REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED JANUARY 29, 1996

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

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

Carried.

Moved by Councillor Steek,
That the rule be suspended to allow Council to consider Clause 5, which had been referred back to the Committee on Finance and Administration by the Executive Policy Committee.

Carried.

Her Worship the Mayor and Councillors:

Feasibility of City-Wide Low Cost Spay and Neuter Program
File EL-4 (Vol. 27)

394 - 1. Council at its meeting held on August 10, 1995, ruled automatic referral of the following motion to your Committee, 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, granted a 60-day extension of time within which to report on the matter.

The Committee on Finance and Administration has requested that a report on this issue be submitted to the Ad Hoc Committee on Licensing and Animal Control which report has not been received to date and Committee, therefore, requests a further 60-day extension of time within which to report back to Council on this matter.

Adopted by consent.

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

395 - 2. The Committee on Finance and Administration has considered recommendations received from the Winnipeg Arts Advisory Council for exemption to the Amusement Tax By-law.

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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:

Alliance Chorale Manitoba for:
Le Festival de la Chanson Francaise on April 27, 1996, at the Pantages Playhouse Theatre

India School of Dance for:
Dharani on May 11-12, 1996, and for Recital XVI on June 9, 1996, both at the Gas Station Theatre

Winnipeg Chapter S.P.E.B.S.Q.S.A. for:
Barbershop Salute to Big Band Era on April 20, 1996, at the Pantages Playhouse Theatre

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.

Refinancing of Debt Issued Pursuant to By-law No. 4347/86 - $85,000,000.00 - 9.75% Maturing August 1, 1996
File FC-2 (Vol. 17)

396 - 3. The City of Winnipeg, on August 1, 1986, issued $85,000,000.00 ten year Sinking Fund Debentures pursuant to By-law No. 4347/86 which will mature on August 1, 1996. A Sinking Fund reserve in an amount of $32,073,625.99 will be available on August 1, 1996, requiring the shortfall of $52,926,374.01 to be refinanced.

Section 292(3) of The City of Winnipeg Act requires the City to make application to the Minister of Finance not less than six months before the August 1, 1996 maturity date.

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

I. That an initial borrowing by-law be approved in an amount of $52,926,374.01 duly approved as to financial details by the City Treasurer and certified as to form by the City Solicitor/Manager of Legal Services to provide for the refinancing of debt issued pursuant to By-law No. 4347/86.

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.

Redemption of 131 Cordite Road from Tax Sale by Instalments
File FL-2.4 (Vol. 12)

397 - 4. On January 3, 1996, Mr. Randy Thomas through his solicitor, Charles Birt, Q.C., requested to be allowed to redeem his 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

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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 $5,000.00 and monthly payments in the amount of $2,375.00. The application of such a proposal, which falls within the framework of previous agreements approved by Council, would retire the present indebtedness of $61,522.83 in approximately 55 months.

The Committee on Finance and Administration therefore recommends:

I. That a redemption be granted from Tax Sale of 131 Cordite Road by consecutive monthly instalments of $2,375.00.

II. That the City Solicitor/Manager of Legal Services be requested to prepare the 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.

Proposed Sale of City Property - Southwest Corner of rue la Verendrye at rue Thibault File FI-2.4(35) (Vol. 2)

398 - 5. The City has received an offer from the St. Boniface General Hospital (hereinafter called "Hospital"), in a joint initiative with Winnipeg Habitat for Humanity (hereinafter called "Habitat"), to purchase the City-owned property located at the southwest corner of rue la Verendrye at rue Thibault for the sum of $1.00, for the construction of a single-family, bi-level home. Title to the property would issue in Habitat's name or its nominee's. This project is in conjunction with the Hospital's 125th anniversary as well as the St. Boniface Hospital Research Foundation's 25th anniversary.

Habitat has advised that the Hospital will be financing as much of the building as possible by way of fund-raising projects. As well, hospital staff will be volunteering for the construction. Habitat will be using, as much as possible, the Hospital's suppliers, hoping either for donated materials or deep discounts.

The Hospital has planned a "Building Blitz" for June, 1996, and therefore, Habitat will have to excavate the foundation as soon as the weather permits, before May, if possible. Due to the time constraints, Habitat has requested consideration of the sale at the earliest opportunity.

The Water and Waste Department has advised that the property is surplus to its needs. The Streets and Transportation Department has declared the property surplus to its needs, except for a 2.0m x 1.0m corner cut required to be opened as public street/lane at the northwest corner of the lane and rue Thibault.

