Agenda – Executive Policy Committee – January 27, 2010

REPORTS

Item No. 1 Old Market Square Redevelopment – Amendment to 2010 Capital Budget (Point Douglas Ward) eFile FC(2010)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a new capital project be created entitled "Old Market Square Redevelopment" with a total budget of $1.25 million and that $300,000 in funding be transferred from an existing, Council-approved Downtown Enhancement capital program budget (2010) to the Old Market Square Redevelopment capital project.

2. Subject to approval of Recommendation # 1, that the 2010 Capital Budget for the Old Market Square Redevelopment project include other funding in the amount of $950,000 by way of contributions of $250,000 from the Government of Canada, $200,000 from CentreVenture Development Corporation (CentreVenture) and the commitment of $500,000 from the Winnipeg Foundation.

3. Subject to approval of the above recommendations, that the City provide interim financing of $200,000 pending the receipt of contributions from the Winnipeg Foundation.

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

ADMINISTRATIVE REPORT

ISSUE: **Amendment of the 2010 adopted capital budget for the redevelopment of Old Market Square.**

CRITICAL PATH: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Himbeault	D. Joshi	M. Ruta	A. Robinson, Deputy CAO

RECOMMENDATIONS

1. That a new capital project be created entitled "Old Market Square Redevelopment" with a total budget of $1.25 million and that $300,000 in funding be transferred from an existing, Council-approved Downtown Enhancement capital program budget (2010) to the Old Market Square Redevelopment capital project.

2. Subject to approval of Recommendation # 1, that the 2010 Capital Budget for the Old Market Square Redevelopment project include other funding in the amount of $950,000 by way of contributions of $250,000 from the Government of Canada, $200,000 from CentreVenture Development Corporation (CentreVenture) and the commitment of $500,000 from the Winnipeg Foundation.

3. Subject to approval of the above recommendations, that the City provide interim financing of $200,000 pending the receipt of contributions from the Winnipeg Foundation.

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

IMPLICATIONS OF THE RECOMMENDATIONS

- There are no general, regulatory, environmental, or human resources implications associated with the recommendations in this report.

- No additional funding is being requested as this report simply recommends the transfer of existing Council-approved capital program budgets to a new capital project budget and the inclusion of a budget line for external funding sources (see Appendix 1).
- Interim financing of contributions from the Winnipeg Foundation of $100,000 to be received in 2011 and 2012 will result in approximately $8,000 in interest costs, which will be funded within the $1.25 million budget.
- Creation of a separate capital project budget that includes external funding sources will enable the Public Service to more effectively and efficiently manage, track progress on, and report the final cost of the project.

HISTORY

In 2006, a Master Plan and Implementation Strategy was developed to identify, upgrade and improve the safety, accessibility circulation and site amenities at Old Market Square (OMS).

In 2008, Phase I of the OMS and King Street Redevelopment was implemented jointly by the Public Works and Planning, Property and Development Departments and completed in the spring of 2009.

In spring 2009, Phase II redevelopment of the park commenced with conceptual and detailed design. The funding for the phase included commitments and contributions as follows:

Budget:

- $300,000 from the City of Winnipeg.
- $250,000 from the Government of Canada.
- $200,000 from – 2009 CentreVenture commitment.
- $500,000 commitment from the Winnipeg Foundation (phased contribution 2009 - 2011).

The funds committed by the Winnipeg Foundation will be contributed to the project over the next 24 months and flow through the City of Winnipeg. The Foundation's funds are only able to be a project contribution due to the City of Winnipeg's status as a" qualified donee".

A Request for Proposals and concept submission was undertaken with several architectural firms located in the Exchange District for Phase II of the park's redevelopment which included an iconic stage and adjacent landscaping including the completion of Phase I works.

