REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED FEBRUARY 26, 1996

On motion of Councillor Steek, the Report of the Committee on Finance and Administration, dated February 26, 1996, was considered clause by clause.

Moved by Councillor Steek,
That the Consent Agenda, Clauses 1,2,3,4,5,6 and 7 be adopted.

Councillor Murray requested that Clause 5 be pulled from the Consent Agenda.

The motion to adopt the Consent Agenda, Clauses 1,2,3,4,6 and 7 was put and declared carried.

Her Worship the Mayor and Councillors:

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

494 - 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:

Rossdale Ukrainian Dance School Inc. for:
Annual Dance Recital on May 4, 1996 at Pantages Playhouse Theatre

Rozmai School of Dance for:
Annual Dance Recital on May 15, 1996 at Pantages Playhouse Theatre

Tara Players Theatre Company for:
Play “Same Old Moon” from May 7 to 10, 1996 at Gas Station Theatre

Winnipeg Bach Festival for:
Winnipeg Bach Festival ‘96 from May 26 to 30, 1996 at various locations

Winnipeg Philharmonic Choir for:
“Grand Song and Dance” on April 21, 1996 at the Jubilee Place Auditorium

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.

Tax Sale No. 101 - Lands which are in Arrears for any part of 1994, plus 1995 and 1996 File FL-2.4 (Vol. 12)

495 - 2. Section 230(1) of The City of Winnipeg Act permits the City to commence tax sale proceedings for properties in arrears for more than one year after December 31 of the year in which the rate was struck. This has been interpreted as meaning that the land is in arrears for the two years prior to the tax sale year.

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The Committee on Finance and Administration recommends:

I. That Council authorize the City of Winnipeg Tax Sale (Tax Sale No. 101) be held November 20, 1996, for lands which are in arrears of taxes for any part of 1994, plus 1995 and 1996;

II. That all lands included in Tax Sale be advertised and sold in accordance with the applicable sections of The City of Winnipeg Act and that the City of Winnipeg exercise its prior right to purchase the property sold in Tax Sale in accordance with Section 235(5) of said Act.

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

Adopted by consent.

Redemption of 326 Bannerman Avenue from Tax Sale by Instalments
File FL-2.4 (Vol. 12)

496 - 3. On January 17, 1996, Mr. and Mrs. Boswell Dryden through their solicitor, William B. K. Pooley of the Law Firm of Tepley and Pooley, requested to be allowed to redeem their property from Tax Sale by instalments.

The City of Winnipeg Act Section 255(4) states the following:

> Notwithstanding section 245 and subsection (1), but subject to subsection (5), the City, if authorized by by-law, may enter into an agreement in writing with an owner of, or a person who has an interest or estate in, or a charge on, land that has been sold for taxes, for the redemption of the land from the tax sale and the payment of all taxes payable in respect of the land subsequently accrued to the date of the agreement and during the currency of the agreement, by instalments.

The payment plan negotiated consists of a down payment in the amount of $1,000.00 and monthly payments in the amount of $300.00. The application of such a proposal, which falls within the framework of previous agreements approved by Council, would retire the present indebtedness of $6,703.67 in approximately 40 months.

The Committee on Finance and Administration therefore recommends:

I. That a redemption be granted from Tax Sale of 326 Bannerman Avenue by consecutive monthly payments of $300.00.

II. That the Legal Services Division be requested to prepare the necessary by-law authorizing the agreement on a one year conditional basis.

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

Adopted by consent.

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1) Proposed Closing and Sale of Almey Avenue between Lagimodiere Boulevard and Panet Road - DAC 5/95
2) Proposed Sale of Parcel A, Plan 9215 and Parcel D, Plan 20162 - Revy Home and Garden
File EP (Vol. 4) (c/r DAC 5/95)

497 - 4. Scott Builders Inc. of Red Deer, Alberta, acting on behalf of Revy Home and Garden and its parent company, Revelstoke Home Centres Limited (hereinafter referred to as the "Company") is the owner and/or entitled to be the owner of all the lands shown outlined on the attached Misc. Plan No. EKT 9405/3. The Company would like to acquire part of the Almey Avenue right-of-way and two small pieces of City owned land for inclusion into its proposed development at this location.

