David M. Sanders, M.A., LL.B.

July 9, 2014

Chair and Members
Executive Policy Committee
The City of Winnipeg
510 Main Street
Winnipeg MB

Re: Executive Policy Committee – 9:00 a.m. Wednesday, July 9, 2014

Reports:

2. External Audit of the Winnipeg Police Headquarters Construction Project

7. Tax Increment Financing (TIF) Grant – Siloam Mission

Standing Policy Committee on Downtown Development, Heritage and Riverbank Management - July 7, 2014

1. Frozen Waterways By-law

5. Proposed Parcel 4 – Forks Railside DevelopmentA)

Standing Policy Committee on Infrastructure Renewal and Public Works - July 4, 2014

5. Award of Contract for Polo Park Infrastructure Improvements – Part 2 – St. Matthews Avenue, St. James Street, King Edward Street East and Ellice Avenue Reconstructions, Watermain Renewals and Associated Works

9. 2014 Active Transportation Action Plan

My name is David Sanders and I am appearing as a private citizen to comment on the above listed agenda items.

2. External Audit of the Winnipeg Police Headquarters Construction Project

No monthly reports for either the Audit or the companion Cost Study were placed on the agenda for the City Council meetings in April, May or June, as required by Council.

According to the City's Closed Bid Website, the RFP's for 87-2014 (Audit) and 105-2014 (Cost Consulting) closed at the end of February, and the successful proponents were to be selected by March 7, 2014.

However, the contract for 105-2014 (Cost Consulting) was not awarded to Turner & Townsend until March 26, for $165,000. Per Clause D5.2, Turner & Townsend were required to submit monthly status reports on the Project's progress that will be reported to Council. The contract for RFP 87-2014 (Audit) was not awarded to KPMG until April 22, for $199,500. Per clause D5.2, KPMG was required to submit monthly status reports on the Project's progress that will be reported to Council.

Per Clause D6.1 of both RFP's, draft reports were due from both Turner & Townsend and KPMG on June 1, and their Final Reports were to be presented to City Council by the end of June. All of the prospective bidders were told that those dates were fixed.

Where are the required April, May and June status reports from Turner & Townsend and the required May and June status reports from KPMG? When will the Final Reports be presented to City Council and made public? I would add that since the Free Press has apparently obtained copies of Steering Committee documents, it would be helpful if the City would finally make them public now.

City Council is scheduled to meet in one week, on July 16, and then not until September 24, just one month before the October 22 civic election. I respectfully request that Executive Policy Committee direct that both consultants submit reports for Council review and publication no later than July 16.

7. Tax Increment Financing (TIF) Grant – Siloam Mission

I am somewhat surprised that the authors do not indicate that they have consulted the Assessment and Taxation Department with regard to the viability of this particular proposal. If Siloam Mission spends something less than $8.5 million on assessable improvements to its real property (now assessed at $1,698,300), with the remainder spent on increased services, then the new assessment is likely to be much less than $10 million, and the resulting 2014 municipal taxes of less than $86,918 will equal less than $3,608,000 using the rather questionable "straight-line" assumptions in this report.

More importantly, I would be concerned that if Siloam needs $4 million now, payment of $80,000 per year for 50 years will have a present loan value of about $1.5 million at an optimistic 5% interest rate. And that's only if the payments are guaranteed, regardless of what the future holds for Siloam and this particular property. If nobody has consulted the potential lenders yet, it would be wise to do that before taking this to Council.

Standing Policy Committee on Downtown Development, Heritage and Riverbank Management - July 7, 2014

1. Frozen Waterways By-law

As I stated in my presentation to the Standing Policy Committee, available at: http://www.winnipeg.ca/CLKDMIS/ViewDoc.asp?DocId=13723&SectionId=&InitUrl= , I believe this new by-law should be forwarded to both the Winnipeg Police Board and the SPC on Protection and Community Services, for review and comment before it is passed.

Since we don't expect our waterways to freeze any time soon, there should be time to consider its effects and effectiveness carefully.

5. Proposed Parcel 4 – Forks Railside DevelopmentA)

I was not going to comment on this agenda item, mainly because The Forks Renewal Corporation is a client of mine.

However, I was one of many people who helped make the Forks redevelopment possible. I was Provincial Co-Chair of the Canada-Manitoba Agreement on Recreation and Conservation on the Red River Corridor, and arranged for the provincial expropriation of all of the privately-owned land on the site plus Steve Juba Park and Waterfront Drive all the way to Point Douglas. And I chaired the tri-level committee of officials which negotiated the first Winnipeg Core Area Agreement, which committed all three levels of government to the redevelopment of The Forks in 1981.

At Standing Committee I complimented CEO Jim August, consultant Angela Mathieson, and everyone who has worked on the current proposals for the Railside Lot and Parcel 4.

The Preliminary Revitalization Concepts document advocates:

- ✓ Expansive and exceptional public spaces.
- ✓ Parkades with at least 700 visitor parking stalls.
- ✓ An incredibly sensible and far-sighted "community cultural landbank" to reserve space for a future community facility once it is identified and funded.
- ✓ Pedestrian-oriented retail shops and appropriate residential development.
- ✓ Tax increment financing to pay for the public amenities and parkade construction, rather than to subsidize the private developments.

