Minute No. 508
Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – July 14, 2011

Item No. 1 Over Expenditure Authorization for the Redevelopment of the Winnipeg Police Service Headquarters Building (Fort Rouge - East Fort Garry Ward)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management, as amended by the Executive Policy Committee, and adopted the following:

1. That the following amendments be made to the 2011 Capital Budget:

    A. Consolidate the" Winnipeg Police Headquarters" capital project (# 6331001911) and the "Police Headquarters – Other" project into one capital project, named the "Winnipeg Police Headquarters Redevelopment" project (the "Project");

    B. Increase the combined budget from $127.167 million to $155.0 million for redevelopment of the location;

    C. Add $12.6 million to the Project as an allocation of a portion of the original cost to purchase the Canada Post Building;

    D. Increase the external debt required to finance the project from $101.054 million up to $139.920 million and approve borrowing authority for this amount (see Appendix A for borrowing by-law);

    E. Add internal and external interest charges to the Project for the period of construction of $7.0 million to be financed by cash to capital or other sources identified; and

    F. Waive internal corporate charges including administration fees and permit and fee charges.

2. That the Office Tower be held for re-sale at some future date and that short-term financing in the amount of $18.967 million be approved for the Tower either from external sources or through internal funds or reserves as determined by the Chief Financial Officer.

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COUNCIL DECISION (continued):

3. That the operating impacts of the above recommendations be approved and included in the annual Operating Budget process.

4. That the newly constructed Winnipeg Police Service Headquarters building be operated using appropriate lifecycle management practices.

5. That the Chief Administrative Officer be delegated the authority to award contracts for the redevelopment of Winnipeg Police Service Headquarters.

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

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DECISION MAKING HISTORY:

Moved by Councillor Swandel,

That the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management, as amended by the Executive Policy Committee, be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 15, 2011, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management with the following amendment:

- That the recommendation of the Winnipeg Public Service to replace the Financial Impact Statement as contained in the supplementary report dated July 14, 2011 be concurred in,

and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 14, 2011, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Amended Financial Impact Statement – Over-Expenditure Authorization for the Redevelopment of the Winnipeg Police Service Headquarters Building**

Critical Path: **EPC - COUNCIL**

AUTHORIZATION

Author	Department Head	CFO	CAO
I. Day, M. McGinn	D. Joshi	M. Ruta	P. Sheegl

RECOMMENDATIONS

That the Financial Impact Statement in the Over-Expenditure Authorization for the Redevelopment of the Winnipeg Police Service Headquarters Building report dated July 13, 2011 be replaced with the attached amended Financial Impact Statement.

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 14, 2011

Project Name: **First Year of Program** **2011**

Over-Expenditure Authorization for the Redevelopment of Winnipeg Police Service Headquarters Building

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ 37,286,000	$ 57,947,000	$ 77,800,000	$ -	$ -
Less: Existing Budgeted Costs - Internal Debt	26,113,000	-	-	-	-
Less: Existing Budgeted Costs - External Debt	10,920,000	56,800,000	33,280,000	-	-
Additional Capital Budget Required	$ 253,000	$ 1,147,000	$ 44,520,000	$ -	$ -
Funding Sources:					
Debt - Internal	$ 253,000	$ 1,147,000	$ 5,600,000	$ -	$ -
Debt - External	-	-	38,920,000	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 253,000	$ 1,147,000	$ 44,520,000	$ -	$ -
Total Additional Capital Budget Required	$ 45,920,000				
Total Additional Debt Required	$ 45,920,000				
Current Expenditures/Revenues					
Direct Costs	$ 1,352,000	$ 1,352,000	$ 1,352,000	$ 12,540,500	$ 13,423,000
Less: Incremental Revenue/Recovery	1,400,000	1,500,000	1,500,000	1,500,000	1,500,000
Net Cost/(Benefit)	$ (48,000)	$ (148,000)	$ (148,000)	$ 11,040,500	$ 11,923,000
Less: Existing Budget Amounts	738,000	4,091,000	7,945,000	11,532,000	11,532,000
Net Budget Adjustment Required	$ (786,000)	$ (4,239,000)	$ (8,093,000)	$ (491,500)	$ 391,000