The Company intends to construct a home centre warehouse store with a ground surface area of approximately 129,000 square feet on the assembled properties with the intervening Almey Avenue being an integral part of the proposed development.

The proposal to close the street was circulated to all applicable City Departments and public utilities. Any concerns identified in the closing process have been addressed by the Administrative Co-ordinating Group and will be reflected in the Development and Servicing Agreements.

On September 27, 1995, Council passed By-law No. 6706/95 authorized the closing of the right-of-way in the manner shown on said Misc. Plan No. EKT 9405/3.

In the meantime, the Land and Development Services Department commenced negotiations with the Company. The proposed sale would include also two (2) small parcels of City-owned lands (Parcel A, Plan 9,215 and Parcel D, Plan 20,162) contained within the "Proposed Development Site". These two parcels are surplus lands acquired for the widening of Lagimodiere Boulevard.

The Streets and Transportation Department has indicated that a widening in the amount of 1.829 metres of the Panet Road right-of-way is required from the northern boundary of the Company's property to Reenders Drive as shown on Misc. Plan No. EKT 9405/3. This widening is included within the Streets and Transportation's 1997 - 2001 Capital Works Program (4 lanes divided from Reenders Drive to Grassie Boulevard).

The Streets and Transportation Department has also advised that both Parcel A, Plan 9,215 and Parcel D, Plan 20,162 are surplus to the needs of the Department and should be included with the closed Almey Avenue right-of-way for sale to the Company. These two parcels have yet to be declared surplus by Council before they can be sold.

Scott Builders Inc. has now confirmed that the proposed terms and conditions as outlined on Schedule "A", are acceptable to the Company. The terms and conditions negotiated are consistent with similar transactions of closing and sale.

The lands comprising the former right-of-way contain 2,819.7 sq. m. (30,352 sq. ft.±). The two (2) small parcels comprise a total of 153.75 sq. m. (1,655 sq. ft.). The purchase price for the combined lands totalling 2,973.45 sq. m.± (32,006.9 sq. ft. ±.) has been established at $104,022.00 (rounded) on the basis of $3.25/sq. ft. which is the estimated market value of the lands based on a weighted average of the prices paid by the applicant for adjoining properties.

The land required by the City for the widening of the Panet Road right-of-way consists of 784.1 m² (8,440 sq. ft.) which on the basis of $3.25 per sq. ft. is worth $27,430.00 and the net amount to be paid by the Company is $76,592.00.

The Almey Avenue right-of-way proposed for closure has been maintained by the City and utilized for public transportation purposes for a long time. Consequently, the land may not be in a suitable environmental condition for the applicant's intended development purpose. A term is therefore recommended to be added to Schedule "A" which will require the purchaser to accept transfer and title to the City property in an "as is" condition with the purchaser being responsible to address any environmental concerns that may exist.

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Schedule "A" provides for the transfer of the title and land to the applicant as of the date that Council approves this transaction. Given the fact that the Almey Avenue right-of-way is currently utilized by the public it would be more appropriate to arrange a transfer date which would allow for an orderly physical closing of the right-of-way to minimize disruption. As such, term 8 is recommended to be amended to provide the parties with the flexibility to negotiate a mutually acceptable possession and adjustment date.

Pursuant to term 13 the City/applicant will be granting easements to the Utilities in respect of the services that exist within the right-of-way to be closed. It is understood that the applicant may require the removal of these utilities and as such the applicant will at its initiative and cost be solely responsible for negotiating the relocation of the utilities and the re-establishment of the easements at alternate locations on the site.

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

The Committee on Finance and Administration recommends:

I. That the subject city lands be transferred to Revy Home and Garden and be declared surplus to the City's requirements.

II. That the sale of that portion of Almey Avenue closed by By-law No. 6706/95 be approved, together with City-owned Parcel A, Plan 9,215 and Parcel D, Plan 20,162, in exchange for the land required by the City for the widening of the Panet Road right-of-way plus a further price of $76,592.00 in accordance with the terms and conditions outlined on Schedule "A", subject to the inclusion of the following additional provisions:

   A. The purchaser accepting transfer and title to the City property in an "as is" condition with the purchaser being responsible to address any environmental concerns that may exist;

   B. Term 8 being amended to provide the parties with the flexibility to negotiate a mutually acceptable possession and adjustment date.

