CONSIDERATION OF REPORT OF THE COMMITTEE ON FINANCE AND ADMINISTRATION

The Executive Policy Committee has had before it the Report of the Committee on Finance and Administration, dated January 29th, 1991, has concurred in the recommendations contained therein, except as noted below, and submits same to Council for approval and adoption.

On motion of Councillor Selinger, the Report of the Committee on Finance and Administration, dated January 29th, 1991, was considered clause by clause.

West Committee Room,
Council Building, Winnipeg.
January 29th, 1991.

His Worship the Mayor and Councillors:

Your Committee on Finance and Administration submits the following Report and recommends:

Proposed Property Acquisition - South of C.N.R. Cabot Subdivision/Ridgewood Avenue, west of Oakdale Street, North of C.N.R. Rivers Subdivision and East of Fairmont Road - Assiniboine Park-Fort Garry Community. File FI-2(21)

446 - 1. Your Committee on Finance and Administration has considered the attached Item 1 of Report No. 1A of the Technical Advisory Committee on City Properties, dated January 15th, 1991, (File 7467), relative to the proposed acquisition of land located south of C.N.R. Cabot Subdivision/Ridgewood Avenue, west of Oakdale Street, north of C.N.R. Rivers Subdivision and east of Fairmont Road, in the Assiniboine Park-Fort Garry Community, as outlined on Misc. Plan No. APFG 7741/2.

Your Committee on Finance and Administration recommends that the acquisition of the subject property as shown on Misc. Plan No. APFG 7741/2 for community park purposes at a price of $412,920.00 be approved in accordance with the terms and conditions as outlined.

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

Your Executive Policy Committee concurs in the recommendations outlined above subject to the following wording being added at the end of the second paragraph, namely:-

", and that the funds be derived from the Assiniboine Park-Fort Garry Land Dedication Account."

Moved by Councillor Selinger,
Adoption of the clause.

In amendment,

Moved by Mayor Norrie,
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.

(Note: See Minute No. 452 for attachments.)

Report of the Committee on Finance and Administration, dated January 29th, 1991

Multiplex Alarm Reporting System (M.A.R.S.) File GF

447 - 2. When the Winnipeg Fire Department was first organized in 1882 it established a fire alarm box system. In 1952, a critique of Winnipeg's fire defences by the Western Canada Insurance Underwriters Association noted that some of the boxes were privately owned on private property and some were equipped to automatically transmit alarms from buildings of institutional, hospital or educational occupancy or places of public assembly.

For many years building codes applicable in Winnipeg have required that several types of buildings (hospitals, nursing homes, jails, theatres and other places of assembly accommodating in excess of 300 persons, certain high hazard industrial sites, and some others) must have fire detection equipment and must report alarms to the local Fire Department (either directly or via an approved central monitoring station).

In many jurisdictions the direct connection method was preferred and the reporting facilities were provided and operated by the Fire Department or other closely allied group. The Cities of Winnipeg and St. Boniface operated direct fire reporting systems. The Winnipeg system was installed, maintained and operated by the Signal Service Branch. Maintenance and operation of this system required the full-time attention of several staff. More recently, City by-laws have required that other types of buildings also be equipped with fire detection equipment and be connected to an acceptable central reporting agency. Basically, none of these use the City system.

Although the building codes permitted monitoring by an approved central station (private alarm company), the Fire Department was very concerned about the potential for fire catastrophes in many of these buildings which contained large numbers of persons and wanted to have the most direct, instantaneous and reliable reporting possible.

Once a system serving street boxes and "mandated" buildings was in place, it was reasonably economical and a logical extension to add Federal, Provincial and Municipal buildings as these generally housed large staff and were frequently open to the public. On similar grounds a few private buildings were also allowed to connect to the system.

In 1958 a school fire in Chicago claimed the lives of 92 students and staff. In reaction to this tragedy, Winnipeg School Division No. 1 decided that such an incident must not be possible in Winnipeg schools and in concert with the Winnipeg Fire Department created the Life Safety System, one component of which was a program to equip all schools with fire and smoke detectors and connect them to the fire reporting system. This program was fairly unique in North America at the time and is still not generally followed. However, it has ensured that since 1960 there have been no significant fires in Winnipeg School Division No. 1 schools. It also resulted in a significant reduction in the cost of fire insurance for the Division.

In 1970 it was decided to augment the basic fire detection function in the schools with a vandal detection and reporting function. This was because many fires were preceded by break-ins and because it was fairly inexpensive to add to the existing system. This arrangement required that fire alarm operators monitor the school vandal alarms and pass on alarm reports to the Police Department.