Additional Comments: Capital Expenditures Required represent primarily costs for the Police Headquarter redevelopment, FF&E and an allocation of the building purchase cost associated with the Winnipeg Mail Processing Plant. Existing Budgeted Costs represent the down payment on the building acquisition plus amounts budgeted in the adopted 2011 Capital Budget for the Winnipeg Police Headquarters and Police Headquarters - Other projects. Direct Costs represent debt servicing associated with both internally and externally financed project costs and facility operating costs, which offset by WPS operating efficiencies beginning in 2014. Incremental Revenue/Recovery represents rental income derived on the Office Tower. Existing Budget Amounts represent those amounts budgeted in the adopted and adopted in principle 2011 to 2013 Operating Budget. 2014 and 2015 are assumed to be the same as 2013.

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

SUBMITTED BY

Department: Winnipeg Police Service, Corporate Finance, Planning, Property and Development
Prepared by: I. Day, M. McGinn
Date: July 14, 2011
File No.

ADMINISTRATIVE REPORT

Title: **Over-Expenditure Authorization for the Redevelopment of the Winnipeg Police Service Headquarters Building**

Critical Path: **Standing Policy Committee on Downtown Development, Heritage and Riverbank Management**
Executive Policy Committee
Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Ruby, I. Day	D. Joshi	M. Ruta	P. Sheegl

RECOMMENDATIONS

1. That the following amendments be made to the 2011 Capital Budget:
    a. Consolidate the" Winnipeg Police Headquarters" capital project (# 6331001911) and the "Police Headquarters – Other" project into one capital project, named the "Winnipeg Police Headquarters Redevelopment" project (the "Project");
    b. Increase the combined budget from $127.167 million to $155.0 million for redevelopment of the location;
    c. Add $12.6 million to the Project as an allocation of a portion of the original cost to purchase the Canada Post Building;
    d. Increase the external debt required to finance the project from $101.054 million up to $139.920 million and approve borrowing authority for this amount (see Appendix A for borrowing by-law);
    e. Add internal and external interest charges to the Project for the period of construction of $7.0 million to be financed by cash to capital or other sources identified; and
    f. Waive internal corporate charges including administration fees and permit and fee charges.

2. That the Office Tower be held for re-sale at some future date and that Council approve short-term financing in the amount of $18.967 million for the Tower either from external sources or through internal funds or reserves as determined by the Chief Financial Officer.

3. That the operating impacts of the above recommendations be approved and included in the annual Operating Budget process.

4. That the newly constructed Winnipeg Police Service Headquarters building be operated using appropriate lifecycle management practices.

5. That the Chief Administrative Officer be delegated the authority to award contracts for the redevelopment of Winnipeg Police Service Headquarters.

6. 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

Additional capital budget is required to convert the Canada Post Building into the new Winnipeg Police Service Headquarters.

Council approval is required for amending the 2011 Capital Budget and approving borrowing authority.

IMPLICATIONS OF THE RECOMMENDATIONS

- The total cost of the project has increased to $155.0 million as discussed further below.
- The changes to the project will result in $139.920 million in external debt in comparison to the $101.054 million of external debt approved in the 2011 Capital Budget.
- Retaining the Office Tower on a temporary basis will require short-term financing in the amount of $18.967 million
- In conjunction with the City's overall asset management strategy, the City will follow appropriate lifecycle management practices to fund maintenance items on a 'pay-as-you-go' basis through the annual budget process.
- Proceeding with the Project will result in increased operating costs requiring adjustments to annual Operating Budgets.

- The result of waiving internal charges is estimated to be $100,000 for corporate administration and $2.0 million in permits and fees. Internal and external interest charges relating to the period of construction will be financed by cash to capital or other sources identified.
- The redevelopment construction cost of $246 per square foot represents value when compared to construction costs of $379 square foot (excluding land cost) for the new police East District Police Station.

HISTORY

Background

In December 2007, City Council adopted the 2008 Capital Budget and the 2009-2013 Five Year Forecast recommending that the budgeted expenditure for the Public Safety Building re-cladding project, the related decanting projects and the Identification Unit-Forensic Services Project should be reviewed by the Chief Financial Officer and that an examination of alternatives be undertaken. These alternatives included (but were not limited to) re-cladding strategies and/or the construction of a new facility.