III. That the Proper Officers be instructed to do all things necessary to implement the exchange/sale.

Adopted by consent.

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

Proposed Sale of part of Redwood Park - East of Main Street between Redwood and Aberdeen Avenues
File FI-2.4(34) (Vol. 2)

498 - 5. The Redwood Park property, located on the north side of Aberdeen Avenue, east of Main Street, was acquired by the City by a conveyance from the Children's Hospital in 1947 under terms and conditions which required the City to use the lands for park purposes. The lands were originally donated by Drewery's Limited to the Shriner's Hospital for Crippled Children and subsequently conveyed to the Children's Hospital.

Three times over the past several years, 1965, 1974, and 1988, the Holy Family Nursing Home, operated by the Sisters Servants of Mary Immaculate, which acquired the former Children's Hospital property, negotiated exchanges of lands with the City involving portions of the Park, which exchanges of lands were consented to, each time, by the donors of the park land.

The Holy Family Nursing Home has again requested to purchase a portion of the Park. At present it is experiencing difficulty with transients and would like to provide the residents with a secure recreational area. As well, the Home's fence is already encroaching over a portion of the Park. The Home is occupying the City's property without a lease.

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The Parks and Recreation Department has declared that portion of the Park, shown dotted on the attached Misc. Plan No. LSWK 9119/4, to be surplus to its needs and has further advised that the remaining City-owned land can accommodate the property requirements for the North Winnipeg Parkway Project.

The Health Sciences Centre, as successor to the Children's Hospital, has no objection to the sale providing that the Centre is held harmless from any claims that might arise in the future as a result of the transaction. Molson Breweries, as successor to Carling O'Keefe Breweries, which was the successor to Drewery's, also has no objections to the sale.

The Lord Selkirk-West Kildonan Community Committee considered the matter at its meeting of January 17, 1995, and had no objections to the sale on the condition that the proceeds of the sale go into the Lord Selkirk-West Kildonan Land Dedication Reserve Account.

The Streets and Transportation Department again requested a portion of the Holy Family Nursing Home property shown as "Future Widening - 522.6 sq. m" on Misc. Plan No. LSWK 9119/4.

The Technical Advisory Committee on City Properties, in considering this matter on June 28, 1995, was advised that a proposed special condition requires amendment. It is therefore suggested that the following phrase "and that no rezoning will be allowed" be deleted and that an additional requirement be added such that the City will place a caveat against this land restricting it to landscaping use only.

The Land and Development Services Department recommended that Council declare the subject property surplus to the City's needs and accept the Offer to Purchase subject to the amendment of Special Condition 1(a). However, the Committee on Finance and Administration, at its meeting held July 17, 1995, amended the recommendation to provide for an exchange of lands, i.e., property required for a future widening of Main Street at Redwood Avenue for the riverbank parcel as well as City property located at Aberdeen Avenue and Main Street.

The Holy Family Nursing Home has reconsidered the matter but advises that it is not interested in disposing of any of its property for street widening purposes, although it is still prepared to proceed with the originally proposed offer. The Home is of the opinion that a widening would bring traffic too close to their building which it considers to be already uncomfortably close to the intersection, citing more noise and exhaust fumes as major problems. In the event the City is not prepared to proceed on that basis, the Home's solicitors request that the deposit monies be returned.

The resurfacing of Main Street from Sutherland Avenue to Redwood Avenue is included in the proposed 1996 Capital Program. The lands shown as "Future Widening 522.6 m²" on Misc. Plan No LSWK 9119/4 are required to add a northbound right turn lane for the heavy right turn to the Redwood Bridge and to realign eastbound Redwood Avenue which is offset at Main Street thereby reducing the kink in the alignment for eastbound and westbound through traffic. The proposed widening will require the relocation of a sign and two trees.

The lands required are for sidewalks with a portion of the existing sidewalks being used for roadway widening. The Streets and Transportation Department is prepared to pay full market value for the lands required for street widening. In the event that the proposed widening cannot be acquired, then the Streets and Transportation Department would proceed with only a resurfacing of the intersection.

