Minutes - Executive Policy Committee – May 20, 2009

REPORTS

Minute No. 266 Re-Issue of Expression of Interest for WaterPark eFile PR-2(34)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. The negotiations with Canad Inns with respect to the Capital Funding and Public Access Agreements for an indoor water park at the Canad Inns Polo Park location pursuant to Expression of Interest and Qualifications (EOI & Q) # 893-2007 be discontinued.

2. The conditional grant in the amount of $7 million to Canad Inns be cancelled.

3. An Expression of Interest and Qualifications that will provide for a City contribution of up to $7 million and public accessibility, be issued inviting proponents to submit proposals for the design, construction and operation of an Indoor Water Park within the City of Winnipeg.

4. 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 Fielding,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Fielding,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

Councillor Wyatt asked to be recorded as having voted against the above motion, in accordance with Rule 47(7) of The Procedure By-law No. 50/2007.

ADMINISTRATIVE REPORT

RE: RE-ISSUE OF EOI FOR WATERPARK

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
Barry Evenson	Deepak Joshi	Mike Ruta	Phil Sheegl, Deputy CAO

ORIGINAL REPORT SIGNED BY: **D. Joshi, Director**
Planning, Property and Development

REPORT DATE: **May 12, 2009**

RECOMMENDATIONS

1. **The negotiations with Canad Inns with respect to the Capital Funding and Public Access Agreements for an indoor water park at the Canad Inns Polo Park location pursuant to EOI & Q # 893-2007 be discontinued.**
2. **The conditional grant in the amount of $7 million to Canad Inns be cancelled.**
3. **An EOI & Q that will provide for a City contribution of up to $7 million and public accessibility, be issued inviting proponents to submit proposals for the design, construction and operation of an Indoor Water Park within the City of Winnipeg.**
4. **The Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.**

KEY ISSUES

- On July 16, 2008, Council directed the Public Service to enter into negotiations with Canad Inns for the design, construction and operation of an Indoor Water Park within the City of Winnipeg based on the evaluation of the EOI & Q # 893-2007.
- The Canad Inns Water Park proposal was the preferred proponent based on the evaluation for the Development Proposals for an Indoor Water Park (EOI & Q # 893-2007).
- Canad Inns has advised the City that it is not in a position to proceed at the Polo Park site at this time.
- An EOI &Q has been drafted by the Public Service requesting proposals for the design, construction and operation of an Indoor Water Park within the City of Winnipeg.

IMPACT OF THE RECOMMENDATIONS

IMPACT	YES	NO	COMMENTS
General		**X**	
Policy		**X**	
Regulatory		**X**	
Environmental		**X**	
Human Resources		**X**	
Financial Implications	**X**		Council had previously approved a potential capital contribution of up to $7 million from the $9 million approved 2007 and 2008 Capital - Recreation and Leisure Facilities – Kildonan Park Urban Oasis program to be allocated for a private sector/publicly accessible destination the water park facility within the City of Winnipeg.
Legal (Contracts)		**X**	
Communications		**X**	
Council Priorities Direction		**X**	
Other, e.g. Organization, Community, etc. (Specify)		**X**	

REASON FOR THE REPORT

On July 16, 2008, Council adopted the Public Service's recommendation which in part read "That Canad Inns be selected as the preferred proponent for the design, construction and operation of an Indoor Water Park within the City of Winnipeg based on the evaluation of the EOI & Q # 893-2007, and that a grant in the amount of $7 million to Canad Inns be approved, subject to Canad Inns entering into satisfactory Public Access and Capital Funding Agreements.

Negotiations with Canad Inns have broken off. As such, Council approval is sought to discontinue the negotiations, cancel the conditional grant and to reissue the EOI & Q to identify another proponent to design, construct and operate an Indoor Water Park in the City of Winnipeg.

HISTORY

On February 21, 2006 Council adopted the 2006 Capital Budget which included $43 million in funding for the Recreation and Leisure Facilities Program (RLIP) that included a project list outlining the investment priorities. This project list included the development of a Kildonan Park Urban Oasis.

On January 23, 2008, Council passed the following motion which in part read:

1. *"That the $9.0 million contained in the approved 2007 and 2008 Capital Budget Recreation and Leisure Facilities - Kildonan Park Urban Oasis program be reallocated as follows:*

    A. Up to a $7.0 million contribution towards the development of a private sector/publicly accessible destination Waterpark facility within the City of Winnipeg.

    B. A $2.0 million contribution to redevelop the outdoor pool at Kildonan Park".

On February 29, 2008, a total of five (5) proposals were received from three (3) proponents in response to the January 23, 2008 Invitation for the Expressions of Interest and Qualifications (EOI & Q) for an Indoor Water Park through the Materials Management Division of the City of Winnipeg.

On July 16, 2008, Council adopted:

1. *That Canad Inns be selected as the preferred proponent for the design, construction and operation of an Indoor Water Park within the City of Winnipeg based on the evaluation of the EOI & Q # 893-2007, and that a grant in the*

amount of $7 million to Canad Inns be approved, subject to Canad Inns entering into satisfactory Public Access and Capital Funding Agreements.

2. *That authority be delegated to the Chief Administrative Officer to:*
    a. *finalize a schedule for the project delivery with Canad Inns that is acceptable to the City of Winnipeg.*
    b. *finalize the terms and conditions of the Public Access and Capital Funding Agreements.*
3. *That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.*

Canad Inns has advised the City that it is not in a position to proceed at the Polo Park site at this time. Project location was part of the evaluation criteria for EOI & Q# 893-2007. Accordingly it is recommended that negotiations with Canad Inns for the Capital funding and Public Access Agreements be discontinued, that the conditional grant in the amount of $7 million to Canad Inns be cancelled.

The Winnipeg Public Service is preparing an EOI & Q to solicit proponents for the design, construction and operation of an Indoor Water Park within the City of Winnipeg. The EOI and Q will address the issues of the downtown location and public access.

Financial Impact Statement Date: May 8, 2009

RE: Termination of Negotiations with Canad Inn for the Development Proposals for for Indoor Water Park (EOI & Q.# 893-2007).

COMMENTS:

As no payment of any portion of the $7 million capital contribution previously approved by Council has been made to Canad Inns, the successful proponent submitting a proposal to EOI & Q.893-2007, there are no financial implications associated with the recommendations contained in this report.

"Original signed by"

Manager of Finance & Administration

CONSULTATION

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

- Community Services Department
- Legal Services Division (as to legal issues)
- Materials Management Division, Corporate Finance Department

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department:	Planning, Property and Development Department
Division	Building Services Division
Prepared by:	B.C. Evenson, Manager, Building Services Division, Planning, Property and Development Department
File No.	Re-Issue of EOI for Waterpark