REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED SEPTEMBER 15, 1997

Proposed Acquisitions - The St. Vital Parkway File FI-2(35)(Vol. 5)

1102 - ***Note: Clause 8 has been laid over by the Executive Policy Committee.***

Laid over by the Executive Policy Committee

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED SEPTEMBER 29, 1997

On motion of Councillor Silva, the Report of the Committee on Finance and Administration, dated September 29, 1997, was considered clause by clause.

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

Carried.

Appointment of Sinking Fund Trustees for the City of Winnipeg
File FI-4 (Vol. 4) [c/r GC-7 (Vol. 28)]

1103 - 1. Under Section 314(2) of The City of Winnipeg Act, provision is made for the appointment of Sinking Fund Trustees for The City of Winnipeg as follows:

> "314(2) The corporation referred to in subsection (1) shall consist of four trustees, of which the treasurer shall be one, and the other three trustees, none of whom shall be a member of council, shall be appointed by council."

In accordance with The City of Winnipeg Act, the City is empowered to raise funds through the issuance of debt securities or other means of borrowing. When the City passes a by-law authorizing the issuance of a new debt instrument it may choose to issue a "sinking fund' note or debenture. The "sinking fund" debt security is characterized by a requirement that obliges the City to provide for its orderly repayment through a system of levies paid into a reserve fund known as the Sinking Fund. The by-law establishes the annual levy rate which is paid to the Sinking Fund on its anniversary. This obligation to pay the levy is considered a debt of the City which is to be paid to the Sinking Fund (Trustees). In turn, the Sinking Fund (Trustees), at the request of the City, is obliged to pay to the City, at or before maturity of each respective sinking fund debenture, all amounts collected by way of levy, together with interest accrued thereon.

In accordance with Sections 314-332 inclusive of The City of Winnipeg Act, the Sinking Fund Trustees are empowered to act and manage the monies deposited by the City into the Sinking Fund. The Sinking Fund Trustees, as trustees of the Sinking Fund, have custody of the Sinking Fund for the purpose of investing the monies deposited into the Sinking Fund in a manner which shall accommodate the retirement of the sinking fund debt securities either before, or at, their respective maturities.

The Sinking Fund Trustees are also the trustees of eight City of Winnipeg Reserve Funds and are responsible for investing the monies deposited into these reserves in a manner which will achieve the reserves' stated objectives.

Mr. Howison has served on the Sinking Fund Trustees for many years and it is recommended that he be re-appointed as he continues to make a very valuable contribution.

It is recommended that Dr. John McCallum be appointed to the Sinking Fund Trustees to replace Mr. Mark Zeilstra who is leaving after twelve years of meritorious service as a Trustee. Dr. McCallum has a PhD in Finance from the University of Toronto and has been a Professor of Finance at the University of Manitoba since 1973. Dr. McCallum has been Chairman of Manitoba Hydro since 1991 and has served as a board member or consultant to many different organizations in the community. Dr. McCallum's teaching and research interests are in corporation finance, monetary economics, capital markets, financial institutions and applied management. Dr. McCallum will be a very valuable addition to the Sinking Fund Trustees.

Dr. McCallum's initial appointment is for a one year term to facilitate the staggering of the Sinking Fund Trustees termination dates amongst different years. It is anticipated that Dr. McCallum will be re-appointed for a three year term on November 1, 1998.

Report of the Committee on Finance and Administration dated September 29, 1997

The other two City representatives on the Sinking Fund Trustees are Mr. Marshall G. Smith, whose current appointment expires on October 31, 1999 and Mr. Keith Dowdall who serves on the committee due to his position with the City as Director of Corporate Finance/City Treasurer.

The Committee on Finance and Administration recommends:

I. That Mr. Alan G. Howison be re-appointed to the Sinking Fund Trustees for a three year term, from November 1, 1997 to October 31, 2000; and that Dr. John McCallum be appointed to the Sinking Fund Trustees for a one year term, from November 1, 1997 to October 31, 1998.

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 hereto.

Adopted by consent.

Appointments to the Employee Benefits Investment Committee
File GU-3.9 (Vol. 16) [c/r GC-7 (Vol. 28)]

1104 - 2. Section 15 (1) of the Civic Employees' Pension Plan By-Law (By-Law No. 5300/89) states:

"The Investment Committee shall consist of:

(a) two (2) persons appointed by the Members' Representatives for such term as may be fixed by the Board; and
(b) four persons, at least three of whom shall be chosen for their investment experience and competence, appointed by Council for such term as may be fixed by Council, after considering the advice and comments of the Board Members who are not Member Representatives."

