 24 and June 19, 1996, granted 60-day extensions of time within which to report on the matter.

The Committee on Finance and Administration is exploring the feasibility of a comprehensive animal control Model that incorporates a targeted subsidy for the spay and neuter procedure, an aggressive publicity and public education effort as well as a strict licensing and fixed fine system that encourages responsible owners, and the Committee has requested a further report on how these recommendations can be accomplished.

Inasmuch as Committee is actively pursuing this matter and will be making further recommendations to Council, the Committee on Finance and Administration recommends that the above motion be filed.

Moved by Councillor Steek,
Adoption of the clause.

Carried.

Report of the Committee on Finance and Administration dated September 6, 1996

Proposed Amendment to License By-law No. 6551/95 - Outdoor Mobile Food Vendors File EL-1.33 (Vol. 3)

1052 - 2. In an August 10, 1995 letter received by the Chief Commissioner, concerns were raised regarding the operation of a licensed Outdoor Mobile Food Vendor carrying on trade as an outdoor mobile food vending unit at a site on Waverley Street between Bishop Grandin Boulevard and Scurfield Boulevard. The Vendor in question was selling produce at a west side approach to Waverley Street which is located at a pronounced curve on the street, and the approach was the southerly portion of the former Waverley Street right-of-way. The major concern was with respect to safety. This portion of Waverley Street has a posted speed limit of 80 km/h. Customers of the Vendor were stopping on the shoulder of the street even though Waverley Street is posted with "No Stopping" signs on both sides.

By-law No. 6551/95 confers the right of an operator to carry on his trade on any street within the City of Winnipeg although the operator must comply with certain distance restrictions such as from intersections and crosswalks.

In a memorandum dated October 31, 1995, the Manager of Traffic Engineering, Streets and Transportation Department, advised the Winnipeg Police Service, Traffic Division, that his Department has reviewed the situation with respect to the location the operator was using on Waverley Street and provided comments and suggestions relative to the issue.

On November 6, 1995, the Winnipeg Police Service, Traffic Division, concurred in the recommendation to amend License By-law No. 6551/95 relative to Outdoor Mobile Food Vendors as a viable long term solution that was both practical and cost effective in terms of enforcement. The amendment would resolve the situation without the need to amend more than one by-law while still providing an enforcement mechanism for the Streets and Transportation Department, the Winnipeg Police Service and the Community Services Department License Inspectors to assist in maximizing road user safety.

On January 29, 1996, the Committee on Finance and Administration referred this matter to the Ad Hoc Committee on Licensing and Animal Control. The Ad Hoc Committee, on July 23, 1996, concurred in the administrative recommendation to amend License By-law No. 6551/95. On September 6, 1996 the Committee on Finance and Administration considered the recommendation of the Ad Hoc Committee and concurred in part in the administrative recommendation. Committee recommended that if any affected person considers that the prohibition is unreasonable, they could make representation to the Committee on Finance and Administration, which could in turn recommend a by-law amendment to designate particular routes or locations where the trade would be permitted.

The Committee on Finance and Administration therefore recommends:

I. That the License By-law No. 6551/95 be amended to reflect the following:

(a) That the special provisions section dealing with Outdoor Mobile Food Vending Units and Hawkers, be amended to include a requirement that no person shall carry on the trade of an Outdoor Mobile Food Vending Unit or Hawker upon any portion of a street, or within 20 metres of an intersection of the street where the posted speed limit exceeds 60 kilometres per hour on the street or on either of the intersection streets.

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.

Carried.

Report of the Committee on Finance and Administration dated September 6, 1996

Recommendations for Amusement Tax Exemption File FL-6 (Vol. 13)

1053 - 3. 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:

Fratellenze Ametese Club of Winnipeg for:
"50th Anniversary Play" from October 27 to November 9, 1996 at Pantages Playhouse Theatre

Manitoba Theatre for Young People for:
1996/97 Season as follows:

"Ice Cream Store and More" - October 10 to 20, 1996 at the Gas Station Theatre
"The Mask Messengers" - October 31 to November 10, 1996 at the Gas Station Theatre
"Old Friends" - December 5 to 15, 1996 at the Gas Station Theatre
"I Am a Bear" - February 6 to 21, 1997 at the Gas Station Theatre
"Toronto at Dreamer's Rock" - February 12 to 22, 1997 at the Gas Station Theatre
"Flippin' In" - March 25 to 29, 1997 at the Centre Culturel Franco-Manitobain
"The Stupendous Adventures of Don Quixote" - April 18 to 20, 1997 at the Winnipeg Chinese Cultural and Community Centre
"MTYP Theatre School Productions" - March 7 to 9 and April 8 to 11, 1997 at the Gas Station Theatre

O. Koshetz Choir for:
"50th Anniversary Concert" on October 13, 1996 at the Pantages Theatre

The Women's Musical Club of Winnipeg for:
1996/97 Season as follows:

"Julian Gallant, Pianist" on October 27, 1996 at the Winnipeg Art Gallery
"Heather Pawsey, Vocalist" on November 17, 1996 at the Winnipeg Art Gallery
"Scholarship Winners Recital" on December 29, 1996 at the Winnipeg Art Gallery
"Aeolian Wind Ensemble with Laura Loewen" on January 19, 1997 at the Winnipeg Art Gallery

