Agenda – Executive Policy Committee – October 17, 2012

REPORTS

Item No. 3 Jubilee Rapid Transit Station
(Fort Rouge-East Fort Garry Ward)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a long-term easement in favour of GEM Equities Inc. or nominee over a portion of the City-owned land identified on the attached Misc. Plan No. 14371 (Appendix A), be approved in accordance with the City's standard terms and conditions and any other terms and conditions deemed necessary by the Director of Legal Services to protect the interests of the City.

2. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of an agreement with GEM Equities Inc. with respect to the decommissioning of the temporary geothermal well located on the subject City property (as defined below).

3. That the subject City property located on the west side of Hugo Street South at Morley Avenue identified as subject property on the attached Misc. Plan No. 13953 ("subject City property"), be declared surplus to the needs of the City (Appendix B).

4. That the net proceeds of disposition of the subject City property be allocated to fund all or a portion of the City's estimated $1,666,680 contribution to the capital cost of the Jubilee Rapid Transit Station with the balance, if any, to be funded from the Rapid Transit Infrastructure Reserve Fund.

5. That approval be given to interim-finance from the Land Operating Reserve Fund the net proceeds of disposition referenced in Recommendation # 4 in the event funds are required prior to the closing of the sale of the subject City property.

6. That the establishment of a capital budget for the Jubilee Rapid Transit Station in the 2013 Capital Budget be approved.

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

ADMINISTRATIVE REPORT

Title: Jubilee Rapid Transit Station

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
P. Regan M. McGinn	B. Thorgrimson	M. Ruta	D. Joshi, COO

RECOMMENDATIONS

1. That a long-term easement in favour of GEM Equities Inc. or nominee over a portion of the City-owned land identified on the attached Misc. Plan No. 14371 (Appendix A), be approved in accordance with the City's standard terms and conditions and any other terms and conditions deemed necessary by the Director of Legal Services to protect the interests of the City.

2. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of an agreement with GEM Equities Inc. with respect to the decommissioning of the temporary geothermal well located on the subject City property (as defined below).

3. That the subject City property located on the west side of Hugo Street South at Morley Avenue identified as subject property on the attached Misc. Plan No. 13953 ("subject City property"), be declared surplus to the needs of the City (Appendix B).

4. That the net proceeds of disposition of the subject City property be allocated to fund all or a portion of the City's estimated $1,666,680 contribution to the capital cost of the Jubilee Rapid Transit Station with the balance, if any, to be funded from the Rapid Transit Infrastructure Reserve Fund.

5. That approval be given to interim-finance from the Land Operating Reserve Fund the net proceeds of disposition referenced in Recommendation # 4 in the event funds are required prior to the closing of the sale of the subject City property.

6. That the establishment of a capital budget for the Jubilee Rapid Transit Station in the 2013 Capital Budget be approved.

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

REASON FOR THE REPORT

- As the construction of the Jubilee Rapid Transit Station, which is part of the Strategic Economic Agreement between GEM Equities Inc. and the City of Winnipeg, is considered an economic development matter, Section 4 of the City Organization By-law 7100/97 requires that Executive Policy Committee consider this report.
- In accordance with City Policy, all sales of property designated or acquired for park or cemetery purposes require approval of at least 2/3 of all members of Council. The subject easement falls under this City Policy.
- Council approval is required to declare the subject City-owned property surplus to the needs of the City.
- Council approval is required to allocate of proceeds of disposition of City owned property to other than the Land Operating Reserve Fund.

IMPLICATIONS OF THE RECOMMENDATIONS

- The proposed easement will limit the City's ability to build on that portion of the parkland within the easement area.
- The Planning, Property and Development Department intends to market the subject City property shown outlined on Misc. Plan No. 13953 to the general public.
- The City's standard terms and conditions of sale will include provisions to protect the City's interests in the event that environmental contamination is discovered.
- The net proceeds of disposition of the subject City property will be allocated to the City's share of the capital cost of the Jubilee Rapid Transit Station.
- The establishment of a capital project budget for the Jubilee Rapid Transit Station in the 2013 Capital Budget will be approved.