Mr. Howison has served on the Employee Benefits Investment Committee for many years and it is recommended that he be re-appointed as he continues to make a very valuable contribution to this Committee.

It is recommended that Dr. John McCallum be appointed to the Employee Benefits Investment Committee to replace Mr. Mark Zeilstra who is leaving after twelve years of meritorious service on the Committee. Dr. McCallum has a PhD in Finance from the University of Toronto and has been a Professor of Finance at the University of Manitoba since 1973. Dr. McCallum has been Chairman of Manitoba Hydro since 1991 and has served as a board member or consultant to many different organizations in the community. Dr. McCallum's teaching and research interests are in corporation finance, monetary economics, capital markets, financial institutions and applied management. Dr. McCallum will be a very valuable addition to the Employee Benefits Investment Committee.

Dr. McCallum's initial appointment is for a one year term to facilitate the staggering of the Investment Committee Members' termination dates amongst different years. It is anticipated that Dr. McCallum will be re-appointed for a three year term on November 1, 1998.

The other two City representatives on the Employee Benefits Investment committee are Mr. Marshall G. Smith, whose current appointment expires on October 31, 1999 and Mr. Keith Dowdall who serves on the committee due to his position with the City as Director of Corporate Finance / City Treasurer.

The Committee on Finance and Administration recommends:

I. That Mr. Alan G. Howison, be re-appointed to the Employee Benefits Investment Committee for a three year term, from November 1, 1997 to October 31, 2000; and that Dr. John McCallum be appointed to the Employee Benefits Investment Committee for a one year term, from November 1, 1997 to October 31, 1998.

Report of the Committee on Finance and Administration dated September 29, 1997

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

Adopted by consent.

Potentially Surplus City Buildings
File FB (Vol. 8)

1105 - 3. At its meeting held on September 12, 1995, the Ad Hoc Committee on Civic Buildings recommended to the Committee on Finance and Administration that the following City-owned properties be considered to be surplus to the City's requirements, namely: 1760 Main Street, 604 St. Mary's Road, 100 Main Street and 5006 Roblin Boulevard, and further, that the revenue from the sale of any such surplus City property be earmarked to fund the acquisition of properties required for the Campus Concept.

The Committee on Finance and Administration considered a report on this matter on October 28, 1996, and requested input from all Community Committees concerning the following properties:

1760 Main Street

Upon relocation of the Parks and Recreation Department on December 14, 1995, this building became vacant except for the monthly Community Committee meetings. An investigation was then initiated with the view to declaring the property surplus. The Community Committee, at its meeting held on December 15, 1995, decided to continue to hold meetings at 1760 Main Street "on a trial basis and to allow time to decide upon a more permanent solution."

The Civic Buildings Department investigated alternative locations including: the second floor of the Administration Building at 510 Main, the St. John's Leisure Centre at 601 Aikins Street, the North Centennial Seniors Complex, 100 Sinclair. Other potential locations included the West Kildonan, Vince Leah and Garden City Community Centres plus the Seniors and Daycare Centre at 377 Dufferin. The all inclusive costs of holding a meeting at any of these other locations are estimated at $500 to $700 per meeting.

In the end, the Community Committee was not able to accept any of these alternative sites, and the Civic Buildings Department has undertaken to relocate the finance and rental Divisions of the Social Services Department to this building. These functions are currently housed in leased space at 896 Main Street. The Client Services Division would then occupy 896 Main in its entirety.

604 St. Mary's Road

With re-organization, this Community office location is being utilized for local offices of the Manitoba/Winnipeg Community Revitalization Program (M/WCRP) and the Workers Compensation Branch of the Corporate Finance Department. In addition, the Riel Community Committee uses the facility, on a rotating basis for Community Committee meetings, the Resident's Advisory Group utilizes the Chamber for its monthly meetings and the area Councillor, on occasion convenes ward information meetings on the premises.

It is anticipated that, with the cooperation of the Community Committee, all of these uses can be accommodated elsewhere: M/WCRP to 598 St. Mary's and Workers Compensation to the fourth floor of the Administration Building.

A review is currently being undertaken in order to delineate the boundaries of the property which will, upon the approval of the Community Committee, be made available for sale. A subdivision of the lands will be required in order to provide a separate adjoining site for the former Fire Hall site at 598 St. Mary's Road, provision of public lane access to the five privately owned sites to the south of 604 St. Mary's Road and the retention of riverbank lands for Parks purposes to the rear. It would be a condition of sale for the prospective purchaser to be responsible for the subdivision and the costs related thereto.