When amalgamation occurred, there were many considerations revolving around the amalgamation of services such as the various fire and police departments. One of the aims of amalgamation was to ensure that the entire City had equivalent services to those enjoyed in Central Winnipeg. The fire alarm and school vandal alarm reporting service was reviewed and basically endorsed by Council on May 29th, 1974, as potentially a city-wide service with the proviso that connections be restricted to: 1) Federal, Provincial and Municipal buildings; 2) hospitals, nursing homes, senior citizen homes and schools; 3) private buildings already connected.

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In 1979, it was decided that the fire alarm box network, which had been the original genesis of all subsequent service extensions was no longer required. It was old, costly to operate, subject to false alarms and was used little as most fires were now reported by telephone or by automatic fire reporting equipment. With the decommissioning of the box alarm system, however, it was decided that the City should continue to provide for a directly connected fire alarm reporting system for the "mandated" and government buildings. The present MARS (Multiplex Alarm Reporting System) was secured to provide this function. Coincidentally, it was agreed that the Police Department would monitor the school vandal alarms (and a small number of vandal alarms in municipal buildings) directly rather than through the Fire Department.

Under the present system, the Manitoba Telephone System owns all the monitoring equipment and the STU's on the customer sites. The Manitoba Telephone System provides direct service to the customer and provides the communication lines between the customer sites and the Public Safety Building. The Manitoba Telephone System in turn invoices the City for the use of the facility.

The Police Department monitors the vandal alarm component which is essentially for Winnipeg School Division No. 1. When an alarm occurs, the Police Department personnel present in the room where the monitors are located, dispatch a police unit to the location identified by the alarm.

The Fire Department monitors the fire alarm component and dispatches a fire truck to the site when an alarm goes off.

The Communications Branch of the Computer Services Department provides a coordinating role, budgets for the direct costs, maintains a customer list and advises of any change in rates. The City Treasurer is responsible for invoicing the customers and for receiving payments which are credited to the General Revenue of The City of Winnipeg.

For many years, The City of Winnipeg has provided a valuable service to certain segments of the public. Until the 1980's, alternatives for providing public buildings with central fire and vandal alarm reporting services were limited and expensive.

The past decade saw the private sector expanding the provision of intrusion and fire alarm and related services to the public. There are a variety of different companies providing services that overlap the services provided by the City. Because many companies are in the installation and monitoring alarm business, it is felt that the City's current customers would have several competitive options from which to choose if the City should terminate its existing service.

In 1988, The Communications Branch recommended a fee structure that was calculated to recover 100% of direct costs averaged over three years. The actual costs were higher than anticipated so that revenues only covered approximately 82% of costs in 1988 and 1989. This is expected to continue in 1990. It should be noted that City-owned buildings are not assessed a fee. The current fee structure was based on one flat charge per building. For example, The Richardson Building pays the same annual rate as does the Tache Nursing Home.

A further reason for recommending that the City no longer provide this service is that the equipment that is currently being used (M.A.R.S.) will become obsolete before the end of this decade. It will have to be replaced in the future if it is felt the City should continue to provide this service. No provision is made in the existing rates to recover sufficient revenue to fund a replacement system. In addition, Manitoba Telephone System has advised the City that they no longer wish to be responsible for maintaining the existing system. This will force the City to provide the local maintenance that was previously provided by Manitoba Telephone System. It should further be noted that earlier this year, Manitoba Telephone System advised the City that the company that provides the spare parts was no longer in business thus putting the whole system at risk. Upon further investigation by the Communications Branch, the company was located, having gone through a change of address. However, this served to illustrate the risk involved in being dependent on one company for the provision of parts for a service that is intended to prevent the loss of lives and property damage.

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It is felt that a one year time frame would be adequate to allow existing customers to develop alternate plans and to budget the necessary money to pay for the conversion. If it is felt this timeframe is not realistic, alternate timeframes would be investigated. If the existing service could be sold to the private sector, no conversion would be immediately required.

In summary, it should be noted that The City of Winnipeg has provided a valuable and needed service for many years. However, one has to question the need to continue providing this service given the fact that the private sector has become involved in providing similar services at competitive prices. The City's clients now have several options to securing their premises that were not available when the City began to provide this service. When one adds in the facts that the existing equipment will have to be replaced within a few years, that Manitoba Telephone System plans to withdraw its support of the equipment and that the City will be dependent on one supplier for parts, one concludes that the City should not continue to provide this service for an extended period of time.

In the final analysis, the philosophical argument may be the most important. If it is felt that the continuation of this service would provide a relative level of safety greater than that provided by the private sector, then a decision should be made to retain this service. If it is felt that the private sector could provide a level of service and safety comparable to what the City provides and if it is felt that the City should not be providing services where the private sector is able to provide comparable and competitive services, then a decision should be made to discontinue this service.