After reviewing the alternatives, the Public Service negotiated an agreement for the purchase of the Canada Post Building at 266 Graham Avenue. A report, entitled *Winnipeg Police Service Headquarters - Acquisition of Canada Post Building (266 Graham Avenue) comprised of the Office Tower and the Winnipeg Mail Processing Plant* was submitted to Council and adopted at its meeting on November 25, 2009.

The Canada Post Building is situated on the block bounded by Graham and St. Mary Avenues and Smith and Garry Streets. The building is comprised of 3 components:

- an 11 story Office Tower, currently the Canada Post Divisional Office Tower (Office Tower);
- a four story plant facility plus basement area, known as the Winnipeg Mail Processing Plant (WMPP); and
- a five story link between the WMPP and the Office Tower.

Portions of the Canada Post facility will continue to be occupied by Canada Post and/or other parties for the duration of the Project.

The portion known as the Winnipeg Mail Processing Plant (WMPP) was to be redeveloped at an estimated cost of $105 million including the consolidation of certain WPS operations (Evidence Control Unit, Technological Crimes/Identification Unit, Street Crime Unit, and Central Processing Unit). The redevelopment of the building will:

- Enable officers to spend more time delivering police services;

- Provide high police visibility in the downtown area; and
- Be consistent with the long term goal of revitalizing downtown Winnipeg.

The benefits of the Project include:

- greater presence of WPS foot patrols and itinerant officers on streets and in covered walkways in the downtown;
- consolidation of core WPS functions that are currently dispersed at several locations throughout the city, thus enabling better service delivery and easier access to the public for information and services;
- easier access to the Law Courts complex, cutting transportation time and costs for WPS members attending court; and
- capacity to accommodate both the current and anticipated needs of the WPS.

The following analysis provides a comparison of the original budget estimate in the 2009 report to Council, the 2011 budget adopted by Council and the current capital budget estimate. It includes an analysis of capital, debt servicing, maintenance, and operating costs in order to better understand the budget changes that are being proposed.

Capital Costs

The original report to Council was for the redevelopment of the building only and did not contemplate the costs to move Police Divisions into the building. A capital project for furniture, fixtures and equipment (FF&E) of $22.102 million was added to the 2011 Capital Budget, financed by external debt. The FF&E budget is an integral part of the redevelopment and is required to bring the building to an effective operational state. This estimate has since been reduced to $2.7 million due to program refinements with the difference being transferred into the redevelopment cost (refer to Table 1).

Table 1: Capital Costs

	November 2009 Council Report	March 2011 Capital Budget*	Current Estimate
Long Term Financing	($ 000's)	($ 000's)	($ 000's)
Police Headquarters			
Redevelopment	$105,000	$105,000	$152,300
FF&E	$0	$22,102	$2,700
	$105,000	$127,102	$155,000
Building Acquisition			
Cost	$31,500	$31,500	$0
Proceeds of sale	$0	($29,935)	$0
Other		($1,500)	($1,567)
	$31,500	$65	($1,567)
Total capital value of project	$136,500	$127,167	$153,433
Down payment	($48,500)	($26,113)	($26,113)
Allocation of cost - value of mail processing plant (box)	$0	$0	$12,600
Long term debt	$88,000	$101,054	$139,920
Short Term Financing			
Total cost of purchase			$31,567
less: value of mail processing plant (box)			($12,600)
Short term debt for Office Tower			$18,967

*Note: Enhanced financial details have been included above

	2011	2012	2013	Total
Internal and External interest charges financed by cash to capital				
Internal debt	$0.3	$1.1	$1.4	$2.8
External debt			$4.2	$4.2
Total interest capitalized into the Project	$0.3	$1.1	$5.6	$7.0

Note: Internal interest is based on a 2% rate assuming $70 million over three years. External interest is based on 6% borrowing rate on January 1, 2013 assuming $70 million of borrowing on that date.