Winnipeg Philharmonic Choir for:
1996/97 Season as follows:

"Circling the Globe" on October 27, 1996 at First Mennonite Church
"Riding the Wave" on December 1, 1996 at Bethel Mennonite Church
"Trade Winds" on April 27, 1997 at Bethel Mennonite Church

Manohar Performing Arts of Canada for:
"Yatra-Journey" on October 5, 1996 at the Pantages Theatre

MusikBarock Ensemble for:
"The Baroque Clarinet" on October 6, 1996 at Crescent Fort Rouge United Church

Groundswell for:
"1 by four" on October 4, 1996 at Glenlawn Performing Arts Centre

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

Adopted by consent.

Report of the Committee on Finance and Administration dated September 6, 1996

Proposed Lease of 656 Ross Avenue - Rossbrook House Inc.
Amendment to Existing Lease - 658 Ross Avenue - Rossbrook House Inc.
File FI-2.2(34) (Vol. 1)

1054 - ***Note: Clause 4 has been laid over and referred to the Administration with a request to report back to the Executive Policy Committee with alternative recommendations for an agreement exempting Rossbrook House from taxes on the subject property.***

Laid over by the Executive Policy Committee and referred to the Administration for report back to the Executive Policy Committee

Proposed Sale of a Portion of the City of Winnipeg's Pointe du Bois Transmission Line Right-of-Way to the Province of Manitoba for the Widening of Provincial Road No. 433 File FI-2.4 (Vol. 5)

1055 - 5. By letter dated January 23, 1996, the Land Management Services Department was advised that the Province of Manitoba Highways and Transportation Department needs to acquire 0.278 (0.687 acres) hectares of the City's Point du Bois Hydro Transmission line for the upgrading of Provincial Road No. 433.

Winnipeg Hydro reviewed the proposed project and advised by letter dated March 7, 1996, that it had no objections to the sale subject to the inclusion of various terms and conditions to protect the integrity of the City's Hydro installation.

The Land and Development Services Department has reviewed the price offered of $240.00 for 0.687 acres ($350.00 per acre) and finds it to be fair, reasonable and consistent with the rate paid by the Province to other land owners for similar lands. The acquisition of the lands as outlined on Schedule "A", has been approved on behalf of the Province.

Proceeds from the sale of the property are to be credited to the Hydro Gain/Loss on Disposal of Fixed-Assets Account No. 40-558603-010106.

The Committee on Finance and Administration recommends:

I. That the sale of the subject City property as shown on Misc. Plan No. 9625/1 be approved to the Province of Manitoba at a total price of $240.00, in accordance with the terms and conditions outlined on Schedule "A".

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

Copies of Misc. Plan No. 9625/1 and Schedule "A" are on file in the office of the City Clerk.

Adopted by consent.

Report of the Committee on Finance and Administration dated September 6, 1996

Proposed Option to Purchase - Vita Health - South Side Paquin Road, East of Beghin Avenue - St. Boniface Industrial Park
File FI-2.4.5 (Vol. 16)

1056 - 6. On January 12, 1982, the Committee on Finance and Administration approved the sale of a 4 acre site in the St. Boniface Industrial Park to Vita Health Co. Ltd. Vita Health subsequently constructed a 55,000 square foot manufacturing facility on the site (Lots 1 & 2 Plan 16,587).

On September 8, 1992, the Committee on Finance and Administration approved the sale of an additional 1.35 acres on Paquin Road (Parcel A and B Plan 29058) to accommodate a further expansion of the Vita Health facility. Vita Health subsequently constructed a 48,000 square foot addition to its existing facility.

The Land and Development Services Department is in receipt of a letter from Vita Health indicating that it would like to option the subject City property as shown on Misc. Plan No. RIEL 8577/4. The company indicated that Vita Health has developed essentially all the land that it now owns on Beghin Avenue and has no place to expand. Presently, Vita Health's printing division is cramped for space and there is also a question of compatibility of the printing division sharing space in such proximity to the drug manufacturing area. Vita Health is not able to devote the cash resources to purchasing the adjacent property at this time, and therefore, would like to place an option on the property located on the south side of Paquin Road, east of Beghin Avenue, so that it would be available for the future space requirements of Vita Health.

Terms are as follows, namely:

- 3 year Option to Purchase
- Option to be exercised no later than September 1, 1999
- Consideration for Option of one dollar
- Vita Health to be responsible for taxes on the property during the Option period (for illustrative purposes the current years taxes inclusive of sewer and water levies is estimated at $5,475.00±)
- 15% of purchase price to be paid at the time of the exercising of the Option with the balance of monies due and payable 60 days from the date of the exercising of the Option
- Following the exercise of the Option, the City has the right of first refusal to repurchase the property for the Option price should Vita Health Company (1985) Ltd. not elect to expand their existing facility or build a separate facility on the subject property.

The proposed Option to Purchase is consistent with Council's previous approvals of similar Options to Purchase in the St. Boniface Industrial Park (e.g. Ready Foods, Premier Printing).