For me, the highlight of activities at The Forks to date came in 1999, during the second Winnipeg Pan-American Games, when a crowd of at least 50,000 Winnipeggers and guests came together to see and hear Great Big Sea perform on the Scotiabank Stage. Because of the additional development allowed on the site since then, that magic moment will never happen there again.

However, I think the priority for public uses of our special meeting place should be guarded jealously. If there is to be significant residential development on the site, I would suggest that first priority be given to the student hostel proposal originally suggested in connection with the development of the Canadian Museum of Human Rights, and second priority should be given to affordable seniors housing.

In any case, the present report prepared by The Forks Renewal Corporation states that:

> "Following further public consultation, these concepts, and more detailed design and development guidelines, will be refined and finalized for approval and adoption by both The Forks Renewal Corporation and the City of Winnipeg."

Since the development plans are not yet ready for final approval and adoption by the City Of Winnipeg, I have to question once again why this Committee and City Council should agree to what I consider to be yet another attempt by the City Administration to obtain the delegation of virtually complete authority over this new Parcel 4 project.

EPC is being asked to do the following **now**:

1. Declare Parcel 4 to be surplus to the needs of the City **now**.
2. Subject to the Chief Financial Officer (CFO) obtaining confirmation of equal matching grants from Canada and Manitoba for The Forks Renewal Corporation (FRC) **within the next year**, and receipt of a current appraisal of Parcel 4 satisfactory **to the CFO**:
3. Council **now** approves the sale of Parcel 4 to the FRC for $6 million or the aforementioned appraised value.
4. Council **now** waives its policy allocating 5% of the gross proceeds to the Historical Buildings Program and Enhanced Land Marketing Program.
5. Council **now** approves a grant to the FRC for $6 million or the appraised value for the sale of Parcel 4 – so that FRC receives Parcel 4 at no cost – subject to completion of Phase Two Public Consultation and finalization and approval of the final Concept and Master Plan by Council.
6. Council **now** approves in principle a Tax Increment Financing Zone on the Railside and Parcel 4 lands, so that the municipal and school taxes on the new developments will be paid to the FRC to support the construction of public amenities and infrastructure.
7. The Chief Administrative Officer be **now** delegated the authority to negotiate and approve the terms and conditions of **all** agreements with the FRC and the Province of Manitoba.

As a matter of interest, the present 2014-2015 realty assessment of Parcel 4 is $9,860,000, based on April 1, 2012 market value, which is a lot more than the $6 million figure given in this Report.

Rather than blindly approve the recommendations submitted by the Winnipeg Public Service today, I would suggest that this Committee recommend that City Council approve the attached Preliminary Revitalization Concepts document in principle, including the suggested municipal contribution of the Parcel 4 land with matching grants from Canada and Manitoba, plus provincial and municipal Tax Increment Financing of the public amenities and infrastructure to be provided by The Forks Renewal Corporation.

If both the Province and the federal government will agree to this financial arrangement in principle, it should be possible for the Forks Renewal Corporation to prepare a Final Concept and Master Plan. If and when City Council approves the Final Concept and Master Plan, then it will be time for Council to declare the land surplus, approve the actual sale and price of Parcel 4, and approve the equivalent grant, TIF by-law, and required intergovernmental agreements.

Not now.

And given the revelations of all these audit reports, I submit that Council should never delegate to the CAO the authority to approve the terms and conditions of **all** agreements with the FRC and the Province of Manitoba, on this or any other matter.

If such frequent delegations of Council authority are to provide Councillors with plausible deniability of responsibility when things go wrong, this practice must stop now.

Standing Policy Committee on Infrastructure Renewal and Public Works - July 4, 2014

5. Award of Contract for Polo Park Infrastructure Improvements – Part 2 – St. Matthews Avenue, St. James Street, King Edward Street East and Ellice Avenue Reconstructions, Watermain Renewals and Associated Works

EPC is being asked to approve a $7,877,715 contract for Phase 2 of the construction project, with developer contributions totalling $5,300,000. I presume that the award of the contract should be approved now, to facilitate a coordinated construction program.

However, now that we have the EY Real Estate Management Report analysis of the Polo Park Stadium site transaction, I recommend that the Winnipeg Public Service prepare a complete report with copies of all relevant documents for presentation to SPC on Infrastructure Renewal and Public Works, responding to the concerns expressed about the changes in financial payments and land adjustments on pages 151-155 of the EY Report.

9. 2014 Active Transportation Action Plan

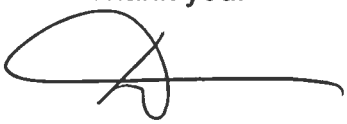
I understand that there are national standards for active transportation route signage and markings, but that many of Winnipeg's routes are not properly signed and marked as they should be, to ensure the safety of cyclists, pedestrians, and drivers of vehicles which frequently cross the AT routes.

I would strongly recommend that the City give priority to installing proper signage and markings on existing routes, ahead of the construction of new routes.

We need a lot more "stop" and "yield" signs, now.

Safety first, please.

Thank you.



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