Minute No. 400
Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

Item No. 9 Acquisition and License of a portion of the Manitoba Hydro transmission corridor for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project

COUNCIL DECISION:

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

1. That the City enter into a Purchase and Sale Agreement for the acquisition of a portion of the Manitoba Hydro ("Hydro") transmission corridor, for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project ("Project") in accordance with the terms and conditions set out in Schedule "A" as shown on the attached Misc. Plans for the maximum purchase price of $19,000,000 or $20,400,000 (depending on the selection of alignment Option A or B by the Proponent) plus G.S.T., and such other ancillary agreements as necessary to complete this transaction or as may be determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing, subject to the following amendment:

   A. Delete "Misc. Plan No. 14845/1", and replace with "Misc. Plan No. 14845/2", and amend such references in the Appendix, Schedule "A", and Schedule "C" accordingly.

2. That the Chief Administrative Officer be delegated the authority to negotiate the sale price of the streets identified as "City Street R.O.W. for Manitoba Hydro" on the map attached as Schedule "D", subject to Council closing the streets and declaring the lands surplus to the City's needs, in order to reduce the maximum purchase price identified in Recommendation 1.

3. That the City enter into a License Agreement(s) with Hydro for a 34-year term for facilities related to the transitway, including park/kiss & rides, drainage facilities, active transportation paths/lighting and Brenda Leipsic Dog Park in accordance with the terms and conditions set out in Schedule "B".

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

COUNCIL DECISION (continued):

4. That the authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Purchase and Sale Agreement, Indemnity Agreement, the License Agreement(s) and such other agreements as may be required in accordance with this report and upon such other terms and conditions determined necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

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

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

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

MOTION 3

In amendment,

Moved by Councillor Lukes,
Seconded by Councillor Wyatt,

WHEREAS the City of Winnipeg Council and Manitoba Hydro cannot agree on the valuation of the Hydro transmission corridor lands for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project;

AND WHEREAS Manitoba Hydro is a Crown Corporation and its lands cannot be expropriated;

AND WHEREAS Manitoba Hydro as a Crown Corporation has the power to acquire, take and expropriate lands;

AND WHEREAS with great power comes great responsibility to act in a fair and equitable manner and in the best interest of the public;

AND WHEREAS there should be a process of oversight at the Provincial level to ensure that with the actions of Crown Corporations, public good and the public interest is protected;

THEREFORE BE IT RESOLVED THAT Recommendations 1 to 5 of the Report of the Standing Policy Committee on Property and Development, Heritage and Downtown Development dated June 7, 2016 be deleted and replaced with the following:

1) The City of Winnipeg suspend any decision on acquiring the Hydro corridor lands and starting the Rapid Transit project and request the Province of Manitoba act in an expeditious manner to establish a binding process of mediation / arbitrations to fairly and equitably resolve the value of the transmission corridor lands;

2) That upon the establishment of said process that the City start the project and set aside $20.4M in cash or letter of credit in trust to allow the arbitration to run in parallel to the project construction.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY (continued):

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

MOTION 4
Moved by Councillor Lukes,
Seconded by Councillor Wyatt,

WHEREAS the City of Winnipeg Council and Manitoba Hydro cannot agree on the valuation of the Hydro transmission corridor lands for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project;

AND WHEREAS Manitoba Hydro is a Crown Corporation and its lands cannot be expropriated;

AND WHEREAS Manitoba Hydro as a Crown Corporation has the power to acquire, take and expropriate lands;

AND WHEREAS with great power comes great responsibility to act in a fair and equitable manner and in the best interest of the public;

AND WHEREAS there should be a process of oversight at the Provincial level to ensure that with the actions of Crown Corporations, public good and the public interest is protected;

THEREFORE BE IT RESOLVED:

1) That Council suspend any decision on acquiring the Hydro transmission corridor lands and lay over indefinitely the Report of the Standing Policy Committee on Property and Development, Heritage and Downtown Development dated June 7, 2016 entitled "Acquisition and License of a portion of the Manitoba Hydro transmission corridor for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project" (the "Original Report").

2) That the City request the Province of Manitoba to act in an expeditious manner to establish and commence a binding process of mediation / arbitration to fairly and equitably resolve the value of the Hydro transmission corridor lands, which process must be binding on both the City and Manitoba Hydro and must include a binding requirement for the land purchase and sale to close at the mediated / arbitrated price.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY (continued):

3) That upon the establishment of said process, the City proceed with the project and set aside $20.4M in cash or letter of credit in trust to allow the mediation / arbitration to run in parallel with the project construction.

4) That in the event the Province of Manitoba declines to establish a binding process of mediation / arbitration as requested, Council consider the Original Report at its next regular meeting, or any such special meeting called for this purpose.

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

With the concurrence of the seconder, Councillor Wyatt, and with the permission of Council, Councillor Lukes withdrew Motions 3 and 4.

MOTION 6
Moved by Councillor Lukes,
Seconded by Councillor Wyatt,

WHEREAS the City of Winnipeg Council and Manitoba Hydro cannot agree on the valuation of the Hydro transmission corridor lands for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass project;

AND WHEREAS Manitoba Hydro is a Crown Corporation and its lands cannot be expropriated;

AND WHEREAS Manitoba Hydro as a Crown Corporation has the power to acquire, take and expropriate lands;

AND WHEREAS with great power comes great responsibility to act in a fair and equitable manner and in the best interest of the public;

AND WHEREAS there should be a process of oversight at the Provincial level to ensure that with the actions of Crown Corporations, public good and the public interest is protected;

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY (continued):

THEREFORE BE IT RESOLVED:

1) That Council suspend any decision on acquiring the Hydro transmission corridor lands and lay over indefinitely the Report of the Standing Policy Committee on Property and Development, Heritage and Downtown Development dated June 7, 2016 entitled "Acquisition and License of a portion of the Manitoba Hydro transmission corridor for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project" (the "Original Report").

2) That the City request the Province of Manitoba to act in an expeditious manner to establish and commence a binding process of mediation / arbitration to fairly and equitably resolve the value of the Hydro transmission corridor lands, which process must be binding on both the City and Manitoba Hydro and must include a binding requirement for the land purchase and sale to close at the mediated / arbitrated price.

3) That upon the establishment of said process the City proceed with the project and set aside $20.4M in cash or letter of credit on account of a maximum purchase price to allow the mediation / arbitration to run in parallel with the project construction.

4) That in the event the Province of Manitoba declines to establish a binding process of mediation / arbitration as requested, Council consider the Original Report at its next regular meeting, or any such special meeting called for this purpose.

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

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY (continued):

MOTION 7
Moved by Councillor Browaty,
Seconded by Councillor Dobson,

WHEREAS the cost of Stage 2 of the SW Rapid Transit line (including the widening of Pembina Highway at Jubilee and certain land drainage improvements) is estimated to be $590 million;

AND WHEREAS the City of Winnipeg's infrastructure deficit of existing infrastructure is estimated in the billions of dollars;

AND WHEREAS the operational improvements and increased passenger load levels are expected to be minimal.

THEREFORE BE IT RESOLVED THAT Recommendations 1 to 5 of the Report of the Standing Policy Committee on Property and Development, Heritage and Downtown Development dated June 7, 2016 be deleted and replaced with the following:

1) The City of Winnipeg cancel all aspects of Stage 2 of the SW Rapid Transit project (and associated works);

2) The Public Works Department prepare projects on existing regional and local streets, for council approval, to invest the City's portion of the project's funding;

3) The Public Service work with provincial and federal partners to re-allocate funding towards existing regional and local streets AND/OR Transit system improvements AND/OR Water/Sewer system improvements AND/OR other projects consistent with Council's Transportation Master Plan;

4) That the Proper Officials of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY (continued):

MOTION 8
Moved by Councillor Wyatt,
Seconded by Councillor Schreyer,

THAT Resolve 3 of Motion 7 Moved by Councillors Browaty and Dobson be replaced with the following:

3) The Public Service work with provincial and federal partners to re-allocate funding towards existing regional and local streets AND/OR Transit system improvements AND/OR Water/Sewer system improvements AND/OR to begin the funding for preliminary design required for Winnipeg's first light rail transit (LRT) corridor/system AND/OR other projects consistent with Council's Transportation Master Plan;

The Speaker ruled the motion out of order in accordance with Rule 27 of the Procedure By-law in that 2 motions amending the item were already being debated.