The Winnipeg School Division No. 1 has recently decided to replace its existing system with a system to be installed and monitored by Pro-Telec. Verbal notification has been given and termination will occur ninety (90) days after written notification is received.

The Manitoba Telephone System has stated emphatically that it no longer wishes to continue providing the existing service to The City of Winnipeg.

The Manitoba Telephone System has advised that the costs of acquiring the existing system would be $21,336.00, plus $1,500.00 installation charges and $842.91 for equipment maintenance. In addition to the hardware costs stated above, line rentals are projected at $46,000.00 at 1990 rates. There is a cost of $5,000.00 to replace batteries. Should the City choose to provide maintenance for the system, there will be additional costs for training, inventory and management, trucks to service the customers, etc.

As the Manitoba Telephone System currently provides all the services, with the exception of monitoring, there will be no staff saving to The City of Winnipeg.

On October 31st, 1990, Council adopted Clause 11 of the Report of the Executive Policy Committee, dated October 24th, 1990, being revised fire and vandal alarm rates, effective in 1991.

Your Committee on Finance and Administration therefore recommends:-

1. That The City of Winnipeg discontinue the provision of central alarm monitoring service, effective January 1st, 1992.

2. That the Director of Computer Services be requested to negotiate with the Manitoba Telephone System the provision of continued support for the existing alarm system and to report back on the results of said negotiation.

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3. That the City attempt to dispose of the existing service and facility to the private sector.

4. That the customers be notified of the decision at the earliest opportunity.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

Amendment to Policy - Charges and Costs re Sale of Small Unbuildable Parcels of City Land, including Lane Closings, for Consolidation with Residential Holdings
File FI-2

448 - 3. The present policy regarding the sale of small parcels of City-owned land was established by Council on October 21st, 1987. Essentially the policy states that when it is determined to be in the best interest of the City to dispose of small lots, pedestrian walkways, closed lanes and similar parcels of land to adjoining property owners for consolidation purposes and without re-subdivision potential, the parcels are to be sold at assessed value, in addition to a standard charge of $200.00 per parcel for survey and plan costs; plus $50.00 per parcel when a street closing by-law is required to be enacted.

The reasons for the adoption of this policy, which still hold true today, were that the City Assessor had updated the assessment base from 1950 values to a 1975 base year. This resulted in substantial increases in assessed values and, in 1987, these 1975 values were considered to be conservative, yet reasonable, values for the sale of these small parcels.

The Land Surveys and Real Estate Department was faced, and is still faced, with the onerous task of appraising all of these individual small parcels within a reasonable amount of time. With the change to the 1975 level of value and, after surveying the effects of the application of these levels of value on the small individual parcels, it was concluded that rather than wait for an appraisal, which would in most circumstances be coincident with the 1975 assessed values anyway and cost, in man hours, more than the property itself, the adoption of the assessed values would be the most practical solution.

The other reasons for the adoption of this procedure were that by the sale of these types of lands, particularly closed lanes, the City achieves several benefits including the elimination of ongoing maintenance responsibilities, placing lands back onto the tax rolls and improving the appearance of the lands within the neighbourhood. It is also considered a function of the Land Surveys and Real Estate Department to provide a service to the public and City Departments to eliminate unused portions of lanes, walkways, buffer strips, etc. which have occurred as a result of planning changes or have created problems due to their existence.

As of this year the City Assessor has changed the base year to reflect 1985 levels of value. Keeping in mind that the unit rates used for these small, mostly rearage parcels, are at the same rates as those applied to the adjoining buildable parcels, the existing policy of full assessed values no longer reflects reasonable, conservative estimates of value for the sale of small unbuildable parcels.

For example, in the proposed sale of the lane south of Mars Drive in Fort Garry, (Sketch Plan 66A/85) the following rates would apply:-

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PARCEL *3	1986 *4	1987 *5	1990
BASE YEAR	SQ.FT.	*3 (1950)	*4 (1975)	*5 (1985)
*1 DD	504	*3 $60.00	*4 $360.00	*5 $1,050.00
*1 EE *2	504	*3 $70.00	*4 $420.00	*5 $1,050.00
*1 FF *2	504	*3 $60.00	*4 $360.00	*5 $1,050.00
*1 GG *2	504	*3 $70.00	*4 $420.00	*5 $1,050.00
*1 HH *2	504	*3 $60.00	*4 $360.00	*5 $1,050.00
*1 JJ *2	504	*3 $70.00	*4 $420.00	*5 $1,050.00
*1 KK *2	504	*3 $60.00	*4 $360.00	*5 $1,050.00
*1 LL *2	506	*3 $70.00	*4 $560.00	*5 $1,050.00
*1 MM *2	506	*3 $60.00	*4 $350.00	*5 $1,050.00

The value indicated for 1990, on the basis of a 1985 level of value equates to approximately $2.00 per square foot. An analysis of the private sale of small unbuildable parcels indicates that they generally sell for $1.00 per square foot. Hence the recommendation that the existing policy for the sale of small residential unbuildable parcels be changed to provide for their sale at one-half the assessed value.

