REPORT "A" OF THE
COMMITTEE ON FINANCE AND ADMINISTRATION
DATED MAY 12TH, 1992

On motion of Councillor Eadie, Report "A" of the Committee on Finance and Administration, dated May 12th, 1992, was considered.

Her Worship the Mayor and Councillors:

Exchange of Future Cost Recoveries for
City-owned land - Cairns Developers
File EP-2

163 - 1. Your Committee on Finance and Administration has been advised that Cairns Developers have submitted a proposal to the City whereby the company would take title to the City-owned lands instead of receiving future recoveries from the City for watermains, oversized services charges and land drainage trunk systems which Cairns has installed and which benefit other lands.

The City-owned lands referred to above, and shown on the attached Schedule "A" as "Subject City Property", comprises a total area of 66.31 acres. Most of the lands were acquired by the City in tax sale proceedings; some consist of former streets and lanes which were closed by by-laws and approximately 9.22 acres through expropriation, in connection with the City's former land banking program in the area.

Your Committee on October 6th, 1988 instructed that an agreement with Cairns for the purchase of the City lands be finalized and on January 10th, 1989, your Committee granted Cairns an option to purchase the lands in accordance with the agreement prepared by the City's Law Department jointly with the Land Surveys and Real Estate Department.

Pertinent provisions of the agreement entered into between the City and Cairns dated January 19th, 1989 provided for the following:

Clause 2 - In consideration of an option payment of $90,000.00 (10% of the purchase price, subsequently increased to $99,465.00 after survey had determined the area of the lands to be 66.31 acres) paid by Cairns to the City, the City grants Cairns the sole and exclusive option to purchase the land on the terms and conditions hereinafter set out.

Clause 3 - Option shall be open for acceptance at any time up to but not after the 31st day of December 1990.

Clause 4 - The purchase price for the land shall be calculated at the rate of $15,000.00 per acre. In addition the City was to participate in one half the net profits in excess of 25%.

Clause 6 - If Cairns fails to purchase the land, it shall forfeit the option payment.
Cairns failed to exercise the option on December 31st, 1990. The company, however, requested that it be given a new one-year option to be exercised not later than December 31st, 1991; Cairns to pay a further option consideration of 5% of the purchase price to be applied, along with the previous $99,465.00 deposit, to the purchase price, or forfeited to the City if it failed to purchase the lands.

On September 10th, 1991, your Committee, after considering a report prepared by the Land Surveys and Real Estate Department on the Company's request, recommended that the matter be filed.

Provisions of development agreements:

Pursuant to the terms of Development Agreements AG 36/79, 44/79, 58/85 and addenda thereto, Cairns has constructed watermains, oversized services, and land drainage trunk systems which benefit lands other than those owned by Cairns. Development Agreements AG 36/79 and 44/79 provide for Cairns to be paid back the portion of its costs attributable to the benefiting lands through local improvement assessments and through future development agreements with owners/developers deemed to benefit from the services installed by Cairns. Development Agreement AG 58/85 provides for repayment to Cairns upon approval of capital funding by City Council. These recoveries amount to $2,682,654.00 of which $817,457.00 is now due and payable through the Capital Budget, with $224,879.00 being recoverable through local improvements for watermains and $1,640,318.00 being recoverable from future developers benefiting from the land drainage trunk system and oversized services installed by Cairns.

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Funds in the amount of $400,000.00 are presently available in the 1991 Capital Estimates and $200,000.00 has been included in the 1992 Capital Estimates for compensation to Cairns. Additional funding requirements will require further appropriations from the developer capacity charges account.

The following information was contained in a recent letter from the General manager of Cairns to the Manager of the Land Development Department:

> "Both the City of Winnipeg and the residential construction industry in this City have similar problems at the present time. We are struggling with diminished cash flows and have had to absorb a period of high interest rates that has only recently eased up. For our industry, we are operating at current construction levels that are only about 25% of the levels obtained in the mid-1980's. Our company, along with other companies, not only face much diminished sales but have had to take back lots sold in previous years as building companies have either gone bankrupt or have found it impossible to carry the lots any longer. In addition, we have carried unusually high inventories of lots in anticipation of stronger markets that never arrived."

In spite of the current depressed housing market combined with significant front-end municipal servicing costs associated with development of the Whyte Ridge Subdivision, Cairns still has a desire to acquire the subject City-owned lands. To accomplish this acquisition, the company has proposed that future cost recoveries to which it is entitled be exchanged for the subject lands. It is recommended that favourable consideration be given to this proposal for the following reasons:

a) Tax revenue will accrue to the City upon transfer of the lands to Cairns.

b) Subdivision of the subject lands will generate additional realty taxes from approximately 350 single family homes.

c) A general economic benefit in jobs and payrolls will accrue as the lands are serviced and houses are constructed and sold.

d) The City has received little interest in the purchase of the lands from other parties.

e) A condition of acceptance of the proposal is the immediate payment by Cairns of $566,458.00 for the land drainage trunk system and oversized services charges associated with the lands to be exchanged.

A recent review of market data conducted by the Land Surveys and Real Estate Department arrived at an estimated range in value of $1,024,400.00 to $1,326,200.00 for the city's land, based on market values of $15,500.00 - $20,000.00 per acre. While there have been inquiries as to the status of this parcel from other parties than Cairns there have been no firm offers forthcoming.

The proposed purchase price of $1,024,400.00 is at the lower end of the range of values but is nevertheless supported in the market place and certainly indicative of the contemporary poor market conditions in the residential sector. If a developer, other than Cairns, purchased the site, they would have to face direct competition from Cairns which still owns abundant readily serviceable lands in the immediate area. This being the case, combined with significant municipal servicing costs associated with the land, it is unlikely others would be inclined to purchase the land at the proposed price.

