REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED SEPTEMBER 26, 1994

On motion of Her Worship Mayor Thompson, the Report of the Executive Policy Committee, dated September 26, 1994, was considered.

Her Worship The Mayor and Councillors:

Amendment to the 1991 Jets' Agreement
File F-5.1 (Vol. 3)

1085 - 1. Council at its meeting held on September 21, 1994, ruled automatic referral of the following motion to your Committee, under Rule 16.1 of the Procedure By-law No. 5400/90:

Moved by Her Worship Mayor Thompson,
Seconded by Deputy Mayor Fraser,

WHEREAS Council is in receipt of a proposal from Manitoba Entertainment Complex Inc., being a not-for-profit corporation, the membership of which is comprised of individuals from the Winnipeg business community, to use its best efforts to:

(a) secure by May 1, 1995, all arrangements, approvals, agreements and binding commitments required to proceed with the construction and opening by Fall 1997 of a new entertainment complex in Downtown Winnipeg (the "Entertainment Complex") with seating of approximately 16,000 for hockey and a minimum of 3,000 premium seats;

(b) secure by May 1, 1995, all agreements and arrangements for the Winnipeg Jets to be an anchor tenant in the Entertainment Complex;

(c) take by May 1, 1995, all steps necessary in order to exercise on its or on its nominees behalf, its right to acquire the Majority Owners' Partnership Interest;

AND WHEREAS the said proposal requires that the Agreement made between Barry Shenkarow, Marvin Shenkarow, The Sterling-Stall Group, Harvey Secter, Moffat Communications Ltd. and Randall L. Moffat Holdings Ltd., of the First Part, Winnipeg Enterprises Corporation, of the Second Part, Jets Hockey Ventures, of the Third Part, The City of Winnipeg, of the Fourth Part, Her Majesty the Queen in the Right of the Province of Manitoba, of the Fifth Part, Jets Private Sector Inc., of the Sixth Part, and The Interim Steering Committee Inc., of the Seventh part, (the "1991 Jets Agreement") be amended;

THEREFORE BE IT RESOLVED THAT Council authorize an amendment to the 1991 Jets Agreement, in the form attached as Appendix I, provided that the Majority Owners and the Partnership as defined in the 1991 Jets Agreement consent in writing to such amendment;

AND THAT the Mayor and City Clerk be authorized to execute the said amendment subject to confirmation that the Province of Manitoba has approved and executed the same agreement.

Based on advice from the Law Department, your Executive Policy Committee has endorsed the following revised resolution which would replace that outlined above and recommends that the following motion be forwarded to Council for approval and adoption, namely:

WHEREAS Council is in receipt of a proposal from Manitoba Entertainment Complex Inc., being a not-for-profit corporation, the membership of which is comprised of individuals from the Winnipeg business community, to use its best efforts to:

(a) secure by May 1, 1995, all arrangements, approvals, agreements and binding commitments required to proceed with the construction and opening by Fall, 1997 of a new entertainment complex in Downtown Winnipeg (the "Entertainment Complex") with seating of approximately 16,000 for hockey and a minimum of 3,000 premium seats;

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(b) secure by May 1, 1995, all agreements and arrangements for the Winnipeg Jets to be an anchor tenant in the Entertainment Complex; and

(c) take by May 1, 1995, all steps necessary in order to exercise on its or on its nominees behalf its right to acquire the Majority Owners' Partnership Interest;

AND WHEREAS the said proposal requires that the Agreement made between Barry Shenkarow, Marvin Shenkarow, The Sterling-Stall Group, Harvey Secter, Moffat Communications Ltd. and Randall L. Moffat Holdings Ltd., of the First Part, Winnipeg Enterprises Corporation, of the Second Part, Jets Hockey Ventures, of the Third Part, The City of Winnipeg, of the Fourth Part, Her Majesty the Queen in the Right of the Province of Manitoba, of the Fifth Part, Jets Private Sector Inc., of the Sixth Part, and The Interim Steering Committee Inc., of the Seventh Part, (the "1991 Jets Agreement") be amended;

THEREFORE BE IT RESOLVED THAT Council authorize an amendment to the 1991 Jets Agreement, in a form certified by, or on behalf of, the Acting City Solicitor which would provide, inter alia:

"(a) that MEC costs incurred in securing its objectives by May 1, 1995 be paid out of the Capital Fund under the 1991 Jets Agreement, and

(b) that the Province and the City jointly guarantee the repayment of principal (to a maximum of $2,200,000.00 of principal), together with interest on promissory notes of private sector issued on and between the date of the amendment and the 30th day of April, 1995, such guarantee being an addition to the guarantee now provided by the Province and the City pursuant to Section 4.3 of the 1991 Jets Agreement; the resulting total principal amount not to exceed $10,000,000.00, and

(c) that in addition to the indemnifications referred to in Section 5.6 of the 1991 Jets Agreement, the Province and the City will similarly indemnify the directors and officers of MEC, and

(d) that after May 1, 1995 a purchaser of the Partnership shall be free to move the Winnipeg Jets from Winnipeg;

provided that the Majority Owners and the Partnership as defined in the 1991 Jets Agreement consent in writing to such Amendment."

