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Evaluation of Strategic Alternatives for the Public Safety Building and Civic Centre Car Park

City of Winnipeg

December 21, 2015

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Executive summary

This report examines a range of alternatives for the Public Safety Building and Civic Centre Car Park to assist the City of Winnipeg in determining the best use for these City assets

A current state review was conducted that considered a number of existing properties owned and leased by the City of Winnipeg (the “City”), and identified relevant considerations and limitations from stakeholder consultations. From this review, nine potential alternatives were identified for the Public Safety Building (“PSB”) and six potential alternatives for the Civic Centre Car Park, resulting in 54 potential combinations.

From this full list of combinations, a detailed investigation and evaluation process identified three short-list alternatives that with the potential to maximize the value of the City property. Each of the short-list alternatives presents a viable path forward for the City:

A. Large public space: consists of the development of public space and the sale of surplus land.

B. Civic Campus: consists of the development of a small public space, the construction of a new building for the Planning, Property and Development Department (“PPD”), the construction of a small, 95-stall parking structure with office space at grade for the Winnipeg Parking Authority (“WPA”), and the sale of surplus land.

C. Large parking structure: consists of the development of a small public space, the construction of a 520-stall parking structure with office space at grade for WPA, and the sale of surplus land.

The following executive summary provides high-level overviews that include a brief financial summary and a description of the general benefits, considerations and assumptions associated with each of the short-listed alternatives.



The subject property site is divided into four legal parcels, as shown on the plan above. Parcel B, which house the majority of the PSB, was gifted to the City in 1875 with the restriction that the land must be used for:1. Public purposes, and 2. Purposes of the municipal corporation

Of the short-listed alternatives that represent the best options for the City to pursue, all three alternatives include the demolition of both current structures

An analysis of existing technical and financial analyses was completed to support the evaluation of potential costs and benefits of renovating the structures.

Civic Centre Car Park demolition rationale

The Civic Centre Car Park suffers from poor structural integrity and this Evaluation has assumed that a demolition of the vacant and condemned structure must occur.

Public Safety Building demolition rationale

The Public Safety Building has certain architectural and historical significance and, while demolition is not a sustainable approach to deal with heritage buildings, the current state of the Public Safety Building as well as the limitations of the structure and exterior cladding make it unsuitable for a significant and costly restoration project. The design of the building presents a number of challenges, including:

- A lack of transparency at grade
- The entrance is not at street level and presents accessibility challenges
- The main floor is not barrier-free, which limits its potential uses
- The existing column structure limits the development of underground parking
- The Public Safety Building supporting mechanical systems currently located within the parkade would have to be relocated to a ground level compound which may not fit within the footprint of the Public Safety Building property
- It will be financially impractical to retain the Tyndall Stone cladding
- The possibilities for the parcels of land are limited by the existing footprint of the building

The full evaluation of those options that included a restoration of the Public Safety Building against the applied criteria has determined that the restoration of the Building would not better meet the needs of the City, would not better contribute to Downtown Revitalization Priorities and would not provide value above and beyond the other alternatives. These limitations, along with an associated high cost of restoration, combine to make a strong case in favor of demolition.

Short listed alternatives

A) Large public space

This alternative suggests the demolition of the PSB to create a public space and the sale of non civic-designated land. In this scenario, Parcels A and B would be redeveloped as public space, with Parcels C and D sold to a private sector developer.

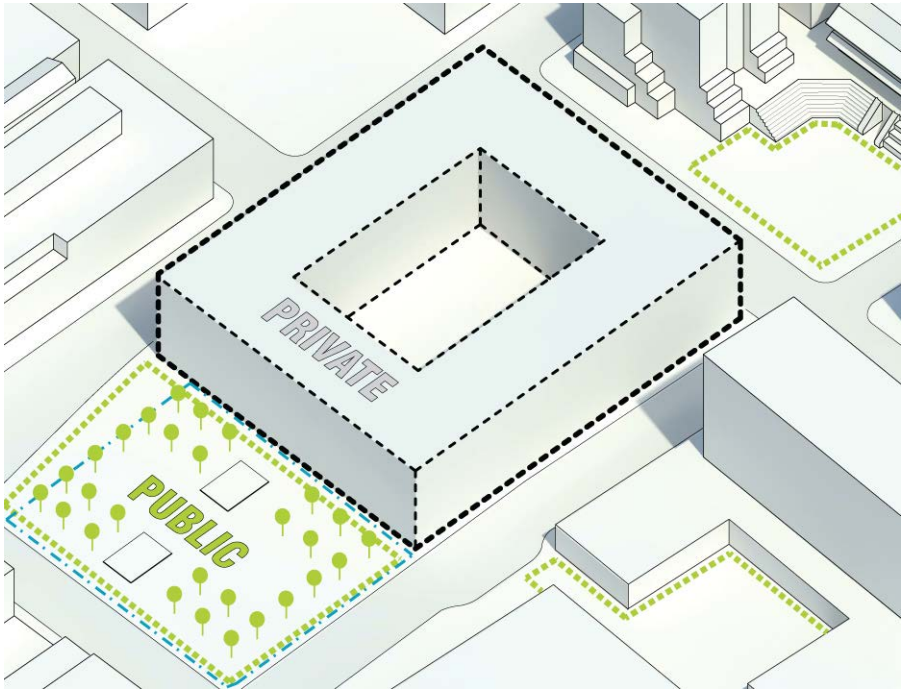
Benefits

- This alternative presents an opportunity to create an iconic public space that would be unique to the downtown area. Given the properties' strategic location, a redevelopment plan would have the potential to not only shape the neighbourhood identity in the West Exchange District, but also its broader civic image.
- Increased public space could provide a valuable amenity for the area and help to increase the desirability – and potentially the sale value – of the non civic-designated land.
- This reflects the least capital-intensive alternative and the lowest risk alternative, as the City would not be exposed to significant construction cost risk.
- The City could retain some control over the form of development on the non civic-designated land through a Development Agreement.
- With southern exposure and the low-rise buildings across William Ave, this site has the benefit of receiving full sunlight during daylight hours.
- A high quality public space would contribute to the Exchange District being perceived as a more desirable place to live, work and play.

Considerations and assumptions

- Effective space management is critical to a public space's success; a strong management plan and presence would be needed.
- The timing for private sector redevelopment on the non civic-designated land is uncertain and there is the risk that the land could remain vacant for an extended period of time.
- Once the PSB has been demolished, the site must be maintained by the City. If the development of the public space is delayed, the space will require sodding.
- The City will be responsible for the demolition and remediation of the site. It will also be responsible for the design, construction and maintenance of the public space.

Land allocations (square feet)			
Civic office building	Public space	Parking structure	Surplus land
0	35,616	0	69,595



The above high-level rendering shows potential land allocation. Actual form of development on private land will differ from massing that is shown here. For additional detail, see Refined Alternative 1 on page 80.

A 20-year Present Value calculation shows a positive Net Present Value for this alternative:

Upfront capital costs	$	5,943,322
Revenues from sale of assets	$	3,827,725
Stabilized operating savings (Year 10)[1]	$	114,171
Net present value	**$**	**2,874,000**

[1] Value above does not include debt service payments of $280,580 per annum.

Short listed alternatives

B) Civic Campus

This alternative suggests the building of a new civic building and accessory parking structure and the sale of residual land. In this scenario, Parcels A, B, and C would be redeveloped with a new 80,000 square foot civic office building to accommodate PPD and potentially, other civic departments or groups. This option would also include a significant amount of outdoor public space. Parcel D would be subdivided to allow for a 95-stall parking structure with grade level office space to accommodate WPA, and the residual land would be sold to the private sector. The parking structure would be used by PPD and the WPA (civic use only).

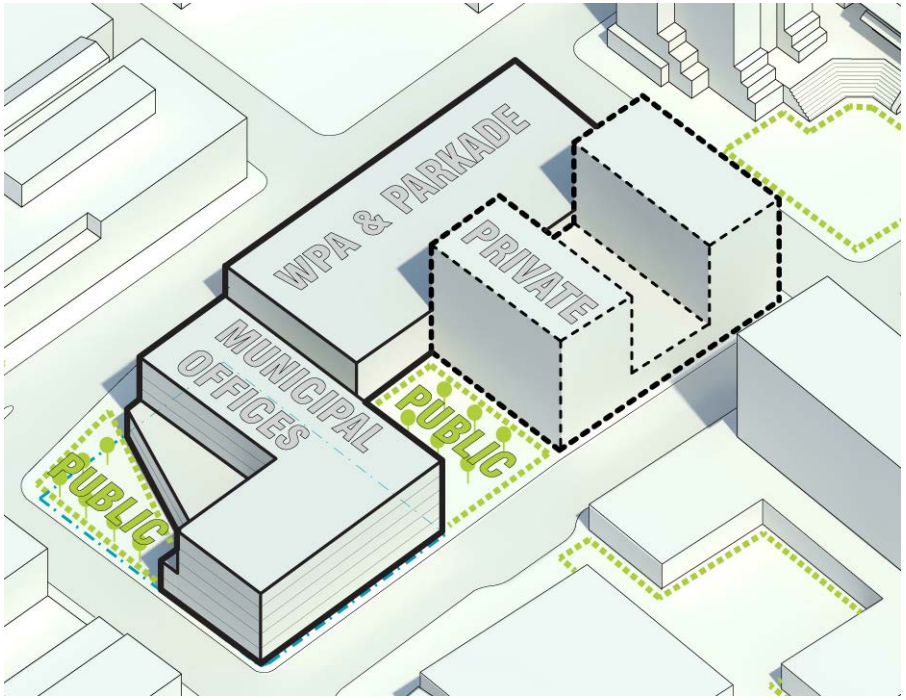
Benefits

- This alternative allows the City to maintain a Civic Campus model and is the preferred alternative from a Downtown Revitalization perspective. A purpose-built facility that is linked to an overall development strategy for the full property provides the best opportunity to create a compelling case for private sector development.
- There would be synergies from grouping certain components together and moving them closer to City Hall, and improved operating efficiencies could be achieved through the delivery of high quality office space (e.g. improved productivity and reduced sick leave). These synergies and workplace improvement efficiencies have not been quantified as part of this Evaluation, but are expected to be significant.
- The new building would be designed and built according to the needs of the occupants and can be designed to fully anticipate future growth.

Considerations and assumptions

- The construction of a new building would require the City to invest a significant amount of capital into the renovation and would expose the City to construction risks as well as ongoing operational risks related to managing this asset.
- Various combinations of City departments can be considered, assuming realization of some efficiencies through co-location (most candidates for relocation occupy more than 180 sq. ft./FTE). More detailed analysis is required to determine potential for even larger space saving efficiencies.
- Moving various departments to a new civic building will increase the demand for parking in the area, with certain departments having specific requirements for secure parking that may not be able to be met offsite.

Land allocations (square feet)			
Civic office building	Public space	Parking structure	Surplus land
25,000	21,720	29,000	29,491



The above high-level rendering shows potential land allocation. Actual form of development will differ from massing that is shown here. For additional detail, see Refined Alternative 3a on page 88.

A 20-year Present Value calculation shows a substantial negative Net Present Value for this alternative. This represents the cost of increasing the quality of the office space for City workers. The Net Present Value for this option has the potential to be improved through more efficient parking construction.

Upfront capital costs	$	46,568,956
Revenues from sale of assets	$	1,622,005
Stabilized operating savings (Year 10)[1]	$	588,726
Net present value	**$**	**(21,671,000)**

[1] Value above does not include debt service payments of $2,198,490 per annum.

Short listed alternatives

C) Large parking structure

This alternative suggests the construction of a new elevated parking structure and the sale of non civic-designated land. In this scenario, Parcels A, B and C would be redeveloped to include a 520-stall parking structure with grade level office space to accommodate WPA, civic users, and the general public. This option would also include a significant amount of outdoor public space. Parcel D would be sold to a private sector developer.

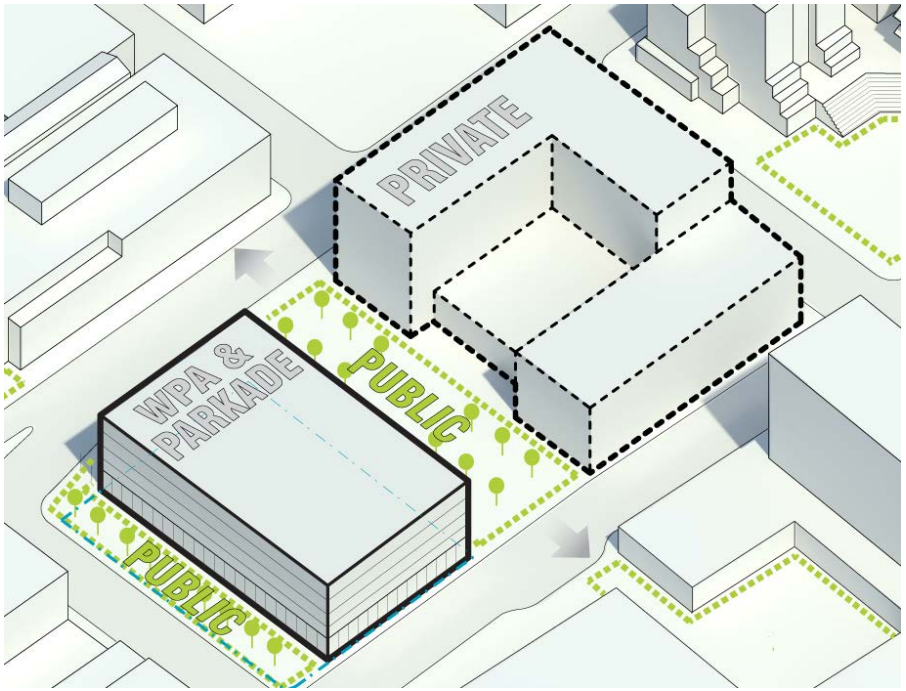
Benefits

- A first-level storefront at this location, coupled with additional parking, is aligned with Downtown Revitalization priorities.
- The first level of the new parkade could be designed and built according to the needs of the WPA, which would result in a building superior to their existing space. Additionally, the space can be designed to fully anticipate future growth.
- The City could retain some control over form of development on the non civic-designated land through a Development Agreement.
- An elevated parking structure in this location would significantly improve the parking available to City staff working at 510 Main Street and other adjacent civic properties and provide parking for the general public in an area where finding available parking is a challenge. A larger structure would also support the cultural district evening events.
- Extends the existing pedestrian sight lines through the City Hall Courtyard, to James Avenue and Waterfront (historical reference axis).

Considerations and assumptions

- The ground floor commercial space may have some design limitations, given the location of entrance ramps and other engineering features specific to a parking garage.
- The construction of a new building would require the WPA to invest a significant amount of capital into the renovation and would expose the WPA and the City to construction risks as well as ongoing operational risks related to managing this asset.

Land allocations (square feet)			
Civic office building	Public space	Parking structure	Surplus land
0	17,720	29,000	58,491



The above high-level rendering shows potential land allocation. Actual form of development will differ from massing that is shown here. For additional detail, see Refined Alternative 4 on page 92.

A 20-year Present Value calculation shows a positive Net Present Value for this alternative. A detailed business case would need to be developed by WPA to justify the significant upfront capital costs.

Upfront capital costs	$	34,714,473
Revenues from sale of assets	$	3,217,005
Stabilized operating savings (Year 10)[1]	$	1,151,275
Net present value	**$**	**7,668,000**

[1] Value above does not include debt service payments of $1,638,847 per annum.

Prior to selecting an alternative, the City should further examine each of the distinct alternatives and consider input from the WPA, CentreVenture and the Asset Management Process

The short listed alternatives represent high-level concepts that will have to be refined after further analysis. The land allocated to certain uses and the size of buildings may change, which will have a direct effect on the qualitative and quantitative financial evaluation.

Additionally, three other important considerations should be factored in during further design/evaluation of the three potential alternatives:

Winnipeg Parking Authority

- The Civic Campus alternative includes the construction of a parking structure to accommodate the needs of the tenants in the building. This has been modelled as an above-ground structure with the same footprint as the proposed James Ave parkade, which allows for the WPA to complete an independent business case to justify the construction of additional spaces in this new structure. The Civic Campus alternative, proposed to accommodate only tenant demand, does not represent the best use of the land given the large footprint for the parking; we strongly encourage the WPA to consider the construction of a larger structure, if financially feasible. Note, alternative (B) was developed as such to demonstrate sole accommodation of business-critical parking requirements for the day to day operations of PPD and WPA and to identify associated infrastructure cost. Amending (increasing) parking accommodation may have a material impact on the projected NPV. If there is no business case to build additional parking in this space, it may then be advisable to either build parking underneath the new civic building or to decrease the footprint of the elevated structure to allow for more land to be sold to the private sector.

CentreVenture

- Each of these alternatives includes the sale of a significant portion of currently City-owned land. As part of this Evaluation, a preliminary meeting with CentreVenture was conducted to understand this potential role based on their involvement in similar exercises that the City has undertaken. The City may wish to further consult with CentreVenture to assess the impact that each alternative would have on the ability to market the surplus land and/or develop a broader strategy for these key West Exchange parcels of land.

Asset Management Policy and Investment Planning Process

- The City is implementing a rigorous asset management framework designed to evaluate proposed investments. The cost estimates as part of this Evaluation are Class 4 and an additional level of detail will need to be developed prior to assessing the chosen alternative against other City initiatives through the Asset Management Policy and Investment Planning Process.

Introduction

Introduction

Project background

The City of Winnipeg's Public Safety Building (151 Princess Street, hereafter "PSB") and Civic Centre Car Park (171 Princess Street, hereafter "CCCP") represent a complex opportunity for the City. The PSB is soon to be vacated and the CCCP is currently "mothballed" due to its poor condition. The City has identified a number of strategic alternatives for these assets, which provide different mixes of office space, parking, civic/park space or disposition of surplus land.

While the City completed an initial analysis of the potential alternatives for the properties, they required further discovery and analysis to inform the decision on how best to proceed.

Deloitte was retained by the City to investigate, analyze and validate options considered by the City in the "Facilities Master Planning Option Matrix: PSB and CCCP" document and supporting information. Additionally, Deloitte was to incorporate new alternatives based on investigations and consultations conducted as part of this review. Deloitte was to perform an evaluation of both the qualitative and quantitative impacts of the alternatives (to a Class 4 estimate of reporting/accuracy).





Introduction

Project team

The project team consisted of:

Deloitte LLP – Project lead responsible for coordination of the project team and delivery of final report. Activities included stakeholder consultations, analysis of existing documentation, coordination of meetings and development of financial models and this business case. As the project lead, Deloitte was engaged directly by the City and engaged ft3 as a sub-consultant.

ft3 Architecture Landscape Interior Design – Responsible for technical scope around architecture and urban design as well as coordinating activities of the engineering sub-consultants. Activities included stakeholder consultations, analysis of existing documentation, attendance at meetings and development of technical findings related to each option. ft3 engaged the engineers as sub-consultants.

SMS Engineering Ltd. – Contributed Mechanical and Electrical Engineering expertise, with experience with the building systems in place at the PSB and CCCP. They also provided technical insight into the viability of various options under consideration.

Crosier Kilgour and Partners Ltd. – As Structural Engineering and Building Envelope Consultants have extensive experience with the subject properties, activities included participation at stakeholder meetings and building tours, as well as assistance with the interpretation of data relating to the properties under consideration.

Project Steering Committee – The City's Project Steering Committee was comprised of representatives from different municipal departments including:

- Planning, Property and Development
  - Major Capital Projects
  - Property Management
- Planning/Land Use Management Services
- Winnipeg Parking Authority

Introduction

Subject property

The subject property is 2.4 acres in size and occupies an entire city block. The property includes four separate parcels (A, B, C and D). Parcel B, which houses the majority of the PSB were gifted to the City in 1875 with the restriction that the land must be used for:

1. Public purposes, and
2. Purposes of the municipal corporation.

This restriction limits both the City's potential uses for the land and its ability to sell the land. For the purposes of this study it is assumed that this land cannot be sold and that potential uses are limited to such things as office space for City staff, public park space and/or a public parking structure. Other public uses may be possible but would have to be confirmed with the City's Legal Services Department to confirm the use is allowable under the existing restrictions.

Parcel	Square metres	Square feet	Acres
Parcel A	326	3,508	0.1
Parcel B	2,984	32,108	0.7
Parcel C	1,032	11,104	0.3
Parcel D	5,436	58,491	1.3
Total land parcel	**9,778**	**105,211**	**2.4**



Subject property site plan showing legal parcels

Introduction

Project scope

The Evaluation of Strategic Alternatives for the PSB and Civic Centre Car Park (hereafter “Evaluation”) was originally intended to further develop the preliminary review and analysis of strategic alternatives defined in a previous exercise. However, during discovery, additional alternatives were identified and considered as part of the Evaluation. The project objective is to provide a fact-based, unbiased assessment of alternatives that provides information to support the evaluation and decision processes.

The following was required to define and assess the alternatives:

- A collaborative approach to engaging with the City, including consultation with civic departments proposed for relocation;
- Investigation and analysis of sites under consideration;
- An understanding of the broad functional and technical requirements of the various building uses;
- Consideration of relevant urban design issues;
- Identification, where possible, of potential civic department consolidation operational efficiencies;
- Analysis of the economic feasibility of alternatives;
- A Class 4 Cost Estimate capturing the financial costs and benefits of the alternatives;
- Consideration given to real property law and governance (zoning);
- An understanding of the risks and opportunities inherent in each alternative;
- An understanding of the limitations that will impact design and implementation.

Introduction

Report format

This Full Report (hereafter “Report”) is the third and final report produced for the City regarding this Evaluation. This Report includes the contents of the previously delivered *33%* and *66% Reports*, with modifications as appropriate.

The Report is iterative, with each section building upon the previous ones and capturing all work conducted as part of the Evaluation. The Report consists of the following sections:

- **Review of current state** – provides the detailed findings from the stakeholder consultations, site tours, and document review activities
- **Alternatives review and assessment** – details the alternatives identified during the review of current state, including assessment criteria, preliminary high-level assessments and recommended short-list alternatives for further consideration (“short-listed alternatives”)
- **Detailed needs assessment** – captures the current and future needs of each of the relevant components for the short-listed alternatives
- **Refined alternatives** – refines and aligns the short-listed alternatives identified in the alternative review and assessment section to the needs captured in the detailed needs assessment section
- **Evaluation of alternatives** – evaluates the three alternatives developed in the refined alternatives section against the weighted criteria developed in consultation with the City
- **Next steps** – provides commentary on the next steps for the City in order to determine a preferred option and execute the program to implement the option.