Cairns is proposing to finance the purchase of these lands by turning over to the City the discounted present value of monies owed by the surrounding land owners for "oversizing or front-ending" services, but whose payment would be forthcoming only upon development some time in the future. As with any analysis predicting future events, there is an element of risk. The future events in this analysis relate to the timing of future developments in the area. A shorter time frame for development means the city will encounter a quicker recovery of the servicing costs, the converse is also true should the time frames become longer than predicted. The land to be acquired by Cairns will be affected in a similar way, as shorter development timing translates into increased demand for building lots resulting in a quicker sale of serviced land thus reducing its holding costs. Again the converse will be true for longer time frames.

In any case whether or not the land is old outright to Cairns or some developer, or exchanged through this "land for future receivables" procedure, the lands are under the jurisdiction of the land operating reserve account. This being the case, the proceeds of sale, whether they be in the form of cash or future payments, should accrue to the benefit of the land operating reserve account.

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As the subject proposal exchanges City land for discounted future recoverables for land drainage trunk and oversized services from other benefiting lands, reimbursement of the land operating reserve account from the developer capacity charges account is appropriate. These accounts are administered by the Land Surveys and Real Estate Department and Waterworks, Waste and Disposal Department respectively. The land operating reserve account would be reimbursed up to the amount which is currently owed Cairns equal to $817,457.00 less any payment to Cairns required at this time to conclude the proposed land exchange. Timing of the compensation for the balance of the land value to the land operating reserve account will be contingent on future recoveries of land drainage and oversized sewer charges, and watermain local improvement charges received from lands benefiting from services installed by Cairns. Future recoveries are inflated to reflect value of the installed works in the year charges are collected, therefore a corresponding escalation to the future compensation for exchange land could also be accommodated. A review of charges collected and proceeds to be transferred to the land operating reserve account would be undertaken approximately every two to four years depending on development activity.

As stated previously, Cairns is entitled to $817,457.00 now plus future recoveries of $224,879.00 for watermains, and $1,640,318.00 for the portions of the land drainage trunk system and oversized services it constructed, which benefit other lands. Under the provisions of its development agreements with the City, Cairns will receive these future cost recoveries, which total $1,865,197.00 as other lands develop and future development agreements are executed and following the City's recovery of the $817,457.00 payment.

Certain projections and assumptions have been made in order to evaluate the proposal submitted by Cairns. Schedule "C" of this report identifies these projections and assumptions. In addition, a summary of all schedules included with this report is attached.

As stated previously, the city is obligated to pay Cairns the following amounts:

Presently due	$ 817,457.00
Future payments	1,865,197.00
Total	$2,682,654.00

The following Table I summarizes the financial analysis of the land exchange proposal taking into account the assumptions listed on the attached Schedule "C" and the information provided on the attached Schedules "C-1" to "C-4" inclusive:

TABLE 1

Financial Analysis of Proposal*

	Current Situation	Exchange Proposal	Cost Difference
Land Value	$1,024,400.00	0	($1,024,400.00)
Less payment due Cairns now	(817,457.00)	(817,457.00)	0
Plus Present Value of $817,457.00 of future recoveries to be retained by City	587,058.00	732,508.00**	145,450.00
Plus Present Value of $1,865,197.00 of future recoveries to be retained by City	0	772,745.00	772,745.00
Plus residual recoveries	468,081.00	429,420.00	(38,661.00)
Total Value	$1,262,082.00	$1,117,216.00	($144,866.00)

Based on the time frame of development shown on Schedule "C-1", it can be seen from Table I that the exchange proposal will result in a cost to the City of $144,866.00.

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*The analysis assumes that the future payments to Cairns totalling $1,865,197.00 will be made after the current payment of $817,457.00 has been recovered by the City.

**This amount includes a $566,458.00 payment from Cairns for oversized and trunk services which is a condition of the exchange proposal.

The proposed land exchange will require Cairns to prepay land drainage trunk and oversizing charges of $566,458.00 associated with the subject City-owned lands. Therefore, to accept the proposal, the payment now due Cairns of $817,457.00 must be reduced to $106,133.00 as calculated below:

Funds currently due Cairns	$817,457.00
Less Cairns payment for land drainage trunk system and oversized services charges associated with the lands to be exchanged	566,458.00
Less difference between current situation and exchange proposal from Table I	144,866.00
BALANCE DUE CAIRNS NOW	$106,133.00

The present value of Cairns future cost recoveries is sensitive to the time frame of development of the lands shown on Schedule "B". The key variables in this proposal are the estimates of how long it will be before the benefiting lands develop (market conditions) and the selection of the present worth factor (financial and economic conditions).

It is recommended that the City transfer its lands shown on Schedule "A" to Cairns subject to the execution of a land sales agreement by Cairns and the City which shall stipulate the following:

a) Cairns shall assign to the City $1,865,197.00 in future cost recoveries for municipal services installed by Cairns, which benefit other lands and which Cairns would otherwise be entitled to receive under the terms of development agreements AG 36/79, 44/79, 58/85 and 2/89 when the city collects these recoveries from future developers.

b) The City shall pay Cairns $106,133.00.

c) If there is any Shareable profit when 90% of the saleable lots subdivided within the subject land have been sold by Cairns then Cairns shall pay the City 50% thereof within ninety days of demand by the City and shall thereafter annually pay the City 50% of any then Shareable Profit by December 31st of that year until all the saleable lots have been disposed of.

"Shareable profit" means the surplus of Revenue, if any, after subtracting from Revenue all costs of purchase and Development and a sum equal to 25% of Revenue, i.e. Shareable profit = Revenue - (Costs + 25% of Revenue)

The obvious alternative to the foregoing recommendation is the outright purchase of the subject lands by Cairns. Cairns has advised, however, that, as a consequence of difficult market conditions, and the impact of such a purchase on its cash flow situation, it is unable to purchase the land in the customary manner. For these reasons the company has proposed an exchange of its cost recoveries for the land.

