REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED MAY 27, 1996
RECONVENED MAY 29, 1996

On motion of Councillor Steek, the Report of the Committee on Finance and Administration, dated May 27, 1996, reconvened May 29, 1996, was considered clause by clause.

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

Carried.

Her Worship the Mayor and Councillors:

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

808 - 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:

MTC - Winnipeg Fringe Festival for:
1996 Fringe Festival from July 19 to July 28, 1996 at various venues in the Exchange District, for all performances by non-profit organizations and/or local performers only.

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.

Request for Loan Guarantee - Dakota Community Centre File PR-2 (Vol. 81)

809 - 2. On May 22, 1996, the Riel Community Committee recommended that approval be given to the Dakota Communiplex proposal and loan guarantee in the amount of $2,960,000.00. The Corporate Finance Department was requested to review the proposal to determine if it meets the requirements of the City's policy.

Section 313 of The City of Winnipeg Act states the following:

> "Subject to the approval of the Minister of Finance, the City, may on such terms and conditions as the Minister of Finance may approve, make loans and grants for, and guarantee indebtedness incurred for, any community undertaking not otherwise authorized under this Act, and the Minister of Finance may refer any application for approval under this section to The Municipal Board for its advice and recommendation."

As at December 31, 1995, the City of Winnipeg was the guarantor of ten different loans in the total amount of $2.9 million. The City has been concerned that there has been an increasing number of requests for loan guarantees over the past few years, as loan guarantees do, in fact, constitute meaningful commitments by the City. These commitments have to be recorded in the notes to the City's financial statements, are factors in determining the City's potential liabilities, and are a factor in determining the City's credit rating. As a result of its concern, the

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City adopted a "Policy and Criteria to be used as a Guideline in the Consideration of Request for Loan Guarantees" on June 17, 1992.

One of the requirements of the City's Loan Guarantee Policy states:

> "I. The loan that the City is being asked to guarantee should not represent more than 50% of the total funding of the project. The organization requesting the loan guarantee must have raised at least 20% of the total project cost from non-City of Winnipeg sources as a down-payment, i.e., if the organization is receiving a City grant for their project, the grant cannot be counted as part of the 20% down-payment."

The loan that the City is being asked to guarantee represents 77.9% of the total project cost. The funding for the project will be provided from the following sources.

Dakota Community Centre (*)	$339,292.00	(8.9%)
Infrastructure grant (1994)	250,000.00	(6.6%)
Community Places Grant - Province of Manitoba	50,000.00	(1.3%)
Community Incentives Grant (**) City of Winnipeg	200,000.00	(5.3%)
Loan - to be guaranteed by the City	2,960,000.00	(77.9%)
	$3,799,292.00	(100.0%)

*Includes $55,000.00 of profits from Dakota Park Lottery to be completed in October 1996. If all tickets are sold profit will be $74,000.00. This also includes funds raised from public and corporate fundraising of $84,292.00 and $200,000.00 from profits retained in the Community Centre.

**Includes 1996 grant of $100,000.00 and 1997 grant of $100,000.00.

The loan guarantee of $2,960,000.00 exceeds the 50% funding of the project by $1,060,354.00 or 27.9%.

The funds raised by the Community Centre, excluding the Community Incentive Grants, total $639,292.00 or 16.8% of the total project cost. The funds raised are $120,566.00 short of the 20% down-payment required.

The Dakota Community Centre has paid additional funds of $25,350.00 not included in the above analysis for the residential survey, engineering costs and promotion costs associated with the project.

The Dakota Community Centre has provided a very comprehensive business plan including historical and projected financial statements supporting the long-term viability of this project.

Dakota Community Centre appears to be a very well run organization. The Centre has experienced significant growth in the order of 20% annually since 1990. Currently, 21% of the population of the area is under age nine. The area is forecast to continue to have "significant construction of homes through to the year 2000".

The Centre has shown significant growth in revenues and profits from operations. Total revenues have increased 278% since 1990 to $471,000.00 for the year ended August 1996 and profits are projected at $112,000.00. The surplus at the end of August 1996 is projected to be $408,000.00.

Dakota Community Centre has prepared a five year projection of operating results assuming construction begins on July 1, 1996 with completion by November 30, 1996. The projected revenues and expenditures for the new facility were reviewed by the Corporate Finance Department with the assistance of the personnel of the Parks and Recreation Department to verify the reasonableness of projections for the new facility. Both departments were satisfied that the revenues and expenditures are reasonable when compared to operations at comparable facilities.

Dakota is projecting operating profits of $25,000.00 for the year ended August 1997 increasing to $105,000.00 in the year 2000. The profits in 1997 have been reduced from 1996 levels due to the fact that the new facility will not be completed until November 30, 1996. This is due to the fact there will be no ice rentals for September to November 1996. The projection for increases in revenues from the non-arena operations have been conservatively budgeted to increase 2.7% by the year 2000. These revenues have increased 74% from 1992 to 1996. Non-arena expenditures in the projections are budgeted to increase 8.6% by the year 2000.