On September 26, 1994, at a Special Meeting of the Executive Policy Committee, representation was made by Mr. John Loewen, representing the Manitoba Entertainment Complex Inc. Mr. Loewen submitted a proposed budget for the Manitoba Entertainment Complex Inc. as of September 21, 1994.

The Executive Policy Committee is of the opinion that any invoices to be paid from the budget be approved by the Chief Commissioner in accordance with a business plan and budget filed with and approved by the Executive Policy Committee.

The Executive Policy Committee recommends:

I. That the revised resolution as outlined above and endorsed by the Executive Policy Committee be approved.

II. That any invoices approved by the Chief Commissioner be in accordance with a business plan and budget filed with and approved by the Executive Policy Committee.

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

Moved by Her Worship Mayor Thompson,
Adoption of the clause.

In amendment,

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Moved by Councillor Golden
Seconded by Councillor Reese,

WHEREAS the City of Winnipeg has been the only level of government that has contributed towards keeping the Jets in Winnipeg;

AND WHEREAS the equity in the shares of the Jets held by Winnipeg Enterprises Inc. has been used to guarantee all Provincial Government operating and capital subsidies to date;

NOW THEREFORE BE IT RESOLVED that the Executive Policy Committee motion to fund the Group of 44 be amended to add the following conditions:

1) Before any of the $3.7 million is expended, the Federal and Provincial Governments commit to pay 75% of the costs of this project;

2) All parties agree that the project is to be owned by the City of Winnipeg;

3) The maximum contribution by the City of Winnipeg shall be the equity Winnipeg Enterprises Inc. earned in the 36% shares of the Winnipeg Jets.

Moved by Councillor Lazarenko,

That Council go into Committee of the Whole.

The motion that Council go into Committee of the Whole was put.

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

Yea: Councillors Reese, Clement, Golden, Lazarenko, Thomas and Angus. 6

Nay: Councillors Boychuk, Duguid, Eadie, Hyman, Prystanski, Fraser and Her Worship Mayor Thompson. 7

and the motion that Council go into Committee of the Whole was declared lost.

The Speaker called the Deputy Speaker, Councillor Reese, to the Chair in order to participate in the debate, and after speaking, resumed the Chair.

Council here reverted to the order of business - "Introduction and Welcome of Guests and Announcements".

INTRODUCTION AND WELCOME OF GUESTS AND ANNOUNCEMENTS

1086 - The Speaker recognized in attendance in the gallery, former Chief Commissioner N. Diakiw, currently the President and Chief Executive Officer of the Forks Renewal Corporation.

Council here proceeded to continue to consider the order of business - "Clause 1 of the Report of the Executive Policy Committee, dated September 26, 1994".

In amendment,

Moved by Councillor Duguid,
Seconded by Councillor Angus,

THAT the proposed amendment to the original 1991 Jets Agreement be altered so as to limit any expenditures on marketing or design of a new arena facility by Manitoba Entertainment Complex Inc. to not more than $1.5 million ($750,000 City share) up to the "Go - No Go" date of December 31, 1994;

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AND THAT no further money be expended on site analysis (design) until City Council has determined the appropriate site for a new facility;

AND FURTHER THAT there be a progress report and further review by City Council prior to any other funds being expended for these purposes.

The amendment proposed by Councillors Golden and Reese was put.

The Speaker called for the yeas and nays, which were as follows:-

Yea: Councillor Golden. 1

Nay: Councillors Reese, Boychuk, Clement, Duguid, Eadie, Hyman, Lazarenko, Murray, O'Shaughnessy, Prystanski, Silva, Thomas, Fraser, Her Worship Mayor Thompson and Councillor Angus. 15

and the amendment was declared lost.

Council recessed at 11:59 a.m., and reconvened at 1:37 p.m., same members present.

Councillor O'Shaughnessy entered the meeting after Council had reconvened.

Council here proceeded to continue to consider the order of business - "Clause 1 of the Report of the Executive Policy Committee, dated September 26, 1994".

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

The Speaker here returned to the Chamber.

Moved by Councillor Reese,
Seconded by Councillor Eadie,

THAT the clause be referred back to Executive Policy Committee for consideration only after all groups have been given the opportunity to make their presentations at a public meeting (said public meeting to be held within the next two weeks);

AND THAT the City request a copy of the Provincial agreement with Manitoba Entertainment Complex Inc. and the Jets, as well as a detailed business plan.

Moved by Councillor Eadie,

That the question be now put.

Carried.

The motion to refer with instructions was put.

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

Yea: Councillors Reese, Clement, Duguid, Eadie, Hyman, Lazarenko, Murray, O'Shaughnessy, Silva, Thomas, Fraser and Her Worship Mayor Thompson. 12

Nay: Councillors Angus, Boychuk, Golden and Prystanski. 4

and the motion to refer with instructions was declared carried.