Moved by Councillor Wyatt,
That Rule 27 of the Procedure By-law be suspended to allow Council to consider more than two amendments to the item.

The motion to suspend the rule was put.

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

Yea: Councillors Dobson, Eadie, Schreyer and Wyatt. 4

Nay: His Worship Mayor Bowman, Councillors Allard, Browaty, Gerbasi, Gillingham, Gilroy, Lukes, Mayes, Morantz, Orlikow, Pagtakhan and Sharma. 12

The motion to suspend the rule was declared lost and the motion was ruled out of order.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY (continued):

The Speaker called the question on Motion 7, moved by Councillor Browaty and Seconded by Councillor Dobson.

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

Yea: Councillors Browaty, Dobson, Gillingham, and Schreyer 4

Nay: His Worship Mayor Bowman, Councillors Allard, Eadie, Gerbasi, Gilroy, Lukes, Mayes, Morantz, Orlikow, Pagtakhan, Wyatt and Sharma. 12

and Motion 7 was declared lost.

Motion 6, moved by Councillor Lukes and Seconded by Councillor Wyatt, was put.

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

Yea: Councillors Dobson, Lukes, Wyatt and Sharma. 4

Nay: His Worship Mayor Bowman, Councillors Allard, Browaty, Eadie, Gerbasi, Gillingham, Gilroy, Mayes, Morantz, Orlikow, Pagtakhan and Schreyer. 12

and Motion 6 was declared lost.

The motion for the adoption of the item was put.

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

Yea: His Worship Mayor Bowman, Councillors Allard, Browaty, Eadie, Gerbasi, Gilroy, Mayes, Morantz, Orlikow, Pagtakhan, and Sharma. 11

Nay: Councillors Dobson, Gillingham, Lukes, Schreyer and Councillor Wyatt. 5

and the item was declared carried.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 7, 2016

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 8, 2016, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development, with the following amendments, namely:

- Add the following to Recommendation No. 1:

  ", subject to the following amendment:

  A. Delete "Misc. Plan No. 14845/1", and replace with "Misc. Plan No. 14845/2", and amend such references in the Appendix, Schedule "A", and Schedule "C" accordingly."

and submitted the matter to Council.

John Zabudney, Manager of Real Estate, Planning, Property and Development Department, submitted Misc. Plan No. 14845/2, to replace Misc. Plan No. 14845/1.

STANDING COMMITTEE RECOMMENDATION:

On June 7, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- Delete "to" after "$19,000,000" and replace it with "or" in recommendation 1.

and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Acquisition and License of a portion of the Manitoba Hydro transmission corridor for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development
Executive Policy Committee
Council

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
J. Zabudney	J. Kiernan	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That the City enter into a Purchase and Sale Agreement for the acquisition of a portion of the Manitoba Hydro ("Hydro") transmission corridor, for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project ("Project") in accordance with the terms and conditions set out in Schedule "A" as shown on the attached Misc. Plans for the maximum purchase price of $19,000,000 to $20,400,000 (depending on the selection of alignment Option A or B by the Proponent) plus G.S.T., and such other ancillary agreements as necessary to complete this transaction or as may be determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing.

2. That the Chief Administrative Officer be delegated the authority to negotiate the sale price of the streets identified as "City Street R.O.W. for Manitoba Hydro" on the map attached as Schedule "D", subject to Council closing the streets and declaring the lands surplus to the City's needs, in order to reduce the maximum purchase price identified in Recommendation 1.

3. That the City enter into a License Agreement(s) with Hydro for a 34-year term for facilities related to the transitway, including park/kiss & rides, drainage facilities, active transportation paths/lighting and Brenda Leipsic Dog Park in accordance with the terms and conditions set out in Schedule "B".

4. That the authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Purchase and Sale Agreement, Indemnity

Agreement, the License Agreement(s) and such other agreements as may be required in accordance with this report and upon such other terms and conditions determined necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

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

REASON FOR THE REPORT

While the Standing Policy Committee on Property and Development, Heritage and Downtown Development can approve acquisitions from Council-approved projects, Council approval is required for land exchange transactions and the required licenses.

EXECUTIVE SUMMARY

On June 25, 2014, Council approved Winnipeg Transit's report titled "Capital Integration Project – Southwest Transitway (Stage 2) and Pembina Highway Underpass". The Director of Planning, Property and Development was also authorized to negotiate the acquisition of land required for this project.

The Department has negotiated the proposed acquisition of a portion of the Hydro transmission corridor which is required for the Project. The Department has also negotiated licenses which are required for the Project.

The City will acquire the necessary land from Hydro for a maximum price limit of $19,000,000 to $20,400,000 (depending on the alignment option selected), and enter into a 34-year license agreement at a rent equivalent to the municipal realty taxes, education taxes and support levies for the licensed area plus a one-time recovery fee of $250,000.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory or human resources implications associated with this report.

Transit has advised there is adequate funding for the acquisition available in the Capital Budget, Account # 442-181000-420755-4230010514.

The City is a G.S.T. registrant and will self-assess G.S.T. on the acquisition price.

HISTORY/DISCUSSION

As the City cannot expropriate from Hydro, the Planning, Property & Development Department ("Department") entered into negotiations with Hydro for the acquisition and license of a portion of their existing transmission corridor required for the Project.

In January 2015, the Department and Hydro agreed to jointly rely on an independent third party appraiser ("Appraiser") to provide an estimate of the market value of the Land.

In June 2015, the Appraiser requested further clarification from the City/Hydro as to the method of valuation to be conducted, citing four different scenarios. Both the City and Hydro agreed in June 2015, by way of confirming emails, that one of the particular scenarios was the manner by which the corridor was to be valued.

On August 18, 2015, the City and Hydro received the appraisal from the Appraiser which valued the subject property at a discounted value of $4,665,000.

In January 2016, Hydro asserted that the methodology utilized by the Appraiser was not consistent with corridor valuation and injurious affection was not included in the report. Hydro asserted that injurious affection will be created once roads are closed to accommodate the transitway, resulting in land-locked parcels. The position put forward by the Public Service was that both parties had previously agreed to the Appraiser chosen and to the method of valuation, in part to avoid this exact situation.

Subsequent to the January 2016 meeting, the Appraiser confirmed that the appraisal methodology conducted was in accordance with previously agreed upon scenario and that the estimate of value of $4,665,000 remains unchanged and that the appraisal report was final.

It is noted that where a street closure injuriously impacts the owner of private land, the owner is entitled to seek compensation as outlined in Sections 136 to 147 in the City of Winnipeg Charter.

In late January 2016, Hydro engaged another independent appraiser ("2nd Appraiser"), under contract to Hydro. On April 6, 2016, Hydro provided the Public Service with the instructions given to the 2nd Appraiser as to the method of valuation of the Lands, which differed from the previously agreed to instructions with the Appraiser.

On May 11, 2016, Hydro provided the City with the 2nd Appraiser's appraisal which valued the same lands at approximately $32,000,000 to $34,000,000 (based on two different options of alignment – Option A & Option B). The appraisal included the market value of the lands plus injurious affection caused by anticipated street closures.

The significant difference in value between the two appraisals is due to three factors

1) Depending on the land use, appraisals can value corridors with discount or enhancement factors. The first appraisal considered the relationship of corridor

sales to market value, and the appraiser determined a discount factor was necessary. The second appraisal did not consider a discount factor was necessary.
2) The second appraisal relied on different sale comparables than the first appraisal which generated a higher estimate of value.
3) The second appraisal included injurious affection whereas the first appraisal did not.

The second appraisal did not explicitly state amounts for the market value of the land and injurious affection (a single estimate of value was provided), although the injurious affection accounted for a significant portion of the appraisal.

The Public Service has had several meetings with Hydro since May 11, 2016 to outline the concerns regarding the valuation and indicated the value should be substantially reduced.