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The Dakota Community Site Development Committee has expended considerable effort to develop a strategy, determine the needs of the community, develop a business plan, proceeded with development of a site plan, building design and selection of a builder.

The Centre has raised $664,642.00 towards the completion of this project. The proposal does exceed the policy and criteria as established by Council, however, the project is financially viable on a self-sustaining basis. This financial exposure to the City is relatively small, at worst requiring annual subsidies of $50,000.00 for the next five years. The risk of this occurring are mitigated by the growth in the community, the commitment of the Dakota people and the fact that this will be a first rate facility which will be a focal point for people in South St. Vital.

Your Committee on Finance and Administration recommends:

I. That the request from the Dakota Community Centre that the City guarantee its loan proposal in the amount of $2,960,000.00 be approved to allow the club to proceed with the construction of a twin arena project at the Centre.

II. That the Proper Officers of the City be instructed to do all things necessary to implement the foregoing, including obtaining approval from the Minister of Finance in accordance with Section 313 of The City of Winnipeg Act.

Adopted by consent.

Proposed Transfer of Jurisdiction - Construction of a Storm Water Retention Basin - Parks and Recreation Department to the Water and Waste Department
File FI-2.4.4.1 (Vol. 4)

810 - 3. On March 20, 1996, Council approved a land exchange between the City and Revy Home and Garden Ltd. involving a closed portion of Almey Avenue for Panet Road frontage.

On August 9, 1995, Council approved development agreement AG 403/95 and on February 21, 1996 approved an amendment therein. This agreement requires the Revy Home Centre to construct a storm water retention basin partly on property existing under the jurisdiction of the Parks and Recreation Department as identified on Misc. Plan No. EKT 8740 and legally described as Public Reserve, Plan 12595.

On February 16, 1996, the Parks and Recreation Department indicated it did not have any objection to the proposed transfer of jurisdiction of the lands to the Water and Waste Department.

The Water and Waste Department advises that the storm water retention basin is “to be constructed as a condition of The Revy Home and Garden development agreement and when completed will be owned and operated by the City”. The Water and Waste Department further advised that the basin site “will not be compatible with active or passive park use” as a result of the steep side slopes and because the site will be surrounded by streets and rail lines.

The Committee on Finance and Administration recommends:

I. That property legally described as Public Reserve, Plan 12595, identified on Misc. Plan No. EKT 8740 be transferred from the jurisdiction of the Parks and Recreation Department to the Water and Waste Department.

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.

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Pursuant to Section 156(2) of the City of Winnipeg Act approval of at least two-thirds of the members of the Council is required on the transfer of jurisdiction of any property that been designated or acquired for park purposes.

Copy of Misc. Plan No. EKT 8740 is on file in the office of the City Clerk.

Adopted by consent.

Proposed Sale of Part of 590 St. Anne's Road - Cedarman Lumber to Correct Encroachment at 596 St. Anne's Road
File FI-2.4(35) (Vol. 3)

811 - 4. The "subject City property" shown on Misc. Plan No. Riel 9633 is proposed to be sold to the applicant in order to correct an encroaching building at 596 St. Anne's Road. The encroachment was discovered by a Manitoba Land Surveyor hired by the applicant, Ian McKibbin (owner of Cedarman Lumber).

The Streets and Transportation Department is agreeable to the proposed sale in order to square off the north west corner of the applicant's property, providing that zoning regulations are observed. A further requirement is that the encroaching wood shelter be removed concurrently with the sale, if approved.

The Zoning and Permits Branch indicates that this proposed transaction presents no concerns.

The Land and Development Services Department is in receipt of an Offer to Purchase from the applicant (Schedule "A") to acquire the subject City property.

The proposed purchase price $4,000.00 is generally consistent with both the assessed value and the current market value estimated by an internal appraisal. The proposed price reflects a rate of $5.75 per square foot and is reasonable given the size, shape and location of the subject City property and further, having regard for the overall dollar value of the transaction.

The subject City property forms part of the City yards located at 590 St. Anne's Road and the Civic Buildings Department advises that proceeds from any sale of this property have been pledged by Council Order to the Central Yards Project.

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 sale of the subject City property shown on Misc. Plan No. RIEL 9633 be approved to the applicant for the price of $4,000.00 and in accordance with the terms and conditions outlined in the Offer to Purchase.

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 the Offer to Purchase, Exhibit "A" and Misc. Plan No. RIEL 9366 are on file in the office of the City Clerk.

Adopted by consent.