The former District Operations Department advised that there are no services in the property that would require easements and that vehicular access should be off the back lane.

The Land and Development Services Department was unable to support this sale at a price less than market value given its need to negotiate transactions on an economic basis. The Committee on Finance and Administration concurs with the Land and Development Services Department and is recommending that the property be sold at a discounted market value.

The Committee on Finance and Administration therefore recommends:

I. That property located at the southwest corner of rue la Verendrye at rue Thibault (Part Lot 59, Plan 29529), be declared surplus to the City's needs with the exception of a 2.0m x 1.0m corner cut required to be opened as public street/lane at the northwest corner of the lane and rue Thibault.

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II. That the sale of the referenced City lands be approved to the Winnipeg Habitat for Humanity for $20,000.00 subject to standard terms and conditions of sale.

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

Copy of Misc. Plan No. RIEL 9590 is on file in the office of the City Clerk.

Moved by Councillor Steek,
Adoption of the clause.

In amendment,

Moved by Councillor Steek,
Seconded by Councillor Vandal,

WHEREAS on February 14, 1996, the clause was referred back by Executive Policy Committee to the Committee on Finance and Administration;

AND WHEREAS the clause outlined the recommendation of the Committee on Finance and Administration regarding property located at the southwest corner of rue la Verendrye at rue Thibault, that said property be declared surplus to the City's needs and be sold to Winnipeg Habitat for Humanity for $20,000.00;

AND WHEREAS the St. Boniface General Hospital, in a joint initiative with Winnipeg Habitat for Humanity, had requested to purchase the subject property for the sum of $1.00 for the construction of a single-family, bi-level home;

AND WHEREAS this project is in conjunction with the Hospital's 125th anniversary as well as the St. Boniface Hospital Research Foundation's 25th anniversary;

AND WHEREAS Habitat for Humanity has advised that the Hospital will be financing as much of the building as possible by way of fund-raising projects;

AND WHEREAS a "Building Blitz" has been planned for June, 1996, and the foundation will have to be excavated as soon as weather permits, before May, if possible, and therefore the matter should be dealt with as soon as possible;

THEREFORE BE IT RESOLVED that the recommendations of the Committee on Finance and Administration be amended by deleting Recommendation II and substituting therefor the words "that the sale of the referenced property be approved to the Winnipeg Habitat for Humanity for $1.00, subject to standard terms and conditions of sale".

The Speaker called the Deputy Speaker, Councillor Prystanski, to the Chair and left the Chamber.

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The amendment was put.

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

Yea: Councillors Lubosch, Murray, O'Shaughnessy, Phillips, Silva, Steek, Thomas, Timm-Rudolph, Vandal, Deputy Mayor Eadie and Councillor Prystanski. 11

Nay: Councillors Clement, Golden and Angus. 3

and the amendment was declared carried.

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

Proposed Deferral of Payment of Servicing Costs - Tuxedo South Development Files DASZ 28/81 and FL-2.4 (Vol. 4)

399 - 6. The subdivision of certain lands in the South Tuxedo area into a block plan was effected pursuant to a rezoning and subdivision application by Imperial Developments (Canada) Ltd. (hereinafter called "Imperial") under File DASZ 22/81. Adjacent land, owned separately by Duraps Corporation (hereinafter called "Duraps") under Files DASZ 46/79 and DASZ 28/81, as outlined in Exhibits "A" and "B", was included in simultaneous applications in the interest of achieving an overall plan for the area and land distribution between the various owners.

The servicing, as provided under the original agreement between The City of Winnipeg and Imperial, was financed by the City of Winnipeg, with recovery by a local improvement by-law against Imperial lands and City lands through the sale of its lots. Pursuant to the Imperial subdivision, DASZ 22/81, the City was obliged to and did in 1993 install a full range of municipal services in Portsmouth Boulevard and Park Place East to the east of Coleraine Crescent and adjacent to the Duraps property.

While this construction was also required in the Duraps development agreement (AG 28/81), the actual construction should have been deferred until such time as amongst other things, Duraps made application for its own subdivision. This development agreement also provided for the recovery of these costs by progressive payments which would be triggered by invoices from the City for the work carried out.

Duraps has advised that it was inappropriate for the City to require the company to pay for the construction costs at the time of construction as the company had not yet proceeded with its own subdivision application. Duraps acknowledges that it does in fact owe these costs but has now requested the City, for economic reasons, to permit it to proceed with its subdivision and to pay off these construction costs on a progressive basis rather than being required to repay them on a lump sum basis at the time of the subdivision.