Introduction

Key project assumptions and limitations

Key assumptions

- It is assumed that the WPA will have the opportunity to complete a business case for the development of public parking in Options 2, 3 and 4.
- It is assumed that the Parcels A and B land cannot be sold and the public use designation cannot be altered.
- It is assumed that only those properties and business units identified for consideration by the Project Steering Committee are in scope.
- It is assumed that this study is a further evaluation of an existing study and associated financials.

Key limitations

- **Limited scope -** This Evaluation does not represent a comprehensive review and assessment of all alternatives of all potential components and all City-owned or occupied properties. The information gathering and analysis presented was conducted on a selection of properties and components that the City deemed worthy of investigation. As such, any alternatives and potential recommendations from this Report are subject to the information provided to Deloitte and the subcontractors, as captured herein.
- **Information provided -** The material contained in this Report and the subsequent option development represents a capture of the self-identified needs, challenges and considerations of various City staff. Where possible, these perspectives have been independently assessed through site tours and additional information requests, however information in this report is not considered to be independently validated.
- **Financial review -** This Evaluation includes a Class 4 Cost Estimation of the various alternatives considered. A more detailed financial review will need to be conducted prior to full development of a detailed business case for any of the options identified.
- **Interim use needs for the PSB -** Deloitte has been made aware of the potential for City councilors to move into the PSB temporarily, but the impact on timing and any other logistics has not been factored in to this Report due to the timing of this information, which came at the end of this study. Given the ongoing costs with maintaining the PSB and CCCP, if a decision is made to demolish both structures, the City may wish to reconsider temporarily housing City councilors to avoid these costs.
- **Canada Post exclusion -** Deloitte has been made aware that the City is examining potential uses for the Canada Post office building, but any analysis of this impact was excluded at the direction of the City due to a concurrent ongoing study regarding the potential to repurpose or sell the asset.

Review of current state

Review of current state

Introduction

This section provides the detailed findings from the stakeholder consultations, site tours, and document review activities. This section consists of:

1. **Building overview**
   - This Evaluation focuses on the PSB and CCCP. The Steering Committee identified a number of other City-owned and -leased properties and their current occupants, which have been considered as part of the alternatives analysis. This section provides a profile of each property that consists of a description, information regarding property zoning, value, useable and rentable space, the assessed value of the properties, and any additional considerations that helped inform the alternatives analysis.

2. **Component overview**
   - For the purposes of this Report, a component refers to a potential use for either the PSB or the CCCP. These components include building office uses (e.g. PPD), other building uses (e.g. storage) and other property uses (e.g. public-use space). The component overview provides a profile of each component, which consists of a description of the component, specific-space requirements and any other considerations.

3. **Considerations and limitations to design**
   - Considerations and limitations to the Evaluation have been identified throughout the stakeholder consultations. These general considerations and limitations do not relate to either a specific property or component, but represent additional elements that must be factored into the design, development and evaluation of the alternatives.

Building overview

Building overview

Map

Deloitte was directed to review the properties shown in blue and green on the adjacent map. These include a mix of City-owned and -leased properties occupied by City staff.

This does not represent a comprehensive inventory of all City-owned or -occupied properties. Several other potentially relevant properties owned or leased by the City are identified (shown in grey), but have not been considered as part of this Evaluation. 243, 395, and 457 Main Street were excluded as there are new long-term leases for these spaces. 333 St. Mary Avenue and 180 King Street were also excluded due to their current lease terms. The Canada Post Tower was excluded at the direction of the City due to a concurrent ongoing study regarding the potential to repurpose or sell the asset.



City-owned property

City-rented property

Not assessed

Building overview

151 Princess Street (Public Safety Building) – Owned

History: The PSB was completed in 1966 on land donated to the City. The PSB provided a new home for the City's police force and administrative staff. This fortress-like, six-storey structure was designed in the Brutalist Style, but with smooth-cut limestone cladding (in contrast to the prevalent finish of raw concrete finish of many Brutalist buildings).

Current: City records show that the building has undergone numerous upgrades and interior alterations over the years. The exterior, however, has maintained its original appearance. Despite remedial efforts, the limestone cladding has presented persistent maintenance and safety issues. Primarily due to deterioration of the system by which the cladding is attached, stone panels have become dislodged, posing a safety threat to pedestrians.

The building is located just outside of the Exchange District National Historic Site, and is not recognized as an Historical Resource, nor is it a nominee to the List of Historical Resources. However, the Historical Buildings and Resources Committee has proposed that "Character Defining Elements" would be worthy of protection (if the building had been nominated to be listed as an Historical Resource). These elements included the building exterior, main floor lobby, and some office ceilings above the fifth floor.

Potential alternatives for the building are limited by the fact that when a portion of the land was donated it was stipulated that the land must be used for: 1. Public purposes, and 2. Purposes of the municipal corporation. As the Winnipeg Police Service prepares to vacate the building in 2015, a new civic use must be found else the descendants will have a valid claim for the title to revert back. Note that this restriction refers to only a portion of the land upon which the building sits, namely Parcel B.

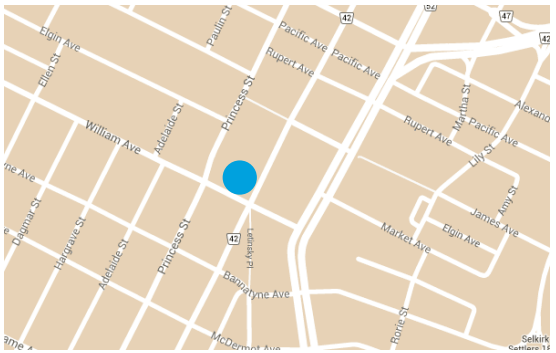
Total area (square feet): 94,798 useable / 117,906 rentable

Current occupants: Winnipeg Police Services (vacating in 2015)

Zoning: C – Character

Assessed value: $9,362,000 (151 and 171 Princess Street)

[redacted]







Building overview

171 Princess Street (Civic Centre Car Park) – Owned

History: The CCCP was opened in 1965, about six months ahead of the PSB. During its operation, it provided 460 parking stalls for Police Operations, City staff and councillors, as well as parking during high-demand times for other non-City patrons attending various events in the Downtown and East Exchange.

Current: The City has previously taken significant remedial work, but the structure has deteriorated to the point that it is no longer safe for use. The parkade has been closed since August 2012, with ongoing efforts to stabilize the structure to enable required access by City Police Services. Since the parkade was closed, the demand for parking has been partially accommodated through a combination of on-street and off-street parking in the area; but it is reported that current demand exceeds the supply.

The CCCP and PSB are connected by tunnel at the basement level; the tunnel continues through to City Hall and the Centennial Concert Hall. [redacted]

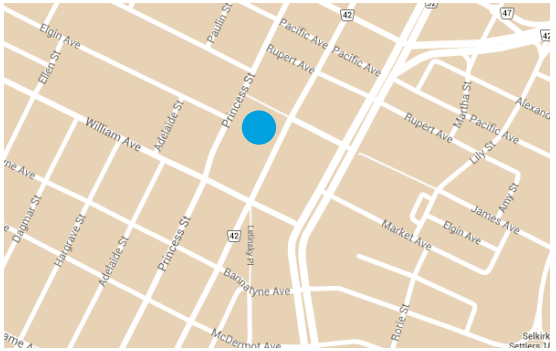
Total area: 37,418 useable / 39, 443 rentable

Current occupants: Vacant

Zoning: C – Character

Assessed value: $9,362,000 (151 and 171 Princess Street)

Additional considerations: The building is located within close proximity to City Hall. [redacted]







Building overview

380 William Avenue (Carnegie Library) – Owned

History: The Carnegie Library has a distinguished history as Winnipeg's first purpose-built public library building. It was constructed from 1903 to 1905, and expanded with a large two storey addition in 1908. Both phases of the building were financed by American philanthropist Andrew Carnegie upon the condition that the City erect and maintain a free public library. The building remained as the City's premiere public library until it temporarily closed when the Centennial Library opened in 1977. A reduced library re-opened and operated from 1978 to 1994, sharing the building with the Archives and Records Control Branch of the City Clerk's Department. Since 1994, the Branch has occupied the entire building.

Current: A 2010 redevelopment plan for 380 William Avenue projected a $3 million investment over a six year period to perform extensive renovations to upgrade the heritage property for current and future use as a storage and processing facility for the City's permanent archival holdings. Upgrades commenced in 2009/2010; however, notable failures in the building envelope have resulted in significant water damage to the building's interior and its contents. The building is currently unoccupied in preparation for additional remedial work and program-specific improvements. Archives and Records Control is currently occupying leased space in 50 Myrtle Street, with records also in storage at 311 Ross Avenue and in temporary leased space at the Provincial Records Centre.

The existing shipping/receiving area in 380 William Avenue is inadequate for the City Archives. Materials presently enter and exit the building through a small mail ramp in the basement of the building.

A parking lot is currently located on the west side of the building.

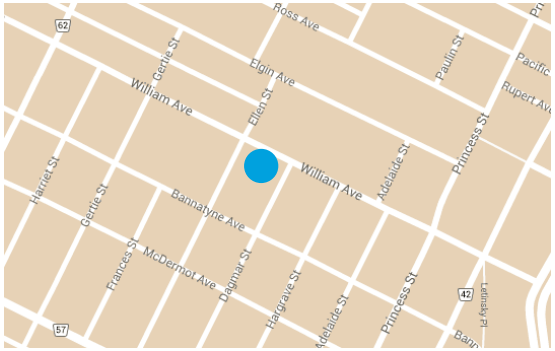
Total area (square feet): 24,025 useable / 27,019 rentable

Current occupants: Vacant

Zoning: CMU – Commercial / Mixed-Use

Assessed value: $1,209,000

Additional considerations: 380 William Avenue is a protected heritage building. Protected status extends to the interior of the two main rooms at the front of the building. This presents strict limitations for redevelopment for civic uses or private sector interests. These limitations were considered and solutions provided as part of the 2010 redevelopment plan.







Building overview

311 Ross Avenue (Paulin-Chambers Building) – Owned

History: A multi-storey manufacturing/warehouse building originally designed and constructed as a steam biscuit factory in 1931. The Paulin-Chambers Company continued to produce baked goods from this location until 1950. Subsequent additions to the building were made in 1950 and 1983.

Current: Currently owned and occupied by the City as a centralized repository for a number of civic departments, each of which does not have the physical space to store their own records or materials.

The building features three loading docks to accommodate the movement of large items/volumes of goods.

As designed, the building offers limited structural capacity for concentrated storage.

Total area (square feet): 95,667 useable / 106,251 rentable

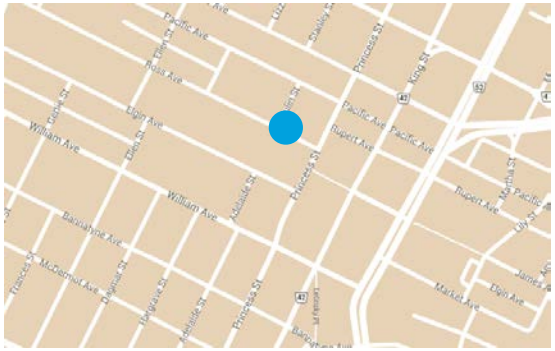
Current occupants:

- Corporate Records Centre (central repository for records of civic departments – managed by Archives and Records Control Branch, City Clerk's Department)
- Municipal Elections (polling equipment, ballots and staff – managed by City Clerk's Department)
- Surplus furniture and asset storage (various City departments but managed by PPD)
- The WPA has a small amount of storage at 311 Ross

Zoning: C – Character

Assessed value: $1,650,000

Additional considerations: The property across Paulin Street to the west is a surface parking lot. Presently, large trucks use the approach to manoeuvre and access the loading docks at 311 Ross Avenue. This neighbouring property has been sold for development and this will restrict the size of vehicles that can serve the building. 311 Ross Avenue is on the "Nominated" list of heritage buildings, which could potentially present limitations for redevelopment for civic uses or private sector interests.







Building overview

185 King Street (Mandarin Building) – Owned

History: 185 King Street is a partially City-owned and -occupied four storey office building. It was completed in 1987 as part of the City's efforts to revitalize the Chinatown District. The parkade underneath the building is currently owned by the Chinese Cultural Society.

Current: Currently functions as a City-owned and -operated office building.

Total area: 63,912 useable / 72,027 rentable

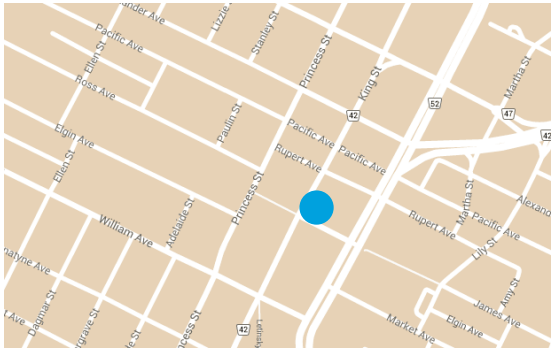
Current occupants:

- Fire and Paramedic Service
- Corporate Finance, including Materials Management
- Municipal Accommodations Division
- Water and Waste
- Legal Services

Zoning: C – Character

Assessed value: $5,000,000

Additional considerations: The building is within close proximity to City Hall, which may be an important consideration in determining the potential future tenants if the City retains ownership of this building. This location is a potential contributor to the creation of an administrative campus around City Hall.





Building overview

752 McGee Street (Public Works Shop) – Owned

History: The building is not of any historical significance. The original building was built in 1931 and since then there have been three additions with the carpentry shop being built in 1950, the north garage being built in 1983 and the west garage being built in 1983.

Current: 752 McGee, also known as 659 Wellington Avenue, is a City-owned facility occupied by the Public Works Department and the PPD Trade Shop. The building contains several offices and a number of workshops (carpentry, welding and mechanical shops) used for repair and maintenance of City-owned equipment. The outdoor yard includes a fenced compound with outbuildings and parking for approximately 30 City vehicles.

The land parcel also includes a public park (Jacob Penner Park) which features paved courts for tennis and basketball as well as a children's playground and wading pool. This inner-City park received an upgrade in 2013.

Total area: 26,271 rentable

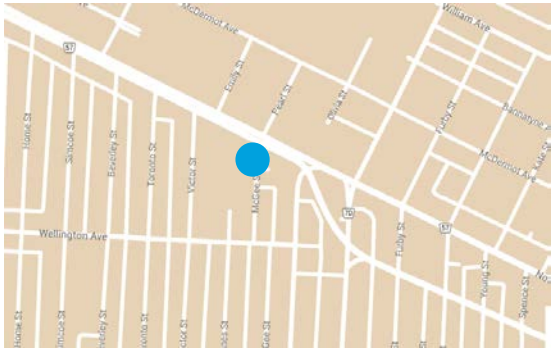
Current occupants: Public Works and Parks Department

Zoning: R2 – Res – Two Family

Assessed value: $2,758,000 (including park)

Additional considerations: The land parcel is shared with a City park and adjacent to single family and multi-family residential developments. It should be determined whether there is any desire to expand the size of the existing park. There may also be some benefit to co-locating some elements with other similar uses in a public works yard.

Of the current occupants of 752 McGee, only the potential relocation of the Trade Shop was considered.





Building overview

510 Main Street (City Hall and Administrative Building) – Owned

History: The City Civic Centre (City Hall and Administration Building) was completed in 1962-1963. Over the past 50+ years, there have been a number of alterations and renovations to the buildings.

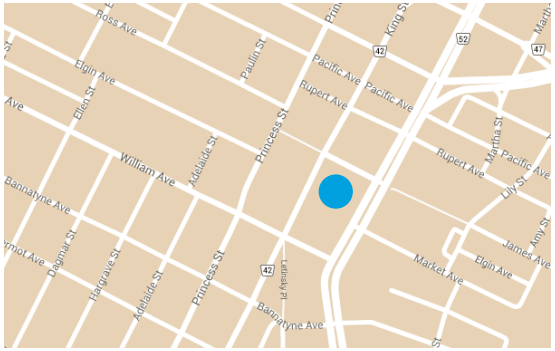
Current: The Administration Building includes numerous City Departments and functions (including the office of the CAO, Corporate Finance, Corporate IT, Corporate Human Resources).

Relevant area: 5,250 useable / 9,113 rentable

Zoning: C – Character

Assessed value: $18,742,000

Additional considerations: All electrical equipment must be provided with emergency back-up power. Indoor storage is required for shop and outdoor equipment.





Building overview

10/30 Fort Street – Leased

Current: The City occupies leased space on the main floor and mezzanine of 10/30 Fort Street. The space is occupied by various departments of PPD and a Community Services Department Licensing Office.

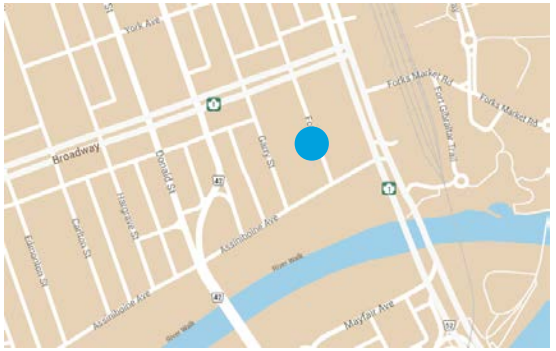
Total area leased to City (square feet): 31,500 rentable

Current occupants:

- Zoning and Permits Branch
- Plan Examination Branch
- Urban Planning Division / Urban Design Division (Planning and Land Use)
- Community Services Department Licensing Office

Additional considerations: The City lease at this property can be terminated with one year's notice and is set to expire in November 2018. It is expected that the City would be able to renew the lease.

The majority of PPD personnel are located here (30 Fort / 65 Garry), at a considerable distance from the Civic Campus. At 1.5 km, this is greater than a practical walking distance. For staff who frequently attend meetings within the Civic Campus, productivity is impacted by time spent in travel and acquiring parking.





Building overview

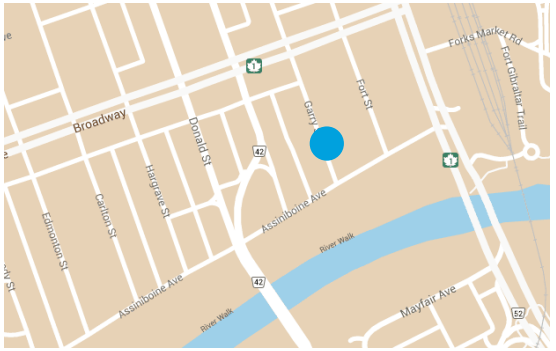
65 Garry Street – Leased

Current: The City occupies leased space on the main floor, mezzanine and floors 2 through 4 at 65 Garry Street.

Total area leased to City (square feet): 46,491 rentable (excluding Transit Department)

Current occupants:

- Human Resources and Administrative Services Division
- Geomatics and Land Information Services
- Land Development Branch
- Real Estate Division
- Land Acquisition Branch
- Land Appraisal Branch
- Land Sales Branch
- Land Information Services
- Geomatics Branch
- Property Management Branch
- Commercial Inspections Branch
- Housing and Existing Buildings Branch
- Asset Management and Accommodations
- Technical Services
- Property Management Branch
- Financial Services Division
- Housing Development Division (400-10 Fort Street)
- Golf Services (400-10 Fort Street)
- Municipal Accommodations Division





Additional considerations: The City lease at this property can be terminated with one year's notice and is set to expire in November 2018. It is expected that the City would be able to renew the lease.

The majority of PPD personnel are located at 30 Fort and 65 Garry, at a considerable distance from the Civic Campus. At 1.5km, this is greater than a practical walking distance. For staff who do frequently attend meetings within the Civic Campus, productivity is impacted by time spent in travel and acquiring parking.

Building overview

491/495 Portage Avenue (Rice Centre) – Leased

Current: Since 2005, the WPA has occupied leased space in the multi-tenant Rice Centre at 491/495 Portage Avenue. Currently, WPA staff are dispersed throughout the main floor, third floor and basement areas of the building.

The WPA is anticipating moderate growth in the near future. Legislative changes will require additional space for Provincial Adjudicators to occupy office space with the Parking Authority.

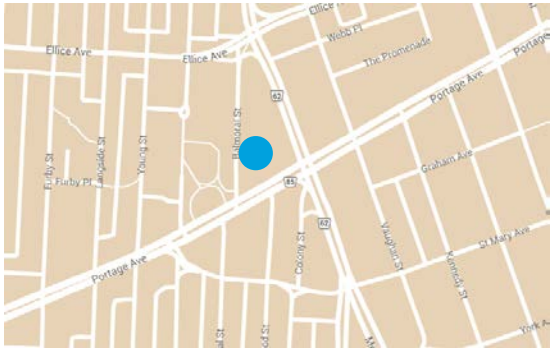
Total area leased to City (square feet): 12,643 rentable

Current occupants: WPA

Additional considerations: The City lease at this property expires on March 31, 2020, with the option for the City to terminate the lease starting March 31, 2018 for a small penalty.

The WPA requires cashier windows (ideally at ground level). Security personnel are expected for the safety of City employees. Parking is required for: staff; fleet vehicles (secure); and customers.

The location is a notable distance from the Civic Campus which does present challenges for those staff located in this building that frequently travel to City Hall or other City properties.





Component overview

Component overview

Introduction

For the purposes of this Report, a component refers to a potential use for either the PSB or the CCCP. These components include office building uses, other building uses and other property uses. The component overview provides a profile of each component that consists of a description of the component, specific-space requirements and any other considerations.

There are 13 components assessed across the three categories, as shown below. This list of components does not reflect the full list of all potential office building uses, other building uses or other property uses, but is the comprehensive and exclusive list of those components considered as part of this Evaluation.