Attached for Council's information as summarized, are Schedules "A", "B", "C" and "C-1" to "C-4".

Your Committee on Finance and Administration on April 21st, 1992 laid over the proposal by Cairns Developers pending submission of a further concise report on the proposal together with additional information, which your Committee has considered and is attached for Council's information.

Your Committee on Finance and Administration recommends:

I. That the City transfer its lands shown on Schedule "A" to Cairns subject to the execution of a land sales agreement by Cairns and the City which shall stipulate the following:

a) Cairns shall assign to the City $1,865,197.00 in future cost recoveries for municipal services installed by Cairns, which benefit other lands and which Cairns would otherwise be entitled to receive under the terms of development agreements AG 36/79, 44/79, 58/85 and 2/89 when the City collects these recoveries from future developers.

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b) The City shall pay Cairns $106,133.00.

c) If there is any Shareable Profit when 90% of the saleable lots subdivided within the subject land have been sold by Cairns then Cairns shall pay the City 50% thereof within ninety days of demand by the City and shall thereafter annually pay the City 50% of any then Shareable profit by December 31st of that year until all the saleable lots have been disposed of.

II. That authorization be provided for an additional appropriation of $270,000.00 from the developer charges capacity account for transfer to the land operating reserve account.

III. That the Proper Officers of the City do all things necessary to implement the above recommendations including the execution of any documents related thereto.

ding the following stipulation after recommendation 1. a) namely,

d) The land sales agreement shall include a clause, satisfactory to the City

Your Executive Policy Committee recommends the above clause be amended by adding the following stipulation after recommendation 1. a) namely,

d) The land sales agreement shall include a clause, satisfactory to the City Solicitor, which would prevent Cairns from reselling the subject land before they have been subdivided and rezoned without the written consent of the City, which the City may grant or withhold in its absolute discretion

Moved by Councillor Eadie,
Adoption of the clause.

In amendment,

Moved by Deputy Mayor Clement,
That the recommendation of the Executive Policy Committee be adopted.

Carried.

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

Councillors Golden and Hyman asked to be recorded as having voted against the clause, in accordance with Section 50.7 of the Procedure By-law.

(Note: See Minute No. 164 for attachments.)

164 - Attachments referred to in Report "A" of the Committee on Finance and Administration, dated May 12th, 1992.

(NOTE: See pages 103 – 122 for Attachments referred to in Report “A” of the Committee on Finance and Administration, dated May 12th, 1922)

REPORT OF THE
COMMITTEE ON FINANCE AND ADMINISTRATION
DATED DECEMBER 1st, 1992

On motion of Councillor Eadie, the Report of the Committee on Finance and Administration, dated December 1st, 1992, was considered clause by clause.

Her Worship the Mayor and Councillors:

Amendment to the City of Winnipeg
License By-law No. 4007/85
File EL-1

165 - 1. Your Committee on Finance and Administration on June 23rd, 1992, re-considered the following Clause 8 of its Report dated June 2nd, 1992, referred back to it by Council on June 17th, 1992. Council also laid over the amending by-law pending reconsideration of the proposed amendment.

"8. On January 28th, 1992, your Committee on Finance and Administration considered a report dated December 16th, 1991, from the Commissioner of Finance and Administration, relating to proposed amendments to the License By-law No. 4007/85 in response to a request by the City Centre-Fort Rouge Community Committee to amend Section 25(5) and 34(8) relative to dating and escort services and massage parlours. Committee heard representations from Councillor Timmers and a number of residents of the City Centre-Fort Rouge Community. Your Committee referred the matter to the City Solicitor for an opinion on the legality of the process of approving license applications under the License By-law and, to the Committee on Planning and Community Services to investigate the advisability of text amendments to provide for a conditional use process for dating the escort services, massage parlours and pawnbroker license applications.

On March 9th, 1992, the Committee on Planning and Community Services considered the communication from your Committee concerning the subject matter of this report and referred the matter of the License By-law amendments and establishment of conditional use approval for dating and escort services, massage parlour and pawnbroker applications to the Acting Director of Planning in consultation with the City Solicitor.

Subsection 524(1) of The City of Winnipeg Act provides that the City's power to license and regulate the carrying on of a trade shall include the power "in the case of a trade the carrying on of which may, in the opinion of Council, be injurious to the interests of occupants or owners of property in the vicinity" to require the approval of Council or a Committee specified by by-law, which approval may be granted for a temporary period or indefinitely and either conditionally or unconditionally.

Subsection 4(10) of the current License By-law No. 4007/85 was enacted pursuant to that authority, requiring Community Committee approval of new applications to carry on any of the twenty-three trades specified.

The enactment of Subsection 4(10) is in accordance with The City of Winnipeg Act and is therefore "legal". However, for the reasons set forth below, the controls imposed under Subsection 4(10) are viewed as an unnecessary duplication of land use controls imposed under the City's Zoning by-laws and it is recommended that Subsection 4(10) be repealed.

NATURE OF LICENSE AND ZONING CONTROLS

Subsection 4(10) of the License By-law was enacted following a finding by Council that a list of twenty-three trades were potentially injurious to the interests of occupants or owners of property in the vicinity. (A list of the trades presently included under Subsection 4(10) is identified as Schedule "A"). Subsection 4(10) provides that no new license to carry on one of the listed trades shall be issued until approved by the Community Committee for the area in which the trade is proposed to be carried on or by the designated appeal Committee.

The City's various Zoning By-laws and Town Planning Schemes list uses which may be made of land within particular zoning districts either as of right or pursuant to a Conditional Use Order. Conditional Use Orders may be made where the proposed use "does not create a substantial adverse effect on the amenities, use, safety and convenience of adjoining property and adjacent area". Until recent amendments, The City of Winnipeg Act permitted Variance Orders to be made under the same conditions to allow non-listed uses. Provincial legislation is expected shortly which will again provide for Variance Orders to be made on a temporary basis for up to five years.

