Minutes – Executive Policy Committee – September 23, 2015

Report – Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – September 21, 2015

Item No. 2 Proposed License Agreement – Communication Tower – One Lombard Avenue

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the proposed license agreement be approved in accordance with the terms and conditions as contained in Schedule "A" incorporating such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor in order to fulfill the intent of Council.

2. That the authority be delegated to the Director of Planning, Property and Development to negotiate and approve the final terms and conditions of the licensing of the property from land owner and such other agreements, terms and conditions as determined necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

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

4. That the proposed expenditure for Tenant Improvements be approved from the Capital Budget (as approved by Council on July 15, 2015).

Report – Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – September 21, 2015

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Mayes,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2015, the Standing Policy Committee on Downtown Development, Heritage and Riverbank submitted the matter to the Executive Policy Committee without recommendation.

ADMINISTRATIVE REPORT

Title: **Proposed License Agreement –Communication Tower – One Lombard Ave.**

Issue: **288 Portage Avenue Communication Tower License Agreement Terminated – Communication Tower must be relocated by February 29, 2016**

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

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
B. Erickson	J. Kiernan	B. Holsten-Boyer A/CFO	M. Jack COO

RECOMMENDATIONS

1. That the proposed license agreement be approved in accordance with the terms and conditions as contained in Schedule "A" incorporating such other terms and conditions deemed necessary by the City Solicitor in order to fulfill the intent of Council.

2. That the authority be delegated to the Director of Planning, Property and Development to negotiate and approve the final terms and conditions of the licensing of the property from land owner and such other agreements, terms and conditions as determined necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

4. That the proposed expenditure for Tenant Improvements be approved from the Capital Budget (as approved by Council on July 15, 2015).

REASON FOR THE REPORT

In accordance with the Council Order of July 18, 1979, Council shall approve all third party leases over ten (10) years in length or requiring the payment of rent in excess of $1,000,000 for the term.

In this regard, the Planning, Property, and Development Department has negotiated the proposed Terms and Conditions of a License Agreement as set out in attached Schedule "A" for the use of property at 1 Lombard Avenue and identified on Misc. Plan No. 14950 attached hereto as Schedule "B".

EXECUTIVE SUMMARY

The unexpected termination of a longstanding license agreement obligates the City of Winnipeg to remove its communication facility from the rooftop at 288 Portage Avenue by February 29, 2016 and relocate to a new facility.

The new communication tower must be operational simultaneously, as the existing tower is decommissioned to ensure there is no delay in the delivery of two-way voice, data and video signals for multiple Departments.

IMPLICATIONS OF THE RECOMMENDATIONS

- The proposed license agreement is for a 10 year term, with 3 options to renew for a five year term. Given the costs associated with the relocation, it is expected the options will be exercised thereby extending the term to a potential 25 years.
- Funding for the new License Agreement is available in the operating budget from the former site at 288 Portage Avenue.
- Without a centrally located tower, mission critical, city wide communication to the affected departments would be impossible.
- A central location is mandatory to ensure that continued communication coverage to over 90% of the City of Winnipeg continue, as the former site offered.
- Funds associated with the $191,000 in Tenant Improvements are from the $850,000 set up in the 2016 capital budget previously approved by Council on July 15, 2015. The site improvements are included in this report for completeness, as the approval of the license for the new site would require that associated expenditure as well. ($850,000 expenditure will also include procurement of a new radio tower and antennas at the new site, implementation of Network and Telecom connectivity, transition of radio system components from the old site to the new site and deconstruction of the existing site tower and rooftop equipment room).

HISTORY

- On August 16, 1978, The Board of Commissioners authorized the City of Winnipeg Rooftop Communication Tower License Agreement at 288 Portage Avenue, where it remains to this day.

- On May 26, 2015, Canad Inns–Downtown Inc. issued a termination notice for the License Agreement for the Rooftop Communication Tower at 288 Portage Avenue. Termination to be effective November 24, 2015;

- July 6, 2015, the Chief Operating Officer advised that Canad Inns-Downtown Inc. had extended the termination date to February 29, 2016.