The cost of preparing survey plans has risen 20% (Appendix "A"). Whereas the cost in 1987 was $200.00 per parcel, the present costs have increased to $250.00 per parcel. By-law costs have not risen to the extent that an increase is warranted in the existing charge of $50.00.

The alternatives are as follows:-

1) To sell these lands to the applicants based on the appraised market value. This would involve appraisal of the property, which would be unreasonably time-consuming and costly. The appraisal cost in man hours for properties at sales prices in the range of $500.00 would be two times this amount. In addition there would be time involved in the negotiation and justification of this value to the prospective purchaser.

2) To continue the present policy of selling the parcels at the 1975 base year. This would be difficult to calculate as time passed and would have no justification as the Assessment Department would continue to update their base year.

3) To sell the parcels at present-day full assessed value. This is considered unwarranted because the City Assessor, operating on the basis of mass valuations, apportions the assessments of these small parcels at the same rate as the adjoining buildable site, as if they were already consolidated. This procedure is done without consideration as to the present day lack of utility of the small parcel. Although it is true it will eventually form part of a buildable parcel, the parcel at the time of sale will invariably add little value or utility to the consolidated site which is usually already fully developed and certainly has little utility on its own.

4) To sell the parcels of land at one-half the assessed value. This would solve most of the problems of the above-noted alternatives. It eliminates a costly appraisal, and ends up at a value roughly coincident with the appraised value. At one-half the assessed value, the result will better reflect present-day value rather than the consolidated future-value. It will reflect value from the viewpoints of the City, who wishes to eliminate a nuisance and to place the property on the tax roll and the buyer who also wishes to eliminate a nuisance and who will not benefit substantially from an additional parcel of rearage to add to his already developed site.

In each of these alternatives some discretion should be built in to allow for the sale or lease of such parcels for $1.00 where circumstances warrant.

All of the alternatives do not address the concept of "user pay". The cost of selling a small parcel of land for $500.00 is substantially more due, in part, to the wide range of administrative procedures involved. However, the Land Surveys and Real Estate Department believes the sale of these small parcels equally benefits the buyer and seller and, as such, discounting the sale price is considered reasonable.

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All small parcel negotiations currently underway should be given three months to conclude at the existing rates after which time the new rates are to apply.

Your Committee on Finance and Administration recommends that the policy with respect to the sale of small unbuildable parcels of City-owned land be amended to incorporate the following:-

1) That small parcels sold for consolidation with residential holdings be sold at one-half their assessed value and that costs in the amount of $250.00 be charged for the survey work and an additional $50.00 if a street closing By-law is required.

2) Where, in the opinion of the Committee on Finance and Administration, circumstances warrant, consideration be given to the sale or lease of these parcels for $1.00 plus administrative costs.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

(Note: See Minute No. 453 for attachments.)

By-law to Authorize the Issuance of a Debenture to Replace a Debenture Lost by the First Inter- state Bank of Oregon, N.A
File FC-2

449 - 4. Under Section 303(5) of The City of Winnipeg Act, Council may by by-law, provide for the replacement of a debenture that is defaced, lost, or destroyed, on the payment of such fee, and on such terms as to evidence and indemnity, as the by-law may provide.

On March 13th, 1989, the First Interstate Bank of Oregon, N.A. received a City of Winnipeg Debenture No. UI-B629 in the amount of $1,000,000.00 U.S., dated March 2nd, 1989, registered in the name of STANCO, ID No. 93-601 9406, and the debenture has since been lost or destroyed so that the same cannot be found or produced.

The City is in receipt of the following documents which constitute satisfactory evidence and indemnity as required under Section 303(5) of The City of Winnipeg Act, namely:-

1. An Affidavit of Lost Security from the First Interstate Bank of Oregon, N.A.

2. A Bond of Indemnity issued by the Federal Insurance Company (Chubb Group of Insurance Companies) in favour of the City of Winnipeg and the Bank of Montreal Trust Company in the amount of One Million ($1,000,000.00) Dollars (U.S.) with a notarial acknowledgement attached thereto.

3. A Bond of Indemnity issued by the First Interstate Bank of Oregon, N.A. in favour of the City of Winnipeg and the Bank of Montreal Trust Company in the amount of One Million ($1,000,000.00) Dollars (U.S.) with a notarized Resolution for Authorized Signature.