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The issues raised and procedures applicable to license approvals and Conditional Use/Variance applications are compared as follows:

1) Issue to be Determined

a) License By-law

"whether the carrying on of the trade would be injurious to the interests of the occupants or owners of property in the vicinity".

b) Land Use Controls

"whether the use creates a substantial adverse effect on the amenities, use, safety and convenience of the adjoining property and adjacent area".

2) Procedure

a) License By-law

A hearing is required following posting of a notice as to the date, time and place that the application will be considered.

b) Land Use Controls

A hearing is held following posting of the notice.

3) Nature of the Order

a) License By-law

License approvals may be temporary or permanent and may be subject to conditions.

b) Land use Controls

Orders may be temporary or permanent and may be subject to conditions.

DESIGNATED COMMITTEES

Recent amendments to The City of Winnipeg Act (Bill 35) have changed the process for obtaining Conditional Use/Variance Orders. Previously, such Orders were made by the Community Committees subject to appeal to the Variance, Conditional use and License Appeal Committee except in those cases where the property fell under The Downtown Zoning By-law No. 4800/88 in which case, appeals lay to the Committee on Planning and Community Services.

Pursuant to Bill 35 and the Development Procedures By-law No. 5893/92, Conditional Use Orders are now made by the Board of Adjustment, subject to appeal in most cases to the area Community Committee.

Prior to March 25th, 1992, the License By-law provided that approvals of new license applications were made by the Community Committees, subject to appeal to the Variance, Conditional Use and License Appeal Committee except in those cases where the property fell under The Downtown Zoning By-law No. 4800/88 in which case, appeals lay to the Committee on Planning and Community Services.

On March 25th, 1992, the License By-law was amended to provide that appeals under Subsection 4(10) would be taken in all cases, to the Committee on Planning and Community Services in recognition of the fact that the Variance/Conditional Use and License Appeal Committee would soon cease to exist.

RELATIONSHIP OF ZONING AND LICENSE CONTROLS

Under the parallel license and zoning controls, it is common for a person setting up a new business to require both a license approval under the License By-law as well as a Conditional Use or Variance Order. Prior to Bill 35, the Planning Department, City Clerk's Department and License Branch attempted to co-ordinate the two applications to

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ensure that both would be heard by the Community Committee and Appeal Committee at the same time.

Bill 35 has had the effect of separating the hearings held under the License and Zoning By-laws. In those cases where two applications are required, the time and expense to both the Applicant and the City have therefore increased. Furthermore, the possibility has arisen that the two applications could be decided inconsistently (i.e. the license approval could be granted but the zoning order denied, or the reverse).

It should be noted that the City does not have the option of simply amending the License By-law to cause the license approval process to match that which will now apply to Conditional Use Orders. License approvals must, by Section 524(1) of The City of Winnipeg Act, be made by Council or a Committee of Council and the Board of Adjustment could therefore not be designated as the body responsible for approving license applications.

BY-LAW AMENDMENT PROCESS

The Planning Department has analyzed Subsection 4(10) of the License By-law and prepared a statement regarding the necessity of a Conditional Use or Variance Order for each trade under current Zoning By-laws (Schedule "B").

Of those trades which presently require license approval, the following trades cannot be established in any residential or commercial district without a Conditional Use or Variance Order:

auto salvage yard	poultry slaughter house
banquet hall	scrap metal yard
dance hall	soap manufactory
dog kennel	soils dealer
karting track	tannery
livery stable	undertaker, funeral director
motor raceway	waste material yard

It is recommended that Subsection 4(10) of the License By-law be immediately amended to delete the above trades from the list requiring Community Committee approval as, in all cases, a Conditional Use Or Variance Order would be required for the use to be established in a residential or commercial district.

The following recommendations are made with respect to the remaining trades:

a) The trade of vegetable stall has the potential to be established as a permitted use in some commercial districts. The Planning Department is of the view that the operation of a vegetable stall in those particular districts would not create a land use conflict and recommends that the requirement for licensing approvals be deleted from Subsection 4(10) of The License By-law. It is noted that plant stalls are presently regulated under The License By-law and do not require license approvals under Subsection 4(10).

b) The trade of billiard parlour is defined under The License By-law as meaning any premise containing one or more billiard tables. The Planning Department advised that one or two billiard tables can presently be established if the activity is properly incidental to certain types of commercial uses without the necessity of a Conditional Use or Variance Order.

   However, all new businesses operating principally as a billiard parlour would require a Conditional use or Variance Order. The Planning Department is satisfied that existing land use controls are adequate to prevent any adverse effects upon adjacent properties and recommends that the trade of billiard parlour be deleted from Subsection 4(10) of The License By-law.

OTHER MATTERS

- Subsection 39(3) of The License By-law presently provides that "no second hand dealer shall carry on his trade in any residential premises". As noted in this report the trade of a second hand dealer cannot be carried on in a residential district without a zoning order. It is recommended that the duplicate land use control presently imposed under Subsection 39(3) be deleted from the License By-law.

- The License By-law presently requires license approval of all new applications to operate amusement parlours and carnivals. Occasionally the License Branch receives applications to operate travelling amusement parlours or carnivals of short duration at various locations such as malls throughout the City. Under the existing by-law provisions the applicant would need to make application to each Community Committee where the activity will occur.

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It is felt that the operation of a carnival or amusement parlour for a period of 4 days or less (subject to existing zoning restrictions) is unlikely to create a significant adverse effect upon adjacent occupants and it is recommended that the requirement for license approval for these trades apply only where the activity is to be carried out for 5 or more consecutive days at one location.