The Committee on Finance and Administration recommends:

I. That an Option to Purchase city-owned property as shown on Misc. Plan No. RIEL 8577/4 be granted to Vita Health as outlined herein and 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. RIEL 8577/4 is on file in the office of the City Clerk.

Adopted by consent.

Report of the Committee on Finance and Administration dated September 6, 1996

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

1057 - 7. The City-owned property located at the southeast corner of Taylor Avenue and Waverley Street, shown on Misc. Plan No. CC 8123/4, was acquired from the C.N.R. in the late 1950's for future transportation requirements and has remained as vacant City land since that time.

This property was listed with Shindico Realty which has now provided the City with two Offers to Purchase the subject City property as shown on Misc. Plan No. CC 8123/4.

The Streets and Transportation Department requested that the lands identified as "land required for street purposes" on Misc. Plan No. CC 8123/4 be retained for future grade separation at this location. The Streets and Transportation Department does not want to accept access from Waverley Street arising out of a potential need for a future grade separation and preservation of lands for construction detours at this location. Furthermore, the Streets and Transportation Department does not want to see additional access from Taylor Avenue in view of the fact that access is available by way of easement over the land adjacent and to the east. The prospective purchasers must have further discussions with the Streets and Transportation Department to determine the Department's current position on the matter.

The Water and Waste Department has indicated that an easement is required for a 36 inch feedermain, which has been identified on Misc. Plan No. CC 8123/4. The Purchasers are aware of and agreeable to the feedermain easement requirement, as well as easements for existing Hydro lines that cross over the subject property. In addition, it will be necessary to retain easements to protect the existing Hydro facilities generally as shown on Misc. Plan No. CC 8123/4.

The easement area for access shown on Misc. Plan No. CC 8123/4 was acquired in a previous transaction in order to provide access to the subject property. The Purchasers are aware of the access easement and will be looking to obtain other access points for the betterment of their projects.

It will be necessary for the City to undertake a subdivision plan to create the saleable parcel and to retain that piece of the property it requires for future subdivision purposes.

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 and accruing to the Land Operating Reserve Account will be credited to the General Revenue Account.

The Land and Development Services Department has also observed that this site is encumbered with: a feedermain and manhole; overhead City and Manitoba Hydro transmission lines; and a gravel access road apparently being utilized by the Canadian National Railway. The approximate locations of these facilities are generally shown on Misc. Plan No. CC 8123/4, and no survey has been undertaken to verify these locations.

The Land and Development Services Department also observes that should access be approved from either or both of Taylor Avenue and Waverley Street then it will be necessary for the purchaser to also enter into a rental agreement with the City in the event the access crosses the parcel of land to be owned by the City under title. Also, if the offer of Mondo Foods Company Limited is accepted then the City will be required to terminate the Mediacom sign at this location. In that event it will be necessary to enter into a rental arrangement with Mondo Foods Company Limited insofar as its proposed sign is concerned.

The Committee on Finance and Administration recommends:

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.

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

Report of the Committee on Finance and Administration dated September 6, 1996

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.

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

Adopted by consent.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED SEPTEMBER 23, 1996

On motion of Councillor Steek, the rule was suspended and the Report of the Committee on Finance and Administration, dated September 23, 1996, was considered.

Her Worship the Mayor and Councillors:

Sale of Southeast Corner of Empress Street and St. Matthews Avenue (Alexander Park/Velodrome/Fire Training Centre) - Home Depot
File FI-2.4(32) (Vol. 2)

1058 - 1. Council, on July 24, 1996, adopted the following:

I. That the City-owned property located at the southeast corner of Empress Street and St. Matthews Avenue as outlined on Exhibit "A" [now shown on the attached Misc. Plan No. ASBA 9627/8] be declared surplus to the City's requirements.

II. That the Committee on Protection, Parks and Culture be requested to examine options to accommodate recreational requirements in the community to replace the Alexander Park Site; and further that Council authorize the Administration to open discussions with The Winnipeg School Division No. 1.

III. That up to $184,000.00 from the disposal of this property be allocated to the relocation of the Fire Training Facility; up to $150,000.00 be allocated for the development of alternate sites at Alexander Park; and that up to $650,000.00 be allocated for a new Velodrome proposal.

IV. That the Proposal submitted by Home Depot be approved in principle and the Administration be instructed to enter into negotiations with Home Depot for the sale of the subject property, taking into consideration the following:

A. That the negotiations provide the City with the option of extending its use of the Velodrome portion of the property through to the conclusion of the Pan Am Games, however, should the City in its sole discretion at any time up to December 31, 1999, determine that the sale of the Velodrome property is desirable, that Home Depot be bound to the purchase of that portion of land in accordance with their submitted proposal.

B. That the Administration attempt to identify additional surplus land adjacent to Omand's Creek and enter into negotiations with Home Depot paying particular attention to the environmental concerns surrounding Omand's Creek, including land drainage issues, geotechnical considerations, landscaping and possible enhancement and pathways.

C. That the City of Winnipeg enter into negotiations to acquire the Sanford Street properties acquired by the developer for this proposal at the developer's option cost if this application is not proceeded with.

D. That Home Depot pay all demolition costs including the demolition of the Velodrome if required in the future, and that the City retain salvage rights.

