Minutes – Executive Policy Committee – September 19, 2007

REPORTS

Minute No. 523 2006 and 2007 Gail Parvin Hammerquist Fund Allocation
File G-3.1.6

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That the following disbursements from the 2006 and 2007 Gail Parvin Hammerquist Fund be approved, namely:

   A. A reallocation of $604,593.00 for the purpose of providing a Grant to the CentreVenture Development Corporation to fund innovative measures that will attract new investment, occupants and uses for heritage buildings, as well as to conserve the heritage character, architectural elements, and detailing of designated buildings.

   B. An allocation of $180,000.00 to the City-Wide Heritage Program, administered by the Historic Buildings Committee with the concurrence of the City's Designated Officer, for funding of the restoration of the Waddell Fountain in Central Park.

2. That the Chief Administrative Officer be authorized to approve the final terms and conditions of the Grant to the CentreVenture Development Corporation as required to reflect the intent of Council.

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

DECISION MAKING HISTORY:

Moved by Councillor Wyatt,
That the administrative recommendation be concurred in and forwarded to Council.

Carried

Re: 2006 and 2007 GAIL PARVIN HAMMERQUIST FUND ALLOCATION

For submission to: Executive Policy Committee

Original report signed by: Acting Director of Planning, Property and Development

Report date: May 9, 2007

Recommendation(s):
1. That Council approves the following disbursements from the 2006 and 2007 Gail Parvin Hammerquist Fund:

a) a reallocation of $ 604,593.00 for the purpose of providing a Grant to the CentreVenture Development Corporation to fund innovative measures that will attract new investment, occupants and uses for heritage buildings, as well as to conserve the heritage character, architectural elements, and detailing of designated buildings; and,

b) an allocation of $180,000 to the City-Wide Heritage Program, administered by the Historic Buildings Committee with the concurrence of the City's Designated Officer, for funding of the restoration of the Waddell Fountain in Central Park; and,

2. That Council authorizes the Chief Administrative Officer to approve the final terms and conditions of the Grant to the CentreVenture Development Corporation as required to reflect the intent of Council.

REPORT SUMMARY

Key Issues:

- This is the seventh year that Council has been asked to consider allocations from the Gail Parvin Hammerquist Fund to the CentreVenture Development Corporation.
- The Gail Parvin Hammerquist Fund is seeded on an annual basis by 5% of total city land sales from the previous year.
- The total allocation to the Gail Parvin Hammerquist Fund in 2006 was $289,593 while 2007 is $495,000.
- Similar to the previous methodology used for the 2003 through 2005 allocations, and for the purpose of maximizing flexibility as to the use of the funds, the Administration recommends that CentreVenture receive the funding as a grant rather than as an allocation towards their former CentreVenture Downtown Heritage Program.
- CentreVenture will strategically use their grant to lever private investment within designated structures and / or the Exchange District itself.
- CentreVenture will report annually to the Executive Policy Committee as to the use of Gail Parvin Hammerquist grant funds.

- The allocation to the City-Wide Heritage Program for the purposes of funding the restoration of the Waddell Fountain will bring the total in the approved City funding for that project up to $450,000. It is anticipated that these funds will be used to lever significant additional funding from other levels of government as well as from non-profit foundations.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(x) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

- The grant to CentreVenture will provide them with additional tools to address worthy heritage projects within the downtown.
- The allocation for the Waddell Fountain will allow for the restoration of this heritage fountain within Winnipeg's Central Park.

Policy Implications

(x) No

( ) Yes

Comment(s):

Regulatory Implications

(x) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(x) No

( ) Yes

Comment(s):

Human Resources Implications

(x) No

( ) Yes

Comment(s):

Financial Implications

(x) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s):

- The Gail Parvin Hammerquist Fund is seeded on an annual basis by 5% of total city land sales from the previous year.

REASON FOR THE REPORT:
This Report recommends a reallocation from the Gail Parvin Hammerquist Fund as a grant to the CentreVenture Development Corporation, as well as an allocation to the City-wide Heritage Program. These allocations require Council approval.

HISTORY:
On April 30, 1997, Council established the Gail Parvin Hammerquist Fund through By-law No. 7040/97 to encourage greater investment in the retention, improvement, and use of designated structures. Financing is provided by an annual allocation based upon 5% of gross city land sales.

DISCUSSION:
Since Council created CentreVenture in 1999, the City has split the annual allocation of funding from the Gail Parvin Hammerquist Fund between CentreVenture grants or Heritage Programs and a City-wide Heritage Program administered by the Historical Buildings Committee. Funding has been allocated as follows:

Year	Gail Parvin Allocation	CentreVenture Program(s)	City-wide Program
2000	$600,000	$500,000	$100,000
2001	$383,423	$300,000	$ 83,423
2002	$162,183	$162,183	$ 0
2003	$173,476	$113,476	$ 60,000
2004	$312,600	$290,000	$ 22,600
2005	$335,544	$ 35,544	$300,000
Total	$1,967,226	$1,401,203	$566,023

Based upon a review of the priority needs for the heritage programs within the City, the Administration recommends the following allocation of funds for the 2006 and 2007 Program Year:

Year	Gail Parvin Allocation	CentreVenture Program	City-wide Program
2006	$ 289,593	$144,797	$144,796
2007	$495,000	$459,796	$ 35,204
Total	$784,593	$604,593	$180,000

CentreVenture Allocation

CentreVenture has successfully utilized these heritage funds to lever significant private investment in heritage structures within the downtown and more specifically, within the Exchange District. CentreVenture has partnered with private developers and heritage building owners to undertake architectural adaptive re-use feasibility and engineering studies. The funds also assist in the marketing and sale of city-owned heritage buildings that have been optioned to CentreVenture through the CentreVenture Asset Agreement. (See attached letter, dated April 27, 2007)

Administration recommends that the CentreVenture allocation be made in the form of a grant rather than as an allocation towards their previous CentreVenture Downtown Heritage Program. The CentreVenture Downtown Heritage Program required annual approval of the Program criteria and procedures from the Executive Policy Committee. CentreVenture can act more strategically if they are provided the flexibility to allocate funds from this grant based upon the merit of the individual business case.