The Committee has been advised that upon adoption of a by-law to replace the lost debenture, the following actions will be taken, namely:-

(1) a stop-payment order will be issued to the Paying Agent, Bank of Montreal Trust Company, New York;

(2) Debenture Certificate No. UI-B629 1 x $1,000,000.00 (U.S.) will be cancelled in the City's Debenture Registry Book;

(3) a new debenture certificate will be issued in replacement of Debenture Certificate No. UI-B629 1 x $1,000,000.00 (U.S.) in the name of STANCO, ID No. 93-601 9406 and recorded in the City's Debenture Registry Book.

Report of the Committee on Finance and Administration, dated January 29th, 1991

Your Committee on Finance and Administration submits for favourable consideration draft by-law duly approved as to financial details by the City Treasurer and certified as to form by the Deputy City Solicitor authorizing the issuance of a debenture to replace a debenture lost by the First Interstate Bank of Oregon, N.A.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

Reciprocal Agreement with the City of Saskatoon File GU-3.9

450 - 5. Section 15(1) of the Civic Employees' Pension Plan By-law 5300/89 provides that -

> "The Committee of Finance may authorize the execution of agreements recommended to it by the Board and made between the City and any authority responsible for the administration of a pension plan involving employee contributions, for the purpose of preserving some or all of the benefits to which a person, who transfers from or to the employment of the City, is entitled, provided such person does not receive a refund of the contributions which he/she was required to make to the plan in which he/she participated prior to the date of such transfer."

The Employee Benefits Board at its meeting held December 14th, 1990 approved a reciprocal agreement between the City of Saskatoon and the City of Winnipeg. This agreement permits a terminated employee to transfer his or her pensionable service under the previous organization's pension plan to the new employee's pension plan.

Your Committee on Finance and Administration submits for favourable consideration the Reciprocal Agreement between the City of Saskatoon and the City of Winnipeg, providing portability of pension benefits for employees.

Your Committee also recommends that the Proper Officers of the City be authorized to do all things necessary to implement the above recommendation.

Moved by Councillor Selinger,
Adoption of the clause.

Carried.

(Note: Copy of Reciprocal Agreement referred to in the above clause is on file in the Office of the City Clerk.)

Acquisition of Land - North of Headmaster Row, East of Mildred Street - Expansion of Mildred Park - East Kildonan-Transcona Community Files PR-7(23 and FI-2(23)

451 - 6. Your Committee on Finance and Administration has considered the proposed acquisition of land north of Headmaster Row, east of Mildred Street, as outlined cross-hatched on Sketch Plan No. 114c/81, for the expansion of Mildred Park.

The subject property was acquired by the City under DASZ 5/77 from Castlewood Homes Ltd. on condition that when the private lands to the north were developed the company would receive payment for that land's share of frontage utility services plus a payment of $1.00 per sq. ft. as land value for the developable land.

Report of the Committee on Finance and Administration, dated January 29th, 1991

The Board of Commissioners on March 25th, 1981, concurred in the recommendations contained in a report dated March 16th, 1981 from the General Manager of Parks and Recreation regarding the expansion of the park site at Mildred Street and Headmaster Row and including authorization for an estimated expenditure of $30,012.00 to cover outstanding service charges attributable to the subject property, funds of which may be secured from the East Kildonan-Transcona Land Dedication Fund.

Council on September 16th, 1981, approved an exchange of properties with Zacharias Homes Ltd. and the City is now owner of the 2,912.44 m2 (31,354.3 sq. ft.) of land shown dotted on Sketch Plan No. 114c/81.

Mildred Park has been developed to include the subject property and the developer has now requested payment pursuant to the Development Agreement No. DASZ 5/77. The Land Development Department confirms that the amount owing for services is $21,506.44, plus $7,627.00 representing the land value, for a total of $29,133.44. The Department further advises that it is intended that the purchase price be retained and utilized by the City to correct certain tree planting deficiencies in the Castlewood Homes Development Agreement No. DASZ 34/77 for Tyndall Park.

On January 15th, 1991, the East Kildonan-Transcona Community Committee concurred in the recommendations authorizing the use of East Kildonan-Transcona Land Dedication Account as a funding source to which the payment of $29,133.44 is to be charged.

Your Committee on Finance and Administration recommends that the use of the East Kildonan-Transcona Land Dedication Account as a funding source to which the payment of $29,133.44 is to be charged, be approved.

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

Your Executive Policy Committee concurs in the recommendations outlined above subject to the following wording being added at the end of the penultimate paragraph, namely:-

> ", and that this be noted as a charge paid in full from the East Kildonan-Transcona Land Dedication Account towards the Castlewood Homes payment."

Moved by Councillor Selinger,
Adoption of the clause.

In amendment,

Moved by Mayor Norrie,
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.

(Note: See Minute No. 454 for attachment.)