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Proposed Land Exchange with Meadowood Manor - 575/577 St. Anne's Road
File FI-2.4.4.1 (Vol. 4)

812 - 5. The Manitoba Baptist Home Society Inc. (MBHS) is the owner of the Meadowood Manor elderly housing and personal care home at 575/577 St. Anne's Road, shown shaded on Misc. Plan No. RIEL 8553/6.

It is the intent of the MBHS to acquire Lots 1/23, and 52/53, Block 19, Plan 1776, shown as the Estate of John Swerdyliak on Misc. Plan No. RIEL 8553/6 (Exhibit "A"), in order to expand its facilities.

The MBHS has applied, through its solicitors, Deeley, Fabri, Sellen, to acquire a portion of the City's Part Lot 3, Plan 19913 (shown dotted as Parcel "A") and part of the lane (shown hatched as Parcel "B" on Misc. Plan No. RIEL 8553/6) in order to physically connect the MBHS' current facility with the new one and would be used for parking and ingress/egress purposes.

Parcel "A" is under the jurisdiction of the Parks and Recreation Department and, although used by the MBHS for parking and ingress/egress, would be used by the City for equipment access to the riverbank park.

Parcel "B" is a legally opened lane and the proposed closing has yet to be circularized. There is a 48 inch land drainage sewer in the north side of the lane which necessitates the retention of a 50 foot wide easement (25 feet of Parcel "A" and the full width of Parcel "B"). Structures will not be allowed over the easement area. In addition, both Manitoba Hydro and the Manitoba Telephone System will require easements.

The terrain of the City-owned Lot 24 and 25, Block 19, Plan 1776 makes it impossible for equipment to access the northerly portion of the park from that section of the park adjacent to John Bruce Road. The Parks and Recreation Department wished to acquire Lot 23, Block 17, Plan 1776 which would allow it to bring in the maintenance equipment. As well, that part of the lane to be closed and designated as Parcel "C" on the Misc. Plan No. RIEL 8553/6 will be incorporated into the Seine River Park.

The proposed land exchange has been before the Committee on Finance and Administration on several occasions, namely:

June 15, 1995, at which time Committee directed that the City exchange 39,000± sq. ft. of City-owned property for 2,800± sq.ft. of Meadowood Manor property and that Meadowood Manor contribute $50,000.00, over a five year period, towards park improvements.

September 7, 1995, Committee heard representation from MBHS and directed that the City exchange the aforesaid City property for the said Meadowood Manor property , if and when the Manor acquires title to the said property and, again, that Meadowood Manor contribute $50,000.00, over a five year period, towards park improvements.

January 3, 1996, Committee again heard representation from MBHS and directed that:

"1. That subject to Meadowood Manor acquiring the adjacent trailer park property for residential purposes and giving the City Lot 23 for access to the Seine River Park Waterway Project, that the City will sell Parcels A and B to Meadowood Manor for $1.00.

2. That the land be used for seniors non-profit residential purposes only and that a caveat be placed on the property that if at some future time, the land is used for other than privately run seniors residential housing, that Meadowood Manor pay the City fair market value for Parcels A and B, said amount to be determined at current land values; Committee rescinded its previous recommendation that Meadowood Manor contribute $50,000.00 for park improvements to the adjoining land to be used for the Seine River Park Waterway Project."

MBHS has now agreed to the City's terms and conditions regarding both the sale of Parcel "A" and the proposed closing and sale (Parcel "B") as shown on Schedule "A".

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

The Committee on Finance and Administration recommends:

I. That Parcel "A" as shown on Misc. Plan No. RIEL 8553/6, be declared surplus to the City's requirements.

II. That the sale of Parcels "A" and "B" as shown on Misc. Plan No. RIEL 8553/6 be approved to the Manitoba Baptist Home Society Inc. in accordance with the terms and conditions outlined in Schedule "A" and in a form satisfactory to the City Solicitor/Manager of Legal Services, subject to the Manitoba Baptist Home Society Inc. acquiring the Swerdyliak property, and further subject to conveyance to the City of a 6m corner cut at the rear of Lot 53, Block 19, Plan 1776.

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.

Pursuant to Section 156(2) of The City of Winnipeg Act, the approval of at least two-thirds majority of Council is required for the sale of property designated or acquired for park purposes.

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

Adopted by consent.

Delegation of Authority to hear Appeals of High Water Bills to the Committee on Finance and Administration
File WW-2.7 (Vol. 11)

813 - 6. Council on May 23, 1996 referred back Clause 1 of the Report of the Committee on Finance and Administration dated April 1, 1996, wherein it was recommended that the Committee on Works and Operations be delegated the authority to be the appeal body to hear appeals with respect to high water bills.

Council referred back the above clause with instructions that the Committee on Finance and Administration develop a policy or an administrative hearing appeal process with respect to high water bill appeals.

In reconsidering this matter, it was the decision of the Committee on Finance and Administration that it remain the appeal body to hear appeals with respect to high water bills, and that this authority not be delegated to another Standing Committee.