In summer 2009, the City of Winnipeg committed to the redevelopment of Phase II based upon approved plans, specifications and funding commitments to the stage and the site.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 20, 2010

Project Name: OLD MARKET SQUARE REDEVELOPMENT PROJECT - CONSOLIDATION OF BUDGETS

First Year of Program **2010**

	2010	2011	2012	2013	2013
Capital					
Capital Expenditures Required	$ 1,250,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	300,000	-	-	-	-
Additional Capital Budget Required	$ 950,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
CentreVenture Development Corporation	200,000	-	-	-	-
Grants - Winnipeg Foundation	300,000	100,000	100,000		-
Grants - Government of Canada	250,000		-	-	-
Total Funding	$ 750,000	$ 100,000	$ 100,000	$ -	$ -
Total Additional Capital Budget Required	$ 950,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 27,000	$ 27,000	$ 27,000	$ 27,000
Less: Incremental Revenue/Recovery	8,738	-	-	-	-
Net Cost/(Benefit)	$ (8,738)	$ 27,000	$ 27,000	$ 27,000	$ 27,000
Less: Existing Budget Amounts	(8,738)	27,000	27,000	27,000	27,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Capital expenditures of $1.25 million are projected to be incurred in 2010 and are to be funded by the City ($300,000), CentreVenture ($200,000), the Federal Government ($250,000) and the Winnipeg Foundation ($500,000). The Winnipeg Foundation will contribute $300,000 in 2010 and $100,000 in each of 2011 and 2012. These staggered contributions will result in carrying costs estimated at $8,000 that will have to be absorbed in the Project's budget. Of the $300,000 in City funding, $8,738 represent short-term financing and corporate admin fees, which are recovered in the current budget of the Corporate Finance Department. Direct costs from 2011 onward represent debt & finance charges on the City's portion of the 2010 capital expenditure and will be charged to the current budget of the Planning, Property & Development Department.

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

CONSULTATION

In preparing this Report there was consultation with:

Corporate Finance Department

SUBMITTED BY

Department: Planning, Property and Development
Division: Financial Services
Prepared by: Mike McGinn, Manager of Finance
Date: January 20, 2010
File No.

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APPENDIX 1

Capital Project # / Funding Source	Description	Council-Approved Budget / Funding	Portion Related to Old Market Square Redevelopment
6351800110	Downtown Enhancement Program	400,000	300,000
			300,000
External Funding Sources:			
Government of Canada		250,000	
CentreVenture Development Corporation		200,000	
Winnipeg Foundation		500,000	950,000
Total Project Budget			**1,250,000**

APPENDIX 2

THIS AGREEMENT made as of the day of , 2009.

BETWEEN:

THE CITY OF WINNIPEG
(hereinafter called the ***"City"***)

OF THE FIRST PART,

- and -

CENTREVENTURE DEVELOPMENT CORPORATION
being a not-for-profit organization incorporated
under the laws of the Province of Manitoba
(hereinafter called ***"CentreVenture"***)

OF THE SECOND PART,

- and -

GREEN SEED DEVELOPMENT CORPORATION
(hereinafter called ***"Green Seed"***)

OF THE THIRD PART.

WHEREAS the City is the owner and occupier of Old Market Square, in the City of Winnipeg, in Manitoba;

AND WHEREAS the City and CentreVenture are collaborating to replace the existing performance stage with a newly designed performance stage at Old Market Square and located on the site currently occupied by the existing performance stage ("the OMS Stage") and other site improvement ("the OMS Project");

AND WHEREAS the OMS Project has been budgeted at a total of $1,250,000, with funding being received by various parties as set out herein;

AND WHEREAS the City has agreed to contribute a total of $300,000 towards the OMS Project;

AND WHEREAS subject to City Council approval the City agrees to provide the $250,000 in funding it anticipates receiving from the Federal Government of Canada specifically designated for funding the OMS Project and to provide the $500,000 in funding it anticipates receiving from The Winnipeg Foundation specifically designated for funding the OMS Project, and further, the City agrees to bridge finance the OMS Project as necessary to keep it on schedule, in the event that the Federal or Winnipeg Foundation funding are not yet received;