The original redevelopment cost estimate of $105.0 million would have required construction costs of approximately $164 per square foot. Through refinement of the project design and the cost estimates, it has been determined that the project is not deliverable within the original estimate. The current redevelopment budget of $155.0 million less $6.2 million for the outdoor shooting range represents construction costs of $246 per square foot. For comparative purposes, the construction costs for the new East District Police Station was $379 per square foot with no adjustment for inflation (see Table 3 for details).

The original report to Council contemplated the retention of the Office Tower portion of the building as a rental property. To offset the impact of the addition of the FF&E, the 2011 Capital Budget assumed the sale of the Tower. However, the current plan is to hold the Office Tower for resale at some future date as it is expected to appreciate in value due to increasing development in the downtown area.

As noted in Table 1, the cost of the Office Tower and the Processing Plant was $31.5 million. Retention of the Office Tower on a short-term basis will require short-term financing of $18.967 million. In the original report to Council, $10 million of funding for the Office Tower was acquired from internal sources through the Equity in Capital Assets Fund. This fund is scheduled to be consolidated with the Capital Fund by year-end. It is recommended that the Chief Financial Officer be delegated the decision to obtain short-term financing for $18.967 million externally or through various City funds and reserves on an internal basis.

The difference of $12.6 million has been allocated as the of the WMPP value at the date of purchase. This allocation was made on the basis of the assessed values of the Office Tower and the WMPP. As illustrated in Table 2 below, the net revenues from Office Tower exceed the carrying cost (interest only).

The original down payment of $48.5 million in the 2009 Council report was funded by cancelling projects (approved and forecasted) to upgrade the existing Public Safety Building and using these monies as a down payment on the Winnipeg Police Headquarters project. In the 2011 Capital Budget process, the down payment was reduced to $26.113 million and has been carried forward in the same amount for the current budget estimate.

In the original 2009 report to Council, the Net Present Value (NPV) of recladding the Public Safety Building was compared to buying/redeveloping the Canada Post Building. At that time, buying/redeveloping the Canada Post Building was shown to be more cost effective. Adding the additional costs from current estimates will result in a value approximating the recladding of the Public Safety Building. However, as discussed earlier in the report, there are many benefits to the redevelopment of the Canada Post Building including the consolidation of WPS operations.

Operating Costs

Table 2 compares the operating impact of the current project to the original report to Council. As noted, the additional impact on the operating budget is $1.340 million. The major assumptions are as follows:

- The numbers presented in the table are annual estimates for 2014 assuming a full year of operations in the new building;
- Long-term debt is financed over 30 years at 6%;
- There will be no principal repayment on the Office Tower and the expense reflects interest only at 3%;
- Major lifecycle maintenance items are to be funded on a ‘pay-as-you-go’ basis through the capital budget process; and
- The annual operating and maintenance costs are based on best estimates and may vary once the building is completely designed and constructed by the end of 2013.

Table 2: Operating Costs

	November 2009 Council Report	Current Estimate 2014*
Police Headquarters	($ 000's)	($ 000's)
Debt service - long term	$3,912	$10,165
Capital maintenance	$3,200	$0
Operating	$2,500	$2,500
	$9,612	$12,665
Existing Police Operating Budgets		
Police rent on consolidating facilities	($7,600)	($7,600)
Police operational efficiencies	($594)	($594)
	($8,194)	($8,194)
Police Headquarters - impact on operating	$1,418	$4,471
Office Tower		
Office Tower - net rental income	($1,506)	($1,500)
Debt service - long term (principal plus interest)	$2,288	$0
Interest expense - short term (interest only)	$0	$569
Office Tower - impact on operating	$782	($931)
Total - impact on operating budget	$2,200	$3,540

*Note: The existing WPS budget disclosed is the same as that used the 2009 Council report in order to show the incremental impact on the operating budget and will differ from the amounts disclosed in the Financial impact Statement (FIS)

The change in debt servicing – long-term reflects increasing the external debt from $88.0 million in the original report to Council to the current estimate of $139.920 million.