452 - Attachments referred to in Clause 1 of the Report of the Committee on Finance and Administration, dated January 29th, 1991

(NOTE: SEE PAGES 501 TO 504 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENTS)

453 - Attachments referred to in Clause 3 of the Report of the Committee on Finance and Administration, dated January 29th, 1991.

(NOTE: SEE PAGES 505 TO 506 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENTS)

454 - Attachments referred to in Clause 6 of the Report of the Committee on Finance and Administration, dated January 29th, 1991.

(NOTE: SEE PAGE 507 FOR OFFICIAL SET OF MINUTES FOR ATTACHMENT)

CONSIDERATION OF REPORT OF THE
COMMITTEE ON FINANCE AND ADMINISTRATION

The Executive Policy Committee has had before it the Report of the Committee on Finance and Administration, dated February 4th, 1991, has concurred in the recommendations contained therein, except as noted below, and submits same to Council for approval and adoption.

On motion of Councillor Selinger, the Report of the Committee on Finance and Administration, dated February 4th, 1991, was considered.

West Committee Room,
Council Building, Winnipeg.
February 4th, 1991.

His Worship the Mayor and Councillors:

Your Committee on Finance and Administration submits the following Report and recommends:

Acquisition of C.N. Lands, North of the Forks Renewal Corporation Lands - City Centre-Fort Rouge Community
Files FR-3 (PA-3) & FI-2(22)

455 - 1. Your Committee on Finance and Administration has considered the proposed acquisition of C.N. lands, located north of the Forks Renewal Corporation lands, in the City Centre-Fort Rouge Community.

Article XII of the Offer to Sell imposes an obligation on the City of Winnipeg to obtain the approval of the Forks Renewal Corporation with regard to the following terms and conditions of the Offer on or before January 31st, 1991:-

i) the proposed transaction;

ii) quit claim its right to acquire those portions of Parcel E8 comprising the Rail Lands as shown in Exhibit 3 of the Offer;

iii) the cancellation of all provisions set forth in the Land Exchange Agreement, Supplemental Agreement and Participation Agreement as at the closing date, except for those provisions described and amended in Appendix "F" to the Offer;

iv) the release of C.N. in respect of the Participation Agreement, the cancelled provisions of the Land Exchange Agreement and Supplemental Agreement and in respect of the obligations of C.N. relating to the Option Lands assumed by Winnipeg in this transaction.

The Administration of the Forks Renewal Corporation has indicated it is prepared to recommend that its Board of Directors approve the Offer to Sell, subject to the terms and conditions set out below:-

1. That the City will maintain the roadway which currently connects the east end of Pioneer Avenue to the north end of Pioneer Boulevard at the City's cost and expense;

2. That when the City elects to relocate existing roadways which provide access to and egress from Pioneer Boulevard, to construct, without cost to the Forks Renewal Corporation, new roadways which provide ingress to and egress from Pioneer Boulevard which is at least the equivalent of the ingress and egress presently provided;

3. That the City agree to assume the obligations of C.N. set out in Section 7.01 of the Land Exchange Agreement, dated October 31st, 1987, made between the Corporation and C.N.

Pursuant to agreements entered into between the Forks Renewal Corporation and the Canadian National Railway, certain lands located east of the C.N.R. Highline were exchanged and transferred to the respective parties. The lands that were consolidated for development by the C.N. are located north of the Forks lands (immediately north of the proposed York Avenue Extension) as depicted on Sketch Plan No. CCFR 7886/1 (Exhibit "B").

Report of the Committee on Finance and Administration, dated February 4th, 1991

In addition to these lands, the C.N. owns lands fronting on Main Street north of the C.N. station at York Avenue and lands fronting Westbrook Street, including the Codville Building.

On December 12th, 1990, C.N. Real Estate (C.N.) provided to the City of Winnipeg an Offer to Sell several of those land holdings. The details of the lands offered for sale are as follows:-

PARCEL 1

Location:	North of York Avenue, East of C.N.R. Highline.
Legal Description:	Parcels U, W, Z7, Z9, Z10, Z11, Z12, Z18, Z19, Z20, Z21, Z24, Z25, Z26, Z27, Z28, Z29, Z30, Plan 22557.
Site Size:	Approximately 15.8 acres.
Property Description:	Primarily vacant lands, partially rented as surface parking lots, with the exception of a two-storey office building located on the south side of Pioneer Avenue occupied by C.N. Police.

PARCEL 2

Location:	East side of Westbrook Street at Portage Avenue.
Legal Description:	Lots 79 to 84, Plan 96.
Site Size:	Approximately 18,282 sq. ft. (.42 acres).
Property Description:	Developed with a seven-storey loft warehouse commonly known as the Codville Building. The building is occupied by several short-term tenancies.