Report of the Committee on Finance and Administration dated September 29, 1997

On September 15, 1997, the Riel Community Committee recommended that 604 St. Mary's Road not be declared surplus to the City's requirements and the property become active once the proposed riverbank development behind the property along the Red River has been completed.

5006 Roblin Boulevard

This property consists of three buildings located on a site of approximately 2.58 acres.

One of the buildings is the Charleswood Branch Library. In a memorandum of March 27, 1996, the Director of Libraries, when advised of the potential sale of the Roblin Boulevard site, replied:

> Two new facilities have been identified in the Department's 5 year capital budget. A consultation process would be required to determine if a priority would be to relocate the Charleswood Branch Library.

The former Community Committee building is also currently located on this site. It is presently being used in part for the Zone 4 Community Police Office and the area Citizens for Crime Awareness. The remainder of the building is for the most part vacant although the garage component is used on a intermittent basis by various Departments including Civic Buildings. In a memorandum dated April 4, 1996, the Police Service advised:

> ...The Premise at this location is ideal for our use...Until a new Centre is available...the only decision to be made is whether it is to the City's benefit to sell 5006 Roblin Boulevard [or] lease available commercial space in the area for the Police Service...

As for the #18 Fire station located on the 5000 Roblin Boulevard site, the Fire Department, in a memorandum dated April 30, 1996, advised as follows:

> This will confirm that the Fire Department's expectation is that we will request authorization to build a new fire station on the lot adjacent [east of] the current fire station located at 5000 Roblin Boulevard. It is also likely necessary that the replacement for #18 fire station include some, or all, of the property we currently occupy at 5000 Roblin, as the vacant lot does not appear to be large enough.
>
> We do not anticipate selling 5000 Roblin Boulevard, or making plans in this direction until we are assured that the adjacent lot will be of sufficient size for a replacement station, and we receive the appropriate authorization to proceed with these plans. Funds have been requested in the 1997-2001 Capital Forecast, for the year 2001.

The Committee on Finance and Administration has been advised that the proposed sale of this property should be weighed against the continuing need to provide office accommodation for the Police Service, and the replacement cost for the Library is likely to exceed the 1996 costs of $1.75 million dollars for the Northwest Branch Library and, the replacement cost of an alternative Fire station is likely to exceed the 1996 cost of $1.1 million dollars for the new No. 7 Fire station currently being constructed at 10 Allan Blye Drive. To both of these amounts would be added the costs of purchasing fully serviced and zoned sites in the range of $0.5 million dollars each.

It was the recommendation of the Civic Buildings Department that lacking sufficient resources for the relocation of current Civic uses at this location, that the Department continue to work with the Police, Fire and Library Departments in order to optimize the use of this site.

The Assiniboia Community Committee did not concur in the administrative recommendation and recommended that the property at 5006 Roblin Boulevard be declared surplus to the City's requirements and that a proposal call for the development of the site, which would include the incorporation of a library on the site, be developed.

120 Eugenie Street

This is a former library branch vacated by the Library Department upon amalgamation of two St. Boniface libraries to Provencher Boulevard. The Social Services Department is the current occupier of the building but has moved the greater portion of its employees out of the federal building to other locations including the 391 York Street co-location with the Provincial and Federal Governments. The remaining staff, who serve the St. Boniface French

speaking community, vacated the remainder of the building once renovations were completed at the old St. Boniface City Hall at 219 Provencher Boulevard.

The Civic Buildings Department is currently surveying other Departments to determine potential alternative civic uses. The Committee on Finance and Administration on September 29, 1997, concurred in the recommendation of the Riel Community Committee and laid over consideration of 120 Eugenie Street to the Riel Community Committee meeting to be held on December 8, 1997, to afford the ward councillor (Councillor Vandal) the opportunity of formulating with the Administration appropriate terms of reference for an RFP (Request for Proposal) to determine what interest exists in the community for the use of the subject property.

755 Henderson Highway

This building was vacated by the Social Services Department in August of 1996. In reply to a request from the Civic Buildings Department to consider alternative locations of holding Community Committee meetings, the East Kildonan-Transcona Community committee, at its meeting held on September 17, 1996, unanimously recommended that the building not be sold. The Community Committee went on to advise:

> "In addition, Community Committee unanimously recommended that the Civic Buildings Department explore and consider alternative uses so that future tenants of the building at 755 Henderson Highway provide compatible and similar services to the community. The Community Committee further stressed the importance of the strategic location of the park on the south side of the building, as well as the symbolic significance of the Veterans cenotaph on the north side of the building."