Office building use	Other building use	Other property use
• WPA • PPD • Fire and Paramedic Services, Water and Waste, Legal Services, Corporate Finance	• Central Control • Tech Shop • Trade Shop • Archives and Records Control • Corporate Records Centre • Additional Records and Storage • Municipal Elections	• Parks and other public space • Parkade or surface lot • Mechanical infrastructure

Component overview – office building use

Winnipeg Parking Authority



The WPA is currently located in 495 Portage Avenue and occupies a portion of the basement, a section of the first floor and a section of the third floor. The WPA is responsible for managing parking and parking enforcement within the City, including on-street parking, a parkade and several parking lots throughout the City.

Space requirements

- An accessible area available to the public to attend to and pay their parking fines. This area would also include a plexi glass separation between the public and the WPA screening officers for safety reasons. This would ideally be located on the ground level.
- A dispatch room with two permanent workstations, with one additional station needed to accommodate future growth.
- One office and one cubicle for the non-City enforcement Contractors.
- Two adjudication rooms with a private entrance/exit for the adjudicators and separation between customers and the adjudicators. Additional adjudication rooms may be required for future growth.
- The WPA requires access to a meeting room. This meeting room can be shared, however, the existing room is frequently in use and a shared room might be a challenge with other frequent users.
- Space for a security officer in the main lobby area with clear sightlines for screening officers to customer areas.
- Secure parking is currently needed for five vehicles, however, it is anticipated that within the next two to five years, an additional five of the current fleet vehicles will need to be transitioned to secure parking.

Other considerations

- A central location would be preferable and publicly available parking is necessary, as frequent short visits from the public occur constantly throughout the day.
- Need significant audio and visual monitoring of the public-facing areas (staging area and adjudication rooms) for security purposes.
- The WPA is a Special Operating Agency of the City, which means that it operates on a full cost recovery basis, similar to a private business. The Authority requires a competitive lease rate and any substantial increases in their lease would be difficult to justify.
- The WPA currently occupies leased space at 421 Osborne Street for their meter crew staff.

Staff #	59 City, with additional contractor needs
Fleet parking #	12
Secure parking #	5, with up to 10 needed within the next 2-5 years
Current square feet occupied (rentable)	12,643

Component overview – office building use

Property, Planning and Development



PPD is currently located across three sites: 65 Garry, 30 Fort and 185 King. The Department is responsible for delivering a range of services focused on administration of design, construction and building maintenance. The Department includes administrative divisions (e.g. Permits, Heritage Conservation) as well as building monitoring and maintenance services (Central Control and associated Tech and Trade Shops).

Staff #	365
Fleet parking #	8
Secure parking #	-
Current square feet occupied (rentable)	88,099

Space requirements

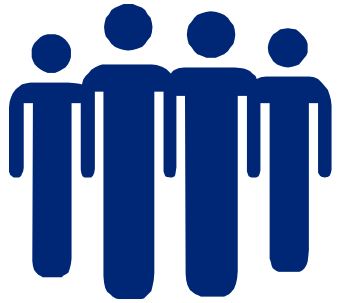
- A public facing area is desirable for the Permits division. Other divisions could benefit from public-facing or first-floor drop-box spaces (e.g. information services).
- PPD has significant meeting space requirements.
- Many departments process large format drawings and/or maps, requiring larger workstations and/or layout areas.

Other considerations

- Consolidation of all administrative divisions of the Department is highly desirable. Travelling back and forth between sites for meetings currently occupies an undesirable amount of time for the Department leadership. Consolidation of the administrative divisions and the building monitoring and maintenance services is somewhat desirable.
- Proximity of the Department to the central Civic Campus is highly desirable.
- Close proximity between the Department and the Corporate Centre Records is desirable, as there is significant document transfer between the two sites.
- Currently, each floor of 65 Garry and 30 Fort have a reception area with associated footprint and staffing needs. This is not necessary if sufficient first-floor public-facing space is provided.

Component overview – office building use

Fire and Paramedic Service, Water and Waste, Legal Services, and Corporate Finance



The Winnipeg Fire and Paramedic Service, Legal Services, Corporate Finance all occupy space in 185 King Street. These departments have their own specific space requirements, however these are less difficult to meet than other departments under consideration. The current space in 185 King Street meets these departments current requirements. The space requirements below refer to specific departments, except where otherwise noted.

Staff #	253
Fleet parking #	25
Secure parking #	-
Current square feet occupied (rentable)	55,500

Space requirements

- Meeting rooms are required by each department.
- Materials Management requires public-facing space on the ground floor.

Other considerations

- Water and Waste also currently rents space at 243 Main Street.

[redacted]

- Corporate Finance has identified benefits from being in close proximity to 510 Main Street.
- Note: Deloitte did not do a detailed needs analysis with these business units. The above requirements and considerations are based on a questionnaire sent to representatives from these business units.

Component overview – other building use

Central Control

[redacted]



Staff #	13
Fleet parking #	2
Secure parking #	-
Current square feet occupied (rentable)	5,250

Space requirements

- The current footprint size is adequate.
- There are a number of miscellaneous requirements including secure storage for equipment and materials, a washroom, a dedicated staff change room and lockers, and a garage space to wash vehicles and other equipment.

Other considerations

- Central Control receives frequent visits throughout the day from other City staff and contractors and requires nearby short-term parking. A central location is highly desirable to allow close proximity to those buildings being monitored and other City-owned properties.
- The Administrative Building receives frequent deliveries from 5 ton cube trucks and a ramp or other loading mechanism is required. Currently, Central Control receives these deliveries but this is not part of their formal responsibility. If Central Control was to relocate, this function would need to be performed by other City staff.
- [redacted]
- It is desirable for Central Control to be located in the same building as its associated Tech and Trade Shops.

[redacted]

Component overview – other building use

Tech Shop



[redacted]

Space requirements

- Current space falls short of Tech Shop needs, with additional parts storage and larger workshop space desired.

Other considerations

[redacted]

- It is desirable that the Tech Shop be located in close proximity to Central Control.

Staff #	10
Fleet parking #	6
Secure parking #	-
Current square feet occupied (rentable)	1,060

Component overview – other building use

Trade Shop



The City maintains a Trade Shop that is currently located at 752 McGee. The Trade Shop is presently staffed by approximately 45 tradespeople that provide maintenance to City-owned and -operated properties.

Staff #	45-50
Fleet parking #	30-50
Secure parking #	-
Current square feet occupied (rentable)	33,000

Space requirements

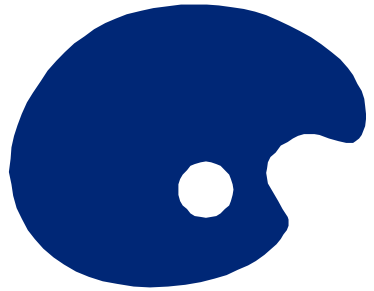
- Current space meets existing needs; however, the building's electrical capacity is maxed out and limits any staff or facility expansion.
- Significant fleet parking is required, with capacity for up to 50 vehicles.
- There are several shops that together compose the Trade Shop: Electrical, HVAC, Carpentry and Mechanical (plumbing).
  - It should be noted that welding is considered a high-hazard industrial occupancy and must be separated from the remainder of the building by three-hour fire rating.
- Twelve shared workstations are required.
- A loading dock is required.

Other considerations

- Currently, the Trade Shop is located apart from Central Control. Trade Shop staff need to access the keys and other equipment maintained by Central Control on a regular basis, and occupying the same site would be ideal. There are synergies associated with Central Control, the Tech Shop, and the Trade Shop being located on the same site.
- The Trade Shop would need to be in the basement or on the first floor to support the weight associated with some of the machines (particularly the large milling machine). A lathe will likely also be purchased later this year.
- A dust control system is required for the Carpentry Shop.
- Additional space would be particularly useful to allow the Trade Shop to better support a learning environment for junior tradespeople.
- There are co-location synergies that could be obtained through a full consolidation of the PPD Department.

Component overview – other building use

Archives and Records Control



The Archives and Records Branch of the City Clerk's Department is responsible for the management, retention, safekeeping, disposition, and destruction of records for the City. The Branch maintains a large collection of City archives that includes documents, artwork, and other artifacts. Due to several weather-related incidents, the Branch has vacated their normal location at 380 William, and is temporarily operating out of leased space at 50 Myrtle, and has moved a portion of the archives to a leased provincial records centre. The Branch also manages the Corporate Records Center, whose needs are documented on the following page.

Staff #	10
Fleet parking #	-
Secure parking #	-
Current square feet occupied (rentable)	~25,000

Space requirements

- A loading dock is required to accommodate 3-ton trucks.
- If occupying a multi-level facility, a freight elevator is required.
- While not currently available, the Branch requires a climate-controlled archival vault and suitable public-facing space, ideally on a ground level that consists of a quiet research room and a self-contained multi-purpose room for educational and outreach programming.

Other considerations

[redacted]

- The Branch should be centrally-located and provide convenient access to the public.
- In 2010, the Branch underwent a significant planning exercise to document their specific space needs and plan out renovations to the 380 William location in a *Facility Renewal and Redevelopment Strategy*. The renovation would see the creation of a climate controlled archival vault with the capability of preserving records and artifacts from Winnipeg's history for the foreseeable future, along with significant upgrades to the building's functionality. That planning exercise documented the needs of the Branch in the context of the 380 William property, and the work already done would not be fully transferable to an alternative property.

Component overview – other building use

Corporate Records Centre



Archives and Records Control manages the Corporate Records Centre [redacted]

Staff #	-
Fleet parking #	-
Secure parking #	-
Current square feet occupied (rentable)	~15,000

Space requirements

- Loading docks are required on-site.
- If occupying a multi-level facility, a freight elevator is required.

Other considerations

[redacted]

- It is highly desirable for the Corporate Records Centre to have an efficient layout of shelving to allow for quick and effective management of Corporate Records. Two options are available for efficient records storage: 1) high static shelving in a warehouse style building; 2) compact mobile shelving, provided floor loading capacity is adequate.
- In 2007 and again in 2009, upgrades were made to the 311 Ross facility to accommodate the Corporate Records Centre. There is some compact mobile storage location on the 2nd floor that currently stores approximately 2, 000 linear feet of records. The 311 Ross facility is currently at capacity and building additional compact storage represents a significant cost to upgrade floor loading capacity.
- The Corporate Records Centre should be located in an area at minimal risk of flooding, brush fires or other natural disasters, and not located close to any dangerous or hazardous industries or storage areas.
- The Corporate Records Centre is frequently accessed by the PPD, Archives and Records Control and the City Clerk's Department staff. Proximity to those Departments and Branches is highly desirable.

Component overview – other building use

Additional Records and Storage



The City maintains a small staff contingent that manages the warehouse located at 311 Ross. These staff are responsible for additional records and storage, which includes surplus City-owned furniture and other materials, maintaining both secure and non-secure areas for City Archives and Record Control and maintaining space for PPD, and Municipal Elections.

Staff #	6
Fleet parking #	-
Secure parking #	-
Current square feet occupied (rentable)	>30,000

Space requirements

- Currently, independent of Archives and Records Control and Municipal Elections, additional storage occupies in excess of 30,000 square feet, however, it is estimated that only approximately 25% of the current space is needed. This is due to a significant amount of low-quality materials in the current facility that could be disposed of.
- Loading docks are required on-site.
- If occupying a multi-level facility, a freight elevator is required.

Other considerations

- Additional storage currently provides a buffer for the City for overflow and surplus furniture and materials. If the available space was reduced drastically, the City may face challenges meeting overflow demands from various City departments and a new overflow/surplus site may be needed.
- Currently, the staff responsible for additional storage are redeployed to provide support to Municipal Elections during election periods and provide ongoing support to Archives and Record Control.

Component overview – other building use

Municipal Elections



The City Clerks Department is responsible for overseeing and delivering Municipal Elections. The operations of Municipal Elections are unique, with significant requirements during election periods and only working warehouse space/secure storage space required between elections. Both of these needs are currently met by 311 Ross, with the operations of Municipal Elections occupying a significant portion of the second floor and a small amount of space on the sixth floor. During election periods, a portion of the first floor is also occupied. The space requirements and considerations below capture the needs of the operations of Municipal Elections during election periods, except where otherwise noted.

Staff #	0-100
Fleet parking #	14+ cargo vans
Secure parking #	-
Current square feet occupied (rentable)	10,000 - 15,000

Space requirements

- Peak demand space for approximately 100 staff.
- 10-15,000 square feet of warehouse space is ideal for the working environment during an election event.
- Parking for 14+ cargo vans near the space for approximately 8 weeks that are loaded and unloaded on a daily basis during an election event.
- Access for 5-ton trucks is required, with a minimum of 2 loading docks.
- If occupying a multi-level facility, a freight elevator is required.
- Access for semi-trailers is required between election periods to support the leasing of election machines.

Other considerations

- 24 hour security is required for the six weeks prior to an election. Access to spaces in use by the operations of Municipal Elections must be restricted and secure lock-up areas are required for select materials.
- As Municipal Elections is managed by the City Clerk's staff, it is highly desirable that Municipal Elections are located nearby City Hall. City Clerk's staff continue to maintain other responsibilities during election periods and it is important that managers are able to closely and efficiently manage the elections process.
- The space in 311 Ross is adequate for the operations of Municipal Elections for the foreseeable future.
- Elections heavily utilize and benefit greatly from the PPD Department Municipal Accommodations staff who currently operate the property relocation function for the City. Proximity to these staff is an asset for the elections function.

Component overview – other property use

Parks and other public space



A possible option for consideration is the demolition of one or both of the PSB and the CCCP and their replacement by public space.

Space requirements

- No requirements identified.

Other considerations

- Currently, there are a number of other public spaces located near 151/171 Princess Street. Immediately nearby, there is Old Market Square and the Chinese Gardens. The close proximity to Old Market Square would put any programming in direct competition with the existing infrastructure.
- The neighboring Red River College could benefit from open space to develop a campus quadrangle, but no particular interest has been identified.
- Any built development should respect pedestrian sight lines through the City Hall Courtyard, the Steinkopf Gardens to James Avenue and Waterfront (historical reference axis).
- Undefined greenspace is discouraged; any development on this site should be tailored to an identified distinct community need.
- Development of a new public plaza or park should:
  - Be informed by community vision/need
  - Connect major nodes of activity
  - Fit compatibly within the existing network of public open spaces, rather than competing with activities and amenities nearby (listed on next page).

Component overview – other property use

Parks and other public space

- The present PSB and CCCP site contains two plazas that offer seating, landscaping and commemorative features, but offer limited opportunities for passive recreation for the adjacent offices and residences in Chinatown and Downtown. These plazas are underused: edge conditions do not generate pedestrian activity (i.e. parkade wall and driveways), lack of visual appeal, and are not located in close proximity to stores and restaurants.
- City Hall Courtyard offers seating (stationary and moveable), outdoor patio space for café, a commemorative water feature, extensive landscaping, rich materials and detail. Connecting the Council Building to the Administration building, it is used often for public gatherings (civic events and announcements).
- Red River Campus provides a small outdoor area with some seating, and a notable degree of transparency on the building edge (Buhler Learning Commons). It is well used as part of a busy pedestrian thoroughfare.
- Chinese Gardens includes a water feature, seating, landscaping, and an amphitheatre for live performances and is adjacent to the Chinese Cultural Centre.
- Old Market Square is a successful public space and a popular destination within the Exchange District, offering outdoor/café seating, active edges, and a performance venue (the 'Cube') that is regularly programmed with live concerts and festivals.
- Pantages Plaza offers a blend of softscaping and hardscaping with some seating but no other amenities; it currently functions primarily as external circulation for the Pantages theatre.
- Centennial Concert Hall is similar to the Pantages Plaza; it operates much like an outdoor lobby with vehicle drop off and transit stops as a busy exchange for many commuters.
- Steinkopf Gardens (Concert Hall and Museum) provides an important pedestrian connection between Main Street (James Ave) and the Waterfront. Shady and isolated, it is a popular lunch spot for employees and school groups.



Component overview – other property use

Parkade or Surface Lot



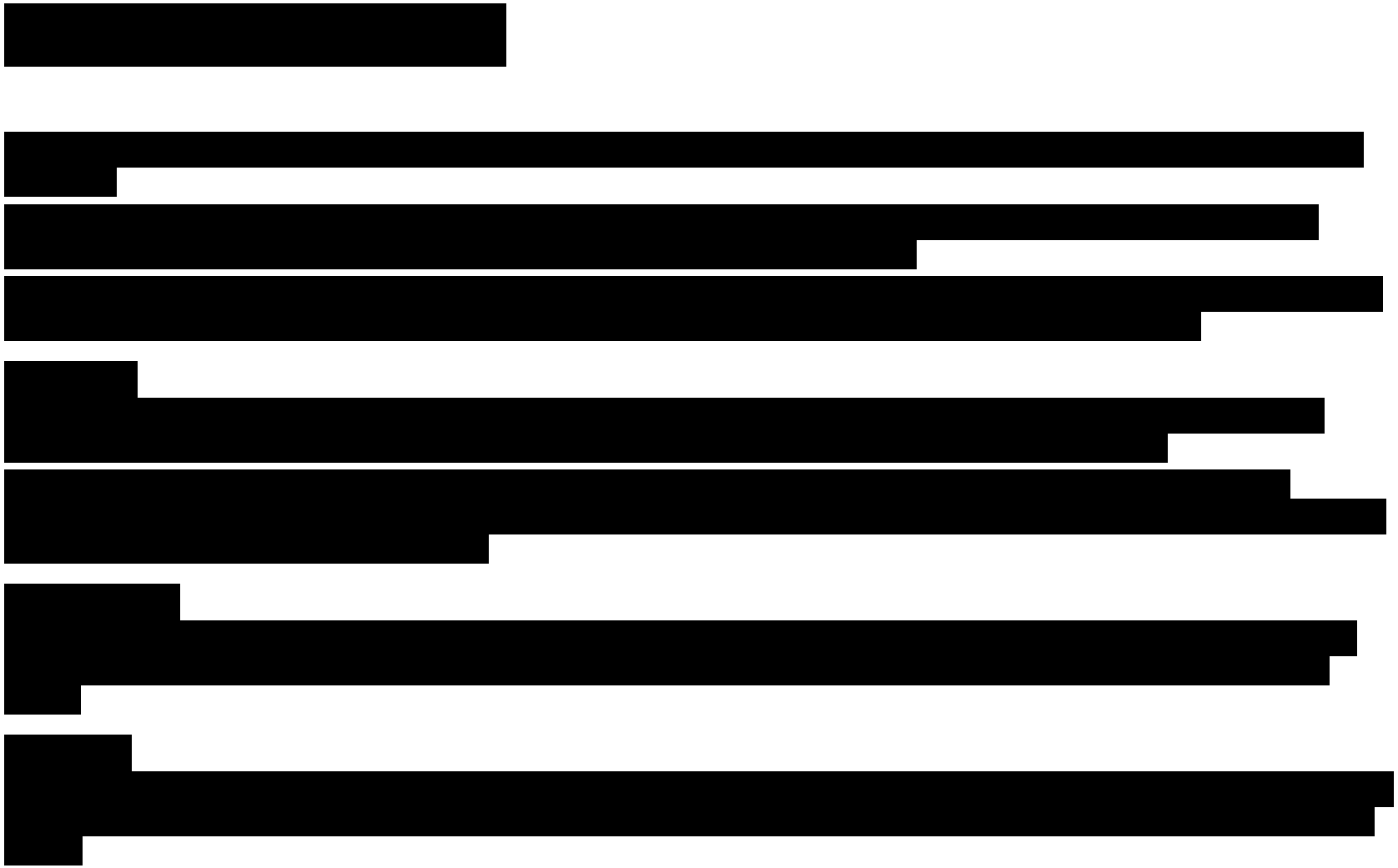
A possible option for consideration is the demolition of one or both of the PSB and the CCCP and their replacement by a new parkade or surface parking lot.

Prior to closing in August 2012, the CCCP provided 460 parking stalls for Police Operations, City staff and councillors, as well as parking during high demand times for other non-city patrons attending various events in the Downtown and East Exchange. At the time of closing, the CCCP provided 312 spaces for monthly parkers which represented a 70% monthly occupancy rate, with significant use by transient parkers in the evenings and weekends for those attending events in the cultural district. The entity most impacted by the closure was the Centennial Concert Hall, with the underground walkway previously providing a warm and easily accessible route to the facility.

Other considerations

- The East Exchange has a significant parking issue in that there is not enough parking to accommodate patrons attending programming in the area and new residential development. A new parkade development at the site of the Civic Centre would be able to help with this parking demand issue. Discussions have been underway for a number of years to consider a parkade on James and Lily. There may be an opportunity and business case for both a parkade on James as well as a replacement parkade for the CCCP, as the parking requirements in that area are growing considerably.
- If a significant number of City staff relocate downtown, there will be significant challenges meeting the parking needs with the existing infrastructure.
- Currently, the police use street-level parking which has resulted in the closure of one street and significant challenges with day parking in the area. Once the police vacate the PSB, approximately 55 metered parking spots will become available in the area (35 on James Avenue and 15-20 on Princess and William).
- A surface lot would be unable to provide sufficient secure parking required for the City departments that may be relocating closer to the Civic Campus. Most notably, five WPA enforcement vehicles are currently parked in secure parking in the underground parkade attached to the Millennium Library. An adjacent site with sufficient secure parking would be useful for a relocated WPA.
- Surface lot construction is undesirable, with the City actively encouraging redevelopment of existing surface lots in the downtown area.
- Under Zoning By-Law 100/2004, accessory parking at grade may occupy no more than 10% of a property. Non-conforming rights associated with the existing parkade structure have now lapsed. The expectation for future parking on this site is that it would be located either underground, above ground-floor office or commercial uses, or internal to the site, surrounded by other land uses (each of these options being exempt from the 10% limit).
- If a parkade were to be pursued it should be determined whether it be City-owned (and as such managed by the WPA) or privately owned. In addition, a business case for a parkade would need to be developed to better understand viability.

Component overview – other property use



Underground tunnel

There is currently an underground tunnel that connects the subject property to City Hall. The tunnel offers a climate controlled connection between the property, City Hall and the Centennial Concert Hall. Parcel C was created to accommodate potential renovation and access to the tunnel. Future developments should consider the opportunity to connect to the existing tunnel. This Evaluation has not included an assessment of the condition of the tunnel, and structural repairs and other maintenance costs may be incurred in such a scenario. These costs have not been assessed as part of this Evaluation.