The Parks and Recreation Department has now advised that it supports the position which requests that the Home transfer the lands to the City for street widening in exchange for the riverbank property as a condition of sale. It also recommends that if the Home is not prepared to transfer the lands, that the City terminate negotiations and request the Home to remove the encroachment (fenced compound).

The Committee on Finance and Administration does not support the sale of the subject riverbank land to the Holy Family Nursing Home if the Home is not prepared to also cooperate with the City in satisfying the City's property needs to effect improvements to the adjacent intersection.

The Streets and Transportation Department advised on February 19, 1996, that as part of its widening it now also intends to widen the north side of Aberdeen Avenue by 1.5 m to the east boundary of the City-owned land lying at the northeast corner of the intersection of Main Street and Aberdeen Avenue. The terms of a land exchange would have to be adjusted accordingly. This widening is shown on the attached Misc. Plan No. LSWK 9119/4.

In the event that the riverbank land is eventually sold to the Home, the Land and Development Services Department would recommend that the net sale proceeds arising out of the sale be credited to the land sales target of $4.964 M as

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determined by Council in its consideration of the 1996 Current Estimate notwithstanding the request of the Lord Selkirk-West Kildonan Community Committee to credit the proceeds of the sale to the Lord Selkirk-West Kildonan Land Dedication Reserve Account.

The Committee on Finance and Administration recommends:

I. That the application of the Holy Family Nursing Home to purchase the riverbank property shown shaded on Misc. Plan No. LSWK 9119/4 be rejected.

II. That the Director of the Land and Development Services Department be authorized to attempt to acquire the City's transportation needs at this location by concluding a land exchange with the Holy Family Nursing Home in accordance with the proposal as outlined and as shown on the Misc. Plan No. 9119/4, or by cash purchase, and failing acceptance by the Holy Family Nursing Home, that the Director be authorized to issue appropriate notice to the Holy Family Nursing Home to remove its encroachments and improvements which exist on the City-owned lands.

III. That in the event the riverbank land is eventually sold to the Holy Family Nursing Home, that the property be declared surplus to the City's requirements, and that the net sale proceeds be credited to the General Revenue Account.

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.

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.

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

Carried.

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

Proposed Sale of City Property on the South Side of Park Lane Avenue, East of King Edward Street
File FI-2.4(34) (Vol. 2)

499 - 6. The City has received a request from the owner of the westerly adjoining properties to purchase city property on the south side of Park Lane Avenue, east of King Edward Street shown as "Subject City Property" on Misc. Plan No. LSWK 9121/1. The Applicant (George Birch/Dustrial Plastic and Steel Ltd.) wishes to expand his current holding and has been storing materials on the City lands.

The proposed sale is subject to the City's standard terms and conditions and the following Special Condition:

The Purchaser further agrees that it shall:

(1) construct and thereafter maintain a chain link fence (with a minimum height of six feet) along the entire length of the lands (i.e. along the entire east boundary of the lands) such fence to be satisfactory to the City's Water and Waste Department;

(2) construct an approach to the lands directly from Park Lane Avenue:

(3) said construction (fence and approach) to be completed on or before 60 days from the date of acceptance of the Offer. However, should the acceptance of the Offer by the City occur between October 1 and March 15, the date of completion of said constructions shall not be later than May 15 following.

The Lord Selkirk - West Kildonan Community Committee considered the proposal at its meeting held July 7, 1995, and had no objections to the sale.

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The City's standard terms and conditions require a building to be erected within three years. Initially, the applicant had planned to construct/expand a building onto the lands but subsequently did this work at the rear of his present holding and has requested that the City waive its requirement in this instance. The Land and Development Services Department is supportive of this request.

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

The Committee on Finance and Administration recommends:

I. That the subject land be declared surplus to the City's requirements.

II. That the Offer to Purchase from George Birch/Dustrial Plastic and Steel Ltd. to purchase the subject City lands for the sum of $20,475.00 be accepted as outlined herein subject to the purchaser making application for any zoning variances if necessary and subject to the purchaser providing site improvements necessary to comply with the zoning variance or as are required by the Commissioner of Planning and Community Services.

III. That the usual requirements to build upon this site be waived in this instance.

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.

Adopted by consent.

Charleswood Bridge: Request to the Province of Manitoba to Exempt S.58(2) of The Real Property Act from Applying and Related Matters File SB-19 (Vol. 3)

500 - 7. On September 21, 1994, Council awarded a contract to DBF Ltd. to design, build and finance the Charleswood Bridge and related roadworks project.