The Civic Buildings Department is currently investigating the history of the parks/cultural aspects of this property. With no identifiable Civic accommodation need for this site, beyond the monthly Community Committee use, it is neither within the Civic Building Department mandate nor does the Department have sufficient resources to maintain such an under-utilized building for a protracted period of time.

The East Kildonan-Transcona Community Committee on November 14, 1996, recommended that the property not be declared surplus and on June 17, 1997, recommended that a management agreement be entered into with the Good Neighbours Retirement Centre Inc. for use of the premises, on condition that the Community Committee reserves the right to use the 2nd floor Council Chambers at 755 Henderson Highway for meetings in the community. The Committee on Finance and Administration has concurred with the recommendation of the East Kildonan-Transcona Community Committee that the property not be declared surplus at this time, and referred the matter of a management agreement to the administration for further discussion.

1120 McPhillips Street and 1880 Alexander Avenue

Council, at its meeting held on December 20, 1995, reaffirmed its decision of October 31, 1990, to amalgamate the McPhillips Branch Library located at 1120 McPhillips Street and the Brooklands Library located at 1880 Alexander Avenue, into the new Northwest Library. The McPhillips and Brooklands Libraries have been vacated by the Library Department with the move to the new Northwest Library Branch completed.

Whereas the sites are zoned "PR", approval of two-thirds of Council will be required to dispose of this property.

The Lord Selkirk-West Kildonan Community Committee on June 17, 1997, recommended that these properties be declared surplus to the City's requirements.

The Committee on Finance and Administration therefore recommends:

I. That the following City-owned properties be declared surplus to the City's requirements, namely: 5006 Roblin Boulevard, 1120 McPhillips Street and 1880 Alexander Avenue.

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 hereto.

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.

Report of the Committee on Finance and Administration dated September 29, 1997

In amendment,

The Executive Policy Committee concurs in part with the recommendation of the Committee on Finance and Administration and recommends that 5006 Roblin Boulevard not be declared surplus at this time and be referred back to the Committee on Finance and Administration for further consideration.

Adopted by consent.

Proposed Purchase of Land, South Side Dugald Road Between Pyra and Reid Avenues in South Transcona - Estate of Harold E. Burgess Property
File FI-2(33) (Vol. 2)

1106 - 4. The subject property, which is outlined on Misc. Plan No. EKT 9384/1, is owned by the Estate of Harold E. Burgess and advertised for sale at a price of $22,000.00. The owner wishes to purchase from the City its land within the block and, especially, the lanes which divide the owner's property in order to make the site more marketable.

In August of 1995, the Community Services Department indicated that Plan Winnipeg has designated most of the lands in South Transcona as Rural Area. Also noted is that the City of Winnipeg is the owner of most of the lands in this area, but has no specific plan for development of these lands presently. Even with a proposed consolidation of some adjacent City-owned lands with the land owned by the Estate of Harold E. Burgess, the site would be substandard under the zoning by-law and, as the owner has indicated, is difficult to sell in the open market. The Senior Planner, therefore, has recommended that the City acquire the private property rather than put the applicant through a long and uncertain process of adding to the title in the hope that the property might then be more saleable. Given that the City is the dominant land owner in this area, acquisition of the subject property would support more efficient development in the future.

The Board of Commissioners, at its meeting held on August 21, 1997, concurred in the recommendation from the Director of Land and Development Services as follows:

1. That the Director of Land and Development Services be instructed to pursue negotiations, firstly, by land exchange and failing that, by purchase for approximately 2.38 acres of undeveloped land at a price of up to $20,000.00 for future development purposes;

2. That the May 2, 1973 Council Order, that no further (City-owned) residential land be sold in this area until there is a development plan for servicing, subdivision, etc., be confirmed;

3. That no applications for closing and purchase of public streets or lanes be entertained for the South Transcona area without a development plan for servicing, subdivision, etc.

The Community Services Department maintains the view that the City retain possession of its properties and acquire any privately owned properties, rather than encourage development in this area. The Community Services Department further observes that, whereas the City owns a very large amount of the land in the area, practically all of the City-owned land has been acquired by tax sale, and therefore, the dollar cost average of any actual purchases in the area could be very small compared to the future benefits of consolidation.

Also noted is that the Streets and Transportation Department may require a part of this property for a future widening of Dugald Road in order to mitigate the effects of the deep ditch as presently exists.

The proposed purchase price of $20,000.00 approximates the estimated market value as supported by an in-house real estate appraisal. The proposed terms and conditions are consistent with similar purchases of this nature.

Funding for this proposed acquisition is available from the Land Operating Reserve Account No. 09-116304-010101.