- It should be noted that the recommended amendments to Subsection 4(10) of the License By-law will not affect the obligation of persons carrying on the particular trades to continue to obtain a business license and comply with any applicable rules of operations for that trade as specified under the License By-law.

- License approvals under Subsection 4(10) are presently given to particular license applicants and require re-approval if the business is sold or transferred. Conditional Use and Variance Orders, on the other hand, would run with the land, subject to any other personal license requirements such as a Certificate of Good Character.

Your Committee on Finance and Administration submits draft by-law and recommends:

I. That the License By-law be amended by deleting certain trades from the list of trades requiring Community Committee approval of new applications under the License By-law.

II. That the proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing."

After considering the above clause at its June 23rd, 1992 meeting, your Committee instructed the Administration to prepare a further report addressing the following namely:-

- That the administration investigate and report on how Community Committees might retain control over certain trades through licensing; and,

- That the Law Department amend By-law No. 4007/85 to include video shops in the list of trades licensed under the provisions of the License By-law, as well as including video shops in the list of trades under Clause 4(10)(a) therein.

Your Committee, on December 1st, 1992, considered advice submitted by the Commissioner of Finance and Administration in report dated September 28th, 1992 as follows:-

RETENTION OF CONTROL OVER TRADES THROUGH LICENSING

The City presently controls the establishment of certain businesses under both its License By-law and its various zoning by-laws and Town Planning Schemes. The intent of the recommendation that the License By-law be amended to dispense with Community Committee approval of certain new license applications was not intended to reduce the amount of control which the City presently exercises over those trades, but rather to eliminate some duplication which exists under licensing and zoning controls.

At present certain new license applications are referred to the Community Committees under the License By-law for a determination "whether the carrying on of the trade would be injurious to the interests of the occupants or owners of property in the vicinity". Decisions of the Community Committee are subject to appeal to the Committee on Planning and Community Services. If the Council wishes the Community Committees to retain this function, no by-law amendment is required.

The problem which is of concern to the administration is that many of the license applicants who currently require Community Committee approval are also required to obtain a Conditional Use or Variance Order from the Board of Adjustment. The separation of jurisdiction between the Community Committees and Board of Adjustment in dealing with licensing and zoning matters has resulted in an increase in time and expense required of persons wishing to set up a business. Since the Board of Adjustment began to hear zoning applications, license applicants have been required to obtain their zoning approvals prior to their license applications being submitted to the Community Committees. The License Branch reports that most license applicants have complained that the current process is confusing and slow. Typical complaints are that the duplicate process unnecessarily increases the applicant's expenses (including legal fees and time missed from work), results in a revenue loss to the applicant because the date that he can commence his business is delayed and amounts to unnecessary red tape which is discouraging to small business.

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REGULATION OF VIDEO SHOPS UNDER THE LICENSE BY-LAW

The Province of Manitoba has enacted regulations under the Amusements Act whereby the Manitoba Film Classification Board licenses persons who sell or rent videos. As video shops are specifically licensed and regulated at the provincial level, the City cannot impose additional licensing requirements under its License By-law.

The possibility of the City dealing with the establishment of new X-Rated Video Stores as a land use matter was discussed in a separate report.

Your Committee on Finance and Administration has reconsidered this matter and submits a revised draft by-law incorporating therein further amendments to the License By-law and recommends:-

1. That the License By-law be amended by deleting certain trades from the list of trades requiring Community Committee approval of new applications under the License By-laws.

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

For Council's information:-

The proposed amendments would delete the requirement for Community Committee approval of new applications for the following trades:

auto salvage yard	motor raceway	soils dealer
dog kennel	poultry slaughter house	tanner
karting track	scrap metal yard	undertaker, funeral director
livery stable	soap manufactory	vegetable stall
		waste material yard

and would retain the requirement for the following trades:

amusement parlour	billiard parlour	hobby breeder
carnival	dance hall	massage parlour proprietor
banquet hall	dating and escort service	pawnbroker
		second hand dealer

Moved by Councillor Eadie,
Adoption of the clause.

Moved by Councillor Hyman,
That the clause be referred to the Committee on Planning and Community Services.

Carried.

By-law to Authorize the Expenditure of Monies in 1993 prior to the Adoption of the 1993 Estimates under Section 281(1)(d) of The City of Winnipeg Act
File FC-2

166 - 2. Section 281(1)(d) of The City of Winnipeg Act authorizes the City to pass a by-law authorizing the expenditure in any year prior to the adoption of the annual estimates for that year, of amounts not exceeding, in the aggregate, thirty percent of the estimate of expenditures adopted for the next previous year.

Budgeted expenditures adopted in 1992 for both Current and Capital purposes totalled $1,196,764,528.00. The draft by-law provides for spending in 1993 of amounts not exceeding 30% of $1,196,764,528.00 or $359,029,359.00 prior to the adoption of the 1993 annual estimates.

Your Committee on Finance and Administration submits draft by-law, approved as to financial details by the City Treasurer and certified as to form by the Acting City Solicitor, and recommends:-

I. That Council authorize the expenditure of up to $359,029,359.00 in 1993 prior to adoption of the 1993 annual estimates.

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II. That the Proper Officers of the City do all things necessary to implement the above recommendation, including the execution of any documents related thereto.

Moved by Councillor Eadie,
Adoption of the clause.

Carried.

By-law to Authorize the Borrowing of Monies during the Year 1993, under Section 281(1) of The City of Winnipeg Act and Rescinding of Policy/Establishment of New Policy related thereto File FC-2

167 - 3. The City is authorized under Section 281(1) of The City of Winnipeg Act to pass a by-law to provide for the borrowing for capital and current purposes from banks or from any other persons or corporations in such amounts as the Council may deem necessary, and to issue promissory notes in respect thereof.