Hydro provided the Public Service with a revised offer of $22,400,000 to $23,800,000 (based on the alignment Option A or B), which was later reduced on June 2, 2016 to $19,000,000 to $20,400,000, which is a maximum price limit. Hydro will reduce the acquisition price to as low as $11,725,000 to $13,125,000 if the City is able to transfer the closed portions of the streets identified on Schedule D titled "City Street R.O.W. for Manitoba Hydro", which are declared surplus to the City's needs, within 18 months of Council approval of the Purchase and Sale Agreement. The transferring of closed streets to Hydro eliminates the majority of the injurious affection claim forwarded by Hydro.

However, it is believed that only 40% (approximately) of the anticipated street closures can be transferred to Hydro. In the event that fewer streets are transferred to Hydro than those identified on Schedule D, the acquisition price will be adjusted on a formula established by the Public Service and Hydro. It is anticipated the eventual acquisition price will lie near the midpoint of the current price range of $11,725,000 to $20,400,000. The exact price cannot be established until all operational needs of the City have been identified and Council has declared the land surplus. The Public Service will endeavour to reduce the acquisition price as low as possible, without negatively impacting the transitway or other City requirements.

The Public Service has not completed an appraisal on the streets identified by Hydro, but will be in a position to comment on value once the administrative report recommending road closures (DAC) is submitted to Council in late 2016.

The Public Service advises that 18 months is a reasonable time period to transfer any closed streets that are surplus to the City's needs, subject to Council approving the street closures and declaring the property surplus. The anticipated sale of surplus land to Hydro complies with "Offers to Purchase City-Owned Property Policy" B.3 Condition 2, which was approved by Council on December 6, 2006.

The transfer of closed streets is important to Hydro in order to maintain full right of access to their facilities. Where the City retains closed streets for the transitway and related projects, Hydro's right of access can be maintained through a blanket easement agreement which is handled administratively by the Public Service.

The fee for the license areas was originally based on a percentage of the market value from the 2nd Appraisal. However, the City has successfully negotiated and Hydro has agreed to provide

the City with a 34-year license with a license fee equivalent to the City's proportionate share of municipal realty taxes, education taxes and support levies for the licensed lands, plus a one-time recovery payment to Hydro of $250,000. The Public Service does not have an estimate for the proportionate share of taxes/levies since improvements within the license areas could alter the current assessments. However, the current total tax bill for the Hydro corridor is $272,562.92. The Public Service does not anticipate the proportionate taxes for the license areas to exceed the total tax bill of $272,562.92 annually.

Agreement on price is critical to securing the lands for the Project and securing the lands is critical to satisfy Federal and Provincial funding obligations. The earliest date that Hydro could approve the acquisition through the Hydro Board is June 13, 2016.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 3, 2016

Project Name:

First Year of Program **2016**

Acquisition and License of a portion of the Manitoba Hydro transmission corridor for the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Project

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ 16,312,500	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	16,312,500	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 305,859	$ 1,174,644	$ 1,174,644	$ 1,174,644	$ 1,174,644
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 305,859	$ 1,174,644	$ 1,174,644	$ 1,174,644	$ 1,174,644
Less: Existing Budget Amounts	305,859	1,174,644	1,174,644	1,174,644	1,174,644
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures in 2016 consist of an assumed acquisition price of $16,062,500 for the Hydro corridor lands (i.e. midpoint of $11.725M & $20.4M) plus the $250,000 recovery payment. Short-term financing charges and corporate admin fees have been waived for this project. Capital expenditures are assumed to be financed by 30-year external debt. Direct costs in 2016 represent debt service costs. Beginning in 2017, direct costs consist of debt service costs of $902,081 + $272,563 in lease fees for the licensed area. For the purposes of this analysis, annual lease fees (equivalent to municipal realty taxes & education taxes/support levies) are assumed to remain constant. Debt servicing and lease costs will be charged to Transit's operating budget. Funding for the debt servicing and lease costs is provided for from the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Payment Reserve.

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

CONSULTATION

Legal Services as to legal issues.

Transit Department

OURWINNIPEG POLICY ALIGNMENT

Under section 1-1b of OurWinnipeg the following policies apply:

- Create a safe, efficient and equitable transportation system for people, goods and services.
- Create a transportation system that supports active, accessible and healthy lifestyle options.

Section 3-2b of the Complete Communities Direction Strategy identifies Rapid Transit Corridors as a "special, fourth type of corridor" that follow rapid transit lines and are characterized by nodal development at stations. The following policies apply:

- Promote corridors as a link between neighbourhood, community and regional scale centres.
- Ensure multi-modal connectivity.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate
Prepared by: Gordon Chappell, Senior Negotiator
Date: June 2, 2016
File No.: 9070/41

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Appendix

- Schedule "A" – Acquisition Terms and Conditions
- Schedule "B" – License Terms and Conditions
- Schedule "C" - Misc. Plan No.:
  14827, 14827/1, 14828/1, 14829/1, 14830, 14831/1, 14832, 14833/1, and
  - ***~~14845/1~~, 14845/2***, 14846/1, 14872 – Option A

  or
  - 14845/3, 14845/5, 14846/3 – Option B

- Schedule "D" - City Street R.O.W. for Manitoba Hydro
- Schedule "E" - License Areas

SCHEDULE "A"

Purchaser:	The City of Winnipeg (the "City")
Vendor:	Manitoba Hydro ("Hydro")
Purchase Price:	Option A: maximum price of $19,000,000 which may be reduced to as low as $11,725,000 in accordance with the street closure formula; or; Option B: maximum price of $20,400,000 which may be reduced to as low as $13,125,000 in accordance with the street closure formula.
Additional Consideration:	Subject to Council approval of street closures and declaration of surplus, the City will transfer all or part of the land identified as "City Street R.O.W. for Manitoba Hydro" attached hereto as Schedule "D" to Hydro ("Street Closure Land"). In the event that all Street Closure Land identified is transferred to Hydro, the City's Purchase Price will be reduced by $7,275,000.00. In the event that a portion of the Street Closure Land is not declared surplus to the City's needs and not transferred to Hydro, the reduction to the City's Purchase Price will be pro-rated based on a formula to be mutually agreed upon between the parties, subject to the approval of the City's Chief Administrative Officer.
Lands to be Purchased:	Option A – Misc. Plans 14827, 14827/1, 14828/1, 14829/1, 14830, 14831/1, 14832, 14833/1, ~~***14845/1,***~~ ***14845/2***, 14846/1, 14872 Option B – Misc. Plans 14827, 14827/1, 14828/1, 14829/1, 14830, 14831/1, 14832, 14833/1, 14845/3, 14845/5, 14846/3 collectively attached as Schedule "C".
Closing Date:	October 1, 2016 or a date to be mutually agreed to between the parties, to be approved by the City's Chief Administrative Officer;
Other Terms:	Subject to approval of Hydro's Board of Directors; City to pay Hydro an initial deposit of $1,000,000.00 upon City and Hydro approval and second deposit of an amount equal to half the purchase price prior to City access to the Lands to be Purchased.

Indemnity Agreement for City to indemnify Hydro for claims for compensation, costs, damages or expenses incurred by any Tenants currently on the Hydro Lands or whose leases are affected by this transaction;