This recommendation effectively approves funding from the Gail Parvin Hammerquist Fund and reallocates it to CentreVenture by way of a grant under section 218 of the City of Winnipeg Charter. The Administration further recommends that Council authorize the Chief Administrative Officer to approve the final terms and conditions of an agreement to be entered into between CentreVenture and the City with respect to the grant.

In order to promote transparency, the agreement will include language to ensure that CentreVenture reports back to the Executive Policy Committee on an annual basis as to the use of these funds.

City-Wide Program Allocation
The $180,000 City-wide Heritage Program allocation is for the purpose of restoring the Waddell Fountain.

Waddell Fountain
The Waddell Fountain was constructed in 1914 to commemorate Emily Margaret Waddell and is a prominent feature in Central Park and the downtown. Architect John Manuel designed it originally in the Gothic Revival style. It is a Grade II listed structure under the City of Winnipeg's Historic Buildings By-Law and is also a Provincial Heritage Site. Vandalism and deterioration have taken their toll on the fountain and it has not been operating in the last several years. This is a City-owned structure and is a priority for the City's Historical Buildings Committee.

Cohlmeyer Architects Ltd. recently completed a Condition Assessment and Rehabilitation Study on the fountain in March 2005. Four Rehabilitation Scenarios were considered:

Scenario	Estimate
a) Non- Operating Fountain- Preservation	$ 7,000
b) Operating Fountain- Rehabilitation	$ 490,000
c) Operating Fountain- Restoration	$ 566,000
d) Operating Fountain- Reconstruction / Replication	$ 628,000

The Historical Buildings Committee has recommended that Scenario c) Operating Fountain-Restoration be pursued. This Scenario involves the complete restoration of the visible portions of the fountain to like-new (1915) appearance and function.

With the recommended allocation of $180,000, together with the 2005 allocation of $270,000, a total of $450,000 will be available for the restoration of the fountain. With an estimate for the project of $ 566,000, the Historic Buildings Committee will seek to lever the City allocation with funding from other levels of government or non-profit foundations.

CentreVenture and the Historical Buildings Committee will work together to ensure ongoing support for CentreVenture's "Heart of Gold " Plan, which identifies Central Park as a world-class destination park that serves the local community for people of all ages.

Financial Impact Statement

Date: May 4, 2007

Project Name:

2006 and 2007 GAIL PARVIN HAMMERQUIST FUND ALLOCATION

First Year of Program **2007**

	2007	2008	2009	2010	2011
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 784,593	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 784,593	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	784,593	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The recommendations in this report would result in $784,593 being allocated to CentreVenture. This allocation of funds would be funded by the Gail Parvin Hammerquist Fund.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Internal Services Department, Legal Services

External Consultation With:
CentreVenture Development Corporation

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development Department
Division: Office of the Director
Prepared by: Barry Thorgrimson
PPD File No.

Document name: O:\Reports Directive\Office of the Director\Downtown Manager\2006,2007 Gail Hammerquist fund allocation.doc

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Hammerquist Fund.pc

CENTREVENTURE
DEVELOPMENT CORPORATION

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Mayor Sam Katz
Honourary Chairperson

April 27, 2007

Mr. Jim Paterson
Acting Director, Planning Property & Development
City of Winnipeg
3rd Floor – 65 Garry Street
Winnipeg, MB R3c 4K4

Dear Mr. Paterson:

Re: 2006 and 2007 Gail Parvin Hammerquist Fund

CentreVenture Development Corporation has enjoyed great success in the past by utilizing the 2003 and 2004 Gail Parvin Hammerquist allocations to provide capital grants and grants for feasibility studies to encourage revitalization and adaptive reuse of our treasured heritage buildings in the downtown. CentreVenture is requesting that City Council consider approving the allocation of the 2006 and 2007 Gail Parvin Hammerquist funds to CentreVenture to enable our organization to continue to leverage private sector investment into future heritage building conservation and restoration.

CentreVenture is currently involved in advancing plans with the private sector for the redevelopment of three key historical buildings. These include, the Metropolitan Theatre, the James Avenue Pumping Station and the Ryan Block located at the corner if Bannatyne and King. Potentially, fairly significant heritage grants will have to be provided to assist with the increased redevelopment costs associated with heritage preservation work.

CentreVenture is also working closely with the owner of the St. Charles Hotel and recently provided a GPH grant to do a feasibility study to explore possible solutions for the redevelopment of the Albert Street business block, which includes the oldest house in the Exchange District. If a solution can be found that maintains the Albert Street streetscape, preserves the heritage house and also enhances the Hotel redevelopment project, a heritage grant will likely be required. CentreVenture has identified five other vacant or underutilized heritage buildings where there is potential to expedite redevelopment if financial assistance can be offered.

In addition to strategically targeting specific buildings, CentreVenture, working in collaboration with the Planning, Property & Development Department, will

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look at the potential for developing criteria for a broader program that could make the GPH funds accessible to all heritage building owners.

Thank you for your consideration and we look forward to receiving your favourable response.

Yours Truly,
CentreVenture Development Corporation

Ross McGowan
President & CEO