On September 27, 1995, Council resolved to request the Province of Manitoba to amend a particular section of The Real Property Act which prevented DBF Ltd. from being able to obtain long-term financing for the Charleswood Bridge. This request was made and ensuing discussions between the Province and Legal Services settled the text of the legislation.

The legislation was not passed in the fall of 1995 but the City was assured by the Province verbally at that time and in writing on January 25, 1996, that it would be introduced in first session in 1996. The Province has now indicated that the legislation will only receive third reading in the fall, 1996, session.

DBF Ltd. is not willing to wait until the fall of 1996 to lock in its long-term financing and has been advised that the Great-West Life Assurance Company (the "Lender") will only advance the loan funds prior to the passage of the legislation if the City guarantees DBF's loan until such time as the legislation is passed and the Lender's security has been registered. The amount of the indebtedness is $8.9 Million.

The Lender has also requested certain amendments to the Lease and Sublease between the City and DBF Ltd. to clarify and vary certain terms thereof. The amendments may be briefly described as follows: (i) clarification of the City's insurance coverage on the bridge, (ii) agreement not to demolish the bridge as long as money is owing to the Lender; (iii) consent to arbitrate disputes as long as money is owing to the Lender; (iv) agreement to pursue enactment of legislation to facilitate the Charleswood Bridge; (v) acknowledgement that DBF's right to assign its interests in the Lease or Sublease may be restricted by the Lender; (vi) confirmation of the Lease and Sublease start dates; (vii) acknowledgement that the Lender's right to correct default of DBF has priority over the City's right to terminate the Lease; (viii) clarification that one of the amounts necessary to calculate the purchase price of the bridge (in the event the City exercises its option to purchase) be referenced to the amount owing to the Lender under its security, whether or not such security is registered; (ix) termination date of the Sublease changed to end one day prior to expiry of the Lease.

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It is recommended that, given the circumstances, the City should provide the guarantee. If the Province of Manitoba keeps its commitment to introduce and pass the legislation within the time frames mentioned above, the guarantee will be of a very short duration. It is considered also to be virtually risk-free in that no payment under the loan is payable before the City's next rent payment to DBF is due under the Sublease, and controls will be in place to ensure that a sufficient portion of the rent payment is applied directly to DBF's loan. It is the further opinion of Legal Services that a failure to grant the guarantee puts the City at risk to claims for damages by DBF.

The amendments requested to the Lease and Sublease are reasonable and none varies the financial terms of the Lease or Sublease. For these reasons, it is recommended by the Committee on Finance and Administration that the City enter into the amending agreement.

The Committee on Finance and Administration therefore recommends:

I. That the City execute a guarantee of DBF Ltd.'s long-term debt to The Great-West Life Assurance Company (the "Lender") related to building the Charleswood Bridge, which guarantee shall expire upon the passage of legislation to facilitate the Charleswood Bridge and registration of the Lender's security.

II. That the City execute an agreement to amend the Lease and Sublease between the City and DBF Ltd. relating to the Charleswood Bridge to clarify and vary certain terms thereof.

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

Adopted by consent.

Donation of the Metropolitan and Capitol Theatres File G-3.1.1 (Vol. 2)

501 - 8. On March 22, 1995, Council adopted the recommendations made by the Committee on Planning and Community Services that the City of Winnipeg pursue acceptance of the offer made by Famous Players Theatre to donate the Capitol and Metropolitan Theatres in exchange for an income tax receipt, and that the proper officers of the City be authorized to do all things necessary to effect that intent.

On January 3 and 29, 1996, the Committee on Finance and Administration requested that Councillors Golden and Lubosch, together with the Chief Commissioner, investigate all aspects of the preservation of the Capitol and Metropolitan Theatres by the private sector or a viable private/public sector partnership, which could bring forward a viable business plan for the properties.