Report of the Committee on Finance and Administration dated September 29, 1997

The Committee on Finance and Administration recommends:

I. That the proposed purchase of the subject property as shown on Misc. Plan No. EKT 9384/1 be approved at a price of $20,000.00 in accordance with Schedule "A".

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 Misc. Plan No. EKT 9384/1 and Schedule "A" are on file in the office of the City Clerk.

Adopted by consent.

Sale of Southeast corner of Empress Street and St. Matthews Avenue - Velodrome site - to Home Depot File FI-2.4(32) (Vol. 4)

1107 - ***Note: Clause 5 has been laid over by the Executive Policy Committee.***

Laid over by the Executive Policy Committee

On motion of Councillor Silva, the rule was suspended and Clause 5 of the Report of the Committee on Finance and Administration, dated September 29, 1997, was considered as a result of the Executive Policy Committee's reconsideration of this matter on October 22, 1997.

Councillors Murray and Thomas asked to be recorded as having voted against the suspension of the rule, in accordance with Rule 50.7 of the Procedure By-law.

Sale of Southeast corner of Empress Street and St. Matthews Avenue - Velodrome site - to Home Depot File FI-2.4(31) (Vol. 3)

1108 - 5. Council, on July 24, 1996, declared the City-owned property located at the southeast corner of Empress Street and St. Matthews Avenue to be surplus to the City's requirements, as outlined in Clause 1 of the Report of the Committee on Finance and Administration dated July 16, 1996 (Exhibit "A"), and on September 26, 1996, approved the sale of Parcels 1, 2 and 3 as generally shown on Misc. Plan No. ASBA 9627/9 to 3038149 Canada Limited (Home Depot) in accordance with the terms and conditions as stipulated in the "Proposed Letter of Understanding", as described in Clause 1 of the Report of the Committee on Finance and Administration dated September 23, 1996 (Exhibit "B").

Council on July 16, 1996 attached the following conditions to the approval of the proposal submitted by Home Depot, namely:

"IV. A. That the negotiations provide the City with the option of extending its use of the velodrome portion of the property through to the conclusion of the Pan Am Games, however, should the City in its sole discretion at any time up to December 31, 1999, determine that the sale of the velodrome property is desirable, that Home Depot be bound to the purchase of that portion of land in accordance with their submitted proposal.

D. That Home Depot pay all demolition costs including the demolition of the velodrome if required in the future, and that the City retain salvage rights."

Council on September 26, 1996, amended condition "D" as outlined above as follows:

"I. c) that the City assume the costs of demolishing the Velodrome."

Report of the Committee on Finance and Administration dated September 29, 1997

The Committee on Finance and Administration at its meeting held on September 29, 1997, under "New Business", considered the matter of the sale of the Velodrome lands, and submits the following recommendation to Council for adoption, namely:

I. That the Administration be instructed to do all things necessary to immediately finalize the sale of the Velodrome lands to 3038149 Canada Limited.

II. That the Director of Parks and Recreation be instructed to, in accordance with the Agreement dated November 8, 1996, immediately effect the removal of such materials that are required by the Parks and Recreation Department from the site.

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 attachments referred to in the above clause are on file in the office of the City Clerk.

For the information of Council, the Executive Policy Committee directed the Administration to pursue the building of a temporary velodrome in the City of Winnipeg, the estimated cost of this option being $1,437,331.00, with a proposed cost-sharing of $600,00.00 from the Pan Am Games budget, and $650,000.00 from the City of Winnipeg, leaving a funding shortage of $187,331.00. This option allows for a conversion to a permanent velodrome at an additional cost of $280,700.00.

Moved by Councillor Silva,

Adoption of the clause.

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

Councillor Thomas asked to be recorded as having voted against the clause, in accordance with Rule 50.7 of the Procedure By-law.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED OCTOBER 6, 1997

On motion of Councillor Silva, the Report of the Committee on Finance and Administration, dated October 6, 1997, was considered.

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

Carried.

Recommendations for Amusement Tax Exemption File FL-6 (Vol. 16)

1109 - 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:

Chili Community Centre of Winnipeg for:
"BAFOCHI - the National Folkloric Ballet of Chili" on October 22, 1997, at the Pantages Playhouse Theatre

Jazz Winnipeg Inc. for:
"The Best of Manitoba Jazz (Tribute to Lenny Breau)" on November 14, 1997, at the Hotel Fort Garry

Winnipeg Jewish Theatre for:
"Anne Frank & Me" from November 17 to 30, 1997, at the Berney Theatre, Asper Jewish Community Campus

Winnipeg Mennonite Theatre Society for:
"Low German Production" on November 20, 21 and 22, 1997, at the Manitoba Museum of Man & Nature

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.