Adopted by consent.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED JUNE 10, 1996

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

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

Carried.

Her Worship the Mayor and Councillors:

A) Proposed Listing of Residential Properties with Broker Members of The Winnipeg Real Estate Board
B) Proposed Changes to the City's Standard Terms and Conditions of Sale of Residential Building Sites and Residential Buildings
C) Proposed Delegation of Authority to the Director of the Land and Development Services Department to Approve the Sale of Listed Residential Properties
File FI-2.1 (Vol. 10)

814 - 1. On June 19, 1995, the Committee on Finance and Administration considered the impacts of downsizing and the restructuring of the civic administration under A New Direction. The Committee was of the view that the downsizing of the Land and Development Services Department, Real Estate Division, impacted negatively on the ability of the Division to respond to all requests for service, and requested a report on the feasibility of outside agencies assisting the Division in maximizing opportunities for the sale of City-owned properties.

In addressing this matter, the Land and Development Services Department has expressed the view that enhancements should be made in three areas to expedite the sale of surplus City-owned residential real estate assets. These areas involve: the extension of the Listing Program to include residentially improved and vacant building lot properties; the changing of the standard terms and conditions of sale; and the delegation of authority to the Director of the Land and Development Services Department to approve the sale of the listed properties.

In order to permit such a program to be implemented, the following events must take place:

A) Council must rescind its policy which requires that City-owned residential properties be first offered for sale by way of Public Tender and that commissions be paid on the sale of industrial land only. This policy must be replaced with a policy which would allow the surplus properties to be listed with an independent Broker with the recognition that sales commissions would then be payable.

The Land and Development Services Department has also expressed the view that the current economic times are not conducive to maximizing revenues through the Public Tender system for these types of properties. Furthermore, the Department has observed that tenders are not always effective as they only expose properties to the market for extremely brief periods (i.e. one or two days advertising). In addition, a tender process can be very intimidating for certain participants in the market. It may also be difficult for some participants in the market to reach decisions within the time-frame specified in the tender. As such, it is quite possible that tenders are not appropriate for all prospective purchasers.

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Properties listed with a Broker who is a member of the Winnipeg Real Estate Board utilizing the Multiple Listing Service and other advertising mediums, will ensure maximum exposure over an extended period of time. Furthermore, the public will have adequate time to thoughtfully consider these properties and will be able to utilize the standard private sector purchasing process with which most people are familiar.

The Land and Development Services Department has recently been listing vacant surplus City-owned lands which are of a commercial/industrial/investment nature with independent Brokers. This has been a positive experience for the City, resulting in greater exposure of City-owned property to the market and capitalizing on the benefit of specific Broker/client relationships that exist in the private sector.

The Department feels that the benefit of increased exposure to the market could also be achieved with regard to the balance of the surplus land inventory, that is, the improved residential and vacant building lot inventory, if the listing program was extended to include these lands as well. It is therefore proposed that the Director of the Land and Development Services Department be delegated authority to negotiate and to enter into listing agreements with Brokers and to negotiate commission schedules up to the industry standards for properties of these types.

B) Implementation procedure for operation of the listing and sales program

1) Selection of Brokers

The Department would communicate with Brokers having membership with the Winnipeg Real Estate Board for the purpose of soliciting their proposal for the listing of residential properties. The companies initially selected will be those Brokers which are most prominent within the City of Winnipeg; which offer the greatest potential for the widest exposure; have a significant number of selling agents on staff; and which offer a full range of real estate services. This criteria can be re-examined and adjusted to accommodate other potential Brokers after the results of the first listing agreements are available.

The Department is suggesting that Winnipeg Real Estate Board member Brokers be utilized for this program because these Brokers have access to and utilize the Multiple Listing Service in the marketing process. The Multiple Listing Service is the most significant tool in the marketing of residential real estate, and is only available to members of the Winnipeg Real Estate Board.

Notwithstanding the fact that the properties would be listed with a specific Broker, the listings will not be exclusive to that Broker and all sales agents from other companies will have an opportunity to participate in the selling of any property with the resultant commission to be shared according to the listing agreement.

The proposed listing process would be routed through the Winnipeg Real Estate Board in the first instance for its information.

In selecting a Broker(s) and negotiating the terms of a listing agreement, the Land and Development Services Department would attempt to ensure that the Broker will be required to market each individual property in such a way as to maximize exposure in a pro-active and effective manner. In addition, the Department will require the Broker(s) to assume the responsibility of regularly inspecting and maintaining the property as part of the listing process, i.e. cutting grass, removal of debris on the site, ensure proper signage and that the signs are well maintained, installation of the appropriate lock-box on the improved properties, etc. Any maintenance efforts requiring the administration of City by-laws would be reported to the Department and become the responsibility of the Department (i.e. the removal of derelict vehicles, etc.).

