Minutes - Executive Policy Committee – September 19, 2007

Minute No. 541
Report - Standing Policy Committee on Property and Development – September 4, 2007

Item No. 10 Process for Reporting Information on the Sale of City-owned Property
File FA-2

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the process of reporting certain sales information pertaining to the sale of City-owned property outlined in the report from the Acting Director of Planning, Property and Development dated June 13, 2007, be approved as recommended in the Audit of "Winnipeg Arena" Request for Proposals.

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

Minutes - Executive Policy Committee – September 19, 2007

Report - Standing Policy Committee on Property and Development – September 4, 2007

DECISION MAKING HISTORY:

Moved by Councillor Swandel,
That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 4, 2007, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

RE: Proposed Implementation of Recommendation #5 of the Audit of "Winnipeg Arena" Request for Proposals

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

ORIGINAL REPORT SIGNED BY: A/ Director of Planning, Property and Development

REPORT DATE: June 13, 2007

RECOMMENDATION:

1. That the proposed process of reporting certain sales information to Council pertaining to the sale of City-owned property outlined within this report be approved, as recommended in the Audit of "Winnipeg Arena" Request for Proposals.

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

Report Summary

Key Issues:

- In the fall of 2004, questions emerged regarding the "Winnipeg Arena" Request for Proposals (RFP) and sale that were brought to the attention of the Manitoba Ombudsman and the City Auditor.
- An audit was conducted in accordance with generally accepted auditing standards. In preparing the report, the Audit Department relied upon interviews with Planning, Property and Development, Corporate Services, Corporate Finance and Public Works management and staff, and information, data, and other documentary evidence.
- Pursuant to the audit, five recommendations were made, which identified areas for the overall improvement of the RFP process. Four of the five recommendations made by the Audit Department have since been implemented by the Department.
- Recommendation #5 of audit has yet to be implemented and reads as follows:

> *"Recommendation #5*
>
> *The Real Estate Division should develop a process to disclose to the public the name(s) of the purchaser and price paid for real estate transactions. In consultation with Legal Services, the Real Estate Division should also develop a process to debrief unsuccessful proponents, upon their request, as to why their submission was not selected. These proposed changes with*

respect to the disclosure of information should be reported to the SPCPD and Council for their consideration and approval."

- In order to address and implement the foregoing recommendation, the Planning, Property and Development Department has determined, in consultation with Legal Services, that the most efficient and logical approach to disclosing to the public the name(s) of Purchasers and the price paid for real estate transactions is to produce a semi annual report to Council on all sales.
- This type of information is presently public and can be obtained at The Property Registry of the Province of Manitoba.
- Subject to approval of the proposed reporting of sales information to Council, it is expected that the above plan may be implemented through the submission of the Department's first report in September 2007.
- In addition, the Department will debrief (a practice that has begun) unsuccessful proponents on RFPs and EOIs related to proposed sales and leases upon request, in the same manner currently employed by the Materials Management Branch of the Corporate Controller's Division.

Implications of the Recommendation(s):

General Implications

(x) None

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

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

( ) Involves a multi-year contract

Comment(s):

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):

Report

REASON FOR THE REPORT:

The Planning, Property and Development Department has developed a process to disclose certain information pertaining to the sale of City-owned property to the public, as recommended in the Audit of "Winnipeg Arena" Request for Proposals. The proposed changes with respect to the disclosure of information require Council consideration and approval.

HISTORY:

In the fall of 2004, questions emerged regarding the "Winnipeg Arena" Request for Proposals (RFP) and sale that were brought to the attention of the Manitoba Ombudsman and the City Auditor. The complainants alleged unfair treatment of one of the RFP submissions and questioned many aspects of the RFP process and subsequent sale.

An audit was conducted in accordance with generally accepted auditing standards. In preparing the report, the Audit Department relied upon interviews with Planning, Property and Development, Corporate Services, Corporate Finance and Public Works management and staff, and information, data, and other documentary evidence.

Based on the audit, it was concluded that:

- The RFP process was conducted in accordance with City Policies and Administrative Directives.
- Administration's determination of responsive submissions was fair and reasonable.
- Administration's evaluation of the responsive submissions was fair and reasonable.
- Administration exercised due diligence in the offer and sale of the Arena.

DISCUSSION:

Pursuant to the audit, five recommendations were made, which identified areas for the overall improvement of the RFP process. Four of the five recommendations made by the Audit Department have since been implemented by the Department. Recommendation #5 of audit has yet to be implemented and reads as follows:

> *"Recommendation #5*
>
> *The Real Estate Division should develop a process to disclose to the public the name(s) of the purchaser and price paid for real estate*

transactions. In consultation with Legal Services, the Real Estate Division should also develop a process to debrief unsuccessful proponents, upon their request, as to why their submission was not selected. These proposed changes with respect to the disclosure of information should be reported to the SPCPD and Council for their consideration and approval."

In order to address and implement the foregoing recommendation, the Planning, Property and Development Department has determined, in consultation with Legal Services, that the most efficient and logical approach to disclosing to the public the name(s) of Purchasers and the price paid for real estate transactions is to produce a semi annual report to Council on all sales. This reporting approach will only contain completed sales, where title has been transferred. This type of information is presently public and can be obtained at The Property Registry of the Province of Manitoba.

This proposed reporting of sales information to Council may require that the terms of Purchase and Sales Agreements be modified to include a provision stating that both the purchase price and name(s) of the Purchaser will be disclosed to Council at some point after title issues in the name of the Purchaser, resulting in the information becoming public. Advertising material related to public offerings may also include such a notice.

The Planning, Property and Development Department is presently modify existing electronic databases to facilitate reporting as noted above.

Subject to approval of the proposed reporting of sales information to Council, it is expected that the above plan may be implemented through the submission of the Department's first report in September 2007. In addition, the Department will debrief (a practice that has begun) unsuccessful proponents on RFPs and EOIs related to proposed sales and leases upon request, in the same manner currently employed by the Materials Management Branch of the Corporate Controller's Division. Upon written request to the Director of the Planning, Property and Development Department, a Proponent will be provided with information related to the evaluation of the Proponent's proposal only.

Financial Impact Statement **Date:** June 7, 2007

Project Name:

Proposed Implementation of Recommendation #5 of the Audit of "Winnipeg Arena" Request for Proposals

COMMENTS:

The recommendations contained in this report include that the proposed process of reporting certain sales information to Council pertaining to the sale of City-owned property outlined within this report be approved, as recommended in the Audit of "Winnipeg Arena" Request for Proposals. There are no financial implications associated with this recommendation.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services Division

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department:	Planning, Property and Development
Division:	Real Estate
Prepared by:	John S. Zabudney
PPD File No.:	N/A