V. That the net sale proceeds arising from this transaction be credited to the General Revenue Account.

Report of the Committee on Finance and Administration dated September 23, 1996

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.

A "Proposed Letter of Understanding" (outlined on Exhibit "B") identifies the terms and conditions as suggested by the City and as negotiated with Home Depot. However, the City's negotiators have been unable to secure agreement from Home Depot on all of the sale parameters as established by Council.

Home Depot have advised that it requires the following changes to the said "Proposed Letter of Understanding":

1. Definition of land to be sold

In considering a sale, in the first instance, Council had approved in principle the sale of the area designated as "Subject Property" on Misc. Plan No. 9627/8, as outlined on Exhibit "A". In approving this matter Council also authorized the Administration to attempt to identify additional surplus land adjacent to Omand's Creek and to enter into negotiations with Home Depot paying particular attention to the environmental concerns surrounding Omand's Creek, including land drainage issues, geotechnical considerations, landscaping and possible enhancement and pathways.

The west limit of the "Subject Property" as shown on the said Exhibit "A" was approximately 5 ± feet east of the top edge of the creek bank. Home Depot has now identified its property requirements on the north part of the property. This definition is shown as Parcel 1 on the attached Misc. Plan No. ASBA 9627/9 (as outlined on Exhibit "C").

Home Depot intends to construct its retail facility at the north end of the site with the structure to be placed as shown on Exhibit "C".

This suggested definition results in the property line and part of the building foundation and wall being within the "flood protection line" and part way down the riverbank.

Home Depot has reviewed its intended construction with the Water and Waste Department which has orally advised that the Department does not appear to have a problem with Home Depot's proposal provided that Home Depot flood proof the construction.

The Department also advised that it would not want to see larger trees anywhere near the flood channel or for that matter any vegetation within the water channel which would tend to restrict water flow. Shrubbery could be planted above the flood elevation at this location. The Department would expect Home Depot to sod the creek bank adjacent to the structure.

Although, Home Depot has not yet met with the Parks and Recreation Department and the Waterways Engineer, the Parks and Recreation Department had earlier indicated that it was not intending on establishing a pathway system on the east side of the creek. Any pathway would be constructed on the west side of the creek. It would appear that any landscaping opportunities would be minimal in the vicinity of the building. Until such time as the Parks and Recreation Department has reviewed the proposal no further comment can be provided.

However, the Land and Development Services Department observes that the intended construction appears to extend beyond the top of the bank. Home Depot have advised that no detailed construction drawings have been developed as yet and therefore, no building elevations/profiles are available.

The Committee on Finance and Administration is of the view that it is appropriate for the City to establish some form of architectural control to ensure that for aesthetic reasons the foundation/piles are not exposed to view. The issue of safety may also be a consideration. The Committee has stipulated that architectural design and landscaping be approved by the Commissioner of Protection, Parks and Culture or his designate.

Any agreement to accept Home Depot's proposed property definition must be subject to the formal approval of the Directors of the Parks and Recreation and Water and Waste Departments and of the Waterways Engineer.

Report of the Committee on Finance and Administration dated September 23, 1996

2. Timing of Possession and Closing

In its original proposal, Home Depot indicated that it would take possession of the total site on September 15, 1996 and allow the Fire Department to remain in the fire training administration buildings until May 31, 1997 at no cost to the City. When Home Depot reviewed their construction schedule and the placement of their facility on the site, they requested that the May 31, 1997 date be moved up to March 31, 1997.

The City established a possession date of November 15, 1996 for the fire training centre component of the fire training site in consultation with Home Depot. Subsequently, Home Depot has now advised that it requires possession of this part of the site on October 15, 1996 to facilitate a September, 1997 opening of its store.

In reviewing this matter, the Fire Department has indicated that the March 31, 1997, date might prove to be a problem for them in that a decision has not yet been made involving the relocation of the fire training centre.

The Fire Department has advised that while a November 15, 1996, possession date for the fire training component was acceptable, it could not agree to an October 15, 1996, possession date as doing so would interfere with its training schedule on this part of the property (i.e. fire training tower).

Home Depot has advised that it must commence construction on October 16, 1996 with the servicing, demolition and regrading of the property to be accomplished during the remainder of this Fall's construction season. The installation of piles is scheduled for April 1, 1997.

At a meeting held on September 20, 1996, and attended by the Commissioner of Protection, Parks and Culture, the Fire Chief, Home Depot's representative and other City staff the following arrangement was reached respecting the physical turnover of the fire training centre:

1) the sale will close on October 15, 1996;

2) on October 16, 1996, Home Depot will commence its servicing activities within the Sanford Street South right-of-way which is proposed to be closed and will also commence its land drainage improvements within the Alexander Park area;

3) the Fire Department will continue to use its existing site until October 31, 1996. At that date the Fire Department will give up possession of the land lying to the south of the Fire Department's administration buildings at 1360 St. Matthews Avenue. The Fire Department will be able to salvage its equipment and structures on this part of the property up to October 31, 1996. During this period of time Home Depot will proceed with the regrading of Alexander Park.