HISTORY

On December 15, 2010, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. *That the City of Winnipeg enter into an Strategic Economic Agreement with the Developer for the development of a mixed-use residential and commercial development on the west side of Argue Street adjacent to the Southwest Rapid Transit Corridor, as shown on Schedule "A" to the report of the Winnipeg Public Service dated November 16, 2010, for File DASZ 33/2010, to include the following items:*

   A. Cost and lands associated with the development of the new Jubilee Rapid Transit Station.
   B. Costs of all design services to be provided by a Consulting Engineer for the environmental works required to remediate the lands for the development of the Jubilee Rapid Transit Station; and costs of all supervision services provided on behalf of the City for field inspection, the preparation of progress estimates, and all other engineering consulting services related to the remediation.
   C. Costs of all design services to be provided by a Consulting Engineer for the design of the works required to provide geo-thermal heating to municipally owned facilities, and the costs of all construction supervision services provided on behalf of the City for field inspection, the preparation of progress estimates, the

provision of as-built drawings within three months of the date of substantial completion of the work, and all other engineering consulting services related to the installation of the works required for geo-thermal heating of municipally owned facilities.

2. *That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of any and all agreements required in respect of any land acquisitions needed for the Jubilee Rapid Transit Station to achieve the intent of Council for DASZ 33/ 2010.*

3. *That the Chief Administrative Officer be authorized to finalize and approve the terms and conditions of any and all agreements required in respect of the above noted including the City's contribution, and shall report this matter to Council.*

On March 26, 2008, Council concurred in the recommendation of the Executive Policy Committee and adopted, among other things, the following:

a. *That a "Rapid Transit Infrastructure Reserve" be established in accordance with Section 289 of The City of Winnipeg Charter;*

b. *That the Director of Transit be designated as the Fund Manager;*

c. *That the purpose of the reserve be to accumulate funds and subsequently to expend on future costs incurred on account of public transit infrastructure, including the construction of rapid transit corridors contemplated in the future; and*

d. *That a transfer to the Transit Infrastructure Reserve of $2,750,000.00 be approved in 2008 as an initial City contribution to this new reserve.*

Discussion

Given that the Jubilee Rapid Transit Station will serve the existing community as well as the new residences in the Yards at Fort Rouge development, it was determined that the City should share in the estimated $3.8 million cost of the Station. At full development of the Yards at Fort Rouge, new development will comprise 57% of total residences in the Station's catchment area. Therefore, the City's share will be 43% or $1,666,680. Preliminary discussions with the Department of Local Government have taken place and there exists the possibility that the Province of Manitoba will fund 50% of the City's contribution.

The subject City property represents part of a larger parcel that was acquired for the expansion of the Transit garage and for the Rapid Transit Project. The Transit Department has advised that it no longer requires this property and has requested that the Planning, Property and Development Department initiate the process for its sale.

The subject City property was recently circulated to all City Departments and no civic need was identified.

The net proceeds of disposition of the subject City property will be used to fund all or a portion of the City's $1,666,680 contribution toward the capital cost of the Jubilee Rapid Transit Station. Should the net proceeds be insufficient, the balance of the City's contribution will be funded from the Rapid Transit Infrastructure Reserve Fund.

Investigation by GEM Equities into the installation of the geothermal system to serve the new residences and the Jubilee Station has necessitated the drilling of two test wells – a permanent well in McKittrick Park (Appendix A), and a temporary well located on the subject City property (Appendix B). The easement agreement referenced in Recommendation # 1 of this report is for the permanent well, and will be negotiated and entered into with GEM Equities to formalize the use of the parkland. The City will negotiate and enter into a formal agreement with GEM Equities to ensure that GEM does all things necessary to decommission the temporary well. The temporary well must be decommissioned prior to the marketing for sale of the subject City property.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 12, 2012

Project Name:

First Year of Program **2013**

Jubilee Rapid Transit Station

	2013	2014	2015	2016	2017
Capital					
Capital Expenditures Required	$ 1,666,680	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 1,666,680	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Reserves, Equity, Surplus	1,666,680	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ 1,666,680	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 1,666,680				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	32,680	-	-	-	-
Net Cost/(Benefit)	$ (32,680)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(32,680)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The capital expenditure in 2013 represent the 43% City share of the estimated $3.8 million capital cost of the Jubilee Rapid Transit Station, or $1.634 million, plus short-term financing costs of $66,680. The latter amount is offset by an equal recovery in the Corporate Finance Department current budget. Funding for the City's share will come from the Land Operating Reserve Fund, the source being the net proceeds of dispostion of the subject City property. Should the net proceeds of disposition be insufficient, the balance will be funded from the Rapid Transit Infrastructure Reserve Fund.

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

CONSULTATION

In preparing this report there was consultation with:

Winnipeg Transit
Legal Services
Corporate Finance

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Financial Services
Prepared by:	Patti Regan, Manager of Planning and Land Use
	John Zabudney, Manager of Real Estate
	Mike McGinn, Manager of Finance
Date:	October 12, 2012
File No.	