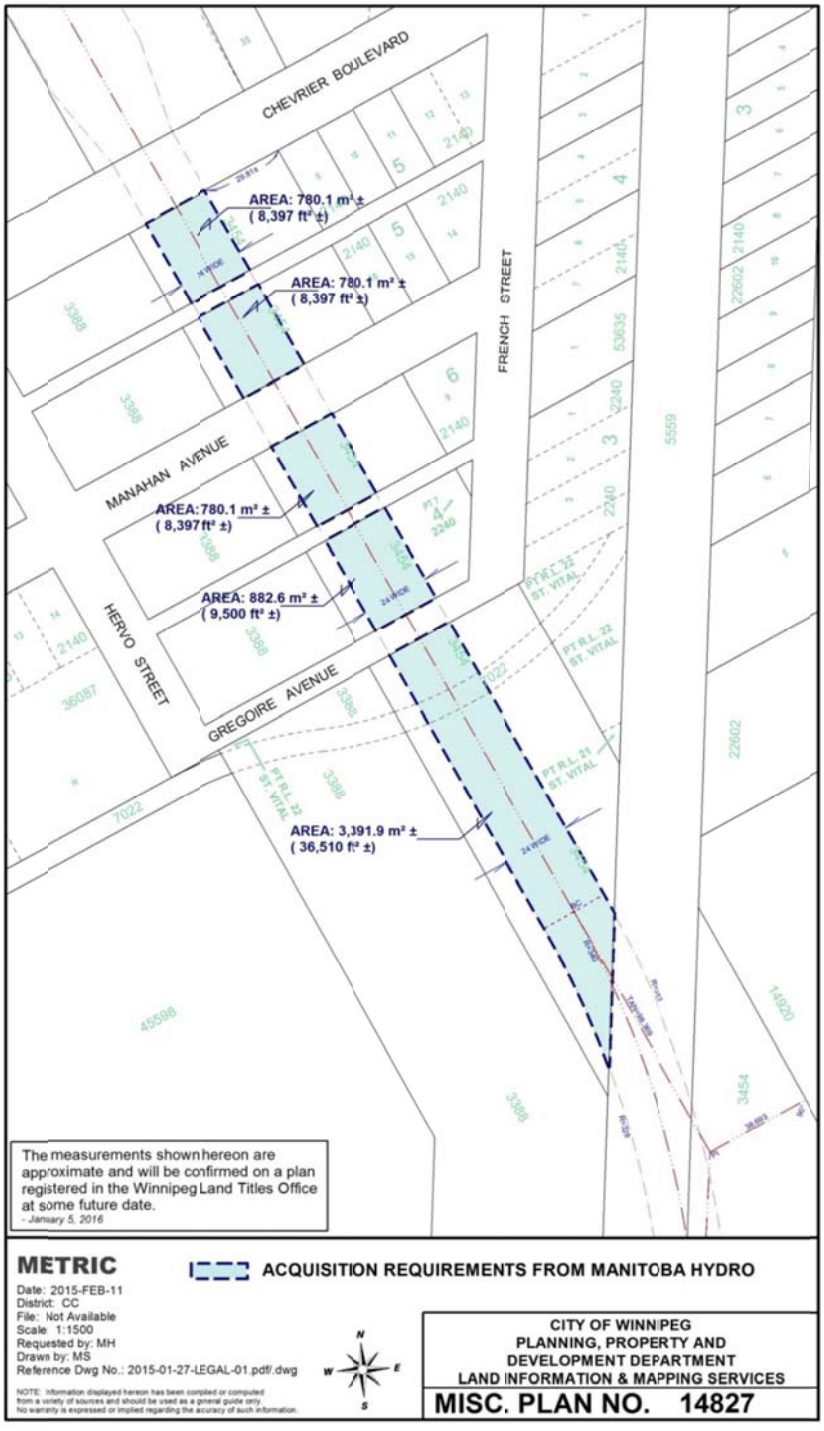
City to grant blanket easements to Hydro over the Lands to be Purchased for Hydro's infrastructure and access thereto and the City to be responsible for all costs associated therewith;

City to grant blanket easements to Hydro over the Street Closure Land that is not transferred to Hydrofor Hydro's infrastructure and access thereto and the City to be responsible for all costs associated therewith.

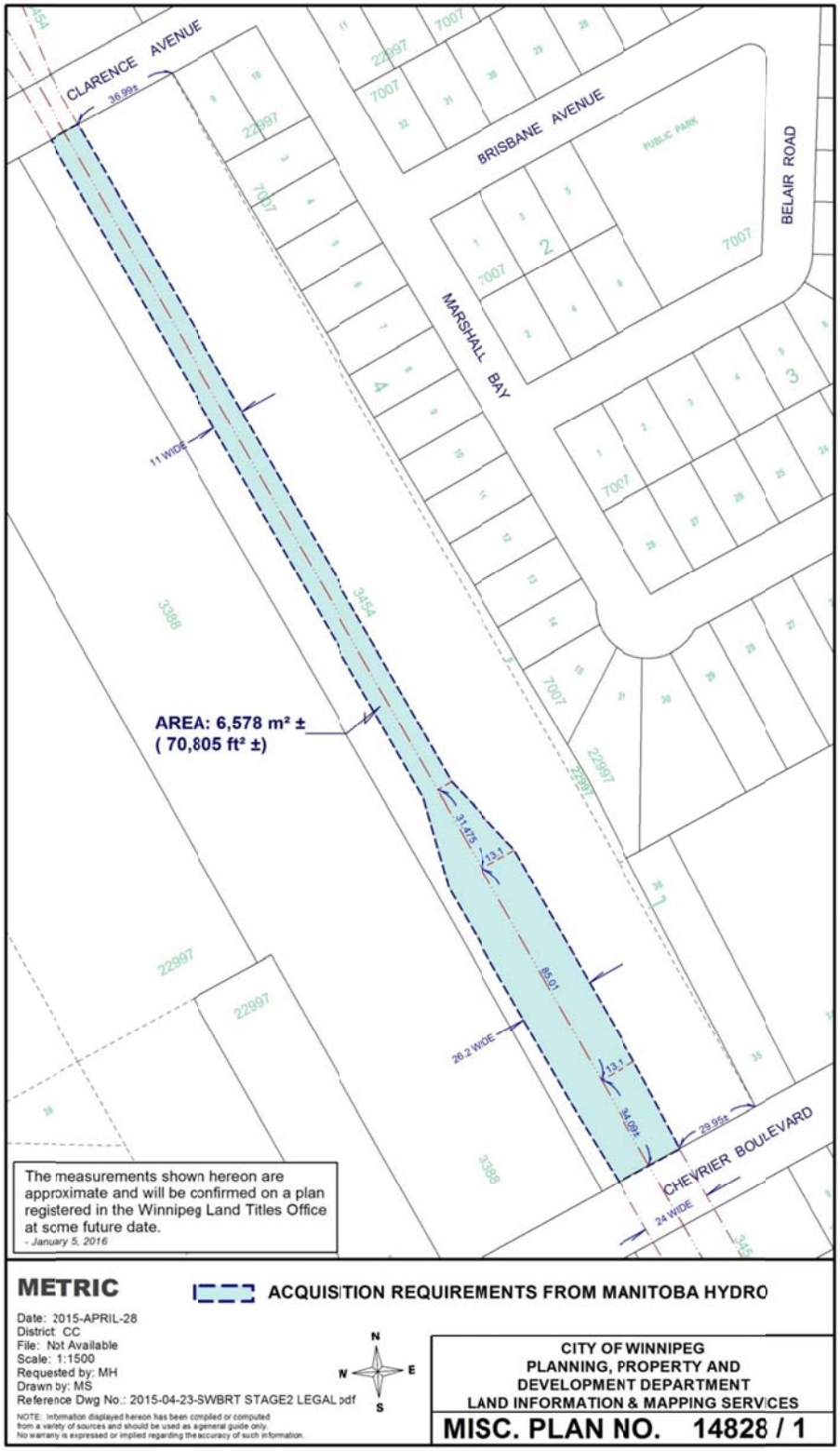
Schedule "B"

Licensor:	The City of Winnipeg ("City")
Licensee:	Manitoba Hydro ("Hydro")
Licensed Area(s):	Approximately the shaded area identified in MH-02 and MH-03 attached hereto as Schedule "E". The final Licensed Area will be mutually agreed to between Hydro, the City and Project Co., subject to the approval of the City's Chief Administrative Officer
License Fee:	One-time License Fee of $250,000.00; and Annual License Fee in an amount equivalent to the realty taxes of the Licensed Area(s);
Term:	34 years commencing July 1, 2016
Other Terms:	The Licensed Area(s) may be subject to development restrictions. The City is required to submit all development plans for the Licensed Area to Hydro for approval.