On April 15th, 1987, Council adopted a policy whereby the annually approved short-term borrowing limit was established at 15% (rounded to the nearest $1 million) of the next previous years budgetary estimates for both capital and current purposes. The level of 15% was somewhat arbitrarily selected as The City of Winnipeg Act does not specify a level or an amount but states that the borrowing can be "in such amounts as the Council may deem necessary".

The 1992 borrowing limit of $172 million was established based on the guidelines of the April 15th, 1987 policy. During 1992, the City's short-term borrowing reached a high of $160 million in June 1992. Therefore, the City came within $12 million of going over the Council approved short-term borrowing limit.

Based on an analysis of the City's cash flow projections for 1993, it has been determined that the current policy of establishing the short-term borrowing limit at 15% of the next previous years budgetary estimates for both capital and current purposes, will be unnecessarily restrictive. If the current policy guideline was followed, the 1993 short-term borrowing limit would be established at $180 million. If the City does not launch a debenture issue for capital purposes beforehand, the City would exceed the short-term borrowing level of $180 million by mid-March 1993. This situation could force the City to go to the capital markets before it was advisable to do so.

Given the fact that The City of Winnipeg Act states that the short-term borrowing limit can be established at "such amounts as the Council may deem necessary", it does not seem wise to arbitrarily limit the City to 15% of the next previous years budgetary estimates for both capital and current purposes.

An analysis of the City's cash flow projections for 1993 indicates that a short-term borrowing limit of $250 million will meet the City's requirements for 1993. A short-term borrowing limit of $250 million will give the City the flexibility of going to the capital markets at any time between now and May 1st, 1993. The City has a debenture issue to refinance on May 1st, 1993 so if the City has not gone to the capital markets before May 1st, 1993, the City would be issuing a debenture issue at that time.

It should be noted that this proposed change of policy does not cost the City anything and only provides the City with greater flexibility in its financial management.

Your Committee on Finance and Administration submits draft by-law duly approved as to financial details by the City Treasurer, and certified as to form by the Acting City Solicitor, and recommends:

I. That Council authorize the City of Winnipeg to borrow monies for capital and current purposes during the year 1993, not exceeding in the aggregate the sum of $250 million at any one time, and to authorize the issue and delivery of promissory notes in respect thereof.

II. That the current policy adopted by Council on April 15th, 1987, whereby the annually approved short-term borrowing limit is established at 15% (rounded to the nearest $1 million) of the next previous years budgetary estimates for both capital and current purposes, be rescinded.

III. That a new policy be adopted whereby the annually approved short-term borrowing limit be established based on an analysis of cash flow projections and estimated requirements.

Report of the Committee on Finance and Administration, dated December 1st, 1992

IV. That the Proper Officers of the City do all things necessary to implement the above recommendations including the execution of any documents related thereto.

Moved by Councillor Eadie,

Carried.

Acquisition of Bayview Place
File FI-2.4.4 (Sch.)

168 - 4. Your Committee on Finance and Administration has considered the attached item 1 of Report No. 1A, (File 5832/A and 4910) dated October 27th, 1992, with respect to the proposed acquisition of Bayview Place in the East Kildonan-Transcona Community.

The Transcona-Springfield School Division No. 12 Board of Trustees at its meeting held on May 5th, 1992 offered a former school site on Bayview Place for $1.00 to the City of Winnipeg. The Public Schools Finance Board approved the disposal of the property for $1.00 on April 16th, 1992.

On June 22nd, 1992, the Committee on Protection, Parks and Culture recommended that the City purchase the Bayview site for the sum of $1.00.

The Board of Commissioners on August 27th, 1992, requested the Land Surveys and Real Estate Department to undertake negotiations to acquire the site. The Transcona-Springfield School Division has agreed to transfer Title to the subject property under the terms and conditions outlined on the attached Schedule "A" for the property identified as "Transcona-Springfield School Division No. 12 site" on Misc. Plan No. EKT 8651 attached. These terms and conditions are consistent with other similar acquisitions as negotiated by the City.

The Budget Bureau issued its Certificate dated October 19th, 1992 committing adequate funds from the Land Acquisition for General Unspecified Purposes Account to finance this transaction.

Your Committee on Finance and Administration recommends:

I. That the acquisition of the property shown as "Transcona-Springfield School Division No. 12 site" on Land Surveys and Real Estate Misc. Plan No. EKT 8651 at a price of $1.00 and in accordance with the terms and conditions as specified on the attached Schedule "A" be approved.

II. That the Proper Officers of the City do all things necessary to implement the above recommendations including the execution of any documents related thereto.

Moved by Councillor Eadie,
Adoption of the clause.

Carried.

(Note: See Minute No. 176 for attachments.)

Acquisition, West of Strathcona Street, South of Wolever Avenue, Lot 1, Block 2, Plan Deposit 502/92 (Denson Place).
Files FI-2(22) & DASZ 9/91

169 - 5. Your Committee on Finance and Administration has considered the attached Item 2 of Report No. 1A, (File 5196/A, 32/4300) dated October 27th, 1992, with respect to acquisition of west of Strathcona Street, south of Wolever Avenue, Lot 1, Block 2, Plan Deposit 502/92 (Denson Place), in the City Centre Community.

On December 17th, 1991, the (then) City Centre-Fort Rouge Community Committee approved a subdivision under DASZ 9/91 subject in part to the Parks and Recreation Department providing the feasibility of acquiring additional land to the proposed park.

Report of the Committee on Finance and Administration, dated December 1st, 1992

At its meeting on July 13th, 1992, the Committee on Protection, Parks and Culture identified a need to acquire the subject property and referred the matter to your Committee.

At its meeting held on July 14th, 1992, your Committee instructed the Director of Land Surveys and Real Estate Department to acquire Lot 1, Block 2 shown as "Proposed Acquisition 2719542 Manitoba Ltd. property" on the attached Misc. Plan No. CCFR 8635/1.