By letter dated January 15, 1996, Mr. David Miles, the solicitor for Gulf & Western (Canada) Limited and Famous Players Inc., forwarded the transfer documents to the City Solicitor/Manager of Legal Services. The main terms of the proposed agreement - between Gulf & Western (Canada) Limited, Famous Players Inc. and The City of Winnipeg - were:

(a) restrictive covenant: there will be a caveat registered against the titles giving notice of a restrictive covenant that the City and any future owner of the land may not show motion pictures that Gulf & Western (Canada) Limited deems to be competitive;

(b) the requirement to pay for the land if the buildings are demolished within eleven years: if either the Metropolitan or the Capitol is demolished before December 31, 2006, the City is to pay to Gulf & Western (Canada) Limited the current fair market value of the land only, (the City Solicitor/Manager of Legal Services has advised that Famous Players Inc. has dropped this condition as of March 5, 1996) and

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(c) refund of 1995 property taxes:

Metropolitan Theatre 1995 gross taxes paid	$30,036.71
Capitol Theatre 1995 gross taxes paid	$38,916.57
Total	$68,953.28
Less one-half of cost appraisal	$ 2,675.00
	$66,278.28

Section 110.1(1) of the *Income Tax Act* contains the rules relating to deductions for gifts. Charitable gifts to a Canadian municipality qualify, but the requirements for an income tax receipt are set out in the regulations. Interpretation Bulletin 1T-110R2 states that in order to be deductible, the contribution must be a gift. Since Gulf & Western (Canada) Limited and Famous Players Inc. have attached three major conditions to the gift, the City's Legal Services Division is recommending that should the proposal be approved, it be subject to a favourable ruling from Revenue Canada on these conditions and the issuance of a tax receipt.

The City's planning documents have consistently emphasized the importance of the downtown. *Plan Winnipeg ...Toward 2010* noted:

> "The City seeks to make the Downtown an attractive, distinctive, and vibrant place for Winnipeggers and visitors alike." It also notes that in rejuvenating the downtown, "The City shall give priority to the Downtown in the development of major commercial, office, entertainment, and cultural facilities."
>
> "The City shall encourage the development of facilities and services in the Downtown which serve the needs of tourists and visitors to Winnipeg."

CentrePlan, the downtown plan which Council adopted in December 1994, also noted its vision of prosperity and innovation for the downtown:

> "In our vision of the future, the downtown is characterized by prosperity and a spirit of innovation. It offers a range of opportunities for commerce, culture and living all integrated to form a rich and diverse environment."

The January 10, 1996 draft of the 1995-1998 Priorities Plan also noted the high priority which the City places in this area as one of its first priorities was "strengthening the downtown".

Some have argued that a successful strategy to bring the Metropolitan and Capitol Theatres back into active use could revitalize the downtown, while others caution the City that operating theatres is not its business. Famous Players sees no economic viability in these old structures.

In examining this issue, there are obviously two major, but inter-related, components:

1. The City's potential acquisition of the Metropolitan and Capital Theatres, and

2. Determination of the future use of the two theatres, and the impact which this use could have on aiding the redevelopment of Winnipeg's downtown.

The time-frame for the City's potential acquisition of the Metropolitan and Capital Theatres is rapidly closing and yet there are still significant questions remaining regarding the cost of renovating these two facilities for future use, as well as the success of proposals for both the future use of the facilities and their impact on helping to rejuvenate Winnipeg's downtown. Action by the City is required that will allow it to further explore the potential use of these theatres and its impact on rejuvenating Winnipeg's downtown before a final decision is made as to whether or not the City should acquire these buildings on a permanent basis.

There is heritage and business grant funding available, but to access this, an applicant must prepare a business plan and pursue an application from the Winnipeg Development Agreement and the Province of Manitoba. These, as well as feasibility studies for the two buildings and their potential use, take time, and further time is also needed to obtain and analyze a potential business plan.

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Thus this recommendation, if approved by Council, would allow the following three steps:

1. The City would acquire the facilities so it has control of the facilities before it begins to spend money pursuing this initiative.

2. The City would then review a business plan and facilitate the process as appropriate.

3. If the business plan is viable, steps would be taken to see that the two buildings are renovated. If the business plan is not viable, the City would provide a demolition permit for either one or both of the theatres and return the properties to Famous Players with the permits.