PARCEL 3

Location:	South-east corner of York Avenue and Main Street.
Legal Description:	Parcel H, Plan 22,383.
Site Size:	Approximately 23,875 sq.ft. (.55 acres).
Property Description:	Vacant lands currently rented as a surface parking lot.

ADDITIONAL LANDS OR INTERESTS BEING ACQUIRED

1. In addition to Parcels 1 to 3, the C.N. will convey to the City three parcels of land shown as "C.N.R. Option Lands" on Plan No. CCFR-7886/2 (Exhibit "C"). These lands are to be conveyed to the Forks pursuant to earlier agreements.

2. C.N. will convey to the City sufficient interest in lands either under its control or that of the Transcontinental Railway to facilitate the extension of Portage Avenue East as shown on Plan No. CCFR 7886/1.

3. C.N. will convey to the City title to the lands located at the north-east corner of York Avenue and Main Street; (sufficient to widen Main Street for the extension of York Avenue), in exchange for the public lane proposed to be closed, located east of this holding.

4. C.N. will also convey the lands located within the York/St. Mary extensions, as defined in the Street Agreement free from any obligations to construct the York/St. Mary extension by November 15th, 1992, or at all.

The summary details of the Offer to Sell provided by C.N. are outlined as follows, namely:-

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Purchase Price	$10,500,000.	
Closing Date:	February 28th, 1991, or earlier by mutual agreement.	
Method of Payment:	a)	$1,500,000 following approval by Council.
	b)	balance on closing date.
Conditions of Transfer:	a)	Title will be transferred subject to all existing easements, right-of-ways, leases and option rights presently associated with the lands.
	b)	Minor portions of the lands paralleling the C.N. Highline will be reconveyed to C.N. for $1.00 to satisfy its ongoing operational needs.
	c)	The City will assume the lands without representation or warranty from the C.N. as to their environmental condition or servicing capacity.
	d)	The City and C.N. agree to the cancellation of the obligations of the City to construct York and St. Mary extension pursuant to the streets agreement.
	e)	The City to be responsible for obtaining agreement of the Forks Renewal Corporation to the sale transaction and amendments to the related agreements.
	f)	C.N. to pay to the Forks Renewal Corporation its outstanding participation payments and its share of clearing and relocation costs owing.
	g)	In the event the City does not construct the St. Mary and York extensions by November 15th, 1992, as originally provided, the City shall assume all legal and financial responsibility and liability in connection with the existing York Avenue underpass or shall at its costs remove the underpass and close the road.

The following agreements are already in place with regard to the above conditions imposed by the Forks Renewal Corporation:-

<u>Condition No. 1 and 2: Roadways</u>

The Streets Agreement between the City and C.N. requires the City to construct the North-South Roadway at the expense of C.N. and to open same to traffic. The Streets Agreement also imposes an obligation on the City to construct the York-St. Mary Extensions and to have same open to traffic by November 15th, 1992.

C.N. has a concurrent obligation in its Land Exchange Agreement with the Forks Renewal Corporation to construct the North-South Roadway and to cause same to be opened to traffic.

The North-South Roadway is described as Pioneer Place on Misc. Plan No. CCFR 7886/1.

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Condition No. 3: No Development Contrary to Concept Plan

The Land Exchange Agreement between C.N. and the Forks Renewal Corporation imposes an obligation on C.N. not to permit any development to occur on the C.N. Lands if such development would be inconsistent with those parts of the Concept Plan which apply to the C.N. Lands.

Exhibit "D" shows the entire Concept Plan set out in the Land Exchange Agreement.

The City's Law, Streets and Transportation and Land Surveys and Real Estate Departments have reviewed the Offer to Sell presented by C.N. Several amendments to the December 12th, 1990, offer were requested by the Departments and have been agreed to by C.N. These amendments are contained within the solicitor's letters attached to the December 12th, 1990 Offer to Sell document. Some matters were not conceded to by C.N. and are not negotiable on C.N.'s advice.

A brief commentary on these and other items follows:

1. York Avenue Extension - The Administration attempted to absolve the City from assuming the liability and cost of maintaining the existing York Avenue underpass beyond the November 15th, 1992 date as set out in the Streets Agreement. C.N. is not prepared to alter this obligation and has advised the City that it now has the option of either reconstructing the overpass, closing same or assuming the ongoing liability of the existing underpass after November 15th, 1992. The Streets and Transportation Department has recommended against the City agreeing to these conditions. However, C.N.'s position is not negotiable. The Streets and Transportation Department has advised that the consulting engineers for the project have estimated that repairs in the magnitude of $650,000.00 to $1,250,000.00 in the short term may be required to maintain the existing structure and roadway.