REPORT OF THE

COMMITTEE ON FINANCE AND ADMINISTRATION

DATED OCTOBER 20, 1997 RECONVENED ON OCTOBER 21, 1997

On motion of Councillor Silva, the rule was suspended and the Report of the Committee on Finance and Administration, dated October 20, 1997 reconvened on October 21, 1997, was considered.

Lands Located South of Taylor Avenue at Nathaniel Street
File FI-2.4(32) (Vol. 5)

1110 - 1. On August 6, 1997, the Land and Development Services Department received an Offer to Purchase certain city-owned property lying on the south side of Taylor Avenue in the vicinity of Nathaniel Street from Shindico Realty Inc. Shindico advised, at that time, that its Purchaser had:

> "secured the adjacent land and is now pursuing the irregular shaped City of Winnipeg lands to create a workable development site. Time is of the essence in securing the City of Winnipeg lands as the Purchaser is pursuing the Royal Bank Call Centre as a potential occupant of the subject property. Additional lands were required in order to create a large enough parcel for a "campus like setting" as requested by the Royal Bank."

Shindico requested the City to grant authority to the Purchaser to include the city-owned lands in its response to the Royal Bank Proposal Call advising that proposals were to be submitted on August 18, 1997 with construction to commence in October 1997 and occupancy of the facility to be June, 1998.

The Department advised the Board of Commissioners by Report dated August 13, 1997 that the Department had received not only the Shindico request but several similar requests from a number of other parties who also wanted to include city-owned lands in their submissions respecting the Royal Bank Proposal Call. The Department advised that the City cannot provide such a commitment in so short a period of time (essentially just a few working days) as: none of the properties had been declared surplus to city needs; at least one of the properties (a part of the Shindico Offer) included land under the jurisdiction of the Parks and Recreation Department; several of the sites required a successful legal closure of certain streets and lanes; there was inadequate time to examine the properties, to develop a position on terms and conditions including price, to negotiate a settlement and to process the results of the negotiations to Council.

After consultation with the Board of Commissioners the Department advised all applicants that they were not given exclusive authority to submit the subject property for the Royal Bank Call Centre Proposal, however, the Department would deal with their Offers on the subject properties and take them through the normal procedures.

In so far as the Shindico Offer is concerned, the Department has canvassed the various departments as to city need for this property. City Hydro, who own part of the land at its most eastern boundary, is prepared to redefine its transmission line right-of-way requirements to some extent at this location. Of those Departments which responded no other Department expressed a need for this land. The Transit Department, however expressed a concern as to the location of a Call Centre at this location.

The City Centre Community Committee considered this matter at its meeting held on October 7, 1997 and advised the Committee on Protection, Parks and Culture that the Community Committee had no objection to the sale of these lands and recommended that the sale be proceeded with.

The Land and Development Services Department has initiated a proposal to close the portion of the subject streets and lanes which are within the boundaries of the proposed site. None of these streets and lanes physically exist. The land is vacant and unimproved. Although this process has been started the proposed legal street closing can not be finalized until such time as: a small privately owned property, owned by Brian Richard Speed, is acquired by either the City or Shindico; suitable arrangements are negotiated with Manitoba Hydro who also own certain lands at this location;

The department has investigated the developability of the subject City-owned property and appraised the subject City-owned property.

Report of the Committee on Finance and Administration dated October 20, 1997 reconvened on October 21, 1997

The Land and Development Services Department has since been verbally advised that the Royal Bank has chosen the Shindico proposal, and as such, the Royal Bank Call-In Centre is to be constructed at a location lying on the south side of Taylor Avenue and to the west of Nathaniel Street. However, the Department has also been informed that the Centre will not be constructed on the subject City-owned property. Misc. Plan No. 10090/7 (Exhibit "A") illustrates that the Call-In Centre is to be constructed on the area shown cross-hatched and which is owned or controlled by Shindico's client. The Shindico site will be improved with a 50,000 square foot single storey office structure and with a 457 stall parking lot.

Shindico advised that it had preferred to locate the Centre on the City-owned property but given the timing of the Proposal Call and the timing of the impending construction decided to relocate the development to its own adjacent lands. Notwithstanding this decision Shindico also stated that it continues to view the acquisition of the City's land as critical and essential to its development at this location as the land is required to provide additional parking, extensive landscaping, and to create a campus-like setting.