The original report to Council budgeted $3.2 million per year for capital maintenance to ensure monies were available for replacing major lifecycle maintenance items. As these major capital maintenance items occur in years 10 to 30 of the building's lifecycle (e.g. boiler, roof, windows), a 'pay-as-you-go' approach has been used applying appropriate lifecycle management practices.
The increased debt serving and operating costs are mitigated by no longer having rented facilities. The net revenues from the Office Tower are in excess of the interest costs associated with the short-term financing.

It should be noted that the above analysis is based on best estimates which may vary from year to year.

Police Firing Range

The WPS currently has an outdoor shooting range located at Cadboro Road. They will lose this facility, due to the expansion of the Waverley West development at the end of this summer. Therefore, a new outdoor range must be in place by next summer in order for the Police Service to meet their annual training requirements.

The original report to Council included a 25 lane indoor shooting range to be built on the roof of the new Police Headquarters building. This has been revised and included in the current cost estimate to be a 35 lane outdoor range, with administrative buildings, on land at the West End Pollution Control Centre. The proposed facility will offer better training opportunities for less cost than the original plan. It will also allow for future expansion of the facilities on the site including an indoor range.

Cost Analysis

Table 3 below compares the Police Headquarter redevelopment costs to the new East District Police Station construction costs. The result is that redevelopment costs represent value when compared to new construction costs.

Table 3: Police Buildings – Cost per Square Foot

Project	**Building Size** (sq ft)	**Cost per Square Foot** ($/sq ft)
East District Police Station	33,000	379[1]
Original WPS HQ - $105M	640,000	164[2]
Current WPS HQ - $148.8M	606,000	246[3]

[1] - no adjustment for inflation, no land cost
[2] - with indoor shooting range
[3] - with no indoor shooting range

As noted previously, the total project cost is $155.0 million including an outdoor shooting range. Of this amount, $104.445 million is for the remediation of the mail processing plant. The balance of the costs relates to contingency, FF&E, outdoor shooting range, project costs and City-related costs.

The contractor has presented a guaranteed maximum price (GMP) of $137.750 million. The contractor's submission includes several conditions involving remediation construction costs (caissons/piles, slab flooring, fire stopping/fire proofing, etc.) that may impact the final cost of redevelopment.

Debt Strategy Impact and Borrowing Authority

On June 22, 2011, Council adopted the Debt Strategy report for tax supported, utilities and total City borrowing. The Project requires an incremental $38.866 million in long-term debt financing. It has been assumed that the short-term financing required for the Office Tower will be funded internally.

The impact of this debt financing falls within the debt limits established in the Council report as outlined in the table below.

Table 4: Debt Financing Impact

Total City Net debt as a percentage of revenue	85%
Forecasted peak rate including proposed debt from this report	77.0%
Total City debt servicing as a percent of revenue	11%
Forecasted peak rate including proposed debt from this report	9%

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 13, 2011

Project Name: **First Year of Program** **2011**

Over-Expenditure Authorization for the Redevelopment of Winnipeg Police Service Headquarters Building

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ 37,478,500	$ 51,604,500	$ 56,057,500	$ 27,892,500	$ -
Less: Existing Budgeted Costs - Internal Debt	26,113,000	-	-	-	-
Less: Existing Budgeted Costs - External Debt	11,112,500	50,457,500	39,430,000	-	-
Additional Capital Budget Required	$ 253,000	$ 1,147,000	$ 16,627,500	$ 27,892,500	$ -
Funding Sources:					
Debt - Internal	$ 253,000	$ 1,147,000	$ 5,600,000	$ -	$ -
Debt - External	-	-	11,027,500	27,892,500	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 253,000	$ 1,147,000	$ 11,027,500	$ 27,892,500	$ -
Total Additional Capital Budget Required	$ 45,920,000				
Total Additional Debt Required	$ 45,920,000				
Current Expenditures/Revenues					
Direct Costs	$ 2,412,000	$ 6,972,000	$ 15,091,000	$ 13,423,000	$ 13,423,000
Less: Incremental Revenue/Recovery	1,653,000	2,647,000	7,100,000	1,500,000	1,500,000
Net Cost/(Benefit)	$ 759,000	$ 4,325,000	$ 7,991,000	$ 11,923,000	$ 11,923,000
Less: Existing Budget Amounts	1,017,000	4,373,000	3,249,000	11,533,000	11,533,000
Net Budget Adjustment Required	$ (258,000)	$ (48,000)	$ 4,742,000	$ 390,000	$ 390,000