4) Home Depot will permit the Fire Department to utilize 823 Sanford Street South for the purposes of the testing of Fire Department apparatus rent free.

   The City will be expected to pay for the cost of the utilities. Home Depot will expect the City to conclude this testing quickly so as to permit Home Depot to demolish this structure as soon as possible.

5) the Fire Department will continue to occupy the Fire Department administrative buildings at 1360 St. Matthews Avenue until March 31, 1997, together with the adjacent fuel tanks and pumps. Home Depot will require the City to remove the fuel tanks and pumps prior to March 31, 1997 and to also, if necessary, remediate this part of the property prior to that date.

6) should Home Depot require possession of the fire training tower and the lands adjacent thereto prior to November 1, 1996, then it is prepared to pay to the City the Fire Department's costs of accelerating the conclusion of its training program (i.e. overtime costs, etc.).

The Board of Commissioners is currently in the process of considering alternative solutions to the relocation of the fire training centre facility.

Report of the Committee on Finance and Administration dated September 23, 1996

Home Depot has advised that if possession of the land cannot be attained on or before October 15, 1996 then it is probable that construction of its facility will be delayed. A deferral in construction would have the result of delaying the opening of the store from September of 1997 to the Spring of 1998. Home Depot have advised that for marketing reasons it is best to open a new facility no later than September in order to maximize revenues and market impact. If this is not possible, then the next beneficial store opening opportunity is the Spring of 1998.

If possession cannot be granted by October 15 then construction will probably be delayed until the Spring of '97 and hence they won't require possession until into the new year. The impacts of a delay in the opening of the facility will manifest themselves: in reduced revenue for the Company; deferred realty tax, business tax and other economic benefits to the City; and very importantly a delay in turnover of possession could have the effect of deferring the receipt of the sales proceeds to sometime in 1997.

The Land and Development Services Department has projected the cash flow of the receipt of the gross sale proceeds. Simply stated, if the possession is determined to be October 15, 1996 or any date in 1996, then the City will receive approximately $3,864,610.00 in gross sale proceeds in 1996. Whereas, if the possession date slides into 1997, the 1996 gross cash receipts will only be approximately $684,515.00.

3. Demolition Costs

Council had instructed the Land and Development Services Department to negotiate the retention of salvage rights for the buildings and facilities and to have Home Depot be responsible for all of the demolition costs including the Velodrome despite the fact that Home Depot in their proposal had stipulated that the City would be responsible for the demolition costs of the Velodrome.

Home Depot is adamant about not paying for the demolition of the Velodrome. The Company has stated that it has agreed to pay an extra $100,000.00 towards the relocation of the fire training facility and to pay for survey costs and the costs of all of the studies involving the lands. The Company is not prepared to pay any more.

The Land and Development Services Department has been advised that the demolition costs of the Velodrome could range between $50,000.00 and $85,000.00. The Department is of the view that it would be appropriate for the City to assume the costs of the demolition of the Velodrome for the following reasons:

a) Home Depot never agreed, even in its original Proposal, to assume this cost. Furthermore, it is true that the Company has agreed to pay additional costs, including the "social responsibility" payment of $100,000.00, in implementing this transaction which tends to offset the Velodrome demolition costs;

b) there was a significant differential between the proposed purchase prices as offered by Canadian Tire and by Home Depot. Even though Canadian Tire had agreed to pay for the costs of demolishing the Velodrome, there will still be a significant price difference in favour of the Home Depot sale should the City agree to assume this cost.

Home Depot has agreed to term number 6 of the Letter of Understanding which provides the City with salvage rights. The Company does expect the City to undertake its salvaging operations in a timely fashion so as to not hold up Home Depot's construction.

4. Closing of Sanford Street South/Sale of Velodrome

Council directed the Administration to negotiate a term which would bind Home Depot to the purchase of the Velodrome site. The Land and Development Services Department in proposed terms 2 and 3 of the "Proposed Letter of Understanding" (Exhibit "B") attempted to obtain the required guarantee.

Home Depot has proceeded with the implementation of surveys and studies respecting the entire site, including the Velodrome, even though the City has not committed to selling them the Velodrome. In addition, Home Depot is doing this "due diligence" now even though they don't have a firm deal with the City so that they can begin this Fall.

Report of the Committee on Finance and Administration dated September 23, 1996

Home Depot is insistent that it not be required to buy the Velodrome lands if the closing of Sanford Street South is not approved. Home Depot has advised that the reasoning behind their position is that it is their intention to erect their building along St. Matthews Street and partly over top the Sanford Street South closing with the parking to be located to the South. If Sanford Street South cannot be closed and acquired by Home Depot, then the Company will construct its building at the south end of the Alexander Park Site with the parking lot to the north off of St. Matthews Street. In this event, Home Depot advised:

"should the City fail or refuse to close Sanford Street Sou, it will cause the purchaser to significantly alter its site development plan which would effectively result in the Velodrome site being useless to the purchaser."

The Administration does not anticipate opposition to the closing since Home Depot have an Option to Purchase both 811 and 823 Sanford Street South; the only private properties affected by the proposed closing.