The Committee on Finance and Administration has been advised that in reviewing the applicant's Offer, the Land and Development Services Department had the following comments:

1. The price offered is not acceptable to the Department given the Department's internally produced appraisal. The Department suggests that the price that the City should achieve in the sale of this property should range between $775,000.00 and $965,000.00 with a sale price at the low end of the range being acceptable. This value range is predicated on the existing zoning. Should a rezoning be contemplated then the resulting costs, including dedication, arising out of the rezoning application should be borne by the purchaser.

2. The Offer reflects an area of 6 acres. However, the site area as calculated by the Department is 6.6 acres as shown as Subject Property on the attached Misc. Plan No. 10090/7.

3. The deposit would need to be increased to a level commensurate with the renegotiated sale price.

4. The date of closing, adjustments and possession is to be up to 12 months after the Council approval date. Although this provision is not in accordance with the City's standard Offer to Purchase the Department is supportive of this proposed term because it will be necessary: for the City to legally close certain streets and lanes, and; for either Shindico or the City to acquire the single private holding and to negotiate suitable arrangements with Manitoba Hydro respecting their holdings within the parcel of land desired by Shindico.

   Shindico has stipulated in its Offer that it by written Notice to the City accelerate the Date of Closing to a date not sooner than 10 business days following the date of the closing notice. The Department advises that this condition as written is not acceptable having regard for the street closing process. The Department advises that the Closing Notice can be no earlier than the date of enactment of the street and lane closing Bylaw. The Agreement of Sale will have to reflect this revision;

5. The Offer specifies an 11 month "due diligence/conditions precedent" period from the Date of Approval. The purchaser has advised that its due diligence investigations/applications will include the following:

   - obtaining of necessary zoning;
   - that they be permitted to construct thereon all intended buildings and improvements;
   - that they obtain all required rights of ingress and egress;
   - that they have the right to construct, install, and connect all municipal services required for the project;
   - environmental and soil investigations;
   - finalize development plans to their satisfaction.

   The purchaser reserves the right to in its sole and unfettered discretion be satisfied or waived by it, in whole or in part, at any time in writing.

   Again, this time period is not in accord with the City's standard period but an extended due diligence period is acceptable to the Department for the same reason earlier stated. The Department is concerned that the Closing Period (30 days following the end of the due diligence period) may be inadequate to deal with any complications arising out of: environmental testing; the street and lane closing process; the creation and registration of a subdivision plan; etc.

Report of the Committee on Finance and Administration dated October 20, 1997 reconvened on October 21, 1997

The Department suggested that the due diligence period be no more than 10 months and that the closing period be no more than an additional 2 months with the ability to extend the closing period as required.

6. The applicant has specified that it requires the City to deliver a subdivision plan complete with all necessary streets and lane closings, to be prepared at the City's expense to effect transfer to the purchaser as 1 lot at the date of closing. Furthermore, the purchaser has stated that it will not be responsible for the payment of any dedication and/or fees of any sort associated with the creation and preparation of a plan of subdivision.

   The Department can not recommend acceptance of this term because any acceptance must be a function of market value. If Shindico is prepared to acquire this property at the price that the Department is recommending then the Department is prepared to accept this term.

   In order to finalize a subdivision plan it will be necessary to acquire the private holding and to negotiate the resolution of the Manitoba Hydro interest potentially by acquisition.

7. The Offer does not include any obligation on the purchaser's part to construct a structure on the land within any given time or at all.

   The Department would support this position if the purchaser was agreeable to paying the Department's recommended sale price for the property;

8. The purchaser has specified that upon Council's approval the purchaser is then entitled to assign, transfer and convey its right, title and interest in the Agreement to such persons, firms or corporations as it may determine provided that such assignee or transferee shall be bound by the terms of this Offer and the Agreement resulting from its acceptance.

   The Department would be agreeable to an assignment if the assignment was subject to the prior approval of the Committee on Finance and Administration.

9. The Offer requires the City to close the streets and lanes to effect this transfer. The Offer does not acknowledge that the proposed closure may not be successful. As a result the Department requires that the sale be "subject to" a successful street and lane closing application.

The Committee on Finance and Administration was also advised that the Department was of the view that in the event that Shindico is not prepared to negotiate on the basis of the Department's suggested sale price and other amendments (as outlined herein) to the terms offered then the Department was of the view that the property should be placed for sale on the open market.

The costs of acquiring the Brian Richard Speed and the Manitoba Hydro properties would be charged against the Land Operating Reserve Account.

The Committee on Protection, Parks and Culture, at its special meeting held on October 14, 1997, was advised that a portion of this property, as identified on Plan No. 25-97 (Exhibit "B") and consisting of approximately 1/4 of an acre in size, is under the jurisdiction of the Parks and Recreation Department. The property is currently undeveloped and exists in a level graded condition.