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APPENDIX A



Date: 2012-10-10
District: CC
File: Not Available
Scale: 1:1500
NOTE:
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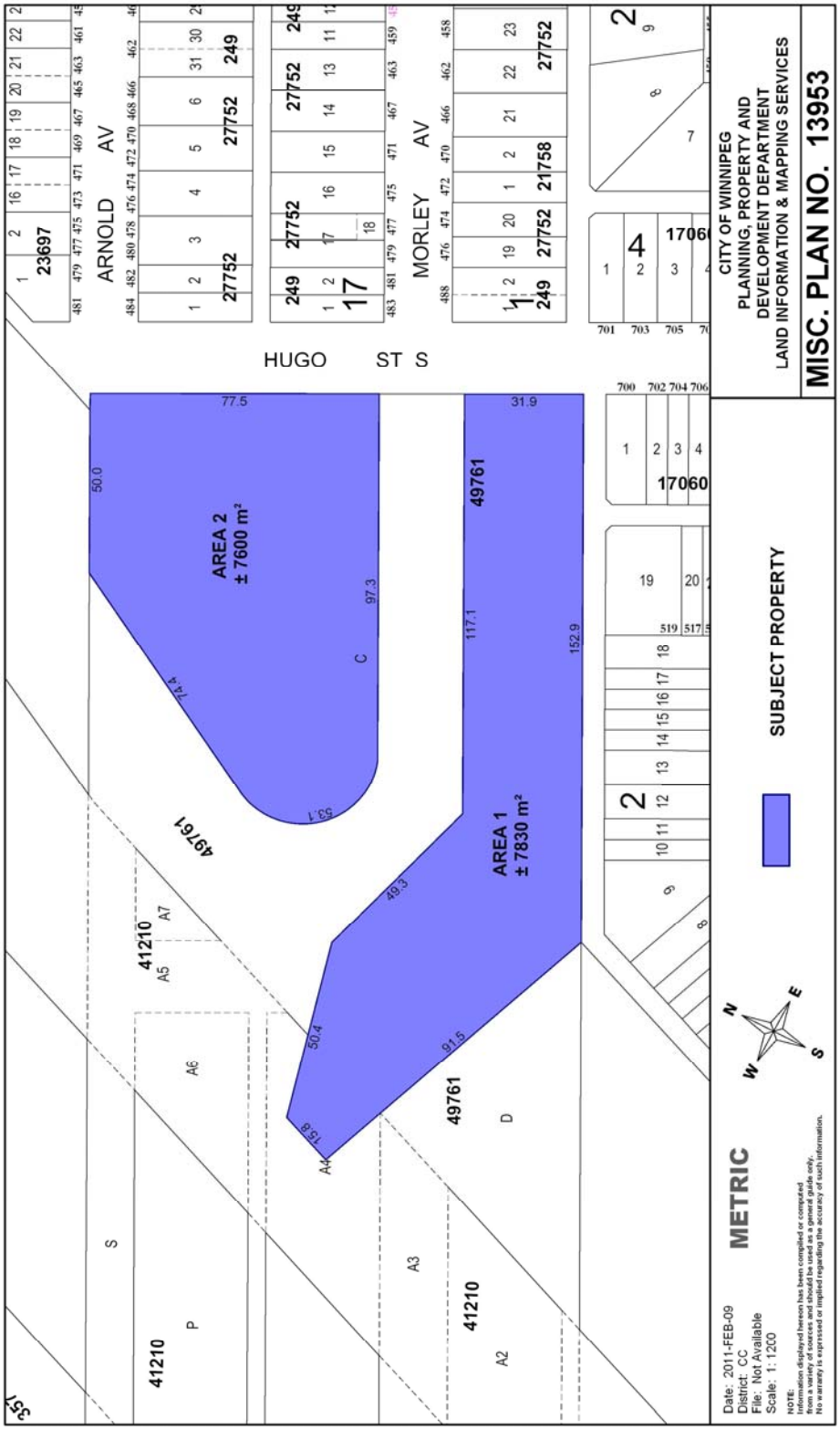
METRIC
City Property
Geothermal Well
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14371
LILAC ST
ARGUE ST
McKittrick
Park
RATHGAR AV
BERESFORD AV
Geothermal Well
COCKBURN ST S

APPENDIX B


HUGO ST S
ARNOLD AV
MORLEY AV
AREA 2
± 7600 m²
AREA 1
± 7830 m²
SUBJECT PROPERTY
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 13953
METRIC
Date: 2011-FEB-09
District: CC
File: Not Available
Scale: 1: 1200
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