2) Establishment of the List Prices and allocation of Listings to Brokers

The Department will after consultation and negotiation with prospective Brokers forward its report to the Committee on Finance and Administration containing recommendations relative to:

a) the selection of the Broker(s);
b) the allocation of specific properties to the Broker(s);
c) the List Price to be placed on each property.

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In accordance with a Council directive of March 22, 1995, the Director of the Land and Development Services Department is authorized to add, withdraw, or withhold any property from the agreed listing or in any other manner as determined by him and as changing conditions may dictate, and to subsequently advise the Committee on Finance and Administration of any such amendments.

3) Execution of the Listing Agreements

Upon approval of the Committee on Finance and Administration to the matters identified in item 2) preceding, the Director of the Department would execute the standard Winnipeg Real Estate Board listing agreement to include as a schedule any specific additional negotiated terms of listing.

4) Amend the Standard Terms and Conditions of Sale

a) Eliminate the Covenant to Construct

The City's current standard terms and conditions of sale place the City at a disadvantage in competing with other vendors of similar lands. Whereas other vendors are able to sell their lands subject in most cases only to financing and permit approvals, the City's transactions require purchasers to meet stringent obligations respecting the construction of buildings within stipulated time frames and prior to issuance of title. Under a City transaction, the purchaser is not entitled to receive a transfer of land until a basement and/or foundation is completed (the purchaser has two years in which to comply).

The Department believes that elimination of this term will place the City on an equal footing with other vendors and will improve the marketability of surplus lands.

The Department is of the view that this covenant was originally required by the City to guard against the potential for speculation on the sale of City-owned lands and to promote development thus increasing the assessment/tax base. This policy is relevant during escalating market conditions but appears to be a hindrance in times when construction activity is minimal. Furthermore, even if the property is sold without the covenant to construct, the property will generate taxes on the basis of land assessment only and the private sector owner will become responsible for the maintenance of the property and the costs thereof.

Although it is possible that a dwelling may not be built for a few years, in today's market it is likely that a Purchaser will proceed with his intended development reasonably quickly. It is anticipated that while there is a potential for speculation, given the relative values of these types of properties the risk and exposure is low.

b) Eliminate the Payment Schedule

The current standard terms require a purchaser to pay 35% of the purchase price within six months of the sale approval date, without interest. The balance of the purchase price, with interest calculated at prime plus 1%, is payable within the following six month period.

The Land and Development Services Department proposes that these provisions be amended to require the purchaser to tender a 10% deposit along with the Offer with the balance being payable on the agreed date of possession and adjustments which will be no later than up to 180 days from the date of acceptance/approval of the Offer.

As in private sector transactions, the deposit cheque would be made out in the name of the Broker and retained by the Broker in an interest bearing account. Although there is risk in having these funds held in Broker's trust accounts vis-a-vis held by the City, the Brokers are bound to maintain trust accounts in accordance with the rules of the Manitoba Securities Commission. Accordingly, the use of Brokers' trust accounts will reduce the City's accounting functions associated with these types of property sales.

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This suggested change would have the following benefits:

i) the City would be paid in full within 180 days;
ii) the administrative and accounting tasks related to each sale would be much reduced;
iii) there would no longer be an opportunity for the purchaser to request the City to repurchase the property as has been done in the past;
iv) there would be a great benefit to the purchaser with regard to obtaining financing as most banking institutions are reluctant to provide mortgages without a transfer of land in hand.

C) Acceptance of Offers and Approval of Sales pursuant to the Listing Agreements

Another common concern of purchasers is the length of time that must currently be taken by the City to obtain formal approval to a transaction, vis-a-vis private sector vendors who, in many cases, are able to make decisions on the spot or in a much lesser time frame than the City.

The Department suggests that if it is the decision of Council to adopt the aforementioned proposals, it would be reasonable to delegate authority to the Director to accept and approve Offers To Purchase within a range of 10% of the previously approved List Price. The Department would report back to Council on the exercise of this delegated authority on a quarterly basis.

The benefits of adopting the aforementioned recommendations are anticipated to be as follows:

a) this proposal, if implemented immediately, would improve the ability to achieve the Council directed target of $4.964M in land sales revenue for 1996 and will help maximize revenues in future budget years;
b) additional surplus properties would be exposed to the market that would ordinarily be deferred until such time as internal staff could accommodate them in their workloads;
c) depending on the success of these recommendations there is an expectation that there are internal operational efficiencies to be gained thus improving overall service. Any saved human resource inputs in this area would be redirected in the preparation of other lands for subsequent sale purposes;
d) these recommendations are seen to be of benefit to the City as the Department does not have sufficient staffing or resources in place to aggressively market the lands or to provide maximum exposure on an on-going basis;
e) there would be an opportunity to maximize revenues through the negotiation of sales prices utilizing the offer/counter offer process.

At present, there are seven improved properties and approximately 94 residential building lots immediately available, which can be listed.