Considerations and limitations to design

Considerations and limitations to design

Introduction

In addition to the considerations and limitations outlined in the introduction and those captured in the property and component profiles, there are a number of other considerations and limitations that have been identified throughout the stakeholder consultations. These general considerations and limitations represent additional elements that must be factored into the design, development and evaluation of the alternatives. Considerations and limitations are listed below with detail provided on the following pages.

Considerations	Limitations
1) Area demands	1) Restricted use for 151 Princess
2) Specific needs of nearby community organizations	2) Environmental remediation
3) PSB heritage status	3) The PSB exterior
4) Leading standards in office design	4) CCCP structural integrity
5) Potential consolidation efficiencies	5) City by-laws
6) Demolition would require an associated development plan	
7) Back-up power needs of the Civic Campus	
8) Sale and lease restrictions	
9) OurWinnipeg and associated sustainability objectives	
10) Civic considerations	
11) Urban design	
12) Land value for private development	
13) Civic Campus	

Considerations and limitations to design

Considerations

1) Area demands

- The properties being assessed are located in the centre of the Civic Campus. There are a number of demands in the area:
  - Municipal (office): Potential demand from City staff located in buildings outside of the Civic Campus area.
  - Institutional: Potential demand from Red River College or other institutions nearby.
  - Parking: Demand from the general public and well as City staff.
  - Private sector (office): Potential demand for office space from the private sector, however this location would be viewed as being on the periphery of the core office market. There may be an opportunity to build on emerging creative industries, design offices, artist studios, or affordable incubator space for start-up businesses in the technology sector.
  - Private sector (residential): Potential demand for apartments (rental or ownership) at this location.
  - Additional retail services would support the growing residential population.

2) Specific needs of nearby community organizations



Considerations and limitations to design

Considerations (cont'd)

3) PSB heritage status

- While not recognized as an Historical Resource, an "Evaluation for Heritage Listing for Information Only" found that the PSB has a number of Character Defining Elements that would be worthy of protection. The building has architectural and historical significance particularly in the following areas:
  - City Hall and the surrounding Civic and Centennial Centre have an important place within the history of Canadian architecture. This set of structures introduced architectural modernism in the heart of the City on an enormous scale and represents the work of five of the most prominent and innovative architectural practices working in Manitoba and Canada.
  - Being an important example of the City's post World War II development history.
  - Being the headquarters of the City's emergency response divisions for nearly half a century.
  - Being one of the City's better examples of the Brutalist Style.
  - The distinct architectural and design characteristics, particularly the projecting mullions and raised entrances on the west and north façades.
- In general, demolition is not a sustainable approach to deal with heritage buildings.

4) Leading standards in office design

- The City PPD Department has identified a concern with the current myriad of furniture makes and models currently in use by Municipal Departments across the City. A potential large office relocation to the PSB may provide an opportunity for the City to begin to transition towards a single furniture standard which better represents leading practice when it comes to public sector office environments.
- The City is facing high levels of retirement among its staff, [redacted] having the option of retiring within five years. A future work space needs to be attractive to the 28-35 age group and this opportunity may provide the City an avenue to develop a more attractive workplace that is consistent with best practice public sector accommodation standards.

5) Potential consolidation efficiencies

- A large office relocation to the PSB may be able to provide some consolidation efficiencies that would result in decreased travel time for meetings, improved communication across and inside departments, and reduced overhead costs. This consideration primarily applies to the PPD Department, which is currently housed across multiple properties.

Considerations and limitations to design

Considerations (cont'd)

6)	**Demolition would require an associated development plan**	• The City generally requires a development plan to approve the demolition of a site. Demolishing either the PSB or the CCCP without a development plan would be inconsistent with how the City deals with private sector demolitions. Additionally, leaving the site vacant would send a very negative message about the state of the City. When combined with the many vacant lots and surface parking lots in nearby areas, a demolition would give the impression of urban decline. At a minimum, the site would require sodding.
[redacted]		
8)	**Sale and lease restrictions**	• Some City-owned properties that are sites for disposition under potential alternatives will be challenging to sell, given their unique heritage elements, their locations, and the current development environment in Winnipeg. • Some properties currently rented by the City have long-term leases at favourable lease rates that restrict the viability of a business case.
9)	**OurWinnipeg and associated sustainability objectives**	• *OurWinnipeg* objectives and the associated *A Sustainable Winnipeg* objectives are important to consider in the development of the alternatives and should inform the decision criteria.
10)	**Civic considerations**	• The exterior of the PSB has been deteriorating for a number of years and a rationale for the relocation of the Winnipeg Police Service was that the PSB could not be cost-effectively repaired. Any significant public investment into a building that is perceived to have a number of challenges may be viewed negatively by the general public.

Considerations and limitations to design

Considerations (cont'd)

11) Urban design

- Any future state alternative must satisfy the urban design review and approval process.
- The Warehouse Character District has many unique characteristics including a mature urban fabric with a scale and density that supports a comfortable and dynamic public realm, abundant natural and cultural assets, outstanding architecture, a vibrant arts and cultural community, creative and innovative business and education communities, an entrepreneurial spirit, and a growing and engaged residential population. It is a key part of the City's identity and an important tourist destination.
- Future development should build on these existing strengths with land uses that support activity on the street, enhance the pedestrian experience, preserve and protect the area's heritage elements, and encourage amenities to support the residential population.
- Any future state alternative must satisfy the urban design review approval process. Urban Design is concerned with the form and fabric of the built environment and the buildings and spaces in between. Design review is primarily intended to ensure the thoughtful integration of development into local context and consistency with the standards in OurWinnipeg, Complete Communities, and Downtown Winnipeg Urban Design Standards. Key expectations include:
    - Prioritizing the pedestrian experience
    - Contrasting and complementing the Exchange District National Historic Site, reinforcing its distinctiveness and image ability
    - Improving livability through safe, secure, well maintained, diverse community amenities and well-connected public spaces, supporting the core values of sustainability (environmental responsibility, social equity, economic prosperity, cultural vitality)
    - Promoting innovation and design excellence by setting a high standard for design, construction, programming and operations, and encouraging diversity (mix of uses, dwelling options, range of services, amenities and activities)

12) Land value for private development

- The financial assessment should consider the value of retaining a site for civic purposes against the potential value from the sale and additional revenue from taxation of a privately developed and maintained site.

13) Civic Campus

- A civic campus consolidates all civic-related services in a one-stop shop. This model is convenient, accessible and user-friendly to citizens. Much like universities and/or hospital campuses, a civic campus design provides a unified indoor and exterior environment from which the public can access many facilities and resources. In addition, improved efficiencies are also relevant internally within civic departments, bringing related departments closer in proximity for shared/potential synergies.

Considerations and limitations to design

Limitations

1) **Restricted use for the land underneath the PSB**
   - The land underneath the PSB was gifted to the City in 1875 with the restriction that the land must be used for: 1. Public purposes, and 2. Purposes of the municipal corporation. This restriction limits both the City's potential uses for the land and their ability to sell the land. For the purposes of this study it is assumed that this land cannot be sold and that potential uses are limited to such functions as office space for City staff, public park space and/or public parking structure. Other public uses may be possible but would have to be confirmed with the City's Legal Services Department to confirm whether the use is allowable under the existing restrictions.

2) **Environmental remediation**
   - After a demolition, the City requires environmental remediation on the site of the demolition. Any alternatives that include demolition must also include environmental remediation. Phase I and II Environmental Site Assessments have revealed limited petroleum contamination due to present and historical site activities. However, additional soil sampling is to be conducted upon removal of an underground fuel storage tank on the CCCP property.

3) **The PSB exterior**
   - Despite remedial efforts, the limestone cladding on the PSB has presented persistent maintenance and safety issues. Primarily due to a deterioration of the system by which the cladding is attached, stone panels have become dislodged, posing a safety threat to pedestrians. Currently, an annual cladding stabilization program has been undertaken wherein the façade panels are inspected and fitted as necessary with anchors to provide redundant securing.
   - All alternatives must remediate this safety concern through some form of exterior renovation.

4) **CCCP structural integrity**
   - The CCCP suffers from poor structural integrity and all alternatives must address associated challenges.

5) **City by-laws**
   - All uses must be in compliance with relevant City laws and by-laws.
   - Located just outside the boundaries of Winnipeg's Historic Exchange District, the PSB and CCCP are not subject to the restrictions of this National Historic Site.
   - The site is zoned 'C' – Character (located in the Warehouse District).
     - Most Residential, Commercial, Office and Recreational uses are permitted in the Character sector. A few categories contain conditional uses; there are very few uses that are not permitted.
     - Height of proposed buildings must be between 25 and 100 feet.

Alternatives review and assessment

Alternatives review and assessment

Introduction

This section details and evaluates the alternatives identified during the review of current state. It consists of:

1. **Alternatives review**
   - A full listing and high-level description of the considered alternatives for both the PSB and CCCP. These alternatives were developed in consultation with the City and the various components considered as part of this Evaluation.
2. **Alternatives assessment**
   - The preliminary assessment criteria were developed through stakeholder consultations and document review. A high-level evaluation of all alternatives narrowed down the full list to a short-list of “best-value” alternatives. This high-level evaluation represents a consensus between the independent analysis provided by Deloitte and directional guidance provided by the City.
3. **Recommended combinations for further consideration**
   - A listing of the short-listed combinations recommended for a more detailed assessment and evaluation.

Alternatives review and assessment

Potential alternatives

Each potential alternative for the PSB and CCCP, as identified during the review of current state, is considered as part of this Evaluation. Given that the two properties have different attributes, opportunities and limitations there are a large number of alternatives for each site and a consequent myriad of possible combinations.

For the purpose of our analysis and based on our discussions with the City, nine potential alternatives for the PSB and six potential alternatives for the CCCP were identified. When all of the potential combinations were considered, there were 54 potential alternatives.

Public Safety Building

1) Status quo
2) Demolish and return land to benefactor
3) Demolish and use as public space
4) Renovate for use as repository
5) Renovate for use as archive
6) Renovate for use as office and civic services store front
7) Renovate for use as hybrid office / service centre
8) Demolish and build new municipal building
9) Demolish and build an elevated parking structure with ground floor commercial

Civic Centre Car Park

1) Demolish and sell land
2) Demolish and use as surface lot
3) Demolish and use as public space
4) Demolish parkade, build an elevated parking structure with ground floor commercial and sell residual land
5) Demolish and build new municipal building
6) Demolish and partner in mixed use development

Alternatives review and assessment

Assessment criteria

The nine PSB and six CCCP alternatives do not present equal opportunities for the City. A set of assessment criteria were developed to narrow the alternatives and then assess the final few alternatives: the four assessment criteria, and associated sub-criteria are:

Criteria	Sub-criteria
1) Needs	• Known and well-understood need • The ability to meet current and future component needs (space, usability) • Any co-location efficiencies • Compliance with City's Accessibility Design Standards
2) Value	• Civic considerations • Economic impact • Maximizes the value of existing City assets and investments and the value provided to the altered and other properties/components
3) Downtown revitalization	• Meets urban design criteria (view sheds, access, way finding, public safety) • Public benefit and potential synergies with adjacent properties
4) Costs	• The NPV of all capital and ongoing occupancy costs (ROI), factoring in complexity of implementation (associated effort and time) and associated risk

The following pages apply these four classes of assessment criteria to the nine alternatives for the PSB and six alternatives for the CCCP allows a categorization of each alternative as "requiring further analysis" (green) or "not considered as a viable option" (grey).

Alternatives review and assessment

Public Safety Building alternatives

Alternative 1: Status quo

There is the potential to leave the PSB in its current condition for several years as an interim decision. The building may be vacant during this time or potentially be used as a low cost temporary space for another Department that does not require substantial improvements or investments in the building.

Benefits

- Allows the City to retain ownership of the property and provides flexibility to make a decision for an alternative use in the future.
- A very low cost option.

Limitations

- No needs identified through this evaluation are met.
- The value of this key location adjacent to City Hall is not maximized.
- The ongoing deterioration of the building's exterior present an ongoing risk that would need to be addressed.
- Does not contribute to any downtown revitalization efforts in the near-term.

Other considerations

- After City investments in a number of financial studies, including this Evaluation, inaction is not a desirable solution.

Status quo was not considered a viable option as this would be counter to efforts to revitalize the downtown area.

Alternative 2: Demolish and return land to benefactor

If it is determined that there is no net benefit to the City from the ownership of this property, it may be advisable to demolish the existing structure, remediate the land and return the property to the heirs of the original benefactor.

Benefits

- Limits the potential for future cost outlays.
- The site could potentially accommodate private sector development that could benefit the area and provide increased tax revenue to the City.

Limitations

- The loss of this key location adjacent to the Civic Campus severely restricts the City's ability to meet current and future state needs.
- City would incur immediate costs to demolish and remediate the land and would not receive any future revenue or benefit from the building.

Other considerations

- The demolition of an iconic Winnipeg building and the disposition of a core piece of the Civic Campus real estate is not a desirable solution.
- This could place a significant administrative burden on the descendants of the benefactor.

This was not considered a viable option given the length of time that has passed since the donation and the fact that there is expected to be some residual land value after a demolition.

Alternatives review and assessment

Public Safety Building alternatives

Alternative 3: Demolish and use as public space

The building could be demolished and some form of public space could be constructed, such as a park or plaza area.

Benefits

- The amount of public space in the downtown would be increased and this could improve the walkability and desirability of the neighborhood.
- Less capital-intensive option.
- Could serve as an interim solution for future development.

Limitations

- The value of this key location adjacent to City Hall is not maximized.
- Current indications are that there is no proven need for a park or plaza at this location.
- The City will incur demolition and minor development costs and would not receive any future financial benefit from the location.

Other considerations

- Without a clear plan or programming need in the neighbourhood, a general public space on this site would be in direct competition with the programming offered by Old Market Square.

This option requires further analysis.

Alternative 4: Renovate for use as a repository

The building could be renovated to become a repository for a variety of storage needs of the City including the Corporate Records Centre, Municipal Elections and surplus City assets.

Benefits

- Would facilitate the sale of 311 Ross Avenue.
- Would alleviate current space limitations facing the Corporate Records Centre.
- Would likely require lower construction costs relative to other renovation alternatives.

Limitations

- The value of this key location adjacent to City Hall is not optimized under the alternative.
- The PSB is not an ideal location for large volumes of corporate records or excess furniture storage. While the PSB has additional floor loading capacity, it cannot support compact mobile storage without upgrades.

Other considerations

- Having a key site of Civic Campus operate as a storage facility is not a desirable decision.

This was not considered a viable option given that the building and the location are not ideally suited for this use.

Alternatives review and assessment

Public Safety Building alternatives

Alternative 5: Renovate for use as archive

The building could be renovated to accommodate Archives and Records Control, with renovated office space on the top floors.

Benefits

- Could potentially sell or determine alternative use for 380 William Avenue and free up space at 311 Ross Avenue.
- Archives and Records Control would not fully occupy the space, allowing the City to utilize the top floors for office space.
- A renovated and central public-friendly archive is aligned with the character of the Civic Campus.

Limitations

- Building interior is not currently suitable for this use and would require a substantial renovation.
- There is no natural tenant for the remaining floor space.
- It is unlikely that any co-location efficiencies could be found.

Other considerations

- The sale of 380 William could be challenging and it could be difficult for the City to find a tenant more suitable for that location than Archive and Records Control.

This was not considered a viable option as a substantial renovation would be required and there is no obvious alternative use for the existing archives building.

Alternative 6: Renovate for use as office and civic services store front

The building could be renovated to provide quality office space for City staff in proximity to City Hall.

Benefits

- Very high-value use for this property that is consistent with downtown revitalization priorities.
- Potential synergies of grouping certain components together and moving them closer to City Hall.
- Could potentially free up space in other buildings that may be owned or leased. This could allow for either the sale of certain buildings or potentially the end of certain leases.

Limitations

- Substantial renovation required to bring the building up to current standards for office space.
- Assessment would have to be done to determine the potential for cost savings by moving other components.

Other considerations

- Contingent upon the financial analysis, the City may be able to move towards generating a more attractive workplace with the adoption of leading practices for civic office design (e.g. a single furniture standard).

This option requires further analysis.

Alternatives review and assessment

Public Safety Building alternatives

Alternative 7: Renovate for use as hybrid office / service centre

The building could be renovated to accommodate a consolidated PPD Department which would include a service centre (Central Control, Tech Shop, and Trade Shop).

Benefits

- Significant synergies could be realized by grouping all PPD components together and moving them closer to City Hall.
- This would free up space in several buildings and allow for the potential termination of the leases at 65 Garry and 30 Fort.

Limitations

- Substantial renovation is required to bring the building up to current standards for office space.
- Assessment would have to be done to determine the potential for cost savings by moving other components.
- Certain PPD functions may not need to be in a downtown location and may be better suited to a less dense area with more surface parking and different building types.

Other considerations

- The welding shop is considered a high-hazard industrial occupancy and requires special space planning efforts.

This was not considered a viable option as the service centre uses were not considered appropriate in a downtown office building.

Alternative 8: Demolish and build a new municipal building

The building could be demolished and a new municipal building could be built that may be larger or better suited to the needs of the planned users.

Benefits

- Potential synergies of grouping certain components together and moving them closer to City Hall.
- This would free up space in several buildings and allow for the potential disposition of owned property or termination of current leases.
- Development of a new high quality municipal building would allow for the highest quality of office space with a potential for lower operating costs.

Limitations

- This likely reflects the highest cost option.
- Assessment would have to be done to determine the potential for cost savings by moving other components.

Other considerations

- Contingent upon the financial analysis, the City may be able to move towards generating a more attractive workplace with the adoption of leading practices for civic office design (e.g. a single furniture standard).

This option requires further analysis.

Alternatives review and assessment

Public Safety Building alternatives

Alternative 9: Demolish and build an elevated parking structure with ground floor commercial

The building could be demolished and a new elevated parking garage could be constructed to meet the area demands for parking. The first floor of the elevated parking structure could be built to accommodate the WPA's space needs.

Benefits

- This would allow the WPA to have a new downtown location that is designed to meet their specific current and future anticipated needs.
- An elevated parking garage could be used by civic staff and counsellors who work in adjacent civic buildings.
- Could be integrated with any new structure built on the CCCP land.
- Will help to meet the demand for parking in the area which is expected to increase in the future as the area densifies and surface parking lots are redeveloped.

Limitations

- This reflects a potentially high cost option.

Other considerations

- A business case would need to be developed by the WPA to justify such a construction.

This option requires further analysis.

Alternatives review and assessment

Civic Centre Car Park alternatives

Alternative 1: Demolish and sell land

If it is determined that the City does not have any use for the property it may be advisable to demolish the existing structure, remediate the land and sell it to a private sector developer. CentreVenture Development Corporation (hereafter CentreVenture) could be involved to create a vision for the area and administer the sale to ensure that the land is built out accordingly.

Benefits

- Limits the potential for future cost outlays.
- City would receive revenue from sale of the property.
- The site could potentially accommodate private sector development that could benefit the area and provide increased property taxes to the City.
- Development Agreement could be negotiated with developer to ensure certain desirable features or uses are included in future development.

Limitations

- The loss of this key location adjacent to City Hall may restrict the City's ability to meet current and future state needs.
- City will incur immediate costs to demolish and remediate the land and will not receive any future benefit from the building.
- The generators currently on-site will need to be removed.
- Timing of a redevelopment would be uncertain.

Other considerations

- This option is not compatible with any renovation or redevelopment of office space on the PSB land given the need to provide parking.

This option requires further analysis.

Alternative 2: Demolish and use as surface lot

The City could demolish the existing structure and develop a new surface parking lot.

Benefits

- Less capital-intensive option.
- Allows the City to retain ownership of the property, earn some income and retain flexibility to make a decision for an alternative use in the future.
- Would allow the City to meet some of the demand for parking in the area.

Limitations

- Does not satisfy area zoning requirements or align with the City development objectives.
- Does not maximize the potential of this key location adjacent to City Hall.
- Community groups are interested primarily in covered parking.
- The generators currently on-site would need to be removed.

Other considerations

- Surface parking lots are not viewed as the best use for downtown land and the City is currently encouraging other owners of similar sites to consider alternative uses.

This was not considered a viable option as it is not aligned with the City's plan to revitalize downtown.

Alternatives review and assessment

Civic Centre Car Park alternatives

Alternative 3: Demolish and use as public space

The building could be demolished and some form of public space could be constructed, such as a park or plaza area.

Benefits

- The amount of public space in the downtown would be increased and this may improve the walkability and desirability of the neighborhood.
- Less capital intensive option.

Limitations

- The value of this key location adjacent to City Hall is not maximized.
- Current indications are that there is no proven need for a park or plaza at this location.
- City will incur demolition and minor development costs and will not receive any future financial benefit from the location.
- The generators currently on-site would need to be removed.

Other considerations

- Without a clear plan or programming need in the neighbourhood, a general public space on this site would be in direct competition with the programming put on by Old Market Square.

This was not considered a viable option as there was not a proven need for additional public space at this location.

Alternative 4: Demolish parkade, build an elevated parking structure with ground floor commercial and sell residual land

The building could be demolished and a new elevated parking garage could be constructed to meet the area demands for parking. The first floor would include commercial space to be occupied by a municipal tenant or leased to the private sector. The first floor of the elevated parking structure could be built to accommodate the WPA's space needs, and this alternative assumes WPA as the tenant. Any surplus land could be sold.

Benefits

- An elevated parking garage could be used by civic staff and counsellors who work in adjacent civic buildings.
- Could be integrated with any new structure built on the PSB land.
- Will help to meet the demand for parking in the area which is expected to increase in the future as the area densifies and surface parking lots are redeveloped.

Limitations

- This reflects a potentially high cost option.
- Unless the commercial space is occupied by a municipal tenant there may be a lack of demand for the space.

Other considerations

- A business case would need to be developed by the WPA to justify such a construction.
- Any land not built out for parkade could be sold to private sector.

This option requires further analysis.

Alternatives review and assessment

Civic Centre Car Park alternatives

Alternative 5: Demolish and build new municipal building

The CCCP could be demolished and a new municipal office building could be built.

Benefits

- Potential synergies could result from grouping certain components together and moving them closer to City Hall.
- Relocation could potentially free up space in other buildings that may be owned or leased. This could allow for either the sale of certain buildings or potentially the termination of certain leases.
- Development of a new high quality municipal building would allow for the highest quality of office space with the potential for lowest operating costs.