2. Environmental Conditions - C.N.'s Offer to Sell stipulates that the City will acquire the lands subject to all existing conditions and shall be responsible for any remedial action to prepare the lands to meet civic purposes and governmental standards. A preliminary review of an environmental assessment prepared for C.N. has been undertaken by the City (Exhibit "E"). This information should only be considered as a preliminary assessment of soil conditions. Further indepth investigation and associated remedial cost will have to be identified at the time of specific site development planning.

3. Servicing - The C.N. Offer to Sell requires the City to accept the lands in an "as is" condition with responsibility for all costs required to service and develop the lands. Only preliminary investigation to servicing availability and capacity have been made. Any required servicing and costing will have to be identified at the time of specific site development plans.

4. Miscellaneous - Other details concerning lease assignment, easements, right-of-way land requirements, etc. are being handled administratively between C.N. and the City and do not appear to be at issue.

Conditions No. 1 and 2: Roadways

A temporary North-South Roadway has already been constructed and opened to traffic.

The conditions only require the City to maintain the existing North-South Roadway until such time, if ever, that the City elects to relocate the existing roadways providing access to and egress from Pioneer Boulevard and to construct new roadways which would provide ingress to and egress from Pioneer Boulevard which is at least the equivalent of what is presently provided. The effect of these conditions is to remove any obligation on the City to construct the York/St. Mary Extension at City's (cost-shared by the Province) expense and to replace that obligation with an obligation to construct new roadways only when the City has decided on a transportation plan.

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Condition No. 3: No Development Contrary to Development Plan

City Council has already approved Condition No. 3 when it approved the Phase I Concept and Financial Plan for The Forks Renewal Corporation.

Your Committee on Finance and Administration proposes that, in order to implement the Council decision of January 14th, 1991 to include an amount of $10,500,000.00 in the 1991 Capital Estimates for acquisition of the subject land, the following recommendations be approved:

1. That the lands and buildings presented in the Offer to Sell (Exhibit "A"), as outlined and amended in the report, be purchased by The City of Winnipeg from C.N.

2. That an amount of $11,750,000.00 be authorized for payment no later than February 28th, 1991 (this amount is composed of the following: $10,500,000.00 for the purchase of the land, $1,250,000.00 for contingencies, including G.S.T., transfer fees, finance/administration charges).

3. That the Proper Officers of the City do all things necessary to complete the purchases in accordance with the terms and conditions of the C.N. offer (as amended) and those other conditions as may be required to satisfy the intent of the agreement.

4. That the City of Winnipeg agree to the conditions of The Forks Renewal Corporation, as set out in the report, in order to satisfy Article XII of the C.N. Real Estate Offer to Sell, dated December 12th, 1990;

SUBJECT TO THE FOLLOWING PROVISOS:

- the additional monies required for administrative contingencies (including G.S.T., et al) being reallocated from the existing approved capital budgets or other existing sources (to be approved by the Committee on Finance and Administration).

- the administration satisfying Executive Policy Committee that the purchase of these lands is the cost effective alternative to not purchasing these lands.

Your Executive Policy Committee concurs in the aforementioned recommendations and advises that the attached Report, dated February 5th, 1991, from the Chief Commissioner (Appendix "F"), has been accepted in response to the second proviso of the Committee on Finance and Administration, namely:-

> "The administration satisfy Executive Policy Committee that the purchase of these lands is the cost effective alternative to not purchasing these lands."

Moved by Councillor Selinger,
Adoption of the clause.

Pursuant to The Municipal Council Conflict of Interest Act, Councillor Boychuk advised that he would refrain from entering the discussion and from voting on the clause due to a potential conflict in view of his employment association with the Canadian National Railway, and left the Chamber.

(Note: See also page 491, following "Executive Policy Committee - Consideration of By-laws", for declaration of possible conflict by Councillor Lazarenko.)

The Speaker called the Deputy Speaker, Councillor Wade, to the Chair and left the Chamber.

The Speaker here returned to the Chamber and resumed the Chair.

The motion for the adoption of the clause was put.

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Councillor Wade called for the yeas and nays, which were as follows:-

Yea: Councillors Wade, Brown, Clement, Diamant, Douglas, Duguid, Gilroy, Golden, Lorenc, McKee, Murray, O'Shaughnessy, Prystanski, Reese, Selinger, Thomas, Young, Mayor Norrie and Eadie. 19

Nay: Councillors Demare, Fleisher, Fraser, Kaufmann and Timm- Rudolph. 5

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

(Note: Attachment referred to in the above clause is on file in the Office of the City Clerk.)

Councillor Lazarenko here returned to the Chamber.

COMMITTEE ON FINANCE AND ADMINISTRATION
CONSIDERATION OF BY-LAWS

456 - On motion of Councillor Selinger, By-law No. 5635/91, a By-law of The City of Winnipeg to replace a lost debenture, 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 No. FC-2.