The rationalization of City financial accounts to solve its current problem of funding shortfalls has resulted in a proposal to significantly reduce or to eliminate the Land Operating Reserve Account. A decision to do so will affect the ability of the Land and Development Services Department to carry on with its sale of residential properties program where funding is required to finance the City's expenses in effecting the sale of property. In response to this initiative, the Department has submitted a 1997 Capital Budget request for funding to finance future activities in this area of responsibility. Until such time as a decision is made as to the disposition of the Land Operating Reserve Account and/or the 1997 Capital Budget submission is approved, the Department advises that it will continue to charge necessary expenses against this account.

The Committee on Finance and Administration therefore recommends:

I. That the Council Policy requiring that City-owned residential properties be first offered for sale by Public Tender and that commissions be paid on the sale of industrial land only, be rescinded.

II. That a policy be adopted providing for the listing of improved residential properties and vacant residential building lots with independent Brokers who are members of the Winnipeg Real Estate Board with commissions to be paid on the sale of those lands.

III. That the Committee on Finance and Administration be delegated the authority to implement the procedure for operating the Listing and Sales Program, as identified herein.

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IV. That the Director of the Land and Development Services Department be delegated the authority to enter into Listing Agreements with independent Brokers, as identified herein.

V. That the "Covenant to Construct" and "Payment Schedule" provisions as currently exist in the standard terms and conditions of residential building lots be eliminated.

VI. That a replacement payment provision be approved, which would require a 10% deposit to be tendered with an Offer, the balance being payable on the agreed date of possession and adjustments which will be no later than 180 days from the date of acceptance/approval of the Offer.

VII. That the Director of the Land and Development Services Department be delegated the authority to accept and approve Offers respecting the sale of land pursuant to the Listing and Sales Program and that the Director be required to report to Council on a quarterly basis as to the exercise of this authority.

VIII. 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.

Acquisition of Part Parcel 5, Plan 6921, WLTO to Facilitate the Proposed Relocation and Expansion of the J.M. Schneider Plant
File EP-7 (Vol. 1) c/r FI-2 (35) (Vol. 14)

815 - 2. J.M. Schneider Inc. is proposing to develop and build a new hog processing facility in three phases, the timing of which is subject to the growth and availability of the hog market in Manitoba. J.M. Schneider Inc. presently employs approximately 300 people with a total payroll of approximately $7.4 million and pay approximately $100,000.00 a year in business/property taxes. The proposed site is adjacent to the east side of Panet Road between Mission Street and Warman Road. If this project proceeds in Winnipeg, J.M. Schneider Inc.'s payroll could ultimately be $17 million with approximately $500,000.00 paid to the City in business/property taxes annually. The total investment by J.M. Schneider Inc. would be approximately $40,000,000.00 and would employ between 500 to 600 people.

Under the direction of the Executive Policy Committee, the Business Liaison and Intergovernmental Affairs Department, in conjunction with various other Civic Departments, has been meeting with representatives from J.M. Schneider Inc. since June of 1995 regarding the proposed plant relocation/expansion. During the later stages of the discussions between the City of Winnipeg and J.M. Schneider Inc., it became evident that J.M. Schneider Inc. was also investigating potential sites located outside of Winnipeg.

The position of J.M. Schneider Inc. with respect to selecting a site in Winnipeg, was that certain conditions must be met by the City of Winnipeg to counter-balance incentives that J.M. Schneider Inc. represented were being offered to them to locate in a rural municipality. The condition regarding the proposed agreement between the City of Winnipeg and J.M. Schneider Inc. that pertains to the recommendation contained within this report is:

(1) That funding, estimated to be approximately $1.7 million, for the property and construction of the proposed waste water retention pond (shown on Figures 1 and 2) be appropriated from previous unexpended borrowing authority. (It is noted that the costs associated with the construction of said pond will be recovered through TSR charges to future developers.). This acquisition will be subject to both Committee on Finance and Administration and Council approval.

A storm water retention pond is a precursor for both this project and the future development of the area as a whole. In essence, the City of Winnipeg will be front-ending the costs of this project. This is contrary to the typical manner in which the City participates in development agreements, namely, the developer would normally be responsible for all costs incurred by the City (such as the referenced pond) through new development. The City will recover the construction costs from future developers through the Mission Trunk Service Sewer Rate (TSR) charge. The aforementioned recommendation is required to facilitate and complete a process that will ensure that the proposed relocation and expansion of the J.M. Schneider hog processing plant will proceed in Winnipeg.

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The proposed agreement between J.M. Schneider Inc. and the City of Winnipeg is also contingent upon the previously described storm water retention pond construction. In order to facilitate this, the City must purchase the property north of Mission Street adjacent to the J.M. Schneider Inc. site (shown on Figure 2). This acquisition is subject to both Committee on Finance and Administration and Council approval.