According to the Legal Services Division, since Duraps was not party to the Development Agreement DASZ 22/81, the actual servicing costs, administration costs and dedication costs attributable to part Lot 5, Block 7, Plan 17013 as shown on Misc. Plan No. APFG 7553/7 cannot be recovered until such time as Duraps makes application for a subdivision of the subject lands. Furthermore, the Legal Services Division has indicated that there is no way under the existing agreement to require Duraps to make payment now or to provide a letter of credit guaranteeing future payment or to agree to pay in the future with interest.

As a result, an Addendum to Development Agreement AG 28/81 has been designed which provides for recoveries to be made from Duraps which also allows Duraps to subdivide part Lot 5, Block 7, Plan 17013 and establishes arrangements to pay off the outstanding servicing costs plus dedication and administration costs with interest. The agreement provides for Duraps to make nine equal payments which must be paid prior to the issuance of building permits on each of the first nine lots in which building permits are requested.

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The subject property is currently in tax sale and Duraps has until November 28, 1996 to redeem the property by paying the outstanding taxes plus 10% penalty plus monthly interest from November 29, 1995. Once a property is in tax sale all tax arrears owing including penalties and interest must be paid in order for the property to be redeemed. If the tax arrears and penalties are not paid, the City can on November 29, 1996 make application for title.

The Land and Development Services Department is supportive of the approval of the addendum however, the Department recommends that the approval be subject to Duraps paying off all outstanding tax arrears, penalties and interest prior to issuance of the subdivision mylars, which is consistent with the manner in which the Land Development Division processes applications.

The Committee on Finance and Administration therefore recommends:

I. That approval be given to permit the Duraps Corporation to defer payment of the development costs for Lot 5, Block 7, Plan 17013 - Tuxedo South Development in accordance with the terms of the draft Addendum to Development Agreement AG 28/81, subject to Duraps Corporation paying off all outstanding tax arrears, penalties and applicable interest prior to the subdivision mylars being released.

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

Adopted by consent.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED FEBRUARY 8, 1996

On motion of Councillor Steek, the Report of the Committee on Finance and Administration, dated February 8, 1996, was considered.

Moved by Councillor Steek,
That the Consent Agenda, Clause 1, be adopted.

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

Her Worship the Mayor and Councillors:

Campus Plan Direction
File FB-1.13 (Vol. 2)

400 - 1. An approved direction is required regarding the Campus Plan Concept. This direction can then be used to accurately guide property acquisition, renovation, and staff accommodation strategies.

The Committee on Finance and Administration at a Special Meeting on February 8, 1996, was advised of the following:

1) The Union Bank Tower Building located at 500/504 Main Street was acquired by the City of Winnipeg through the Tax Sale process and title issued on June 9, 1995. On July 17, 1995, approval was given by the Committee on Finance and Administration to secure the building. The Civic Buildings Department secured the building, undertook minor repairs to preserve safety and security, and provided basic heating of the foundation to prevent further deterioration and the necessary funds were expended to undertake these tasks. The Union Bank Tower is currently in a "mothballed" state.

2) On September 18, 1995, the Committee on Finance and Administration considered a report dealing with the acquisition of the Leland Hotel at 218/222 William Avenue, plus other properties bounded by Main Street, Bannatyne Avenue, King Street, and William Avenue. The Committee on Finance and Administration also directed the Administration to negotiate for the acquisition of these properties.

   On September 27, 1995, Council adopted Clause 1 of the Report of the Committee on Finance and Administration dated September 27, 1995, relative to the acquisition of the Leland Hotel.

3) As directed by the Committee on Finance and Administration, the Land and Development Services Department further pursued negotiations to acquire the specified properties. On January 4, 1996, the Board of Commissioners considered a report dated December 18, 1995, from the Land and Development Services Department seeking permission to obtain an option on the Septimus Properties (476/480 Main Street - Big Four Sales), as outlined in Exhibit "A". The Board of Commissioners approved the recommendation for the purchase of an Option for a price of $350,000.00 for these properties. The Option is to expire at 12:00 noon, February 29, 1996. The cost of obtaining this non-refundable option was $10,000.00.