Limitations

- This reflects the highest cost option.
- Assessment would have to be done to determine the potential for cost savings by moving other components.

Other considerations

- Many components have strict and demanding parking requirements that could not be accommodated without additional parking.
- The generators could potentially continue operations.

This was not considered a viable option as there was no identified need for additional municipal space in excess of what could be accommodated in a renovated PSB or new building on the PSB land.

Alternative 6: Demolish and partner in mixed use development

The City could contribute the land into some form of partnership with a private sector developer to build a mixed use development including a mix of institutional, office, retail or residential uses.

Benefits

- Potential to earn a future income stream.
- Potential for a variety of uses which could accommodate municipal office space, institutional space for a group such as Red River College, rental or ownership apartments and ground level retail.

Limitations

- Potential risk and restrictions related to partnering with private sector developers.
- The loss of this key location adjacent to City Hall may restrict the City's ability to meet current and future state needs.
- The City is not mandated to create profits through projects like this.

Other considerations

- Consistent with the Downtown Revitalization Strategy.
- Many components have strict and demanding parking requirements that could not be accommodated without additional parking.

This was not considered a viable option due to the risks and the fact that the City is not mandated to participate in for profit partnerships with the private sector.

Alternatives review and assessment

Selected alternatives

When the alternatives assessed as not viable are removed from the full matrix of combinations only four short-listed alternatives remain.

Each of these alternatives will be tailored in more detail to the identified needs of the City in the next section of the report. A detailed evaluation will follow.

Alternative	Public Safety Building	Civic Centre Car Park
1. Demolish Public Safety Building to create large public space and sell non civic-designated land	Demolish Public Safety Building and use as public space (3)	Demolish parkade and sell land (1)
2. Renovate Public Safety Building, build accessory parking structure and sell residual land[1]	Renovate Public Safety Building for use as office space and civic services store front (6)	Demolish parkade, build an elevated parking structure and sell residual land (4)
3. Build new civic building and accessory parking structure and sell residual land[2]	Demolish Public Safety Building and build new municipal building (8)	Demolish parkade, build an elevated parking structure and sell residual land (4)
4. Demolish Public Safety Building to create elevated parking structure and sell non civic-designated land	Demolish and build an elevated parking structure with ground floor commercial (9)	Demolish parkade and sell land (1)

[1] Alternative 2 consists of two sub-alternatives. Alternative 2a consists of the full consolidation of PPD and the WPA into the renovated PSB. Alternative 2b consists of the full relocation of WPA and the current tenants of 185 King Street into a renovated PSB along with the sale of 185 King Street. Both options only consider the development of parking capacity sufficient for the occupants of the building.

[2] Alternative 3 consists of three sub-alternatives. In each alternative WPA is located in the ground floor of the parking structure while the occupants of the new civic building vary (3A – only PPD, 3B – 185 King occupants, 3C - PPD and 185 King occupants). Each option only considers the development of parking sufficient for the occupants of the building.

Detailed needs assessment

Detailed needs assessment

Introduction

Based on the results of the alternatives review and assessment, the following buildings and components remain in scope for a more detailed evaluation of alternatives. This detailed needs assessment section captures the current and future needs of each of the relevant components:

1) Office space
    a) WPA
    b) PPD
    c) Fire and Paramedic Services
    d) Water and Waste
    e) Legal Services
    f) Corporate Finance
2) Public space
3) Parking
4) Mechanical infrastructure
5) Private sector

The section concludes with a summary of the detailed needs.

Detailed needs assessment

Current office space occupied

The Departments that are in scope are located across four separate buildings. Current and future square feet data reflect Useable square footage.

Department	185 King Street (Owned)		495 Portage Avenue (Leased)		65 Garry Street (Leased)		10/30 Fort Street (Leased)	
	Staff	**Useable Area**	**Staff**	**Useable Area**	**Staff**	**Useable Area**	**Staff**	**Useable Area**
WPA			59 staff	11,000 sf				
PPD	47 staff	8,627 sf			188 staff	35,875 sf	93 staff	25,000 sf
Fire and Paramedic Services	136 staff	23,511 sf						
Water and Waste	63 staff	9,231 sf						
Legal Services	27 staff	9,306 sf						
Corporate Finance	27 staff	10,765 sf						
Total	**300 staff**	**61,440 sf**	**59 staff**	**11,000 sf**	**218 staff**	**35,875 sf**	**100 staff**	**25,000 sf**
Current Space Efficiency	**205 useable sf per FTE**		**186 useable sf per FTE**		**165 useable sf per FTE**		**250 useable sf per FTE**	
Suitability of space	• Space has received recent upgrades to accommodate unique departmental requirements - is fulfilling current needs		• Does not currently meet WPA needs; significant renovation or relocation is required		• Workspaces are not ideal with a lack of daylight and internal way finding challenges. There are multiple reception areas.			
Challenges	• Current parking available to Departments is limited		• Lack of parking for customers and secure parking for WPA fleet vehicles • Distance from Civic Campus		• PPD staff are split across three building, requiring travel for staff between locations • 65 Garry and 30 Fort are not located near the Civic Campus, requiring additional travel for frequent meetings at 510 Main Street			

Detailed needs assessment

Future office space needs

The future demand for office space from the in scope departments has been quantified below.

Major findings

- The group with the highest need for improved or alternative space is the WPA.
- There may be significant opportunities for operational efficiencies by collocating all PPD staff in a single location closer to City Hall.
- Groups occupying 185 King are satisfied with the current space and a move should only be considered if it creates financial savings for the City.

Departments	Current space (useable)	Future space need (useable)	Commentary (notes on specific requirements such as ground floor, parking, non-standard features etc.)
WPA	11,000 square feet	18,000 square feet[1]	• Need accessible parking for customers, secure parking for fleet vehicles and ground floor public-facing space. • Needs could be partially accommodated through renovation of existing space but could be better met through relocation.
PPD	69,502 square feet	65,700 square feet	• 65,700 sq.ft. space estimate based on 180 square feet per full time employee metric which is similar to current industry standards. A more detailed functional space layout based on the needs of the department and the specific building floorplate would have to be completed at a later date to confirm the potential to achieve this metric or the potential to achieve an even lower metric. • Current size of space sufficiently meets PPD's expected future needs but the current separation of the Department in 3 different locations and distance from City Hall does create some inefficiencies. It is believed that a co-location into space designed specific for PPD's needs would create a number of efficiencies. • Co-location would have benefits but may be challenging to justify given the low cost of the leased space that PPD currently occupies.
Fire and Paramedic Services	23,511 square feet	same	• Space meets needs and a relocation would be challenging.
Water and Waste	9,231 square feet	same	• Water and Waste expects 10-20% growth in staff over a 20-year period. This growth may be able to be accommodated through improved space efficiencies.
Legal Services	9,306 square feet	same	• No future space information has been provided.
Corporate Finance	10,765 square feet	same	• Assuming a 10-20% growth in staff. May be able to accommodate through improved space efficiencies.

[1]The 18,000 square feet is based off optimized space that fully meets the Winnipeg Parking Authority's needs and was first captured in a space needs report by PPD. The City will need to determine exact future space needs for the Winnipeg Parking Authority. Note that this is a large sf/FTE (305), but WPA requires a large public facing space.

Detailed needs assessment

Current supply and demand for parking

Historical context

- Prior to closing in August 2012, the CCCP provided parking for Winnipeg Police Service, staff working in the Civic Campus area, and the general public. At the time of the closure there were 312 stalls reserved for monthly parking (out of a possible 460 – representing approximately a 70% occupancy rate) and the rest was available for daily transient parkers.
- The parkade was also an important asset to support peak demand during events occurring in the cultural precinct. The entity most impacted by the closure was the Centennial Concert Hall, with the underground walkway previously providing a climate-controlled and easily accessible route to the Concert Hall.

Current supply

- The current supply of parking in the area includes a mix of street, surface and multi-level parking structures.

Current demand

- Since the closure of the parkade the Winnipeg Police Service has had to secure parking through a combination of leased surface lots and street parking on a section of James Avenue.
- It is believed that the other previous users of the parkade have similarly found other, less central parking in a variety of street, surface and multi-level parking structures.
- City staff have found parking in a variety of non-ideal sites with some staff finding parking in non-adjacent parking structures. Anecdotal evidence suggests that the demand for parking in the area around the subject site exceeds the available supply; however, a parking study for the area would be required to better understand and define the sources and demand for parking.

Detailed needs assessment

Future supply and demand for parking

Future supply

- There are no known parkade developments planned in the immediate area. The Province of Manitoba is currently exploring an option for a 500 plus parking stall James Avenue parkade, however it is anticipated to be more oriented to users east of Main Street and the WPA has indicated that they believe that there may be demand for parkades at both properties. The plans for this James Avenue parkade appear to be on hold and there is uncertainty regarding when/if it may be built. The WPA may, at a later date, complete a business case to support the construction of additional parking on the subject site.

Future demand

- Future demand for parking in the area will be affected by a variety of factors including:
  - Potential occupants onsite who may be in a renovated PSB, new civic building or private development
  - City staff working at the 510 Main Street and 185 King Street locations
  - General public working, living, studying or visiting in the area
- Future residential development in the area will place an increased strain on parking in the area, with residential developments not necessarily including new parking construction. This is particularly true for recent and expected heritage developments.
- The relocation of the Winnipeg Police Service from the area will remove one of the larger parking users in the area. Approximately 50 metered parking spots will become available (35 on James Avenue and 15-20 on Princess Street and William Avenue).
- Improvements to the transit system have the potential to mitigate the increases in demand for parking over the longer term but this is expected to be a more gradual effect.

Major finding

- There are currently parking challenges in the area that are expected to increase in the future. These challenges would be exacerbated by the relocation of additional City staff to the area, as per the table below.

Department	Fleet	Staff	Details around requirements
WPA	17	10	Current space provides sufficient parking for general fleet vehicles but not enough street parking for customers. There are 2 Meter Crew vans (7 foot clearance requirement), 5 fleet SUVs requiring secure parking and 10 fleet SUVs requiring general parking.
PPD	7	61	Currently has 68 spots located across 65 Garry (34 staff and 2 fleet), 30 Fort (7 staff) and 185 King (20 staff and 5 fleet).
Fire and Paramedic Services	20	5	Currently has 25 spots in underground parkade. Could use more if available.
Water and Waste	0	0	No requirements.
Legal Services			No information has been provided.
Corporate Finance	0	3	3 secure parking stalls with access for adjusters on a 24/7 basis is required.

Detailed needs assessment

[redacted]

Major findings

- There are no major mechanical infrastructure needs that concern the short-listed alternatives.
- The existing mechanical infrastructure will need to be accounted for in costing out the alternatives and in implementing whichever alternative is ultimately selected.



Detailed needs assessment

Demand for public space

Current

- There are a number of public spaces in the immediate area in the form of public plazas such as the City Hall Courtyard and Old Market Square.
- With the exception of Old Market Square, these existing public spaces are underutilized.
- Evaluating a need for public spaces in an urban setting is more challenging than in a suburban setting where the space is more of a standard commodity (such as a playing field or playground). Some of the existing public spaces in the area are not functioning well.
  - Careful consideration of context and intended use is required when planning future public spaces in the area.
  - The space should have a clearly defined purpose.
  - Programming similar to nearby spaces (competition) is not necessarily desirable.

Future

- The demand for public space at this location in the future is expected to grow as the area around the subject site continues to densify with additional residential and commercial uses.
- Contingent on the redevelopment of the CCCP, the public space could be developed with a campus approach primarily as a forecourt to the new development (similar to 201 Portage Avenue plaza) and as an active edge of mixed-use development. Directly beneficial would be secondary programmed uses to increase on-site activity (i.e. food truck plaza – food trucks along King by Old Market Square to be relocated to nearby northwest site, plaza for civic function gatherings which accommodates larger groups than the existing City Hall Courtyard currently does).
- The layering of passive and active programs at the site is essential to making it a safe and appealing space for citizens. The City's downtown area currently is host to many successful precedents, including the Millennium Park next to the Downtown library, Central Park, Steinkoft Gardens, Bijou Plaza, City Hall Courtyard and Old Market Square.
- Potential uses for the site could include: ceremonial activity, showcase for public art, and a convergence of the existing surrounding "roots" of infrastructure/history. The site could be a symbol of civic pride. The resultant design should reflect a high quality space, which could increase the value of the neighbouring sites.

Major findings

- While there is no proven current need for public space at this location, there may be an opportunity to create a unique space that could provide a valuable amenity to the neighbourhood.
- As the area densifies, the demand for public spaces could also increase.

Detailed needs assessment

Demand from private sector

There may be demand from the private sector to purchase a portion of the subject site and develop it with some form of mixed use development.

Attributes that may affect highest and best use for the property include:

- Location adjacent to the Exchange District
- Adjacency to City Hall
- Adjacency to Red River College
- Zoning

The City could utilize CentreVenture to administer the process of identifying and developing a vision for the area and securing a developer to build out the land in alignment with this vision. The demand from developers for land in this area is still somewhat challenged, but through the development of a proper vision it could be possible to attract developers to participate in this vision.

Potential uses include:

- **Institutional** – Red River College may have interest in additional campus space and the location is strategic given the proximity to the College's existing campus buildings. This will need to be confirmed with Red River College to determine their level of interest and ability to pay fair value as opposed to the City having to subsidize.
- **Office** – Boutique office space may be feasible on the property but it is not located within the defined office core and achieving rent levels sufficient to justify new construction may be challenging. This may be a component of a larger development but is unlikely to be the primary use.
- **City of Winnipeg** – Office space could be developed for the City that could accommodate tenants from 185 King, 10/30 Fort and 65 Garry.
- **Residential** – A residential development featuring either market condominiums or rental apartments may be feasible given the existing residential development in the area and the increasing desirability of the Exchange District. There may be demand for student accommodation or rental units for students at Red River College.
- **Retail** – Ground floor retail may be feasible as part of a larger development.
- **Public parking** – There is believed to be significant demand for secure public parking in the area. Parking structures are expensive to build and the private sector may be challenged to justify the construction of a new parking structure without financial incentives. The most recent private parking garage to be completed in the area was the 159 stall Bedford parkade at 100 King Street which received $2.3M financial support from the City, $1.5M being an up-front economic grant, and $800K in longer-term tax credits.

Major findings

- The private sector is best suited to build out this parcel of land to its highest and best use.
- CentreVenture could administer the process of identifying and developing a vision for the area which should lead to increased interest from private developers.

Detailed needs assessment

Major findings

The major findings for each need that was reviewed are shown below.

Needs	Major Findings
Office	• The group with the highest need for improved or alternative space is the WPA. • There may be significant opportunities for operational efficiencies (eg. improved productivity, reduced sick days) by collocating all PPD staff in a location closer to City Hall, which has been renovated or built for purpose. • Alternatively, some of the operational efficiencies could be created by moving PPD from 185 King to vacant space in 10/30 Fort and 65 Garry. • Groups occupying 185 King are satisfied with the current space and a move should only be considered if it creates financial savings for the City.
Parking	• There are currently parking challenges in the area that are expected to increase in the future. These challenges would be exacerbated by the relocation of additional City staff to the area if no additional parking is built. Certain groups that could be relocated have specific parking requirements that may not be able to be met offsite.
Mechanical Infrastructure	• There are no major mechanical infrastructure needs that concern the short-listed alternatives. • The existing mechanical infrastructure will need to be accounted for in costing out the alternatives and in implementing whichever alternative is ultimately selected.
Public space	• While there is no proven current need for public space at this location, there may be an opportunity to create something unique that could provide a valuable amenity to the neighbourhood. • As the area densifies the demand for public spaces could also increase.
Private sector	• The private sector is best suited to build out this parcel of land to its highest and best use. • CentreVenture could administer the process of identifying and developing a vision for the area which should lead to increased interest from private developers.

Refined alternatives

Refined alternatives

Introduction

This section refines and aligns the four alternatives identified in the alternative review and assessment section to the needs captured in the detailed needs assessment section.

Each refined alternative consists of the following:

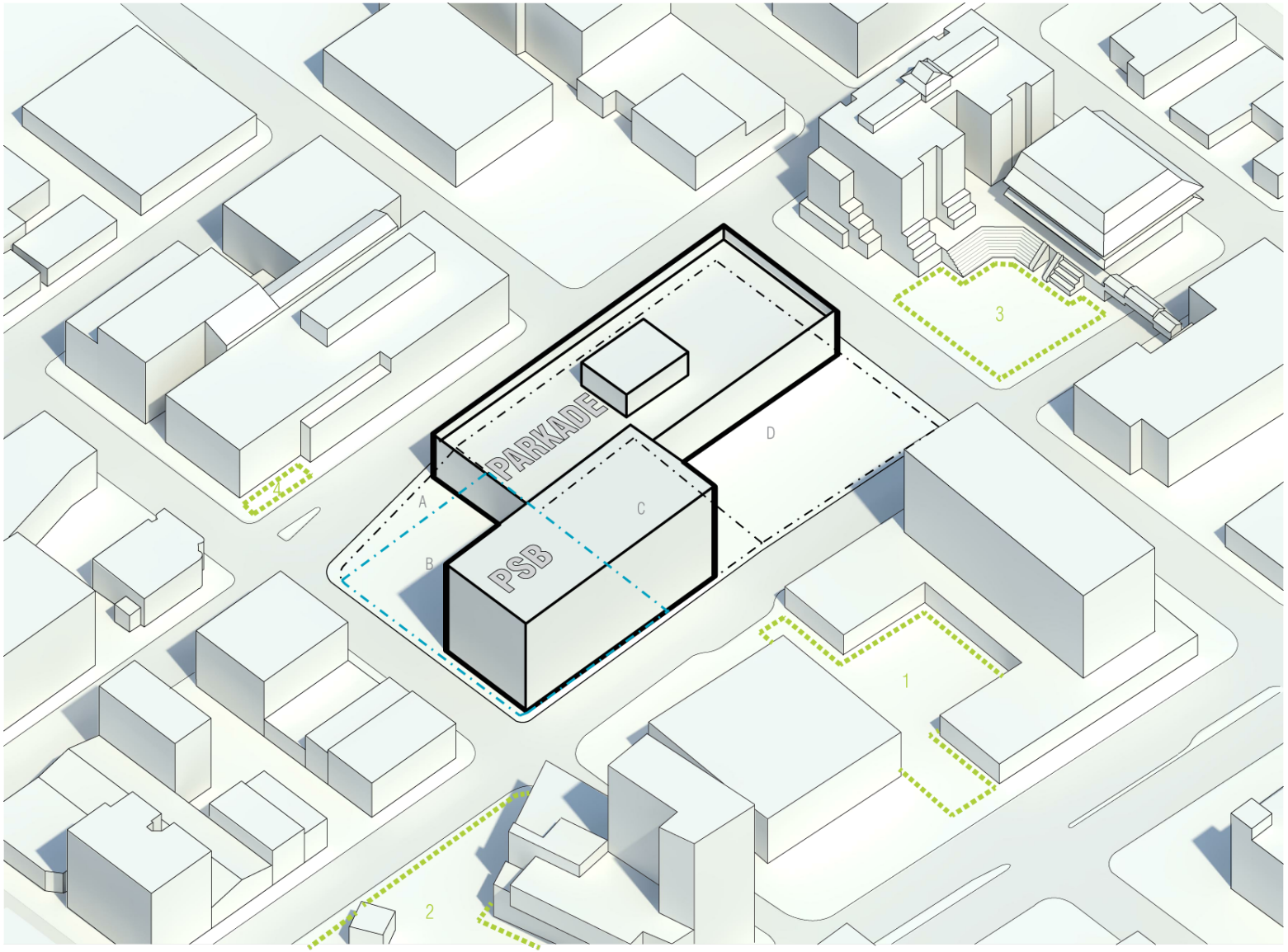
- **Description** – an overall description of the alternative, including any sub-alternatives
- **Considerations** – relevant general considerations of the alternative
- **Costs** – description of the associated costs and potential cost savings of the alternative
- **Revenues** – description of the associated revenues of the alternative
- **Implementation** – relevant considerations that will need to be accounted for in planning and implementing the alternative
- **Benefits** – high-level benefits associated with the alternative
- **Limitations, challenges and risk** – limitations that apply to the planning and implementation of the alternative, any associated risks, and challenges that the City could face

The space allotted to each of civic, office, parking and sale are captured in the table below. Note that these alternatives are still preliminary concepts and the size of certain land uses or types could change during the design of any of the options.