On May 27, 1996, Council, at a special meeting held to discuss the proposed relocation and expansion of the J.M. Schneider plant, approved the aforementioned recommendation.

Ongoing negotiations have resulted in a proposed agreement as outlined on Appendix A.

The Committee on Finance and Administration therefore recommends:

I. That the subject City lands to be leased to Bison Rock and Asphalt Products, be declared surplus to the City's requirements.

II. That the assignment of the agreement between J.M. Schneider Inc. and Bison Rock and Asphalt Products Limited to the City of Winnipeg, be approved.

III. That the acquisition of the Bison Rock and Asphalt Products Ltd. property, as shown on Figure 2, be approved at a purchase price of $550,000.00 in accordance with the terms and conditions as outlined on Appendix A.

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.

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

Adopted by consent.

Delegation of Authority - Assignment of Consultants and Contracting for Professional Services in the Development of Surplus City-owned Real Estate Assets
Files GL-9 (Vol. 8) and ST-7 (Vol. 14)

816 - 3. On June 19, 1995, the Committee on Finance and Administration considered the impacts of downsizing under the restructuring of the civic administration under A New Direction. The Committee was of the view that the downsizing of the Land and Development Services Department, Real Estate Division, impacted negatively on the ability of the Division to respond to all requests for service, and requested a report on the feasibility of outside agencies assisting the Division in maximizing opportunities for the sale of City-owned properties.

In addressing this matter, the Land and Development Services Department has observed that one of the ways to expedite the development of surplus City-owned real estate assets for sale purposes is to expand the contracting out program to include the hiring of planning, engineering and architectural consultants.

The Department has historically carried out these functions utilizing a combination of its own staff resources and by contracting out specific development tasks. In recent years, the Department has not been able to concentrate its own resources in this area of responsibility having regard for the minimal staffing in this area and the need to concentrate these resources on other activities such as the land sales program. Consequently, the only effective means of expediting the development of vacant lands is to contract out these tasks.

The Land and Development Services Department has been charged with the responsibility of disposing of any lands that are considered surplus to the City's requirements and in the case of City-owned industrial lands, to actively market the lands for the purpose of the creation of industrial development.

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The Department's development activities are a result of Council's having established, on May 16, 1973, a Land Operating Reserve Account which has been utilized to add value through the development of surplus City-owned property to maximize revenue on subsequent sale.

In order to maximize the City's revenues on the sale of City-owned lands, the Land and Development Services Department has been processing lands through the subdivision and development process to bring the lands to their highest and best use.

Examples of the above process include the subdivision and servicing of the former South West District Operations yard on Markham Road to create the Markham Place 53 lot subdivision in Fort Garry and the creation and sale of a 29 lot subdivision (Hardy Bay and Harry Wyatt Place) across from St. Vital Park on River Road in St. Vital.

In prior years, as many as six (6) to ten (10) development projects were underway at a given time. In recent years, much greater focus has been placed on selling existing surplus properties as opposed to developing properties. In order to maintain a continuing sales program, it would be appropriate to undertake further development projects on selected City-owned lands currently being held in inventory.

The development process entails the following which could be contracted out:

1. Research Functions:

    a) status of services;
    b) easements;
    c) caveats;
    d) environmental site assessment;
    e) market analysis and appraisal, etc.

2. Subdivision Design Functions:

    a) prepare a base plan for each site using Autocad;
    b) review planning matters including current zoning regulations, Plan Winnipeg designation, and recent development proposals;
    c) have preliminary discussions regarding development potential/issues with City staff from Community Services, Corporate Services, Land and Development Services, Parks and Recreation, Streets and Transportation, and Transit Departments;
    d) if required, have preliminary discussions with the Ward Councillor and local residents and landowners;
    e) prepare a finalized development concept and subdivision design along with a brief report;
    f) prepare a development pro forma;
    g) prepare and submit the development application and liaison with City staff to expedite approvals;
    h) attend the Community Committee public hearing, make a formal presentation and respond to questions;
    i) assist in processing any development/servicing agreement(s) and zoning agreements, etc.

3. Servicing and engineering functions:

    a) assemble base information related to soils and topography, drainage, service infrastructure, and any existing engineering reports;
    b) contract and coordinate Phase I, II and III Environmental Assessments as necessary;
    c) undertake a geodometer topographic survey and create a topographical site plan;
    d) if required, carry out a test hole logging program to determine full depth and sub-grade conditions for servicing design;
    e) have preliminary discussions regarding wastewater, land drainage, and water supply design criteria, as well as traffic data and as built drawings reviewed with staff from the Streets and Transportation and the Water and Waste Departments;
    f) undertake preliminary design of services and prepare cost estimates;
    g) assist in expediting planning and engineering approvals;
    h) prepare detailed engineering drawings including final general layout and lot grade drawings, plan profiles and specifications;

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i) prepare project construction documents in tender format;
j) assist in the tendering of the project, evaluate tenders and make a recommendation;
k) undertake construction engineering including contract administration, layout and grade surveys, material testing, progress reports and estimates;
l) prepare as-built surveys;
m) undertake final inspection and warranty review, etc.