The Land and Development Services Department would advise that although the Administration believes that the road closing application will be successful, the timeline to achieve that success under implementation of normal processes is certainly problematic having regard for Home Depot's intention to commence construction on October 16, 1996. Under a normal process, Council would be expected to approve the road closing by-law on November 20, 1996 at which point Home Depot would at the soonest be able to take possession of the right-of-way and commence construction.

The closing process has been initiated and the application has been heard by the Assiniboia Community Committee at its meeting held on September 17, 1996. The Administration recommended the closing subject to the retention of easements for the utilities and specifically for Winnipeg Hydro.

The matter of the sale of the Velodrome site is not the only issue at stake insofar as the closing of Sanford Street South is concerned. Of supreme importance is the impact of the normal closing process on Home Depot's intended construction timetable and Home Depot's requirement to exercise its Options to Purchase 811 and 823 Sanford Street South before September 29, 1996.

Therefore, the Land and Development Services Department recommends that in order to facilitate: the turnover of possession of the lands to Home Depot on October 15, 1996; the commencement of construction on October 16, 1996 and the exercise by Home Depot of the Options to Purchase 811 and 823 Sanford Street South by September 29, 1996 it will be necessary to implement the following process and timeline:

a) The Assiniboia Community Committee on September 17, 1996 considered the application for closing Sanford Street South and recommended its approval to the Committee on Planning and Community Services. There was no opposition to the closing;

b) The Committee on Planning and Community Services to convene a Special Meeting on September 24, 1996, to consider the recommendation of the Assiniboia Community Committee;

c) The Committee on Finance and Administration to consider the financial aspects of this proposed sale at its special meeting to be held at 9:00 a.m. on Monday, September 23, 1996;

d) The Executive Policy Committee to convene a Special Meeting to consider the decisions of the Committee on Planning and Community Services and the Committee on Finance and Administration prior to Council's meeting to be held on September 25, 1996;

e) Council on September 25, 1996 to consider the decision of the Executive Policy Committee respecting the terms of sale and respecting the proposed closure and if deemed appropriate to approve the sale and to give three readings to the by-law to effect the closure of Sanford Street South.

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While the Land and Development Services Department is optimistic that the proposed closing will be successful, it recommends that the approval process be accelerated to as earlier discussed to facilitate the transaction. The Department does not recommend that Home Depot be allowed to purchase only Parcel 1 as shown on Misc. Plan No. ASBA 9627/9 in the event of an unsuccessful Sanford Street South closing application because it was apparently Council's intention to ensure the marketability of the Velodrome property. Furthermore, Canadian Tire in its proposal included the Velodrome property without the necessity of closing Sanford Street South.

5. Environmental Site Remediation/Option to Purchase and Right of First Refusal

The Letter of Understanding specifies in term #19 that the purchaser may conduct environmental site assessments and that depending upon the degree of contamination, if any, the City has the ability to carry out remediation or to cancel the transaction.

Home Depot has expressed concern that the City may cancel the transaction and subsequently decide to remediate and sell the property or to sell the property without remediation. Home Depot still wants the opportunity to acquire the property and has stipulated that in this event it be granted an Option to Purchase and Right of First Refusal to run for a period of five years calculated from the date of the cancellation of this transaction by the City.

The Land and Development Services Department advises that the City granted a five year Option to Purchase to Home Depot respecting the Behnke Road site in St. Vital. In that regard, the Home Depot request at the Empress Road site is somewhat consistent.

The Land and Development Services Department is of the view that the current provision is superior to the Behnke Road provision in that it allows the City to market the property during the Option period.

Other Associated Matters

1) Red River Exhibition

The Red River Exhibition advises that it owns two structures located at the south end of the Alexander Park site which are used for storage purposes. The Exhibition has advised that it can vacate the premises by October 15, 1996.

The Red River Exhibition has requested that it be allowed to salvage whatever it can from their existing buildings (doors, steel, etc.) prior to their vacating the premises on October 15, 1996. They have also indicated that their relocation costs would be in the range of $7,000.00. They have requested that consideration be given for the City to reimburse them for these relocation costs.

The Land and Development Services Department has been advised that the Red River Exhibition has been utilizing this property free of charge, and accordingly, the Department does not support the Exhibition's request for funding participation to finance the relocation. However, the Department recommended that the Exhibition be authorized to carry out its salvaging operation subject to its completion by the approved date of possession and subject to the salvaging being carried out at the cost of the Exhibition, and in accord with all by-laws, regulations and codes and subject to an indemnification of the City. The Committee on Finance and Administration is recommending that the Winnipeg Enterprises Corporation provide vacant possession of this site by October 15, 1996, and resolve any relationships with their tenants by that date.

2) Fire Training Centre Relocation

Council directed that up to $184,000.00 of the purchase proceeds be allocated to the relocation of the fire training facility.

The Fire Department points out that in addition to the purchase price Home Depot was prepared to make, as part of its social responsibility, a $100,000.00 tax deductible donation to the City of Winnipeg for the reconstruction of a new Fire Hall Training Centre in an alternate location. Home Depot will now pay the additional $100,000.00 as part of the consideration without concern for it being a tax deductible donation.

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The Committee on Finance and Administration did not concur with the Fire Department's interpretation of Council's decision that the $100,000.00 social responsibility payment is in addition to the $184,000.00 already allocated by Council to the relocation of the fire training, and has confirmed that a total of $184,000.00 only be allocated to this project.