Schedule "C"


CHEVRIER BOULEVARD
FRENCH STREET
MANAHAN AVENUE
HERVO STREET
GREGOIRE AVENUE
AREA: 780.1 m² ±
(8,397 ft² ±)
AREA: 780.1 m² ±
(8,397 ft² ±)
AREA:780.1 m² ±
(8,397ft² ±)
AREA: 882.6 m² ±
(9,500 ft² ±)
AREA: 3,391.9 m² ±
(36,510 ft² ±)
PT R.L. 33 ST. VITAL
PT R.L. 22 ST. VITAL
PT R.L. 21 ST. VITAL
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-FEB-11
District: CC
File: Not Available
Scale 1:1500
Requested by: MH
Drawn by: MS
Reference Dwg No.: 2015-01-27-LEGAL-01.pdf/.dwg
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14827


CHEVRIER BOULEVARD
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
FRENCH STREET
AREA: 454.7 m² ±
(4,395 ft² ±)
MANAHAN AVENUE
AREA: 595 m² ±
(6,405 ft² ±)
HERVO STREET
GREGOIRE AVENUE
PT R.L. 22 ST. VITAL
PT R.L. 21 ST. VITAL
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-APRIL-8
District: CC
File: Not Available
Scale: 1:1000
Requested by: MH
Drawn by: MS
Ref. Dwg No.: 2015-01-27-LEGAL-01-Lease-Hydro-Land.pdf
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14827 / 1