The Land and Development Services Department has advised that the Department is finding it very difficult to process the backlog of development projects in a timely manner, given the current staffing situation and work load. It is the opinion of the Land and Development Services Department that the contracting out of these services would allow the Department to be more pro-active and innovative in the disposal and marketing of surplus City-owned lands. It is therefore proposed that the Director of Land and Development Services be delegated the authority to retain private planning, engineering and architectural consultants for the purposes of facilitating development projects.

The Director of Land and Development Services has already been delegated the authority to contract out survey and appraisal assignments to the private sector subject to the application of the Assignments of Consultants Policy as adopted by Council on December 12, 1990. The delegated authority permits the Director to assign consulting work in these instances to a maximum expenditure of $10,000.00. The Assignment of Consultants and the Contracting for Professional Services in excess of $10,000.00 will be subject to the approval of the Commissioner of Planning and Community Services. The Director is required to report on the exercise of this delegated authority on a quarterly basis.

The rationalization of City financial accounts to solve its current problem of funding shortfalls has resulted in a proposal to significantly reduce or to eliminate the Land Operating Reserve Account. A decision to do so will affect the ability of the Land and Development Services Department to carry on with its development of land activities. In response to this initiative, the Department has submitted a 1997 Capital Budget request for funding to finance future activities in this area of responsibility. Until such time as a decision is made as to the disposition of the Land Operating Reserve Account and/or the 1997 Capital Budget submission is approved, it will be difficult to undertake additional land development projects.

At the present time, the Land and Development Services Department is involved with three such consulting assignments. Planning studies are currently being produced by private sector consultants respecting the City-owned surplus lands at the northeast corner of Kenaston and McGillivray Boulevards; the Public Markets property to the South of Marion Street; and the proposed upgrading of the St. Boniface Industrial Park. In addition, the City is currently involved as a partner with other private sector owners on a small residential subdivision in St. Vital for which an independent planning/subdivision consultant has been retained.

For the information of Council, the Committee on Finance and Administration at its Special Meeting held on June 10, 1996, upon consideration of the aforementioned, delegated authority to the Director of the Land and Development Services Department for the assignment of consultants and contracting for professional planning, engineering and architectural services up to a maximum of $10,000.00 per assignment in accordance with the Assignments of Consultants Policy adopted by Council on December 12, 1990.

Adopted by consent.

COMMITTEE ON FINANCE AND ADMINISTRATION

MOTIONS

Moved by Councillor Vandal,
Seconded by Councillor O'Shaughnessy,

817 - WHEREAS the Francophone Chambre de Commerce, have initiated a project to revitalize Provencher Blvd., in partnership with Heritage Canada, area businesses and area residents (hereafter named "Rues Principales);

AND WHEREAS Rues Principales have indicated a desire to obtain office space for their staff at St. Boniface City Hall, on Provencher Boulevard;

AND WHEREAS the only space available at the St. Boniface City Hall would have to be renovated at an estimated cost of $67,500.00 (as estimated by Civic Buildings Department, May 17, 1996);

AND WHEREAS the City of Winnipeg currently has $5,154 in materials on site, at St. Boniface City Hall, to renovate the space in question;

NOW THEREFORE BE IT RESOLVED that the City of Winnipeg provide the aforementioned materials for the renovation of the office space, and that Rues Principales undertake to renovate the office space at their own cost, to the satisfaction of the Commissioner of Parks, Protection and Culture;

AND BE IT FURTHER RESOLVED that the City lease the space to Rues Principales for a period of three (3) years for $1.00;

AND BE IT FURTHER RESOLVED that Rues Principales will obtain tenant's insurance for the space, and that Rues Principales will also pay their proportionate share for utilities;

AND BE IT FURTHER RESOLVED that the City of Winnipeg will retain a thirty (30) day cancellation clause on the lease.

Moved by Councillor Vandal,
That the rule be suspended to allow consideration of the motion at this time.

Carried.

The motion to suspend the rule was put and declared carried.

In amendment,

Moved by Councillor Timm-Rudolph,
Seconded by Councillor Silva,

That the motion be amended to include the following:-

"that the value of renovations be placed in the building and be recognized as payment in lieu of rent for the period of occupancy".

Carried.

The motion, as amended, was put and declared carried.

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

818 - On motion of Councillor Steek, the rule was suspended and By-law No. 6854/96, a By-law of The City of Winnipeg to amend the Amusement Tax By-law No. 3107/81, was read a first, second and third time, the rule being suspended for the third reading, and was passed and ordered to be signed and sealed.
File FL-6 (Vol. 13)