- On July 15, 2015, Council concurred with the recommendation of the Executive Policy Committee and adopted the following by consent:

    1. That a new 2016 capital project entitled “Communication Tower Relocation” for Corporate Support Services be approved.

    2. That subject to the approval of Recommendation 1, the expenditure of up to $850,000 be authorized on the new communication tower relocation capital project in 2015 or prior to the adoption of the 2016 capital budget as a first charge against the general capital fund, in accordance with Subsection 288(2) of The City of Winnipeg Charter in order to remove the existing tower and equipment and establish a new communication facility.

- Four centrally located, high-rise locations in downtown Winnipeg were toured. Negotiations ensued with two locations, as the other locations were either non-responsive or unsuitable.

- The proposals were evaluated on the following criteria: annual rate, size of the equipment room, equipment room finished to meet requirements, timeline, security requirements, and location of the site, License fee, and size of roof top pad, antenna allowance and projected completion date.

- One Lombard, as shown in the attached Schedule “B” was rated to be a superior site offering the least cost to the City of Winnipeg. The annual costs were $16,185.00 less per annum than the second potential site.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 16, 2015

Project Name:

First Year of Program **2016**

Proposed License Agreement – Communication Tower – One Lombard Avenue

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ 191,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	191,000	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 17,650	$ 21,180	$ 21,180	$ 21,180	$ 21,180
Less: Incremental Revenue/Recovery	6,012	-	-	-	-
Net Cost/(Benefit)	$ 11,638	$ 21,180	$ 21,180	$ 21,180	$ 21,180
Less: Existing Budget Amounts	11,638	21,180	21,180	21,180	21,180
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of $184,198 in costs for the finishing of the equipment room + short term financing charges and corporate admin fees of $6,012. The latter amount is offset by an equal recovery in the current budget of the Corporate Finance Department. Existing budget represents a first call on the 2016 Communication Tower Relocation capital project budget, which was approved by Council on July 15, 2015. Direct costs represent the annual license fee of $12,000 + equipment room rental of $9,180. The 2016 amount has been pro-rated for a March 1, 2016 assumed commencement date.

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

CONSULTATION

Corporate Support Services

Legal Services as to legal issues

OURWINNIPEG POLICY ALIGNMENT

Safety and Security:
Ensure that emergency preparedness, response and recovery support and services are available.

Prepare for Disasters and Emergencies:
The Communication Tower is required in order to maintain the City's capacity to respond to disasters and community crises.

SUBMITTED BY

Department: Planning, Property and Development
Division: Municipal Accommodations
Prepared by: Sandi Caputo, Leasing Officer
Date: September 17, 2015
File No. MA2015-209

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Schedule "A"

TERMS AND CONDITION OF ROOFTOP COMMUNICATION TOWER & EQIPMENT ROOM

Landlord:	Richardson Centre Limited
Tenant:	City of Winnipeg
Leased Area:	306 +/- square feet interior space & roof top tower
Term:	Ten (10) Year Term
Option to Renew:	3 options to renew for 5 years each
Commencement / Occupancy:	approx. March 1, 2016
License Fee:	$12,000.00 per annum, $1,000.00 per month
Antenna Limits:	to a maximum of 15 antennas
Equipment room rate:	$30.00 per square foot, $9,180 per annum, $765.00 per month inclusive of property taxes
Tower Pad:	20' x 20' (approx.)
Hydro:	to be separately metered
Term:	10 years