Proposed allocation of land under each alternative							
	1	2a	2b	3a	3b	3c	4
Public space	35,616 square feet of land (Parcels A and B)	26,720 square feet of land (part of Parcels A, B, and C)		21,720 square feet of land (part of Parcels A, B, and C)			17,720 square feet of land (part of Parcels A, B, and C)
Office space – land (square feet)	N/A	20,000 (part of Parcels A, B, and C)		25,000 (part of Parcels A, B, and C)			N/A
Office space – rentable (square feet)	N/A	117,906	117,906	78,921	70,656	139,656	N/A
Parking structure – land (square feet)	N/A	29,000 (part of Parcel D)		29,000 (part of Parcel D)			29,000 (part of Parcels A, B, and C)
Parking structure - stalls	N/A	95	80	95	80	123	520
Parking structure – commercial (square feet)	N/A	20,000		20,000			20,000
Surplus land for sale (square feet)	69,595 (Parcels C and D)	29,491 (part of Parcel D)		29,491 (part of Parcel D)			58,491 (Parcel D)

Refined alternatives

Current state



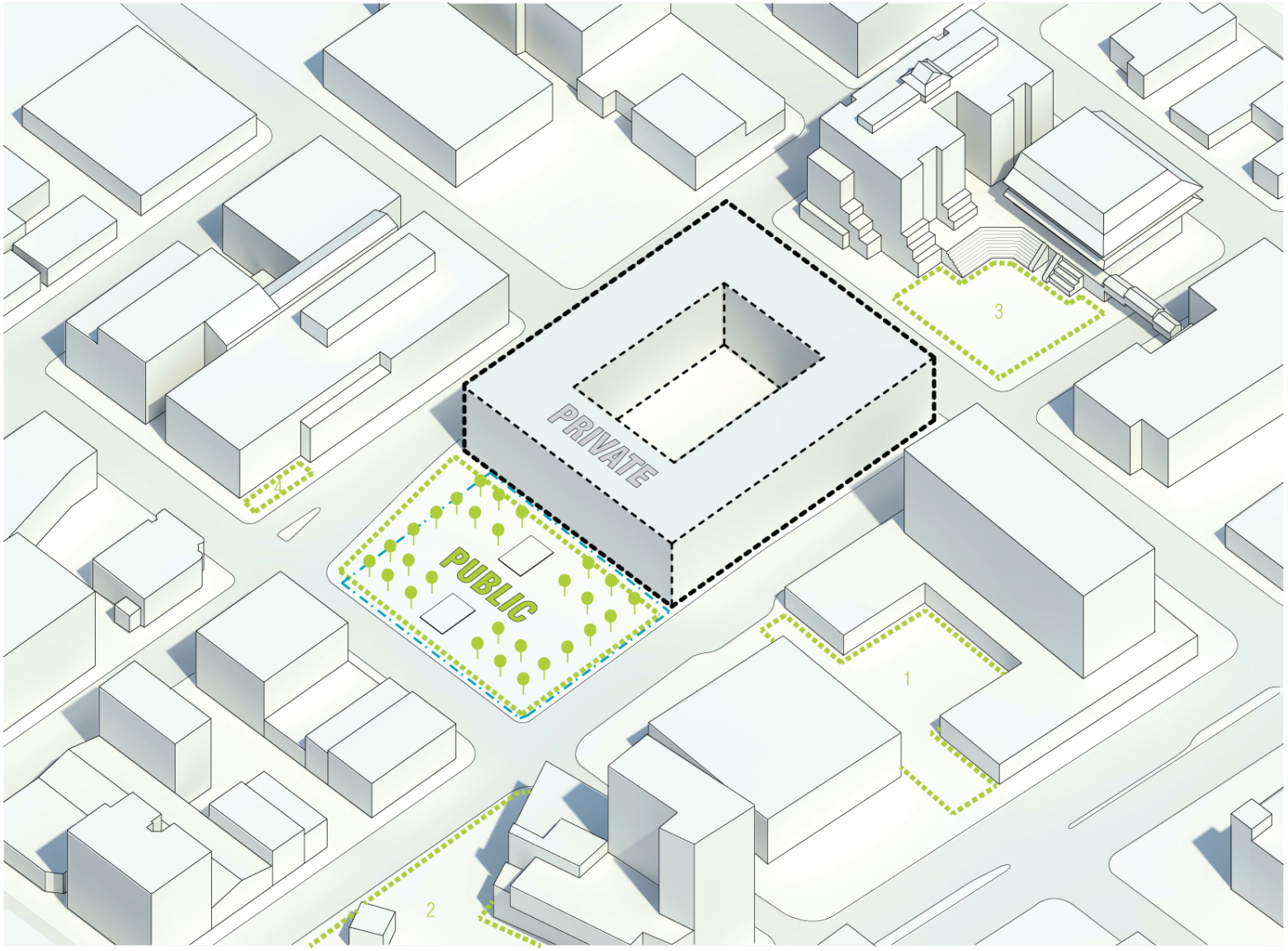
Existing Conditions

B - parcel reserved for civic use
C + D - potential parcels for sale

Existing Public Spaces:
1. City Hall
2. Old Market Square
3. Chinese Gardens
4. Red River College

Refined alternatives

1. Demolish PSB to create public space and sell non civic-designated land



Option 1 - Outdoor Civic Space

Refined alternatives

1. Demolish Public Safety Building to create public space and sell non civic-designated land

Description

- The plan consists of the demolition of both the PSB and CCCP, the subsequent design and development of the civic-designated land as a large public space and the sale of the non civic-designated land.
- There are no sub-alternatives.



Considerations

- The public space would be designed to be supportive and complementary to the adjacent properties, primarily for direct use by the non civic-designated land redevelopment proposal and indirectly for spill out opportunities for City Hall.
- Effective space management is critical to a public spaces' success; a strong management plan and presence will be needed.
- The public space will need to meet community needs and provide for passive activity which is not being met in the City Hall Courtyard and/or Old Market Square public spaces. It must also consider the relationship with adjacent buildings including edge condition, viewsheds, and streetscaping treatment.
- There may still be a need for additional secure parking to be built on the non civic-designated land. WPA should be given the opportunity to complete a business case on the feasibility of building a parking structure.



Costs

- Demolition and remediation of the buildings and land.
- Construction costs of the new public space.

Revenues

- Sale of the non civic-designated land.
- Increased property tax base from private sector development on non civic-designated land and potential for increased valuations in area due to increased desirability.

Refined alternatives

1. Demolish Public Safety Building to create public space and sell non civic-designated land (cont'd)

Implementation

- The City will be responsible for demolition and remediation of the site. They will also be responsible for the design, construction and maintenance of the public space.
- CentreVenture could manage the development of a vision for the non civic-designated land. Once a vision is developed, the land could be offered through an RFP process to the private sector and the City, through CentreVenture, could influence the form of development through a negotiated Development Agreement with the private sector group. The Development Agreement may include criteria around overall vision and relationship to the public space (i.e. edge condition and scale). The City will continue to have further control of development through their role as the development permit regulator.
- The community should be involved in creating a vision for the future park/plaza in order to ensure that it responds to their needs. A public engagement process throughout the planning and design process will also be important to increase a sense of ownership by citizens.





Benefits

- This can be thought of as an opportunity to create an iconic public space that would be unique in the downtown. Given the properties' strategic location between City Hall and RRC, a redevelopment plan would have the potential to not only shape the neighbourhood identity in the West Exchange District, but also its broader civic image.
- Increased public space could provide a valuable amenity for area and help to increase the desirability and potentially the sale value of the non civic-designated land sale.
- This reflects the least capital intensive alternative and the lowest risk alternative as the City would not be exposed to significant construction cost risk.
- The sale of the non-civic designated land could generate revenue for the City and the subsequent development of the property could generate increased property taxes. The freeing up of this surplus land would also be seen as a positive way to support private sector development.

Refined alternatives

1. Demolish Public Safety Building to create public space and sell non civic-designated land (cont'd)

Benefits (continued)

- The City could retain some control over form of development on the non civic-designated land through a Development Agreement
- With southern exposure and the low-rise buildings across William Ave, this site has the benefit of receiving full sunlight during daylight hours.
- A high quality public space will contribute to the Exchange district being perceived as a more desirable place to live, work and play.



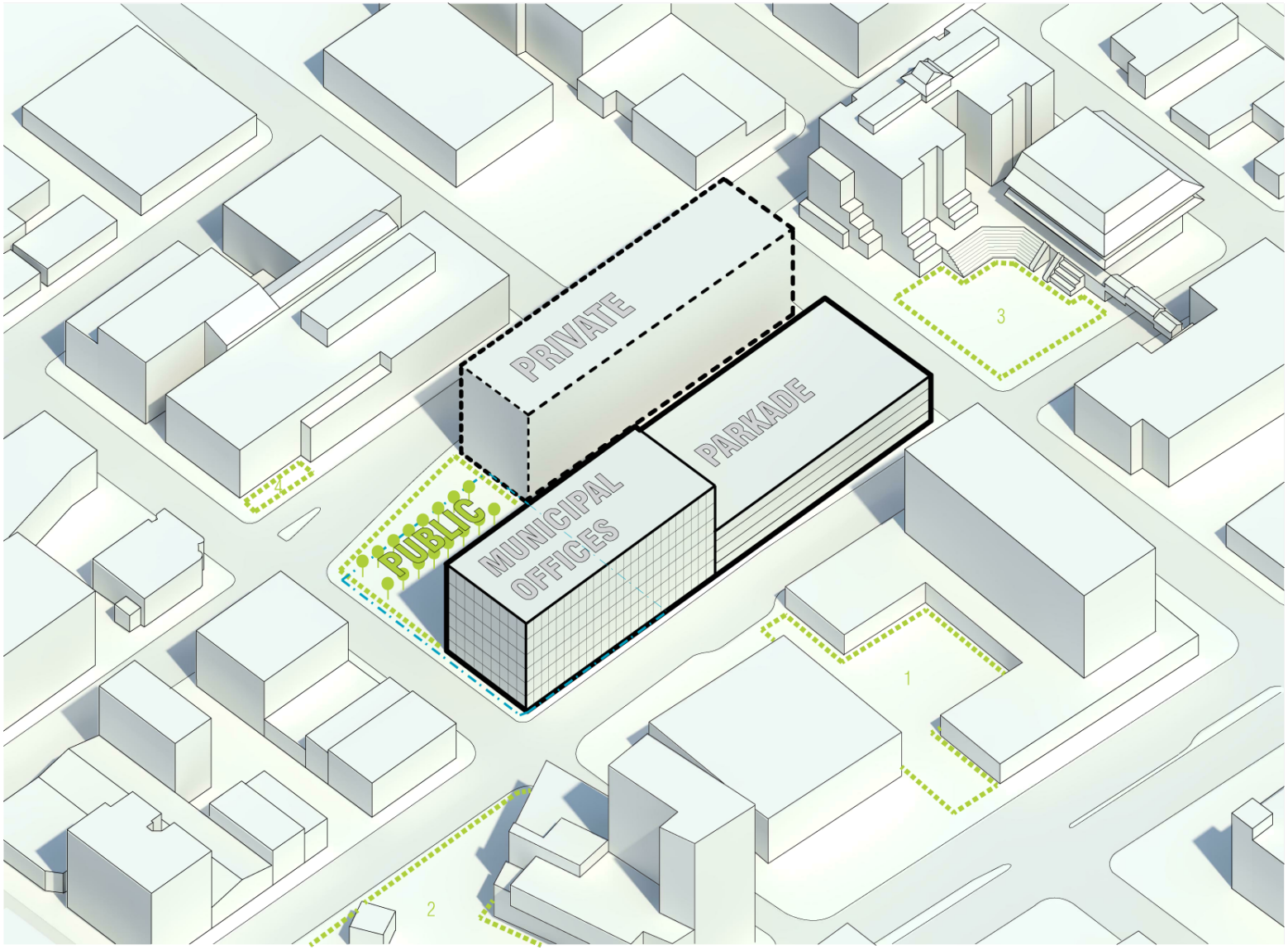
Limitations

- These strategically located properties may have higher and better civic uses in the future. While the use of the civic-designated land could change in the future, the City would lose ownership of the non civic-designated land.
- There is uncertain demand or justification for a public space (park or plaza) at this location. The City Hall Courtyard (to the east), Old Market Square (to the southeast) and Red River College's plaza (to the west) currently provide public space capacity for the immediate area.
- The timing for private sector redevelopment on the non civic-designated land is uncertain and there is the risk that the land could remain vacant for an extended period of time.
- Once the PSB has been demolished, the site must be maintained by the City. If the development of the public space is delayed, the space will require, at a minimum, sodding.
- There could be pushback regarding the demolition of this historically significant building.



Refined alternatives

2. Renovate Public Safety Building and sell non civic-designated land



Refined alternatives

2. Renovate Public Safety Building, build accessory parking structure and sell residual land

Description

- This option includes the:
  - Renovation of the PSB to be used as office space with a civic services store front and adjacent plaza space (Parcels A, B, and C);
  - Demolition of the CCCP and replacement with an elevated parking structure with ground floor commercial (portion of Parcel D); and,
  - Sale of the residual non-civic designated land (portion of Parcel D).
- This option includes two alternative scenarios:
  - Alternative 2a consists of the full consolidation of PPD and the WPA into the renovated PSB.
  - Alternative 2b consists of the full relocation of WPA and the current tenants of 185 King Street into a renovated PSB along with the sale of 185 King Street.
- This refined alternative profile speaks generally to both alternatives, with the subsequent financial evaluation providing a differentiated assessment.

Considerations

- If renovated for commercial office use, the PSB presents an opportunity of 117,906 sq.ft. of rentable space. Much of the existing building presently functions as office space, but it contains numerous other uses (e.g. laboratories, interview rooms and detention cells). Within these areas, conversion to conventional office space would require extensive renovations. It is also noteworthy that windows on the third and fourth floors are very limited. However, it should be possible to provide an increased number of windows if the exterior cladding is to be replaced.
- The ground floor commercial space of the parking structure could be occupied by WPA or leased to a private sector tenant but given that there is more than sufficient space in the PSB building to accommodate WPA, it may be best positioned to be located in the PSB building as the commercial space could then generate revenues.
- Various combinations of City departments can be considered, assuming realization of some efficiencies through co-location (most candidates for relocation occupy more than 180 square feet per FTE). More detailed analysis is required to determine potential for even larger space saving efficiencies.
- Moving various departments to a renovated PSB will increase the demand for parking in the area. Additionally, certain departments have specific requirements for secure parking that may not be able to be met offsite. Due to this it will be necessary to build an accessory parking structure that would have ground floor commercial space. While this option only considers the development of sufficient spaces to accommodate the departments to be located in the building, WPA should be given the opportunity to complete a business case on the feasibility of building a larger parking structure that also includes public parking.

Costs

- Renovation of PSB.
- Demolition and remediation of parkade and land.
- Construction of new elevated parking structure with ground floor commercial.
- Relocation of mechanical systems currently housed in the CCCP that provide for the PSB.

Refined alternatives

2. Renovate Public Safety Building, build accessory parking structure and sell residual land (cont'd)

Revenues

- Sale of non civic-designated land.
- Increased property tax base from private sector development on non civic-designated land and potential for increased valuations in area due to increased desirability.
- Sale of 185 King Street in Scenario 2b.

Implementation

- City responsible for demolition and remediation of the non-civic designated land.
- City responsible for the renovation of the PSB and construction of the elevated parking structure.
- CentreVenture could manage the development of a vision for the non civic-designated land. Once a vision is developed the land could be offered through an RFP process to the private sector and the City through CentreVenture could influence the form of development through a negotiated Development Agreement with the private sector group. The Development Agreement may include criteria around overall vision and relationship to the small public space (i.e. edge condition and scale). The City will continue to have further control of development through their role as the development permit regulator.

Benefits

- Revitalizing the PSB is in line with downtown revitalization priorities.
- Supports Heritage Conservation through adaptive re-use, provided that select 'character-defining' elements could be retained.
- An opportunity to improve the present outdoor space.
- There may be synergies from grouping certain components together and moving them closer to City Hall; and improved operating efficiencies could be achieved through the delivery of high quality office space.
- Some components could move from leased to owned assets.
- The sale of the non-civic designated land could generate revenue for the City and the subsequent development of the property could generate increased property taxes. The freeing up of this surplus land would also be seen as a positive way to support private sector development.
- The City could retain some control over form of development on the non civic-designated land through the Development Agreement.

Refined alternatives

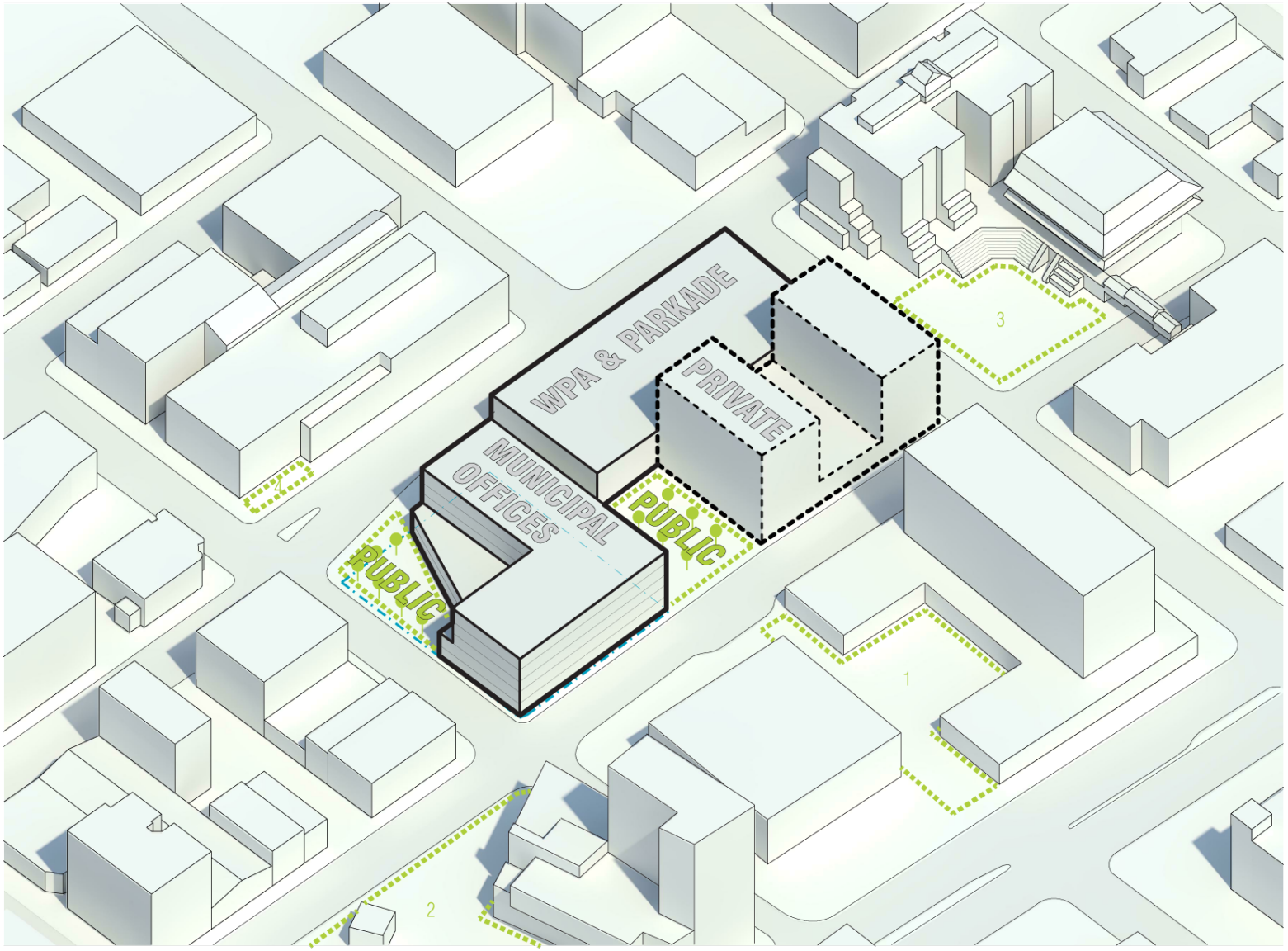
2. Renovate Public Safety Building, build accessory parking structure and sell residual land (cont'd)

Limitations

- A substantial renovation would be required to bring the PSB up to current standards for office space. This would require the City to invest a significant amount of capital into the renovation and would expose the City to construction risks.
- The design of the building for its current use presents challenges:
  - Lacks transparency at grade.
  - Entrance not at street level.
  - Main floor is not barrier-free.
  - It will be financially impractical to retain the Tyndall Stone cladding (an important Heritage consideration).
- If City Departments are to be consolidated within the existing footprint, options for growth and expansion are limited to the 117,906 sq. ft. of existing space. Growth beyond this number would require construction of an addition (i.e., additional storeys or an expanded footprint).
- At full capacity, the parking requirements will be significant. While the City may not be obligated to provide employee parking for most staff, occupants who drive to work will add to the demand for parking in the area.
- The construction of a parkade underneath the existing PSB was considered, however, the existing column structure means that such an option is not a viable consideration.
- The PSB extends beyond the northern limit of the civic designated land. This alternative limits the amount of land available to sell and imposes a number of design constraints on the development of the northern portion of the land.
- The leased space currently occupied by the City at 65 Garry and 30 Fort is relatively inexpensive and it may be difficult to justify a significant investment in renovating the building to move components from these leased spaces.
- Mechanical systems within the parkade would have to be relocated to a ground level compound which may not fit within the footprint of the PSB.
- The timing for private sector redevelopment on the non civic-designated land is uncertain and there is the risk that the land could remain vacant for an extended period of time.

Refined alternatives

3. Build a new civic building and sell non civic-designated land



Option 3a - New 5 storey building

Refined alternatives

3. Build a new civic building and accessory parking structure and sell residual land

Description

- This option includes the:
  - Demolition of both the PSB and development of a new municipal building and plaza area (Parcels A, B, and C);
  - Demolition of the CCCP and replacement with an elevated parking structure with ground floor commercial to accommodate the WPA (portion of Parcel D); and,
  - Sale of the non civic-designated land (portion of Parcel D).
- This option includes three alternative scenarios:
  - Alternative 3a – PPD to vacate existing space and to occupy new municipal building
  - Alternative 3b – 185 King Street to be sold and tenants to occupy new municipal building
  - Alternative 3c – PPD to vacate existing space and 185 King Street to be sold. PPD and 185 King Street tenants to both occupy new municipal building.

Considerations

- A new building removes a number of site and building related functional constraints. This offers the least restrictive option, but also represents the highest capital investment required by the City (depending on the size of the building).
- Various combinations of City departments can be considered, assuming realization of some efficiencies through co-location (most candidates for relocation occupy more than 180 sq.ft./FTE).
- The ground floor commercial space of the parking structure could be occupied by WPA or leased to a private sector tenant. For the purposes of this analysis it has been assumed that the WPA will occupy this space, which reduces the overall size requirement for the new civic building replacing the PSB.
- Moving various departments to a new civic building will increase the demand for parking in the area. Additionally, certain departments have specific requirements for secure parking that may not be able to be met offsite. Due to this it will be necessary to build an accessory parking structure that would have ground floor commercial space. While this option only considers the development of sufficient spaces to accommodate the departments to be located in the building, WPA should be given the opportunity to complete a business case on the feasibility of building a larger parking structure that also includes public parking.
- The new development could be designed to include a small outdoor public space.

Costs

- Demolition and remediation of buildings and land.
- Construction of new civic building.
- Construction of new elevated parking structure with ground floor commercial.

Refined alternatives

3. Build a new civic building and accessory parking structure and sell residual land (cont'd)

Revenues

- Sale of non civic-designated land.
- Increased property tax base from private sector development on non civic-designated land and potential for increased valuations in the area due to increased desirability.
- Sale of 185 King Street in Scenario 3b and 3c.