CLARENCE AVENUE
36.99±
BRISBANE AVENUE
PUBLIC PARK
BELAIR ROAD
MARSHALL BAY
11 WIDE
AREA: 6,578 m² ±
(70,805 ft² ±)
31.475
13.1
85.01
26.2 WIDE
13.1
34.99±
29.95±
CHEVRIER BOULEVARD
24 WIDE
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-APRIL-28
District: CC
File: Not Available
Scale: 1:1500
Requested by: MH
Drawn by: MS
Reference Dwg No.: 2015-04-23-SWBRT STAGE2 LEGAL.pdf
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
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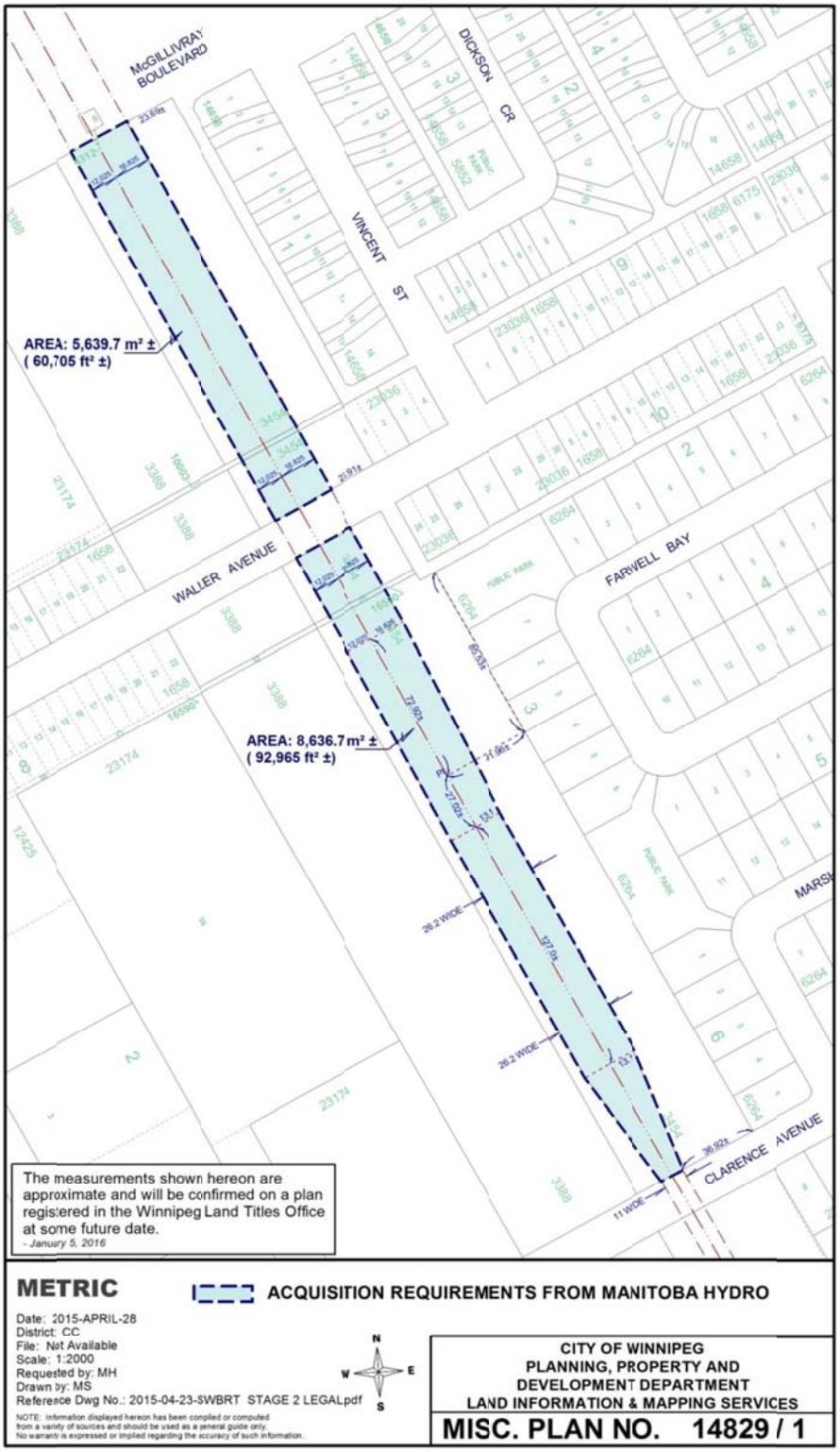
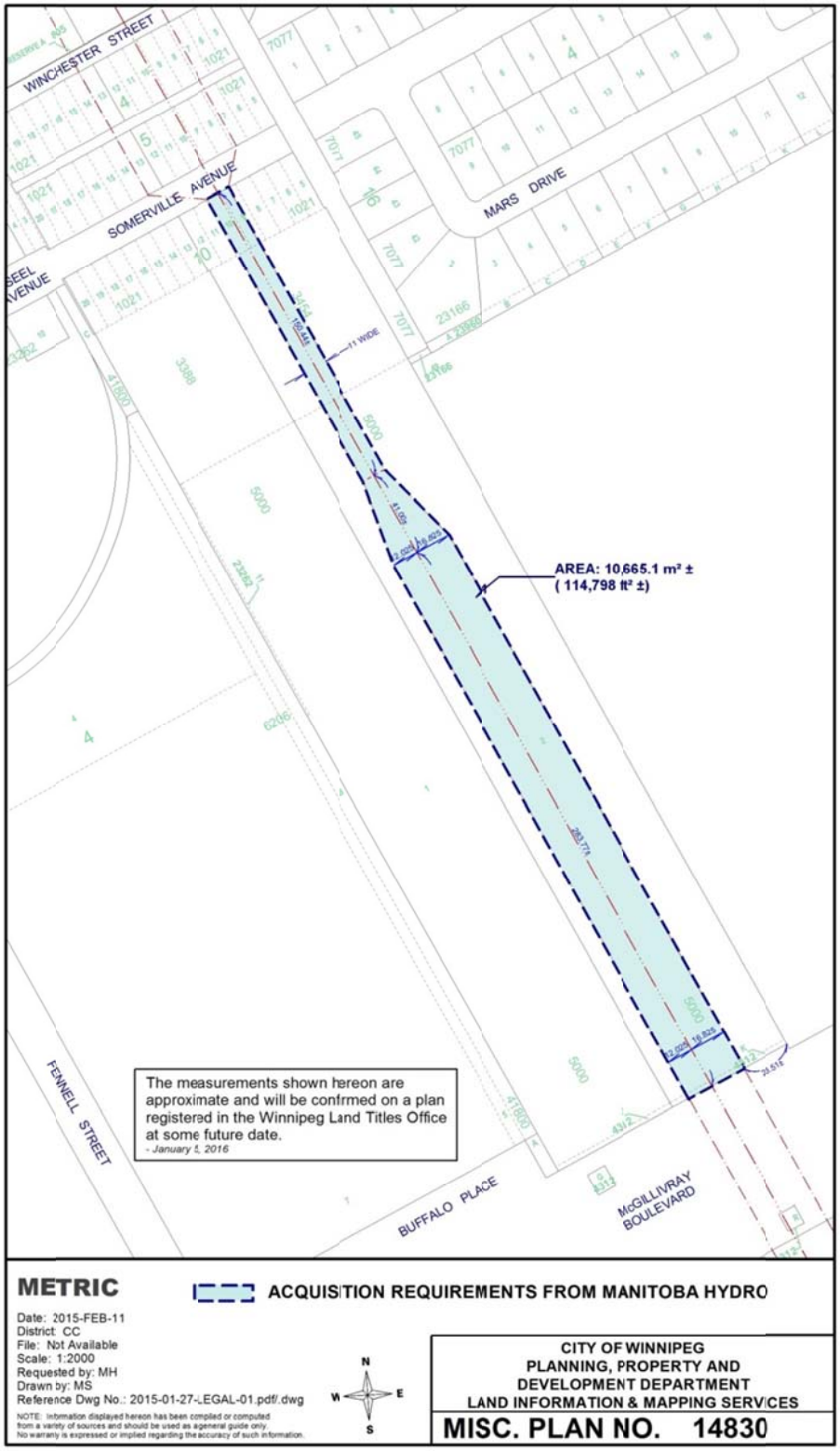
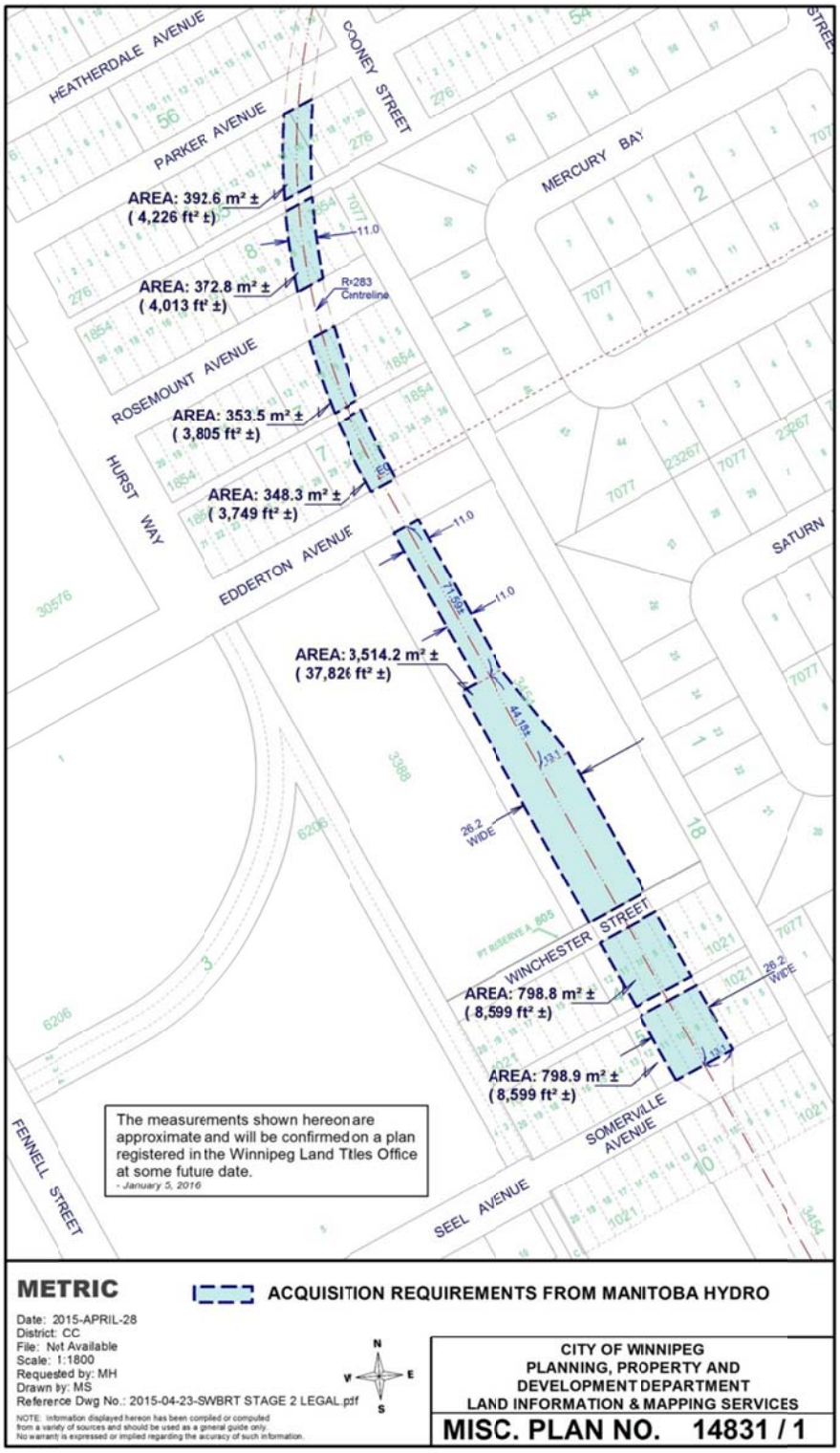
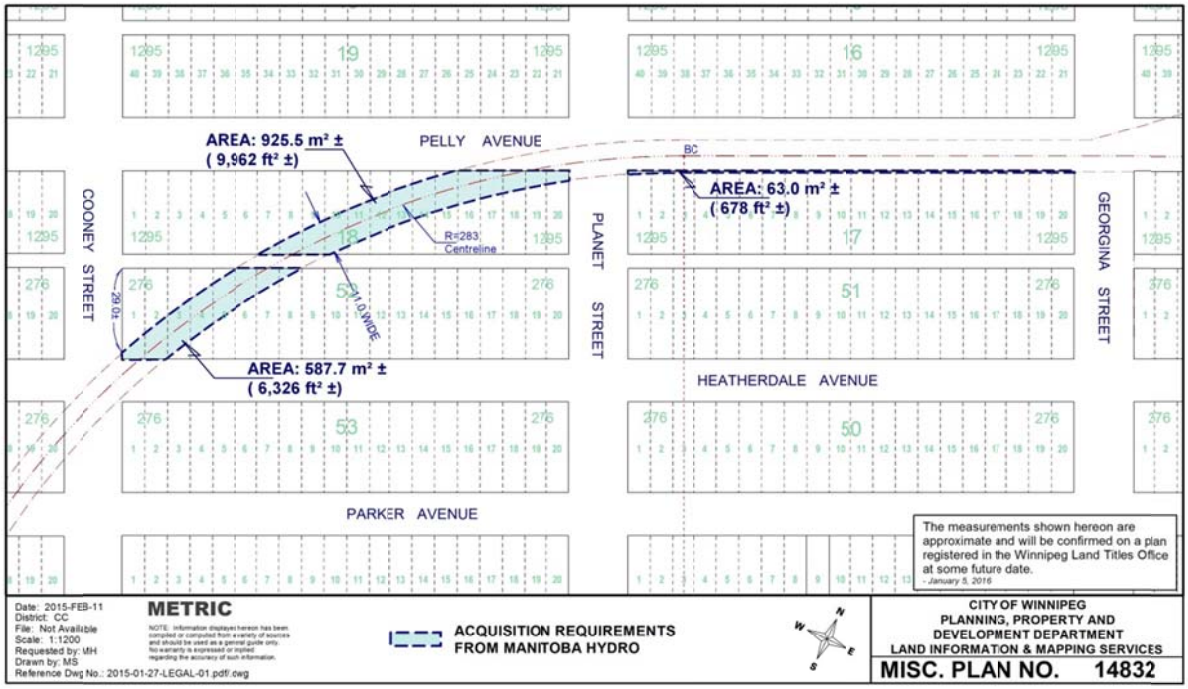
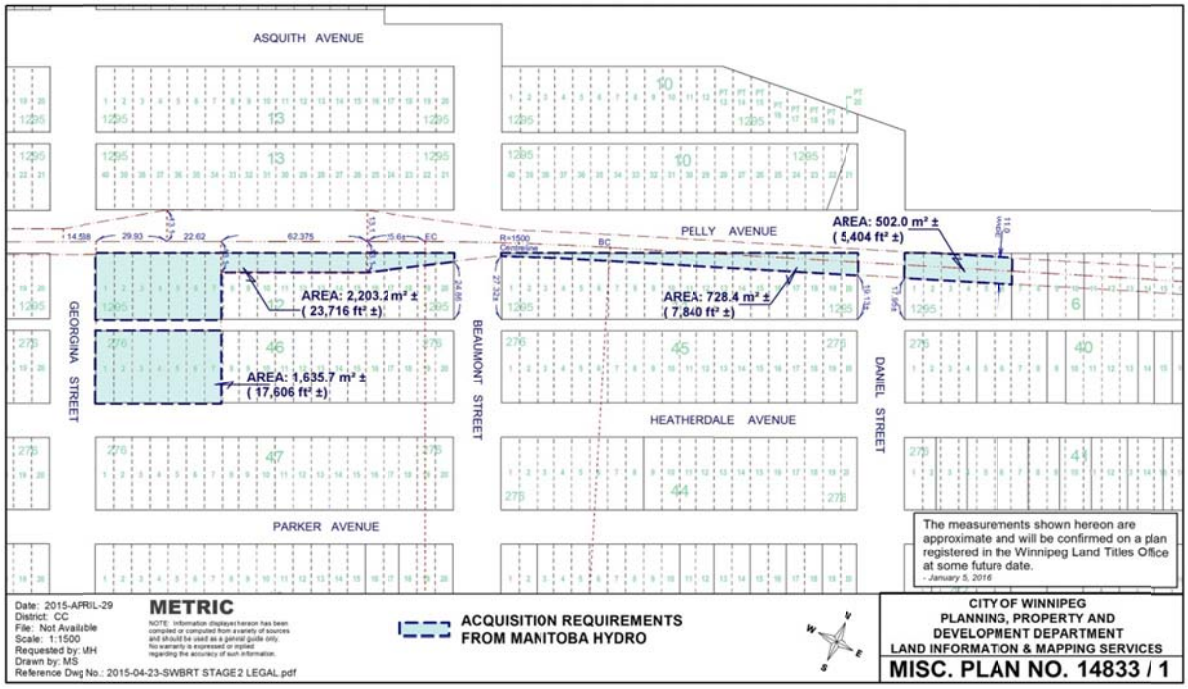
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14828 / 1