Additional Comments: Capital Expenditures Required represent primarily costs for the Police Headquarter redevelopment, FF&E, an allocation of the building purchase cost associated with the Winnipeg Mail Processing Plant and interim-financing costs. Existing Budgeted Costs represent the down payment on the building acquisition plus amounts budgeted in the adopted 2011 Capital Budget for the Winnipeg Police Headquarters and Police Headquarters - Other projects. Direct Costs represent debt servicing associated with both internally and externally financed project costs and facility operating costs, which are offset by WPS operating efficiencies beginning in 2014. Incremental Revenue/Recovery represents rental income derived on the Office Tower. Existing Budget Amounts represent those amounts budgeted in the adopted and adopted in principle 2011 to 2013 Operating Budget. 2014 and 2015 are assumed to be the same as 2013.

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

CONSULTATION

In preparing this report there was consultation with:
Corporate Finance
Planning, Property and Development
Winnipeg Police Service

SUBMITTED BY

Departments:	Winnipeg Police Service, Corporate Finance, Planning, Property and Development
Division:	
Prepared by:	Iain Day, Jason Ruby, Mike McGinn
Date:	July 13, 2011
File No.	

Appendix A: Borrowing By-law

THE CITY OF WINNIPEG

BY-LAW NO. _____

A borrowing by-law of THE CITY OF WINNIPEG to authorize the borrowing of money in the amount of up to $139,920,000.00.

WHEREAS Section 294 of *The City of Winnipeg Charter* provides, in part, as follows:

> "294(1) Subject to subsection (2), council may pass by-laws enabling the city to borrow money in such manner, in such amounts, and on such security as council may consider necessary for any purpose for which the city is authorized to make provision, including, without limiting the generality of the foregoing, borrowing money required for local improvements.
>
> 294(2) Before council gives second reading to a by-law under subsection (1), the city must apply for and obtain the approval of the Minister of Finance for the borrowing under the proposed by-law.
>
> 294(3) An application for approval under subsection (2) must specify the principal amount to be borrowed and give a general description of the objects for which the amount will be used, but it is not necessary to specify in the application
>
> (a) the manner of borrowing;
>
> (b) the particulars of any proposed securities to be issued in respect of the borrowing; or
>
> (c) the rate of interest payable on the amount or the term within which it is repayable.

294(4) In dealing with an application made under this section, the Minister of Finance must consider only the financial position of the city and must

(a) approve the application in whole or in part or subject to terms and conditions, including specifying the time within which the amount to be borrowed is to be repayable; or

(b) refuse to approve the application."

AND WHEREAS THE CITY OF WINNIPEG (hereinafter referred to as "the City") considers it necessary during the year 2011 and subsequently, to borrow money in the amount of up to $139,920,000.00 for the purpose of the re-development of Winnipeg Police Service Headquarters building.

AND WHEREAS after the first reading and before the second reading of this borrowing by-law, its enactment received the authorization of the Minister of Finance;

NOW THEREFORE THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. For the purposes and objects of the City specified in this by-law, money in the principal amount of up to $139,920,000.00 may be borrowed during the year 2011 and subsequently on the credit of the City by the issue and sale of debentures of the City, or by the issue of such other city securities as may be determined by the Chief Financial Officer.

2. Pending the issue of the debentures or other city securities, the City may agree with a bank or person for temporary borrowing from time to time to meet expenditures incurred for the purposes stated in this by-law.

RECEIVED FIRST READING on the day of , 2011;

AUTHORIZATION OF THE MINISTER OF FINANCE RECEIVED on the day of , 2011;

RECEIVED SECOND READING on the day of , 2011;

RECEIVED THIRD READING AND PASSED on the day of , 2011.

DONE AND PASSED, in Council assembled, this day of , 2011.

Mayor

City Clerk

Approved as to financial details:

City Treasurer

Approved as to form:

Director of Legal Services/
City Solicitor