Implementation

- City responsible for demolition and remediation of entire site.
- City responsible for the design and construction of new civic building and parking structure.
- CentreVenture could manage the development of a vision for the non civic-designated land. Once a vision is developed the land could be offered through an RFP process to the private sector and the City through CentreVenture could influence the form of development through a negotiated Development Agreement with the private sector group. The Development Agreement may include criteria around overall vision and relationship to the small public space (i.e. edge condition and scale). The City will continue to have further control of development through their role as the development permit regulator.

Benefits

- A new office development at this location is in line with downtown revitalization priorities.
- The new building would be designed and built according to the needs of the occupants, which would result in a building arguably superior to renovated space.
- Can be designed to fully anticipate future growth.
- Advancements in building technology will lead to improved energy efficiency and performance (decreased operating costs) when compared to an older structure.
- A new build will have an extended building life-cycle. The superstructure and infrastructure of the existing PSB building is now 50 years old.
- There may be synergies from grouping certain components together and moving them closer to City Hall and improved operating efficiencies could be achieved through the delivery of high quality office space (e.g. improved productivity and reduced sick leave).
- Some components could move from leased to owned assets, removing risk of changes to lease terms.
- The sale of the non civic-designated land could generate revenue for the City and the subsequent development of the property could generate increased property taxes. The freeing up of this surplus land would also be seen as a positive way to support private sector development.
- The City could retain some control over form of development on the non civic-designated land through the Development Agreement.
- It may be possible to accommodate parking needs for the onsite users in an underground parking garage.

Refined alternatives

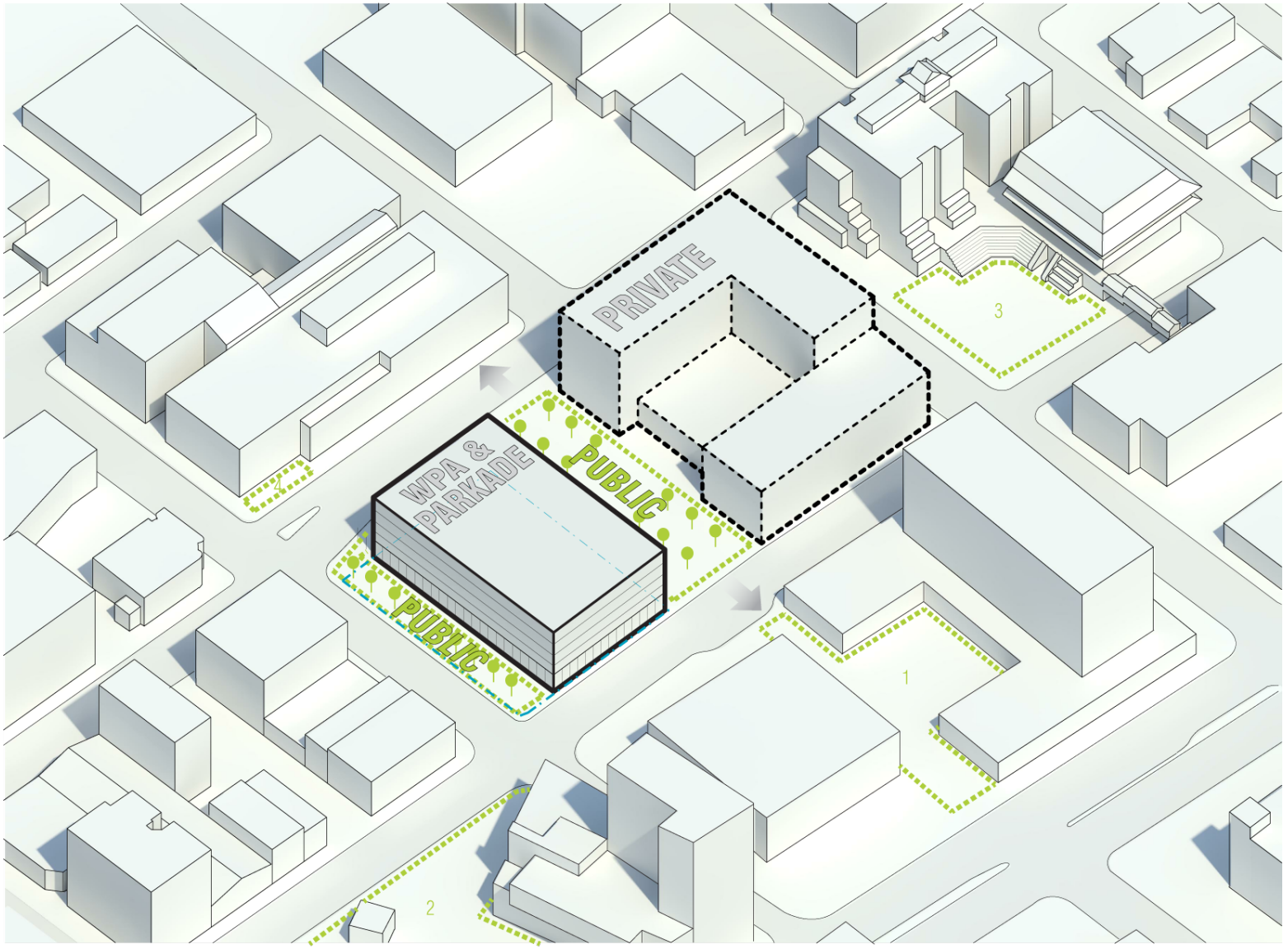
3. Build a new civic building and accessory parking structure and sell residual land (cont'd)

Limitations

- The construction of a new building would require the City to invest a significant amount of capital into the renovation and would expose the City to construction risks.
- The leased space currently occupied by the City is relatively inexpensive and it may be difficult to justify a significant investment in constructing a new building to move components from these leased spaces.
- The timing for private sector redevelopment on the non civic-designated land is uncertain and there is the risk that the land could remain vacant for an extended period of time.

Refined alternatives

4. Build a new elevated parking structure and sell non civic-designated land



Option 4 - Parkade with Ground Floor Commercial

parcel reserved for civic use

Existing Public Spaces:
1. City Hall
2. Old Market Square
3. Chinese Gardens
4. Red River College

Refined alternatives

4. Build a new elevated parking structure and sell non civic-designated land

Description

- This option includes the:
  - Demolition of both the PSB and CCCP and the subsequent development of a new elevated parking structure and a medium-sized public space area (Parcels A, B, and C); and
  - Sale of the non civic-designated land. The WPA would occupy the commercial space on the first level of the structure (Parcel D).

Considerations

- A new building removes a number of site and building related functional constraints. This offers the least restrictive option but also represents a high capital investment required by the City (depending on the size of the elevated parking structure)
- An elevated parking structure in this location would significantly improve the parking available to the general public as well as City staff working in 510 Main and other adjacent civic properties.
- The new development could be designed to include an outdoor medium-sized public space.

Costs

- Demolition and remediation of buildings and land.
- Construction of the new elevated parking structure.

Revenues

- Sale of non civic-designated land.
- Increased property tax base from private sector development on non civic-designated land and potential for increased valuations in area due to increased desirability.
- Parking revenue from City staff and general public using the structure.

Refined alternatives

4. Build a new elevated parking structure and sell non civic-designated land

Implementation

- City responsible for demolition and remediation of entire site.
- The WPA and PPD would be responsible for the design and construction of the new civic centre parking structure.
- CentreVenture could manage the development of a vision for the non civic-designated land. Once a vision is developed the land could be offered through an RFP process to the private sector and the City through CentreVenture could influence the form of development through a negotiated Development Agreement with the private sector group. The Development Agreement may include criteria around overall vision and relationship to the public space (i.e. edge condition and scale). The City will continue to have further control of development through their role as the development permit regulator.

Benefits

- A first-level storefront at this location, coupled with additional parking, is in line with Downtown Revitalization priorities.
- The first-level of the new parkade would be designed and built according to the needs of the WPA, which would result in a building superior to their existing space.
- Can be designed to fully anticipate future growth.
- New development is in line with Downtown Revitalization priorities.
- The sale of the non civic-designated land could generate revenue for the City and the subsequent development of the property could generate increased property taxes. The freeing up of this surplus land would also be seen as a positive way to support private sector development.
- The City could retain some control over form of development on the non civic-designated land through the Development Agreement.
- It may be possible to accommodate parking needs for the onsite users in an underground parking garage.

Limitations

- The ground floor commercial space may have some design limitations given the location of entrance ramps and other engineering features specific to the parking garage.
- The construction of a new building would require the Winnipeg Parking Authority to invest a significant amount of capital into the renovation and would expose the WPA to construction risks.
- The timing for private sector redevelopment on the non civic-designated land is uncertain and there is the risk that the land could remain vacant for an extended period of time.
- The current feasibility of developing a new multi-level parking garage in Downtown Winnipeg is unknown. WPA would be responsible for creating a business case for this before it can be approved.

Evaluation of alternatives

Evaluation of alternatives

Introduction

This section evaluates the four alternatives developed in the *Refined Alternatives* section. It consists of:

1. **Assessment criteria**
   - A full listing of the assessment criteria and associated sub-criteria, the weight they have been assigned for the purposes of the *Evaluation*, and the rationale for their relative importance.
2. **Assessment of the alternatives against the non-financial criteria**
   - A detailed assessment of each of the short-list alternatives against the weighed assessment criteria, including rationale for the assigned scores
3. **Assessment of the alternatives against the financial criteria**
   - An assessment of each of the short-list alternatives against the weighed financial criteria, including assumptions and key dependencies
4. **Overall assessment**
   - The complete initial assessment of the short-listed alternatives against the weighed criteria.

Alternatives assessment

Assessment criteria

The alternatives do not present equal opportunities for the City. A set of assessment criteria were developed to narrow the alternatives and then assess the final few alternatives. The four assessment criteria, their weighting, and associated sub-criteria are:

Criteria	Sub-criteria	Weight	Rationale
1) Needs	• Known and well-understood need • The ability to meet current and future component needs (space, usability) • Any co-location efficiencies • Compliance with City's Accessibility Design Standards	• 10%	• No significant current or future demand for space found in the current state assessment • No significant "need to have" co-location requirements were defined
2) Value	• Civic considerations • Economic impact • Maximizes the value of existing City assets and investments and the value provided to the altered and other properties/components	• 30%	• Some components of value are quantifiable (i.e. economic impact) and others are qualitative • Important to realize value through this project but not at any cost
3) Downtown Revitalization	• Meets urban design criteria (view sheds, access, way finding, public safety) • Public benefit and potential synergies with adjacent properties	• 25%	• Defendable design, consideration of heritage status of PSB, and positive impact on downtown community
4) Costs	• The NPV of all capital and ongoing occupancy costs (ROI)	• 35%	• Requirement for a realistic NPV given future financial performance

Additional details on the breakdown and rationale by sub-criteria follows.

Alternatives assessment

Non-financial assessment sub-criteria

The non-financial sub-criteria, associated weight and rationale are captured in the table below. The weights are described in comparison to the other sub-criteria. These weights are reflective of Deloitte's understanding of the relative importance of the sub-criteria and will be further refined in consultation with the City.

Criteria	Sub-criteria	Weight	Rationale
1) Needs	• Known and well-understood need • The ability to meet current and future component needs	• 6%	• There are several needs that have been identified in the current state that would be beneficial for the City • Note that all three alternatives meet some private sector development needs but do not meet any mechanical infrastructure needs
	• Any co-location efficiencies	• 2%	• Across all alternatives, benefits from co-location efficiencies are limited
	• Compliance with City's Accessibility Design Standards	• 2%	• Accessibility Design Standards must be accounted for in the assessment of the alternatives
2) Value	• Civic considerations	• 5%	• The new Police Headquarters has become a politically sensitive issue due to cost overruns and perceived mismanagement of the file. Along with a new mayor and new council, the public will be very sensitive to any significant expenditures or development plans that are perceived to be wasteful. • Note that this includes potential heritage concerns. None of the alternatives provides for full maintenance of existing heritage elements and thus this presents only a minor consideration.
	• Economic impact	• 10%	• As this project may see significant capital expenditures by the City, the economic benefits to the downtown are an important measure. Note that a detailed economic impact assessment has not been conducted as part of this Evaluation and the scoring reflects a high-level estimate of the potential economic impact. • The various development options of the PSB site will also have a differential impact on the ability of the City and CentreVenture to develop a vision and overall development plan for the entire plot of land. Economic impact also assesses this differential impact.
	• Maximizes the value of existing City assets and investments and the value provided to the altered and other properties/components	• 15%	• The City strives to realize the highest and best use of its assets • The future state value provided by the alternatives to the relevant components is also an important consideration
3) Downtown Revitalization	• Meets urban design criteria (view sheds, access, way finding, public safety)	• 15%	• The City is interested in a planned defendable design, consideration of the heritage status of PSB, and adequately capturing the positive impacts possible on the downtown community
	• Public benefit and potential synergies with adjacent properties	• 10%	• In pursuing an overall development strategy for the property, the alternatives should broaden the potential uses of the space and fit in with character of the surrounding properties and buildings.

Needs

1. Demolish Public Safety Building to create public space and sell non civic-designated land

Sub-criteria	Rationale	Score
Known and well-understood need and the ability to meet current and future needs	These strategically located properties may have higher and better civic uses in the future. While the use of the civic-designated land could change in the future, the City would lose ownership of the non civic-designated land. It would also be difficult to redevelop the public space in the future, further limiting the ability to meet potential future needs.	2 / 6
• Office	Does not meet existing office needs.	
• Parking	Does not meet parking demands, however, no additional parking demands will be placed upon existing parking structures in the area.	
• Mechanical infrastructure	No alternative meets any mechanical infrastructure needs so evaluation of this sub-criteria has not been performed.	
• Public space	Meets potential future public space needs and provides a valuable amenity to the neighbourhood given potential future growth.	
• Private sector	Private sector development is made possible on the non-civic land, with the public space helping to increase the desirability and potentially the sale value of the non civic-designated land sale.	
Any co-location efficiencies	No co-location efficiencies.	0 / 2
Compliance with City's Accessibility Design Standards	No foreseeable challenges as the new public space will be designed to meet and hopefully exceed the design standard for universal design.	2 / 2
	Total Score	**4 / 10**

Needs

2. Renovate Public Safety Building, build accessory parking structure and sell residual land

Sub-criteria	Rationale	2a Score (consolidated PPD)	2b Score (sale of 185 King Street)
Known and well-understood need and the ability to meet current and future needs	Current office needs can be met by the renovation of the PSB. The City would maintain the Civic Campus and, under 2a retain a property portfolio that can meet the needs of its various Departments. Under 2b, the sale of 185 King constrains the ability of the City to meet future needs. Additionally, the recent renovations to 185 King would be made redundant.	4 / 6	2 / 6
• Office	2a fully meets existing office needs, while 2b meets the office needs of the WPA.		
• Parking	Meets parking demand from building occupants but does not provide any additional public parking.		
• Mechanical infrastructure	No alternative meets any mechanical infrastructure needs so evaluation of this sub-criteria has not been performed.		
• Public space	Does not meet future public space needs.		
• Private sector	Private sector development is made possible on the non-civic land.		
Any co-location efficiencies	Significant co-location efficiencies in 2a for the consolidation of PPD, with no consolidation efficiencies for 2b.	2 / 2	0 / 2
Compliance with City's Accessibility Design Standards	Meeting the design standard for universal design will prove to be challenging to some degree both in the interiors and exteriors of the renovated PSB.	1 / 2	1 / 2
	Total Score	**7 / 10**	**3 / 10**

Needs

3. Build a new civic building and accessory parking structure and sell residual land

Sub-criteria	Rationale	3a Score (consolidated PPD)	3b Score (sale of 185 King Street)	3c Score (full consolidation)
Known and well-understood need and the ability to meet current and future needs	This alternative best meets the current needs of the relevant components, with the flexibility of a new build providing the City the opportunity to develop a building that fully meets current and future needs. The City would continue to maintain a Civic Campus model.			
• Office	3a and 3c fully meet existing office needs, while 3b meets the office needs of the WPA			
• Parking	Meets parking demand from building occupants but does not provide any additional public parking.	5 / 6	5 / 6	3.5 / 6
• Mechanical infrastructure	No alternative meets any mechanical infrastructure needs so evaluation of this sub-criteria has not been performed.			
• Public space	There is the potential to include some public space design elements into new constructions to partially meet the public space needs.			
• Private sector	Private sector development is made possible on the non-civic land.			
Any co-location efficiencies	Significant co-location efficiencies in 3a and 3c for the consolidation of PPD, with no consolidation efficiencies for 3b.	2 / 2	0 / 2	2 / 2
Compliance with City's Accessibility Design Standards	No foreseeable challenges as a new civic building will be designed to meet and hopefully exceed the design standard for universal design	2 / 2	2 / 2	2 / 2
	Total Score	**9 / 10**	**7 / 10**	**7.5 / 10**

Needs

4. Build a new elevated parking structure and sell non civic-designated land

Sub-criteria	Rationale	Score
Known and well-understood need and the ability to meet current and future needs	This alternative effectively meets the needs of several components, with the flexibility of a new build providing the Winnipeg Parking Authority the opportunity to develop a building that fully meets their current and future needs. The City would continue to partially maintain a Civic Campus model.	4.5 / 6
• Office	Meets office needs for the Winnipeg Parking Authority, but does not meet the needs of any other component considered.	
• Parking	Meets both civic and public parking needs.	
• Mechanical infrastructure	No alternative meets any mechanical infrastructure needs so evaluation of this sub-criteria has not been performed.	
• Public space	Given the likely small footprint of an elevated parking structure, there is the potential to include some public space design elements into new constructions.	
• Private sector	Private sector development is made possible on the non-civic land, with the elevated parking structure helping to increase the desirability and potentially the sale value of the non civic-designated land sale.	
Any co-location efficiencies	No co-location efficiencies.	0 / 2
Compliance with City's Accessibility Design Standards	No foreseeable challenges as the elevated parking structure will be designed to meet and hopefully over exceed the design standard for universal design.	2 / 2
	Total Score	**6.5 / 10**

Value

1. Demolish Public Safety Building to create public space and sell non civic-designated land

Sub-criteria	Rationale	Score
Civic considerations	The public appetite for City-led major capital projects is currently low. This cost-effective alternative and the opening of underused space to private sector development in this neighbourhood will likely be received very positively. However, the demolition of a site with some heritage elements may be perceived as politically unfavorable.	4 / 5
Economic impact	Relative to the other two alternatives, the positive economic impact of this alternative is low. However, private sector development on the non-civic land and the potential positive externalities from high quality public space do have the potential to have significant positive economic impacts.	5 / 10
Maximizes the value of existing City assets and investments and the value provided to the altered and other properties / components	The demolition of the PSB and the construction of public space in this prime downtown location will limit future potential uses of the space. This alternative allows the City to continue to take advantage of low rental rates at 65 Garry and 30 Fort, provides immediate revenue from the disposition of the non-civic land, provides additional public space and does not place additional parking burdens in the downtown area. However, the WPA will need to renovate their existing space or relocate and current challenges facing the PPD Department will not be mitigated.	7.5 / 15
	Total Score	**16.5 / 30**

Value

2. Renovate Public Safety Building, build accessory parking structure and sell residual land

Sub-criteria	Rationale	2a Score (consolidated PPD)	2b score (sale of 185 King Street)
Civic considerations	The public appetite for City-led major capital projects is currently low. Taking on significant financial risk is likely to be very unfavorable. For 2a, a case could be made for consolidation of PPD and the associated efficiencies, however, for 2b the sale of an existing site that has recently seen customization to the needs of a tenant is likely to be perceived as very wasteful. The renovation of the PSB most closely meets the needs of the heritage community, however, a full heritage recladding of the building is financially impractical and thus only minor heritage elements can be preserved.	2 / 5	1 / 5
Economic impact	The economic impact of a renovated PSB and a new private sector construction on the non-civic land is high, with significant investment in construction and the opportunity to redefine the Civic Campus area.	6 / 10	6 / 10
Maximizes the value of existing City assets and investments and the value provided to the altered and other properties / components	Existing City assets and investments are well utilized in alternative 2. 2b is relatively lower as it includes the sale of 185 King Street which is well suited to the current tenant needs. A renovated PSB building provides a high value asset for the City that maximizes the value realized by several components. 2a is relatively favorable because of the retention of 185 King Street and the significant value provided by a consolidated PPD department.	10 / 15	5 / 15
	Total Score	**18 / 30**	**12 / 30**

Value

3. Build a new civic building and accessory parking structure and sell residual land

Sub-criteria	Rationale	3a Score (consolidated PPD)	3b score (sale of 185 King Street)	3c (full consolidation)
Civic considerations	The public appetite for City-led major capital projects is currently low. A new build represents a lower risk to the City than renovation and with a proper vision could encourage a more favorable view of the neighbourhood and the civic administration. However, the demolition of a site with some heritage elements may be perceived as politically unfavorable. For 3a, a case could be made for consolidation of PPD and the associated efficiencies, however, for 3b the sale of an existing site that has recently seen customization to the needs of a tenant is likely to be perceived as very wasteful. 3c is a combination of these two and would be more difficult to justify relative to 3a.	2.5 / 5	0 / 5	1.5 / 5
Economic impact	The economic impact of a new civic building and a new private sector construction on the non-civic land is high, with significant investment in construction and the opportunity to redefine the Civic Campus area. The construction of a very large civic building accommodating all components would have the highest economic impact.	8 / 10	8 / 10	10 / 10
Maximizes the value of existing City assets and investments and the value provided to the altered and other properties / components	Existing City assets and investments are not well utilized in alternative 3. 3b and 3c also include the sale of 185 King Street which is well suited to the current tenant needs. A new civic building provides a high value asset for the City that maximizes the value realized by several components. 3a is relatively favorable because of the retention of 185 King Street and the significant value provided by a consolidated PPD department.	10 / 15	5 / 15	6.5 / 15
	Total Score	**20.5 / 30**	**13 / 30**	**18 / 30**