3) Velodrome Washrooms

The Home Depot development will require the removal of the washrooms which currently serve the Velodrome. As such, if the Velodrome is to be continued in use it will be necessary to supply alternate washroom facilities.

In the opinion of the Land and Development Services Department it would be appropriate to direct the Parks and Recreation Department to determine a resolution to this matter with the costs thereof to be allocated from these sales proceeds.

4) Velodrome Due Diligence

The Proposed Letter of Understanding specifies that Home Depot will conduct its due diligence related to Parcels, 1, 2 and 3 as shown on Misc. Plan No. ASBA 9627/9 within 45 days of the date of approval after the sale by the City. In actual fact Home Depot is now conducting due diligence, inclusive of the Velodrome site in advance of Council's consideration of the sale.

Term 3(c) specifically relates to the subsequent sale of the Velodrome. Home Depot has insisted that it be granted an additional 30 day due diligence period to examine this site for any conditions which may have changed between the current due diligence being carried out and the date that the City decides to sell the Velodrome to Home Depot.

Therefore, based on the assumption that the current due diligence investigations will find that the property is currently in an acceptable condition to Home Depot, it would be in the City's best interests to maintain firm control of the use of the Velodrome property to ensure that the likelihood of subsequent contamination and other site conditions do not deteriorate.

5) Omand's Creek Culvert Easement

Term 7 of the proposed Letter of Understanding deals with an easement over the existing culvert and future culverts over Omand's Creek. The easement agreement will allow the public as well as City employees and Home Depot employees and their customers to cross over the culverts. Home Depot will be responsible for all maintenance of the culvert crossings and will indemnify the City from any and all liability.

In addition to the existing term 7, Home Depot requires the City to also provide a cross-liability provision in respect of the City's use of the bridge.

In reviewing the Home Depot request the Legal Services Branch have advised that a cross-liability provision is not appropriate in the event that the City continues to own the existing Maroon's Road culvert crossing.

The Land and Development Services Department observes that the term 7 is silent on the matter of ownership of the existing bridges and future bridges which will serve the future Home Depot property.

In discussion with the City's Bridge Engineer, it has been determined that culvert crossings that service private lands should be privately owned, in this case by Home Depot.

Therefore, the Land and Development Services Department proposes that:

a) any new culvert crossings to be constructed by Home Depot should be owned by Home Depot with the necessary easement to legitimize its location over Omand's Creek to be granted by the City and to include an indemnification of the City;

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b) the existing Maroon's Road culvert crossing would continue to be owned by the City until such time as Home Depot acquires ownership of the Velodrome site in accordance with the "Letter of Understanding." During this time Home Depot shall be required to be fully responsible for the maintenance, repair, etc., of the Maroon's Road culvert crossing to the satisfaction of the Commissioner of Works and Operations and shall indemnify the City accordingly. During this period of time it will be necessary for the City to grant two easements to Home Depot:

i) to permit Home Depot to utilize the existing Maroons's Road culvert crossing for access purposes;

ii) to permit Home Depot to utilize part of the Velodrome site generally as shown on attached Misc. Plan No. 9627/9 (Exhibit "C") for access purposes.

All easements will require the indemnification of the City.

It would be appropriate to transfer the Maroon's Road culvert crossing to Home Depot at the same time as the Velodrome site is sold to Home Depot. It will be necessary in this event for the City to grant a necessary agreement to legitimize the culvert crossing location over Omand's Creek and to include an indemnification of the City.

The Committee on Finance and Administration has authorized the Director of Land and Development Services to negotiate access, as well as ownership and maintenance of the structures for access.

6) Zoning and Intended Use Confirmation

The City normally requires a purchaser to satisfy himself that the zoning of the property will permit the intended use.

In this case, Home Depot has insisted:

"that the City confirm by representation and warranty that the lands to be purchased from the City are suitably zoned to permit the purchaser's proposed project, the definition of which is attached to this letter as Schedule A. For us to identify each parcel of land to obtain zoning use confirmation from the City of Winnipeg in the normal course would be most inefficient and costly given the numerous titles and parcels of land involved."

In a letter dated September 13, 1996 to Home Depot's lawyer, the Chief Development Applications Officer for the City of Winnipeg indicated the following with respect to the overall development:

"Under the regulation of Zoning By-law 6500/94 a Landscape/Garden Supplies: Sales, including outside display limited to packaged supplies, plants or trees is a permitted use.

Also a Home Improvement Centre, including sales of building materials, equipment supplies and accessory sales of services; rental and/or lease of said equipment and supplies is a permitted use, including outside display of products in conjunction with the aforementioned use. In addition thereto, a Restaurant, not exceeding 2500 square feet of floor area, is also a permitted use.

Please be advised that accessory storage in any Commercial District must be contained within a completely enclosed building. No exterior storage can be established without first obtaining a zoning variation that would permit same."

The above "Zoning and Intended Use Confirmation" was presented in so far as 811 and 823 Sanford Street South is concerned. The City's Chief Zoning Officer has orally advised that he is prepared to issue a similar document with regard to the entire property.