Projected Completion Date: 8-10 weeks from approval of proposal

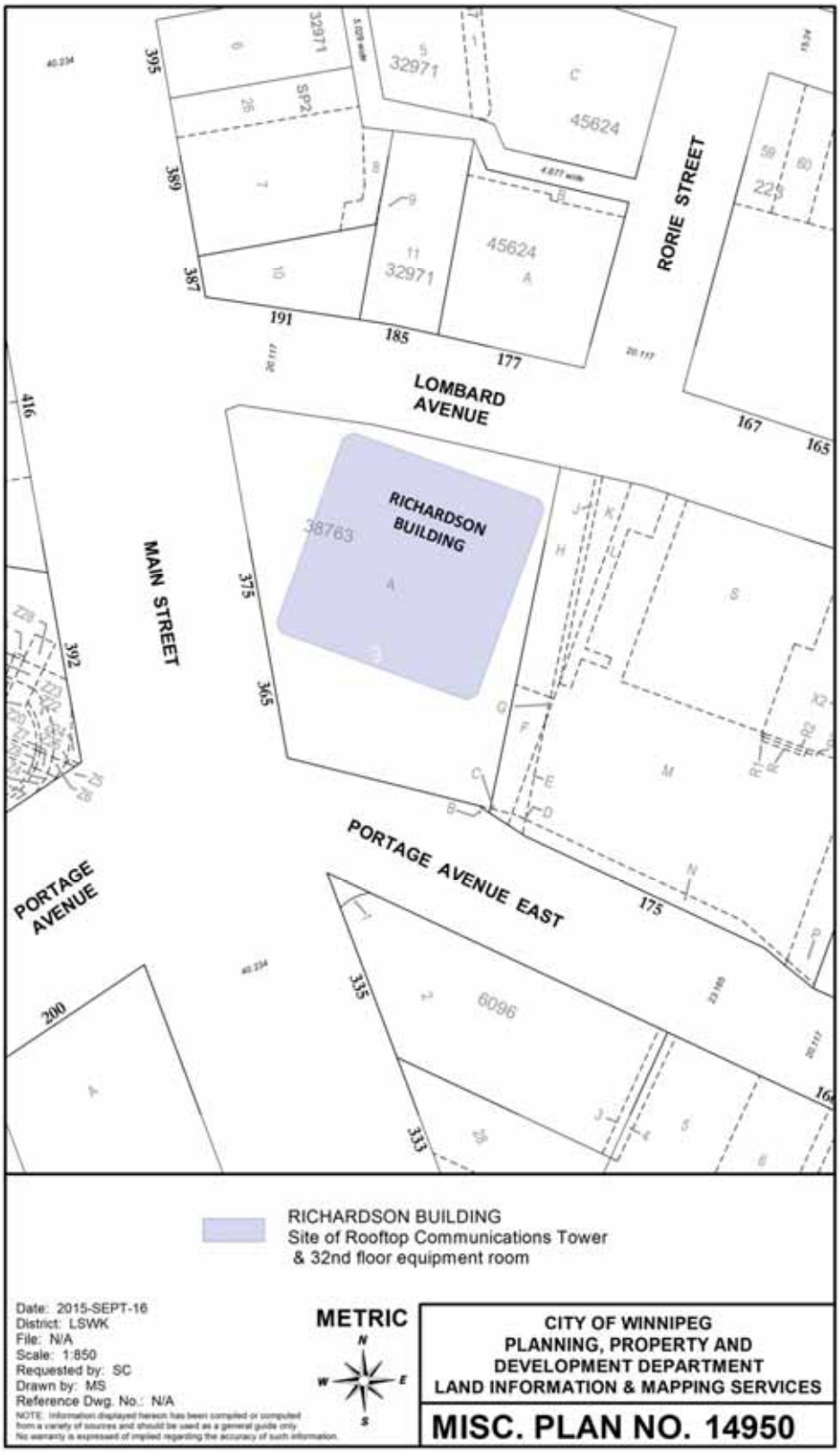
TENANT IMPROVEMENT COSTS:

Tenant Contribution: $ 191,000.00 (by approved capital funds)

Tenant Improvements to include:

- 1 hour fire separation room -17' x 18' in size
- 36,000 BTU AC Air or Water Cooled
- Fire Protection – Dry Pipe PreAction
- Electrical Distribution 60AMP@600V
- City of Winnipeg Security Requirements

Schedule "B"


LOMBARD AVENUE
RORIE STREET
MAIN STREET
PORTAGE AVENUE
PORTAGE AVENUE EAST
RICHARDSON BUILDING
38763
45624
32971
6096
395
389
387
191
185
177
167
165
416
392
375
365
335
333
200
175
RICHARDSON BUILDING
Site of Rooftop Communications Tower
& 32nd floor equipment room
Date: 2015-SEPT-16
District: LSWK
File: N/A
Scale: 1:850
Requested by: SC
Drawn by: MS
Reference Dwg. No.: N/A
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed of implied regarding the accuracy of such information.
METRIC
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W
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S
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14950