McGILLIVRAY BOULEVARD
DICKSON CR
VINCENT ST
WALLER AVENUE
FARWELL BAY
CLARENCE AVENUE
AREA: 5,639.7 m² ±
(60,705 ft² ±)
AREA: 8,636.7 m² ±
(92,965 ft² ±)
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-APRIL-28
District: CC
File: Not Available
Scale: 1:2000
Requested by: MH
Drawn by: MS
Reference Dwg No.: 2015-04-23-SWBRT STAGE 2 LEGAL.pdf
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14829 / 1

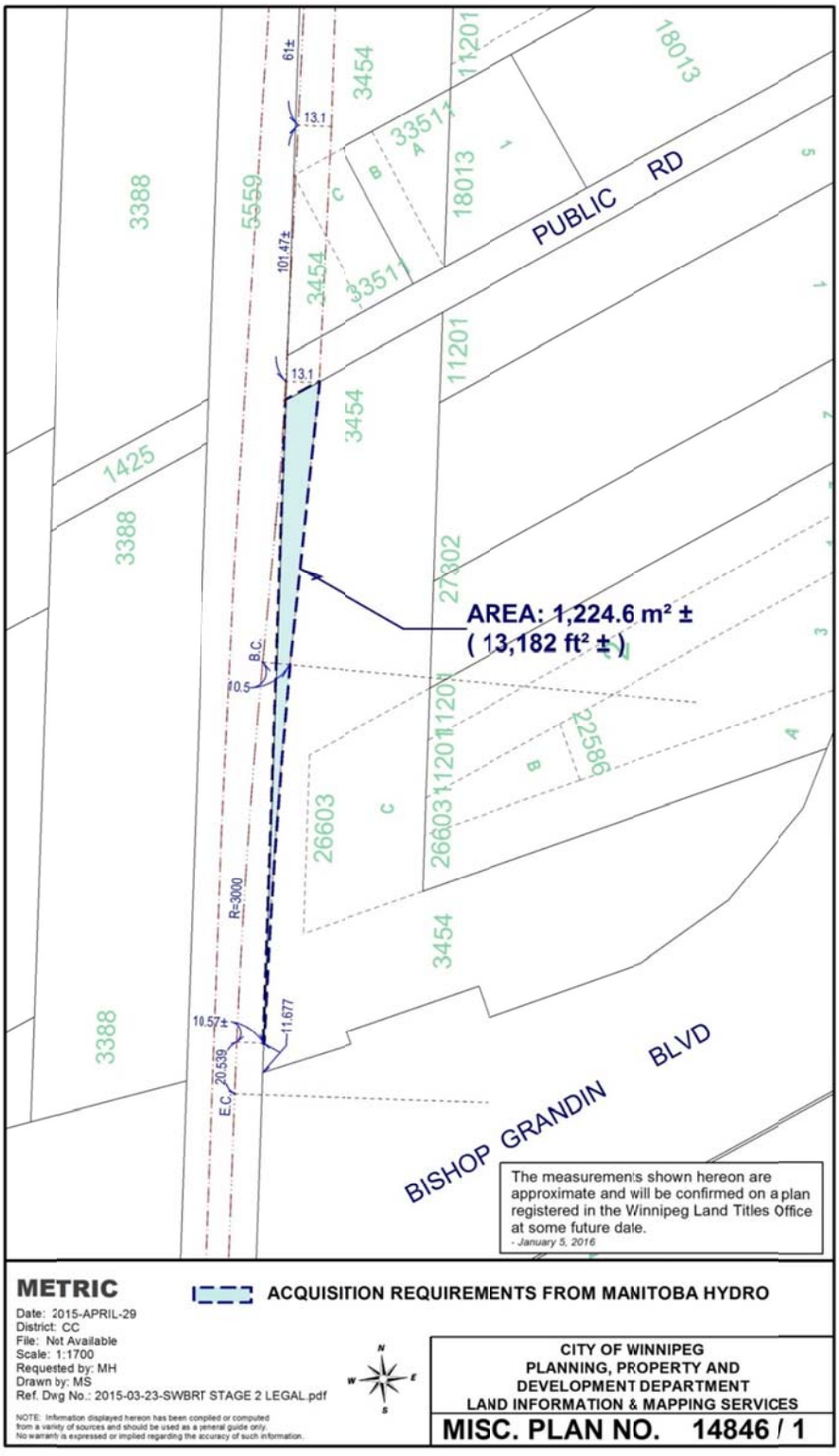

WINCHESTER STREET
SOMERVILLE AVENUE
MARS DRIVE
FENNELL STREET
BUFFALO PLACE
McGILLIVRAY BOULEVARD
AREA: 10,665.1 m² ±
(114,798 ft² ±)
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-FEB-11
District: CC
File: Not Available
Scale: 1:2000
Requested by: MH
Drawn by: MS
Reference Dwg No.: 2015-01-27-LEGAL-01.pdf/.dwg
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as agenerel guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14830