The Committee on Protection, Parks and Culture was advised that given that the Neighborhood is above the minimum open space standard, and, that the existing parkland is distributed within the Neighborhood, and, that the property is only approximately 1/4 acre in size, and that the property is situated within the middle of a large track of land that is to be redeveloped, and, that it would have only served a residential area to the south of Taylor Avenue which is not going to occur, the Parks and Recreation Department was supportive of recommending that the subject property be disposed of accordingly.

The Committee on Protection, Parks and Culture recommended that the city-owned property (4 lots) located on the northwest corner of Nathaniel Street and Parnell Avenue, as identified on Plan No. 25-97 (Exhibit "B"), be declared surplus to the City's requirements, and be disposed of accordingly.

The Committee on Finance and Administration has considered this matter and recommends:

Report of the Committee on Finance and Administration dated October 20, 1997 reconvened on October 21, 1997

I. That the subject City property as shown on Misc. Plan No. 10090/7 be declared as surplus to the City's needs.

II. That the subject City property, being approximately 273,643 square feet as shown on Misc. Plan No. 10090/7 (including currently open streets and lanes and including the Brian Richard Speed Property - not including the Manitoba Hydro Properties) be sold to 3177778 Manitoba Ltd. subject to the terms and conditions as outlined on Exhibit "C".

III. That the Director of Land and Development Services be authorized to negotiate the acquisition of the Brian Richard Speed property as shown on Misc. Plan No. 10090/7 for the purposes of consolidating the City's lands.

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 hereto.

Pursuant to Section 156(2) of The City of Winnipeg Act, approval of at least two-thirds of the members of the Council is required on the sale of any property that has been designated or acquired for park purposes.

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by Councillor Silva,
Adoption of the clause.

Carried.

COMMITTEE ON FINANCE AND ADMINISTRATION

CONSIDERATION OF BY-LAWS

1111 - On motion of Councillor Silva, By-law No. 7109/97, 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. 16)

COMMITTEE ON FINANCE AND ADMINISTRATION

QUESTION PERIOD

1112 - Councillor Steek referred to the past joint funding initiative between the Province and the City regarding the Elmwood Cemetery and requested an update on the status of discussions between the cemetery owner and the Province to ensure that the Elmwood Cemetery is properly maintained.

Councillor Silva noted that the City was not involved in any discussions in that the discussions were under the jurisdiction of the Province under The Cemetery Act.

Councillor Steek noted that the Province had cast some aspersion on their jurisdiction in the matter and questioned whether the City would step forward to facilitate maintenance of the Elmwood cemetery.

Councillor Silva stated that there had been discussions between himself, City administrators and Minister Radcliffe and noted that the City would jointly look at the issue with the Province of Manitoba in order to reach an agreement to insure perpetual maintenance in the cemetery while limiting, to the greatest extent possible, exposure to the City of Winnipeg taxpayer.

Councillor Steek inquired as to what the time frame was regarding this matter.

Councillor Silva noted that the City did not have control of the timeframe and must await the announcement regarding the intentions and the actions of the owners, and continue discussions with the Province.

Committee on Finance and Administration - Question Period (continued)

Councillor Angus questioned when Council would make a decision about the restoration of the historic Union Tower Building, noting that it would be a tremendous asset to have in place for tourists frequenting Winnipeg for upcoming events such as the Grey Cup, The World Junior Hockey Championships, the Brier and the Pan Am Games.

Councillor Silva advised that he would endeavour to ensure that a special meeting of the Committee on Finance and Administration be convened to deliberate the matter.

Councillor Thomas questioned whether Councillor Silva was aware that she had had discussion with the Province and that the Province had declared that it wasn't willing to act until the Elmwood Cemetary owners declared themselves insolvent.

Councillor Silva advised that he was not aware of her discussion but noted that the City would continue to study the issue with the Province.

Councillor Murray questioned the Royal Bank's reasoning for not planning the Royal Bank Call Centre in the downtown area.

Councillor Silva noted that Phase 1 entailed development of a 50,000 square foot facility but advised that it would be physically impossible to accommodate their future plans for a 100,000 square foot expansion, a floor plate of 150,000 square feet, and their Campus Concept, in the downtown area, and further noted that this was a private sector decision.

Councillor Murray referred to the recommendation from Land Development on the price of the land between $775,000 and $965,000, and questioned the rationale for the sale price.

Councillor Silva acknowledged that the land was sold for less than the original administrative recommendation but noted that the initial assessment of the market value of the land was inappropriate due to an inaccurate comparison with surrounding property.