The developer has agreed to the sale of the lot in accordance with the terms and conditions as set out on Schedule "A" attached. The proposed purchase price of $24,700.00 reflects a front foot value of $650.00.

Based upon its review of the market the Land Surveys and Real Estate Department is of the opinion that the proposed price is reasonable. The associated terms and conditions of settlement are consistent with other similar transactions negotiated by the City.

The Budget Bureau issued its certificate dated April 22nd, 1992 committing adequate funds from the Land Acquisition for General Unspecified Purposes Account to finance this transaction.

Your Committee on Finance and Administration recommends:-

I. That the acquisition of the property as shown as "Proposed Acquisition 2719526 Manitoba Ltd. property" on Land Surveys and Real Estate Misc. Plan CCFR 8635/1 at a price of $24,700.00 and in accordance with the terms and conditions as specified on the attached Schedule "A", be approved.

II. That the Proper Officers of the City do all things necessary to implement the above recommendations including the execution of any documents related thereto.

Moved by Councillor Eadie,
Adoption of the clause.

Carried.

(Note: See Minute No. 177 for attachments.)

Request for Extension of Time relating to a Land Exchange - Gilmore Construction Co. Ltd./City of Winnipeg - East side Henderson Highway, South of Douglas Avenue File FI-2(23)

170 - 6. Your Committee on Finance and Administration has considered the attached Item 3 of Report No. 1A, (File S-42-N.K.), dated October 27th, 1992, with respect to a proposed land exchange of property located on the east side of Henderson Highway, south of Douglas Avenue, in the East Kildonan-Transcona Community.

Council on October 16th, 1991, adopted your Committee's Report dated October 1st, 1991 and approved a land exchange between the City and Gilmore Construction Ltd. A copy of the October 16th, 1992 report to Council is attached.

Item 7 of the terms and conditions of the proposed exchange was that:

> "The proposed exchange to be conditional upon the successful rezoning of the City's Parcel "B" to allow for an addition to Gilmore Construction Co. Ltd.'s existing commercial building within 12 months of the City's acceptance of this proposal. Gilmore Construction Co. Ltd. is to act as the Applicant and incur all application costs and dedication fees."

Gilmore Construction Co. Ltd. did not, due to a misunderstanding on its part, make application for rezoning and as a result the twelve month period expired on October 15th, 1992.

On October 6th, 1992, Gilmore Construction Co. Ltd. advised by letter that it still wishes to finalize the proposed land exchange but now requests an extension of time to allow for a rezoning application to be processed. The City's

Report of the Committee on Finance and Administration, dated December 1st, 1992

The Land Surveys and Real Estate Department supports granting the requested time extension as the Department is of the opinion that finalization of the proposed land exchange with Gilmore Construction Co. Ltd. is in the City's best interests and would eliminate the need for future negotiations/expropriation of the Gilmore property at a later date together with the attendant risks and costs.

Your Committee on Finance and Administration recommends:-

I. That Council grant Gilmore Construction Co. Ltd an extension of time until December 31st, 1993, to obtain the successful rezoning of the City's land.

II. That the Proper Officers of the City do all things necessary to implement the above recommendations including the execution of any documents related thereto.

Moved by Councillor Eadie,
Adoption of the clause.

Carried.

(Note: See Minute No. 178 for attachments.)

Appointment of Sinking Fund Trustees for The City of Winnipeg
Files FI-4 & GC-7

171 - 7. Under Section 314, subsection (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. The other three trustees, none of whom shall be a member of council, shall be appointed by the Lieutenant Governor in Council on the recommendation of council."

On December 17th, 1986, the Lieutenant Governor in Council, on recommendation of City Council appointed the following trustees for the term commencing January 1st, 1990 and terminating December 31st, 1992;-

Mr. Alan G. Howison, of The City of Winnipeg, in the Province of Manitoba
Mr. Marshall G. Smith, of The City of Winnipeg, in the Province of Manitoba
Mr. C. Mark Zeilstra, of The City of Winnipeg, in the Province of Manitoba

Messrs. Howison, Smith and Zeilstra have served the City very well and have indicated their willingness to stand for reappointment.

Your Committee on Finance and Administration recommends that the names of Mr. Alan G. Howison, Mr. Marshall G. Smith and Mr. C. Mark Zeilstra be recommended to the Lieutenant Governor in Council for the appointment as Sinking Fund Trustees for the term commencing January 1st, 1993, and terminating December 31st, 1995, in accordance with Section 314, subsections (2) and (3) of The City of Winnipeg Act.

Moved by Councillor Eadie,
Adoption of the clause.

Carried.

Discount(s) to be Allowed for the Prepayment of 1993 Realty and Business Taxes File FL-2.1

172 - 8. Your Committee on Finance and Administration is of the opinion that a discount rate should be established which will economically assist in accommodating the City's fiscal requirements, and at the same time provide an attractive investment opportunity for Winnipeg taxpayers.

Report of the Committee on Finance and Administration, dated December 1st, 1992

The prepayment of discounted taxes for 1992 and for comparative purposes for 1991, is outlined in Attachment I, attached.

Your Committee on Finance and Administration submits for favourable consideration draft by-law and recommends that the following discounts be allowed on prepayments received in the Tax office during the months of January and February, 1993 at the following discount rates:

	Face Value Discount Rate	Equivalent Maximum Annual Discount Rate
Realty Tax - Payable at Par Up to June 30th		
January	2.50%	6.24%
February	2.05%	6.26%
Business Tax - Payable at Par Up to May 31st		
January	2.00%	6.21%
February	1.55%	6.25%

Your Committee also recommends that the Proper Officers of the City do all things necessary to implement the above recommendations including the execution of any documents related thereto.

Moved by Councillor Eadie,

Adoption of the clause.

Carried.