This plan would allow the City more time to explore the potential of this endeavour, as well as the associated costs if it is feasible, but it would also allow Famous Players to proceed with its current plan if there is not a viable business plan for redevelopment. In return, Famous Players would be reimbursed for its 1995 realty taxes and would not have to pay its 1996 realty taxes and insurance as the properties would be the responsibility of the City for that period. Should the agreement also proceed to its conclusion and the two theatres be redeveloped, Famous Players' other two caveats would also need to be further clarified.

There is some risk for the City in this proposal, but it appears to be a small risk relative to the gain of a successful business venture or clarity of the process for demolition of the sites. The City's risk would involve losses for the 1995 property taxes on these two facilities, payment of both theatres' 1996 property taxes, and the money for the feasibility plan. Not accepting this type of provisional arrangement at this time would not be in keeping with the City's stated desires to "give priority to the Downtown in the development of major commercial, office, entertainment, and cultural facilities" and "encourage the development of facilities and services in the Downtown which serve the needs of tourists and visitors to Winnipeg".

The conclusion of the Ad Hoc Committee, consisting of Councillor Golden, Councillor Lubosch and the Chief Commissioner, is that this venture deserves City support because of its potential significant positive impact on the downtown.

This matter was also considered by the Committee on Planning and Community Services at its meeting held on February 27, 1996, and the Committee concurred with the recommendations of the Committee on Finance and Administration, and recommended that $350,000.00 be allocated from the Winnipeg Development Agreement to undertake the necessary feasibility studies, tax payments, legal and land transfer tax, insurance and building preservation measures, as outlined in Recommendation II. The Committee on Planning and Community Services also recommended that the Capitol Theatre be de-listed from the Historical Buildings List, and requested that the Historical Buildings Committee proceed to review the listing of the Metropolitan Theatre, which is outlined in Clause 10 of the Report of the Committee on Planning and Community Services dated February 27, 1996.

The Committee on Finance and Administration recommends:

I. That the City of Winnipeg agree in principle to accept an offer of donation made by Famous Players Inc. to donate the Metropolitan Theatre and the Capitol Theatre to the City of Winnipeg in exchange for a tax receipt in the amount of $775,000.00, and the return of the 1995 taxes, subject to the following provisions:

   A. a favourable ruling is received from Revenue Canada on the question of whether the proposed donation by Famous Players Inc. constitutes a "charitable gift", given the conditions attached;

   B. a determination is made that the Capitol Theatre and Metropolitan Theatre are economically viable;

   C. an interim agreement is negotiated for access to and maintenance of the buildings, same to include terms and conditions satisfactory to the City Solicitor.

   D. if the City is not able to facilitate the renovation of the two theatres and identify a private sector or viable private/public sector partnership to bring forward a viable business plan for the properties by the end of 1996, the City will not accept the donations and will so advise Famous Players Inc. Famous Players Inc. may then proceed to apply for Demolition Permits, on the understanding that the applications will be processed in the usual manner, subject to compliance with the necessary By-laws and City Policies;

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II. That $350,000.00 be allocated as an allowance from the Winnipeg Development Agreement to undertake the necessary feasibility studies, tax payments, legal and land transfer tax, insurance, and building preservation measures.

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.

The Executive Policy Committee recommends that Recommendation II. be amended to read as follows:

II. That $100,000.00 be allocated from the strategy initiative account of the Winnipeg Development Agreement to undertake property tax and insurance payments; and building preservation measures.

Moved by Councillor Silva,
Adoption of the clause.

In amendment,

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

Carried.

In amendment,

Moved by Councillor Murray,
Seconded by Councillor Thomas,
THAT Recommendation No. I "D" be amended by adding the following words: "The City will allow the demolition of the Capitol Theatre on the condition the Metropolitan Theatre is designated and maintained".

The amendment was put and declared carried.

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

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

502 - On motion of Councillor Steek, By-law No. 6745/96, being an initial borrowing By-law of The City of Winnipeg to authorize the borrowing of money by the issue and sale of debentures of the City in the principal amount of Fifty-two Million, Nine Hundred and twenty-six Thousand, Three Hundred and Seventy-four Dollars and One Cent ($52,926,374.01) for the purpose of repaying in full the principal of the Debentures issued and sold pursuant to By-law No. 4347/86, was read a second and third time, and was passed and ordered to be signed and sealed. File FC-2 (Vol. 17)

On motion of Councillor Steek, By-law No. 6799/96, 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)