Value

4. Build a new elevated parking structure and sell non civic-designated land

Sub-criteria	Rationale	Score
Civic considerations	The public appetite for City-led major capital projects is currently low. However, given that the WPA would only take on this project if it were financially viable, the actual financial exposure to the City would be low. The opening of underused space to private sector development in this up-and-coming neighbourhood will likely be received very positively. The demolition of a site with some heritage elements may be perceived as politically unfavorable.	4.5 / 5
Economic impact	The economic impact of new elevated parking structure and a new private sector construction on the non-civic land is high, with significant investment in construction and the opportunity to redefine the Civic Campus area. Additionally, the addition of parking to the area may encourage additional economic development on the surrounding properties.	8 / 10
Maximizes the value of existing City assets and investments and the value provided to the altered and other properties / components	The demolition of the PSB and the construction of an elevated parking structure in this prime downtown location will limit future potential uses of the space. This alternative allows the City to continue to take advantage of low rental rates at 65 Garry and 30 Fort, provides immediate revenue from the disposition of the non-civic land, alleviates parking burdens in the downtown area, and provides the WPA with a higher quality and purpose-build space.	8.5 / 15
	Total Score	**21 / 30**

Downtown Revitalization

1. Demolish Public Safety Building to create public space and sell non civic-designated land

Sub-criteria	Rationale	Score
Meets urban design criteria	The development of a public space should meet all urban design criteria, as it relates to edge condition to streets and adjacent facilities, pedestrian and vehicular corridors, view sheds to key sites and buildings, maintaining porosity of the larger walkable context (i.e. maintaining the intersection of travel paths) and most importantly, safety through CPTED principles – Crime Prevention Through Environmental Design. Demolition of PSB and redevelopment of the site for public space could respond positively to the criteria consistent with *OurWinnipeg* principles. The success of Old Market Square attests to this type of site improvements. The development of a public space should address social, environmental and economic sustainability for the present users as well as the City's future users. The site location offers opportunities for cross-campus collaborations, with three potential key users, that being Red River College, City Hall and Old Market Square. While there is no proven current need for public space at this location, there may still be an opportunity to create something unique that if programmed properly could provide a valuable amenity to the neighbourhood. Additionally, as the area densifies the demand for public spaces could also increase.	11 / 15
Public benefit and potential synergies with adjacent properties	For this particular site, the community demand is not yet evident, as the future development of the neighbouring civic parkade site is unknown but could prove to be instrumental and supportive of a vibrant and safe public space.	6 / 10
	Total Score	**17 / 25**

Downtown Revitalization

2. Renovate Public Safety Building, build accessory parking structure and sell residual land

Sub-criteria	Rationale	Score
Meets urban design criteria	The renovation of the PSB will have some challenges as it relates to the urban design criteria based on its current footprint and street treatment. However through design, the renovation could respond more appropriately to the edge condition with properly-scaled streetscaping and improved wayfinding strategies. Depending on the extent of the renovations, this option could significantly enhance building transparency/active edges and pedestrian comfort. This option may also offer the opportunity to recognize the historical importance of the building. Renovation of the PSB is in line with the goal to increase downtown intensification, as it would improve existing crumbling infrastructure while centralizing and accommodating civic services near City Hall. The relocation of civic services (i.e. PPD, WPA, etc.) to the renovated PSB could support a campus-style approach thereby creating a civic core where citizens have access at to all City resources, further defining programmatically “A City that Works”. The renovation of the PSB, including the redesign of the façade treatment, could have a positive impact on the overall fabric of the civic core and overall downtown area. There is a great opportunity for positive change in the area, while redefining an icon with associated stigma.	8 / 15
Public benefit and potential synergies with adjacent properties	The renovation of the existing PSB provides an opportunity for repurpose of infrastructure which needs to remain civic, in purpose, and could improve internal efficiencies for the City of Winnipeg services and staff. However, the renovation of the PSB provides the fewest opportunities to develop a vision for the surrounding area and may impede the ability to effectively market and develop the entire property.	4 / 10
	Total Score	**12 / 25**

Downtown Revitalization

3. Build a new civic building and accessory parking structure and sell residual land

Sub-criteria	Rationale	Score
Meets urban design criteria	Building a new civic building offers opportunities to improve the urban environment at this site. Observing best practices in urban design, new development could respond more appropriately to the surrounding context, accommodating the neighbourhood needs in a combination of forecourt/public space and new building. This option could best capitalize on the opportunity to animate the facades of the building at street level with accessible commercial/office space. Building a new civic building could maintain efficient use of the designated land for civic purposes. The new facility could also respond more appropriately (i.e. design to a specific sq. ft.) to meet the needs of civic services requiring new office space rather than relocating departments who don't have a specific need for renovated space. Economic sustainability is at the forefront of a new build.	12 / 15
Public benefit and potential synergies with adjacent properties	There is no evident need for a new civic building to replace the existing PSB. Nonetheless, a new build provides an opportunity to change the overall look and feel of the site and build new to specific needs with no redundancies or excesses. Relocating a civic service department, who have very specific needs/requirements (i.e. WPA), to a new building facilitates meeting those needs in comparison to designing within a renovated facility. A purpose built facility that is linked to an overall development strategy for the full property provides the best opportunity to create a compelling case for private sector development.	8 / 10
	Total Score	**20 / 25**

Downtown Revitalization

4. Build a new elevated parking structure and sell non civic-designated land

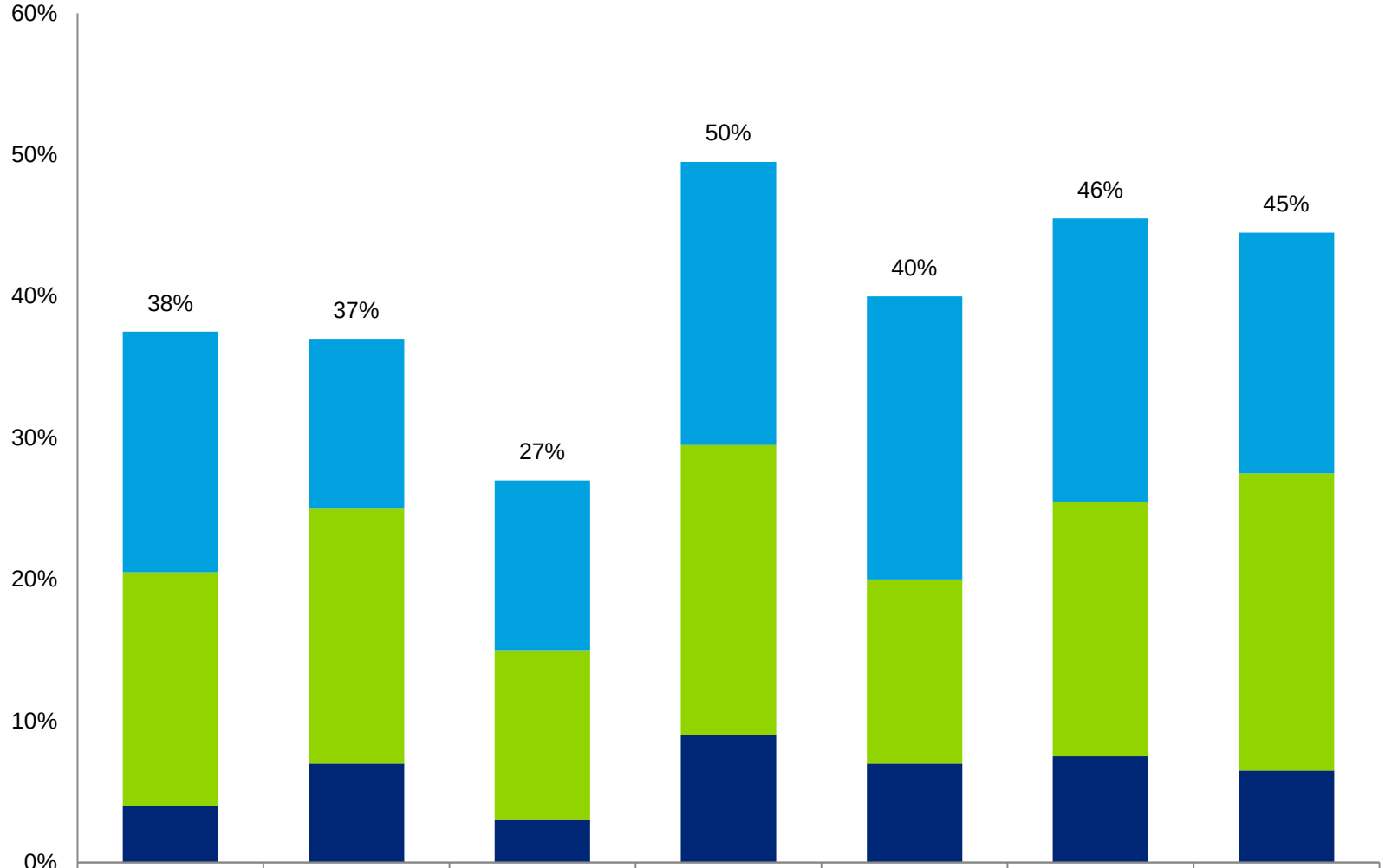
Sub-criteria	Rationale	Score
Meets urban design criteria	Building a new elevated parking structure offers opportunities to improve the urban environment at this site. Observing best practices in urban design, new development could respond more appropriately to the surrounding context, accommodating the neighbourhood needs in a combination of forecourt/public space and new building. This option could effectively capitalize on the opportunity to animate the facades of the building at street level with accessible space for the Winnipeg Parking Authority.	10 / 15
Public benefit and potential synergies with adjacent properties	There is some need for a new elevated parking structure to replace the existing CCCP. A new build further provides an opportunity to change the overall look and feel of the site and build new to specific needs with no redundancies or excesses. Relocating the Winnipeg Parking Authority to a new building facilitates meeting those needs in comparison to designing within a renovated facility. A purpose built facility that is linked to an overall development strategy for the full property provides a strong opportunity to create a compelling case for private sector development.	7 / 10
	Total Score	**17 / 25**

Evaluation of alternatives

Non-financial evaluation

Based on the 65% non-financial evaluation criteria of value, needs and Downtown Revitalization, four alternatives present comparable opportunities for the City.

The subsequent financial evaluation builds upon this evaluation to provide an overall assessment of the alternatives.



	1	2a	2b	3a	3b	3c	4
Downtown revitalization (25)	17%	12%	12%	20%	20%	20%	17%
Value (30)	17%	18%	12%	21%	13%	18%	21%
Needs (10)	4%	7%	3%	9%	7%	8%	7%
Total	38%	37%	27%	50%	40%	46%	45%

Financial Evaluation

Assumptions

The costs evaluation drew upon a range of costing documents provided by the City and some independent estimates. The core assumptions are captured in the following tables:

Input	Value	Unit
Renovation hard cost	$ 180.00	per square foot
PSB exterior square feet	58,109	Sf
PSB cladding cost	$ 150.00	per exterior sf
New construction hard cost	$ 281.00	per square foot
Parking garage retail hard cost	$ 190.00	per square foot
Parking garage hard cost open air multi-level	$ 29,000.00	per stall
Parking garage architectural features	$ 3,000,000.00	
Parking garage control equipment	$ 375,000.00	
Renovation contingency	12.50%	of hard cost
New construction contingency	7.50%	of hard cost
LEED certification	6.00%	of hard cost
Furniture/fixtures/equipment and relocation	5.00%	of hard cost
Consultants/management fees, surveys, disbursements	12.00%	of sum of costs above
Finance and administration	3.00%	of sum of costs above
New construction rentable gross up factor	15.00%	of useable
New construction gross exterior gross up factor	20.00%	of useable
PSB decommissioning	$ 925,000.00	
PSB demolition	$ 4.60	per square foot
PSB building systems retrofit: boiler	$ 606,000.00	
PSB building systems retrofit: UPS	$ 862,000.00	
PSB renovation - operating costs per square foot	$ 13.00	per square foot
PSB new build - operating costs per square foot	$ 12.50	per square foot
PSB capital reserve	1.00%	replacement cost
Parkade demolition decommissioning	$ 590,000.00	
Parkade demolition	$ 960,000.00	
Parkade land remediation	$ 750,000.00	

Financial Evaluation

Assumptions (continued)

Input	Value	Unit
Data network restructuring under renovation	$ 150,000.00	
Data network restructuring for new build and green space	$ 300,000.00	
Parkade operating costs	$ 1,012.00	per stall
Parkade capital reserve	1.00%	replacement cost
Parkade land: proceeds from disposition	$ 55.00	per square foot
Parkade land: incremental property tax	$ 1.22	per square foot
Parkade land: incremental business tax	$ 0.86	per square foot
Department consolidation operational	$ 155,300.00	
Public space development	$ 39.45	per square foot
Ongoing public space maintenance	$ 2.00	per square foot
Public space capital reserve	1.00%	replacement cost
185 King sale proceeds	$ 8,250,000.00	
185 King tax revenue	$ 71,316.00	
185 King business tax	$ 57,525.00	
PSB: surplus tower office space lease rate	$ 10.00	per square foot
PSB: surplus tower office space vacancy rate	20.00%	
Commercial space lease rate	$ 15.00	per square foot
Commercial space lease rate increases	2%	per year inflated every 5 years
Commercial space operating costs	$ 13.00	per square foot
Commercial space vacancy allowance	15.00%	
Commercial space tenant inducement	$ 20.00	per square foot
Commercial space leasing cost	$ 0.50	per square foot
Standard cost escalation	2.00%	
Discount rate	5.00%	
PST	8.00%	

Financial Evaluation

Present value of cash flows (20 years)

A 20-year PV of cash flows has been calculated for each of the six sub-alternatives. Options 1 and 4 are the only options that result in a positive NPV whereas the other options have a much larger component of space allocated to accommodate municipal staff and the negative NPV's partially reflect the cost of these staff moving to higher quality space. For Option 4 specifically, there are other metrics that should also be considered, such as a return on investment, as achieving a positive NPV does not necessarily indicate a financially prudent decision.

	1	2a	2b	3a	3b	3c	4
Upfront capital costs	$ 5,943,322	$ 65,917,749	$ 64,907,679	$ 46,568,956	$ 43,791,130	$ 73,863,178	$ 34,714,473
Ongoing operating and other costs (net)	$ 1,837,901	$ 13,838,794	$ 34,907,864	$ (6,308,044)	$ 12,648,161	$ 443,749	$ 17,449,691
Revenues	$ 8,093,553	$ 20,528,860	$ 34,545,203	$ 3,429,657	$ 15,304,261	$ 15,304,261	$ 40,854,991
Net present value	$ 2,874,000	$ (41,257,000)	$ (57,825,000)	$ (21,671,000)	$ (36,824,000)	$ (40,597,000)	$ 7,668,000

Notes:

(1) Consolidation efficiencies have only been reflected in scenarios which contemplate PP&D consolidation.

(2) Present Values as calculated above have not been risk-adjusted.

(3) Ongoing operating costs for status quo PSB and Parkade have been excluded.

(4) Each option includes a cost to build parking sufficient to meet the needs of the tenants. It is assumed that in Option 2b, 3b and 3c, the City would have to give up their leased underground parking spaces when they sell 185 King in order for the purchaser to have sufficient parking.

(5) Debt financing assumed only to be required for Capital Costs. Operating costs are assumed to be internally funded by the City without additional borrowing costs.

(6) Full balance of debt financing assumed to obtained in Year 1, with financing fees incorporated into the borrowing rate used (3.60%). Debt is assumed to be repaid through fixed monthly payments over a 40-year term. The "terminal value" reflects the repayment of the outstanding debt principal balances at the end of Year 20.

(7) Disposal values for surplus land and 185 King are assumed to include transaction/disposition costs.

(8) Terminal value has been calculated to reflect the present value of the incremental operating cash flows which are expected to occur beyond the 20-year forecast period. This calculation assumes the year 20 operating cash flows will continue into perpetuity, with 2% inflationary increases per annum.

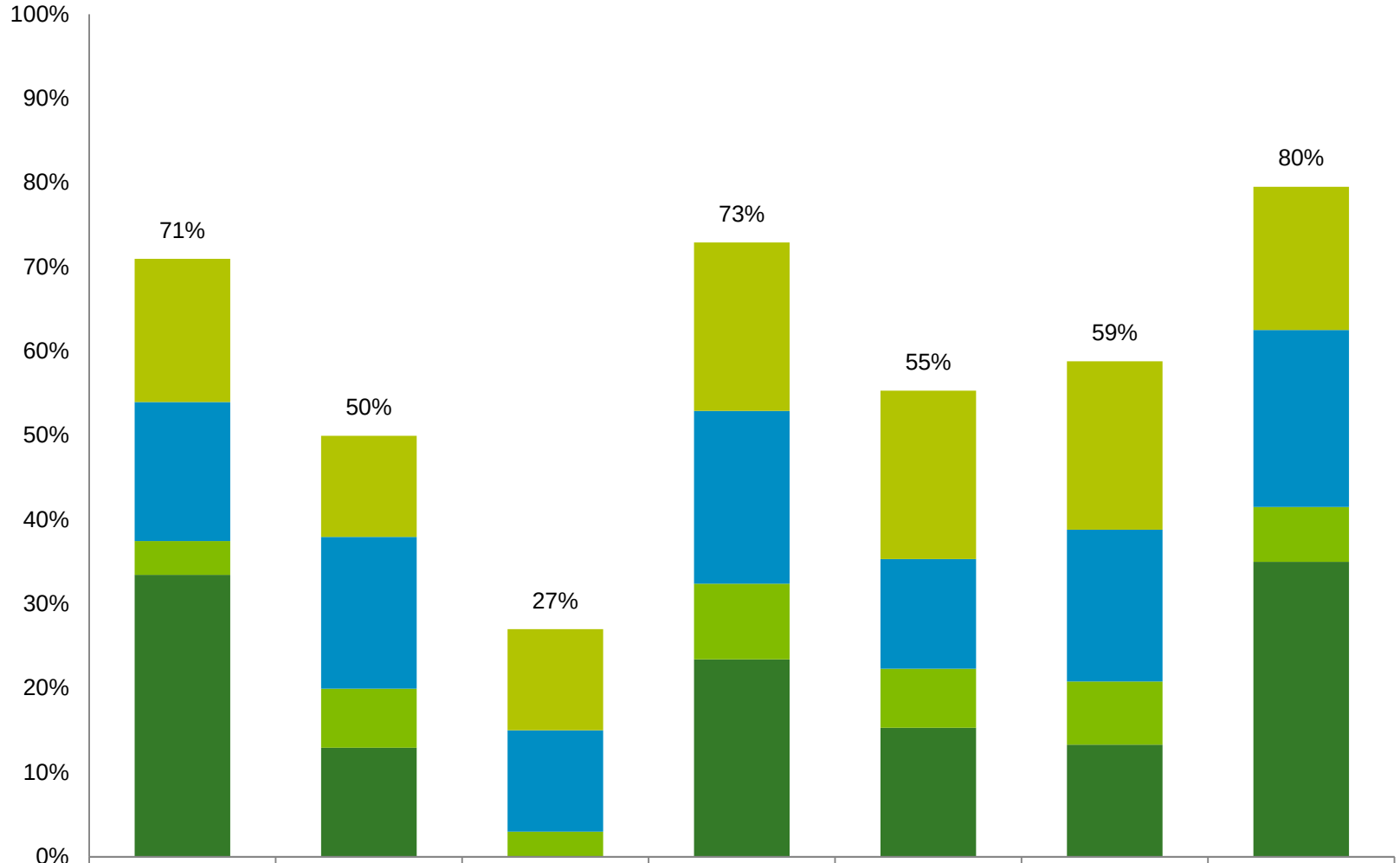
(9) PST added to upfront development costs; assumed all other cost estimates include PST and any other applicable taxes.

Evaluation of alternatives

Full evaluation

Based on the evaluation, the highest scoring alternatives were:

- **Alternative 1 -** Demolish Public Safety Building to create public space and sell non civic-designated land
- **Alternative 3a -** Build new civic building for PPD and WPA and sell non civic-designated land
- **Alternative 4 -** Demolish Public Safety Building to create elevated parking garage and sell non civic-designated land



	1	2a	2b	3a	3b	3c	4
Downtown revitalization (25)	17%	12%	12%	20%	20%	20%	17%
Value (30)	17%	18%	12%	21%	13%	18%	21%
Needs (10)	4%	7%	3%	9%	7%	8%	7%
Financial (35)	33%	13%	0%	23%	15%	13%	35%
Total	71%	50%	27%	73%	55%	59%	80%

Next steps

Next steps

Based on the evaluation completed, there are three potential alternatives that the City should complete further analysis on:

A. **Large public space**: includes the development of public space and the sale of surplus land

B. **Civic Campus**: includes the development of a small public space, the construction of a new building for PPD, the construction of a small 95-stall parking structure with office space at grade for WPA and the sale of surplus land

C. **Large parking structure**: includes the development of a small public space, the construction of a 520-stall parking structure with office space at grade for WPA and the sale of surplus land

These alternatives represent high level concepts that will have to be refined after further analysis. The land allocated to certain uses and the size of buildings may change which will have a direct effect on the qualitative and quantitative financial evaluation.

Additionally, three other important considerations should be factored in during further design/evaluation of the three potential alternatives.

Winnipeg Parking Authority

- The Civic Campus alternative includes the construction of a parking structure to accommodate the needs of the tenants in the building. This has been modelled as an above-ground structure with the same footprint as the proposed James Ave parkade, which allows for the WPA to complete an independent business case to justify the construction of additional spaces in this new structure. The Civic Campus alternative, proposed to accommodate only tenant demand, does not represent the best use of the land given the large footprint for the parking; we strongly encourage the WPA to consider the construction of a larger structure, if financially feasible. Note, alternative (B) was developed as such to demonstrate sole accommodation of business-critical parking requirements for the day to day operations of PPD and WPA and to identify associated infrastructure cost. Amending (increasing) parking accommodation may have a material impact on the projected NPV. If there is no business case to build additional parking in this space, it may then be advisable to either build parking underneath the new civic building or to decrease the footprint of the elevated structure to allow for more land to be sold to the private sector.

CentreVenture

- Each of these alternatives includes the sale of a significant portion of currently City-owned land. As part of this Evaluation, a preliminary meeting with CentreVenture was conducted to understand this potential role based on their involvement in similar exercises that the City has undertaken. The City may wish to further consult with CentreVenture to assess the impact that each alternative would have on the ability to market the surplus land and/or develop a broader strategy for these key West Exchange parcels of land.

Asset Management Policy and Investment Planning Process

- The City of Winnipeg is implementing a rigorous asset management framework designed to evaluate proposed investments by the City. The cost estimates as part of this Evaluation are Class 4 and an additional level of detail will need to be developed prior to assessing the chosen alternative against other City initiatives through the Asset Management Policy and Investment Planning Process.



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