1993 License Fees for Mobile Homes
File EL-8

173 - 9. On June 19th, 1991, Council adopted a report from the Committee on Finance and Administration dated June 4th, 1991, relative to the System of Taxing Mobile Homes in Winnipeg. The method of annually updating mobile home license fees for future years was also adopted at that time.

The recommendations in the June 19th, 1991 report adopted by Council were put in place in 1991, necessitating significant refunds to mobile homeowners. The following year, in 1992, license fees for mobile homes were increased by 5.13%, which was the percentage increase in the 1991 municipal and applicable school mill rates over those of the prior year.

The method of calculating the mobile home license fees is based on the following formula: the assessed average square foot value of mobile homes x the portion share for the class x square footage x the average city-wide mill rate for the prior year.

Since the assessed average square foot value for mobile homes remains at $16.00 and has not been affected by a reassessment, the license fees for mobile homes are to be adjusted by the increase in the mill rates as well as the reduction in the portion share for this class from 48.6% to 47%. Please note Exhibit 1 attached for the rate calculation. Mobile home fees are always based on the prior year's mill rates because the fee must be set prior to the beginning of the year, and the 1993 mill rates will not be struck until late March, 1993.

Your Committee on Finance and Administration has been advised that the recommended License Fees for Mobile Homes for 1993 reflect a 2.4% increase over the 1992 License Fees for Mobile Homes, an average increase of $10.00 per annum for mobile home owners. At present, 618 mobile homes are being licensed, therefore, the revised fees should generate, all things being equal, approximately $6,180.00 in additional revenue for 1993. Should the fees in this report be approved, total revenue from mobile home license fees for 1993 are projected to be $268,700.00.

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The rate calculation recommended in this report is based on a weighted average of the levies rather than on a simple average which had been used in the past. A weighted average is more reflective of average mill rates. Alternatively, if a simple average had been used, the monthly license fees would be $15.17 for 400 square feet or less and $3.79 for each additional 100 square feet, or a 0.2 increase.

Your Committee on Finance and Administration submits draft by-law and recommends-

I. That Schedule "A" to By-law No. 821/74 be repealed and that the following schedule be substituted therefor effective January 1, 1993.

LICENSE FEES FOR MOBILE HOMES

Size of Mobile House (based on exterior dimensions)	Present Monthly Fee	Proposed Monthly Fee
(a) 400 square feet or less	$ 15.14	$ 15.50
(b) over 400 square feet		
First 400 square feet	15.14	15.50
Each additional 100 square feet or part thereof	3.78	3.87

Moved by Councillor Eadie,
Adoption of the clause.

Carried.

Appointment of Council Representatives to the Management Committee for the Lindenwoods Joint Venture Agreement.
Files GC-7 & FI-2.4.5

174 - 10. Council at its Organizational Meeting held on November 10th, 1992 requested your Committee on Finance and Administration to recommend the appointment of two Council representatives and an alternate to the Management Committee for the Lindenwoods Joint Venture Agreement.

Your Committee on Finance and Administration recommends the appointment of Councillors Angus and Golden and Councillor Thomas as the alternate member to the Management Committee for the Lindenwoods Joint Venture Agreement.

Moved by Councillor Eadie,
Adoption of the clause.

Carried.

Appointment of Representatives to the Employee Benefits Board.
Files GU-3.9 and GC-7

175 - 11. Council at its Organizational Meeting held on November 10th, 1992, requested your Committee on Finance and Administration to recommend the appointment of four representatives to the Employee Benefits Board pursuant to By-law No. 5300/89.

Your Committee on Finance and Administration recommends the appointment of Mrs. E. A. Frame, Mr. M. J. Shibley, Mr. R. L. Borland and Mr. J. Linton as administrative representatives on the Employee Benefits Board for a term expiring November, 1993.

Moved by Councillor Eadie,
Adoption of the clause.

176 - Attachments referred to in Clause 4 of the Report of the Committee on Finance and Administration, dated December 1st, 1992

(NOTE: See pages 134 – 136 for Attachments referred to in the above Clause)

177 - Attachments referred to in Clause 5 of the Report of the Committee on Finance and Administration, dated December 1st, 1992.

(NOTE: See pages 137 – 139 for Attachments referred to in the above Clause)

178 - Attachments referred to in Clause 6 of the Report of the Committee on Finance and Administration, dated December 1st, 1992.

(NOTE: See pages 140 – 144 for Attachments referred to in the above Clause)

COMMITTEE ON FINANCE AND ADMINISTRATION
CONSIDERATION OF BY-LAWS

179 - On motion of Councillor Eadie, the following By-laws were each read a first, second and third time, the rule being suspended for the third reading of each by-law and were passed and ordered to be signed and sealed, namely:-

By-law No. 6049/92, a By-law of the City of Winnipeg to authorize the borrowing during the year 1993 of monies not exceeding in the aggregate the sum of two hundred and fifty million dollars ($250,000,000.00) at any one time for capital and current purposes, and to authorize the issue and delivery of promissory notes in respect thereof. File FC-2.

By-law No. 6050/92, a By-law of the City of Winnipeg to authorize the expenditure of monies in 1993 before the adoption of the 1993 annual estimates. File FC-2.

By-law No. 6074/92, a By-law of the City of Winnipeg to amend By-law No. 821/74, being a by-law relating to mobile houses, tourist camps and trailer parks. File EL-8.

On motion of Councillor Eadie, the rule was suspended, and By-law No. 6081/92, a By-law of the City of Winnipeg to provide for discounts where realty or business taxes are prepaid, was read a first, second and third time, the rule being suspended for the third reading, and was ordered to be signed and sealed. File FL-2.1.

COMMITTEE ON FINANCE AND ADMINISTRATION
QUESTION PERIOD

180 - Councillor Golden requested that the Chairman of Finance and Administration table his displeasure to Executive Policy Committee regarding the Budget Bureau's inability to consolidate the budget papers in one document.