4) A report was prepared regarding the overall Campus Plan Strategy. This report noted the two options that could be followed with respect to the redevelopment of the Union Bank Tower and the surrounding Market Square area. *It must be stressed that the redevelopment of this area will require significant funding, energy, and will impact The City of Winnipeg for many years to come.* Specific cost estimates are not available and private sector partnerships would be pursued, however, an order of magnitude estimate of additional investment is approximately $16 million.

   On January 11, 1996, the Board of Commissioners received this report as information. As the Campus Plan, and the associated building acquisitions/renovations/staff movements/etc. that would fall out of such a plan had considerable impact on all areas of accommodation planning, the report was forwarded to Her Worship Mayor Thompson, Councillor Eadie, Councillor Steek, and Councillor Angus on January 15, 1996.

Report of the Committee on Finance and Administration dated February 8, 1996

5) On January 29, 1996, the report was also provided to all members of the Committee on Finance and Administration.

There are three fundamental issues at play:

- Accommodation requirements for Council and Civic staff.
- The potential for the completion of a large assembly of land and buildings in a prime location, adjacent to City Hall.
- Funding.

The City is now at a very crucial crossroad, and how the corporation proceeds will have a profound impact on all of these fundamental issues. There are some immediate short run decisions that must be made, however, these short run decisions (such as exercising the option acquired on the Septimus Properties) have the potential for considerable impact, and will affect the overall vision of this key area.

The City of Winnipeg cannot afford false starts, nor lost opportunities, nor dramatic shifts in direction, therefore the overall plan must be very clear at the outset; and from a facilities perspective, the New Directions initiative is stalled for lack of clear direction and certainty.

The Committee on Finance and Administration, at its Special Meeting on February 8, 1996, was requested to choose one of the following directions regarding the Campus Plan, namely:

1. To move ahead with the Campus Plan in its "full" concept, move into the Union Bank Tower, and redevelop the Market Square area. Committee was advised that if this is the chosen path, the acquired option on the Septimus Properties should be exercised. More detailed plans would need to be created, and funding must be lined up to provide for the demolition/renovation/rebuilding/street closures/staff movements and all other aspects required. The appropriate energy and associated funding would be focussed on this course.

2. To not proceed with the "full blown" Campus plan. The option would not be exercised, the Union Bank Tower would remain in its current mothballed state. Alternative plans need to be developed in order to accommodate the requirements of the Council and civic staff. Energy and funding then would be channelled toward these initiatives.

In conclusion, Committee was advised that decisions made at this time with respect to the acquisition of properties and movement of staff will impact long term direction, and will obviously require appropriate funding. However, the corporation's capacity to fund such initiatives is extremely limited. All decisions must be made within a defined context--collective civic energies and funding cannot be diffused, but must be focused on a clear objective.

For the information of members of Council, the Committee on Finance and Administration has requested a report outlining the accommodation needs of the corporation under "New Directions" for the long-term operation of the City of Winnipeg.

The Committee on Finance and Administration after considering all aspects of this matter, recommends:

I. That Council adopt the Campus Plan Strategy, in principle, and that staff be instructed to proceed with the required planning, including the acquisition of Septimus Properties.

II. That the City exercise the required option on the Septimus Properties, the funding of which will be provided from the 1996 Capital Campus Plan Project.

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

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

Moved by Councillor Steek,
Adoption of the clause.

The Speaker here resumed the Chair.

Report of the Committee on Finance and Administration dated January 29, 1996

In amendment,

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

WHEREAS there is an uncertainty in the amount of money to be made available for the renovations of the subject sites as mentioned in the clause;

THEREFORE BE IT RESOLVED that no City of Winnipeg funds be expended from either the Current or Capital Budget on 500/504 Main Street, 218/222 William Avenue, 476/480 Main Street, for any work or renovations, demolitions, reconstruction or any other work necessary to change the current structures of these buildings, without a complete campus concept plan and cost analysis being adopted by City Council, excluding work required for safety purposes.

The amendment was put and declared carried.

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

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

Yea: Councillors Prystanski, Clement, Golden, Lubosch, O'Shaughnessy, Phillips, Silva, Steek, Deputy Mayor Eadie, Her Worship Mayor Thompson and Councillor Angus. 11

Nay: Councillors Lazarenko, Murray, Thomas, Timm-Rudolph and Vandal. 5

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

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

401 - 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 first time. File FC-2 (Vol. 17)

Councillor Steek moved that this constitute the first reading of By-law No. 6745/96, which motion was carried.

On motion of Councillor Steek, By-law No. 6781/96, 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)