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7) Purchase of 811 and 823 Sanford Street South

Council instructed the Land and Development Services Department to negotiate the acquisition of 811 and 823 Sanford Street South properties acquired by the Home Depot at Home Depot's option cost if the application (for the closing of Sanford Street South) was not proceeded with. Home Depot have decided it does not agree that this acquisition be at the City's sole discretion and have stipulated that it will retain the sole discretion unto itself to determine if it will sell 811 and 823 Sanford Street South to the City. This is reflected in term No. 9 of the "Proposed Letter of Understanding."

The Committee on Finance and Administration therefore recommends:

I. That the sale of Parcels 1, 2 and 3 as generally shown on Misc. Plan No. ASBA 9627/9 be approved to 3038149 Canada Limited in accordance with the terms and conditions as stipulated in the "Proposed Letter of Understanding" (Exhibit "B") subject to:

a) the property definition being approved by the Directors of the Water and Waste and Parks and Recreation Department and by the Waterways Engineer;

b) the closing date for Parcels 1 and 2 as shown on Misc. Plan No. ASBA 9627/9 being October 15, 1996 with the turnover of physical possession being in accord with the schedule as identified herein;

c) the City assuming the costs of demolishing the Velodrome;

d) the successful closing of Sanford Street South.

e) existing term #7 of the Proposed Letter of Understanding being amended in accordance with the Land and Development Services Department's proposal as discussed herein.

II. That the Red River Exhibition's request for funding in the amount of $7,000.00 be denied, however, the Exhibition be authorized to salvage the buildings which they are occupying subject to the salvaging operation being carried out at the cost of the Exhibition and in accord with all by-laws, regulations and codes and subject to an indemnification of the City;

III. That the Director of the Parks and Recreation Department be instructed to review the matter of providing washroom facilities to service the Velodrome and to report on this matter to the Board of Commissioners;

IV. That subject to the successful closure of Sanford Street South that the purchaser be authorized to enter onto the lands on October 16, 1996 and in advance of the execution of the closing documents and furthermore, given the shortness of time to co-ordinate its construction activities with the salvaging operations of the City and the Red River Exhibition;

V. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing including the execution of all necessary documentation and agreements.

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

The Executive Policy Committee recommends that recommendation I. and I. a) be amended to read as follows:

I. That the sale of Parcels 1, 2 and 3 as generally shown on Misc. Plan No. ASBA 9627/9 be approved to 3038149 Canada Limited in accordance with the terms and conditions as stipulated in the "Proposed Letter of Understanding" (Exhibit "B"), as described in Clause 1 of the Report of the Committee on Finance and Administration dated July 16, 1996 and approved by Council on July 24, 1996.

a) the property definition being approved by the Directors of the Water and Waste and Parks and Recreation Department and by the Waterways Engineer, and that final approval be given by the Executive Policy Committee.

Moved by Councillor Steek,
Adoption of the clause.

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In amendment,

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

Carried.

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

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

The motion to refer was put.

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

Yea: Councillor Thomas. 1

Nay: Councillors Clement, Golden, Lazarenko, Lubosch, Murray, O'Shaughnessy, Phillips, Silva, Steek, Vandal, Councillor Angus and Deputy Mayor Eadie. 12

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

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

(See Minute No. 1080 for attachments)

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

1059 - 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. 6879/96, a By-law of the City of Winnipeg to enter into an Agreement with Boswell James Dryden and Margaret Dryden to redeem certain property from Tax Sale by instalments in accordance with Section 255 of The City of Winnipeg Act.
File FL-2.4 (Vol. 12)

By-law No. 6892/96, a By-law of the City of Winnipeg to amend the Amusement Tax By-law No. 3107/81. File FL-6 (Vol. 13)

On motion of Councillor Steek, By-law No. 6890/96, a By-law of The City of Winnipeg to close certain streets to effect the land exchange for the expansion of the Winnipeg International Airport, was read a first time. File FI-2.4.4.1 (Vol. 3)

Councillor Steek moved that this constitute the first reading of By-law No. 6890/96, which motion was carried.

The Speaker here resumed the Chair.

COMMITTEE ON FINANCE AND ADMINISTRATION

QUESTION PERIOD

1060 - Councillor Lazarenko requested an update on the establishment of the Taxation Fairness Committee.

Councillor Steek noted the Committee would be constituted in time for the budgetary process.

Councillor Murray requested that the practice of distributing briefings on the financial condition of the City of Winnipeg be restored. Councillor Murray referred to rumours regarding the decline of the City of Winnipeg's tax assessment revenue and questioned the dollar amount of the decline for the years 1996, 1997 and 1998. Councillor Murray further questioned the availability of a written report or analysis.

Councillor Steek noted that the City was currently commencing the budgetary process.

Councillor Murray questioned when information regarding the correction of the Assessment Rolls would be provided .

Councillor Steek referred to a communication from the Acting City Assessor, Cliff Jeffers, and noted that the roll would be brought forward September 30, 1996, and advised that information could be provided at that time.

Councillor Murray referred to his role in the inception of vacancy management and suggested the involvement of other Members of Council in the current process.

Councillor Steek acknowledged the request.