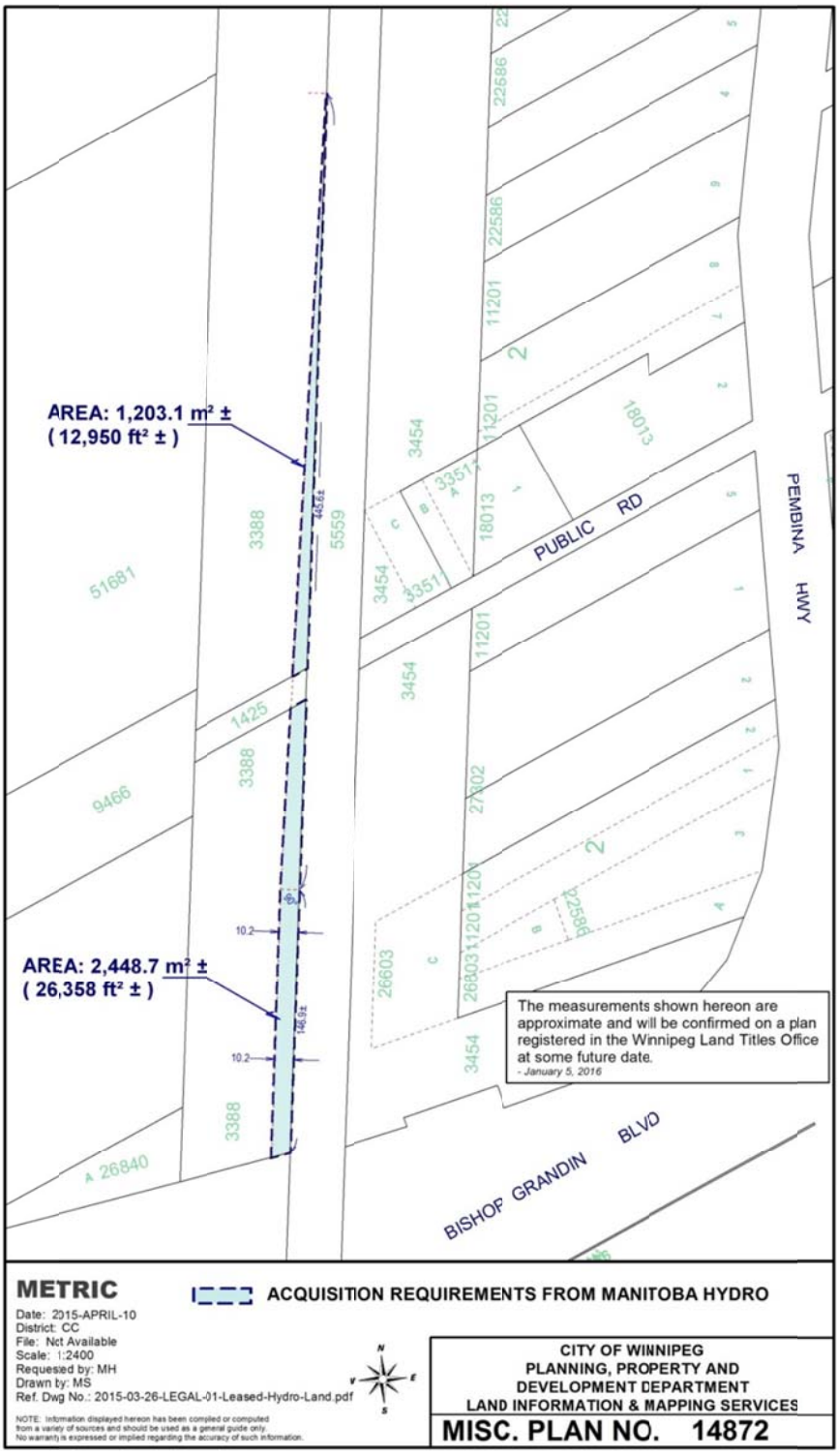

HEATHERDALE AVENUE
PARKER AVENUE
COONEY STREET
MERCURY BAY
ROSEMOUNT AVENUE
HURST WAY
EDDERTON AVENUE
SATURN
WINCHESTER STREET
SOMERVILLE AVENUE
SEEL AVENUE
FENNELL STREET
AREA: 392.6 m² ± (4,226 ft² ±)
AREA: 372.8 m² ± (4,013 ft² ±)
AREA: 353.5 m² ± (3,805 ft² ±)
AREA: 348.3 m² ± (3,749 ft² ±)
AREA: 3,514.2 m² ± (37,826 ft² ±)
AREA: 798.8 m² ± (8,599 ft² ±)
AREA: 798.9 m² ± (8,599 ft² ±)
11.0
R=283 Centreline
26.2 WIDE
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 3, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-APRIL-28
District: CC
File: Not Available
Scale: 1:1800
Requested by: MH
Drawn by: MS
Referernce Dwg No.: 2015-04-23-SWBRT STAGE 2 LEGAL.pdf
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14831 / 1


AREA: 925.5 m² ±
(9,962 ft² ±)
PELLY AVENUE
AREA: 63.0 m² ±
(678 ft² ±)
COONEY STREET
PLANET STREET
GEORGINA STREET
R=283
Centreline
20.0
21.0 WIDE
AREA: 587.7 m² ±
(6,326 ft² ±)
HEATHERDALE AVENUE
PARKER AVENUE
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
Date: 2015-FEB-11
District: CC
File: Not Available
Scale: 1:1200
Requested by: MH
Drawn by: MS
Reference Dwg No.: 2015-01-27-LEGAL-01.pdf/.dwg
METRIC
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14832

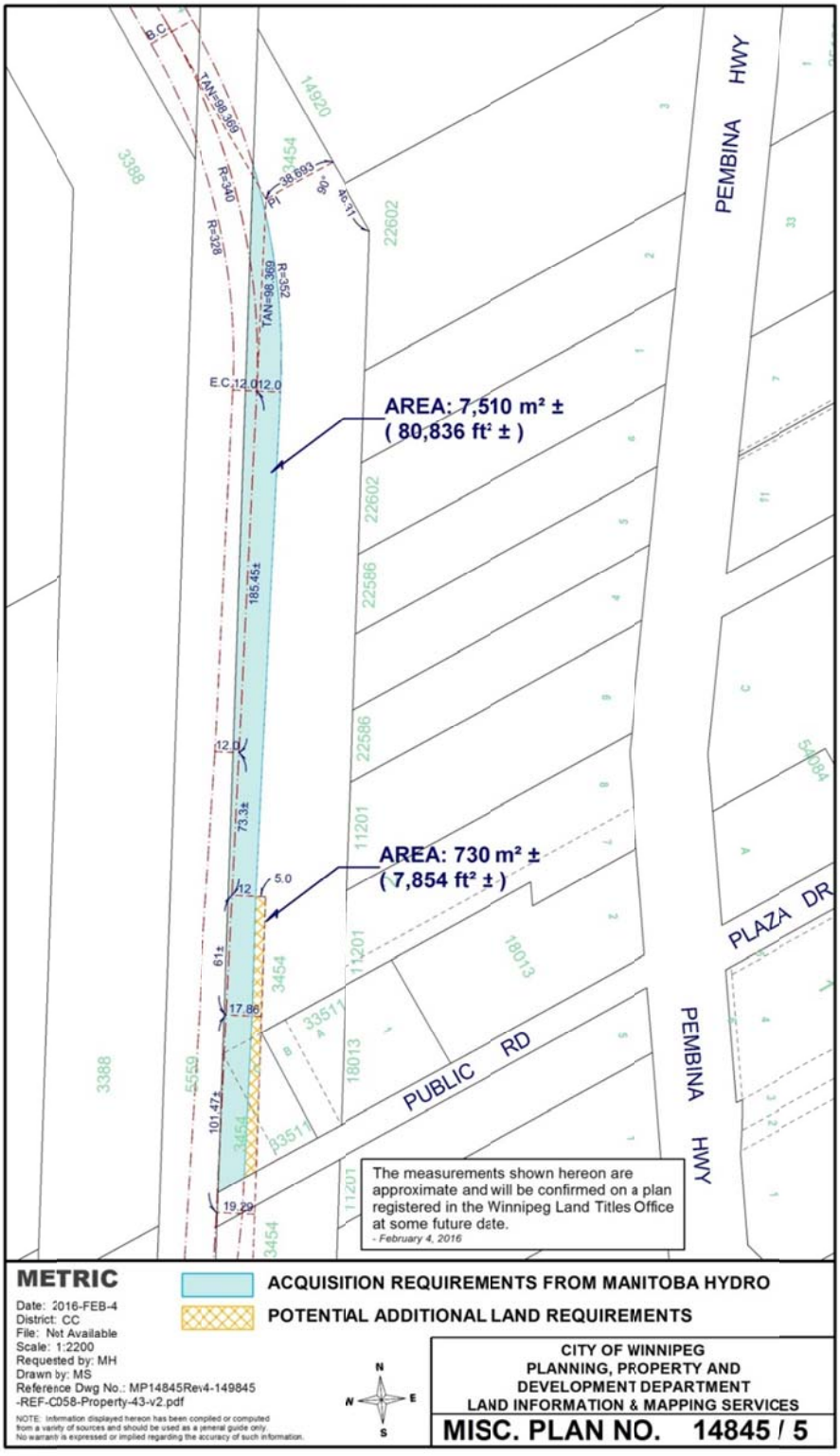

ASQUITH AVENUE
PELLY AVENUE
AREA: 502.0 m² ±
(5,404 ft² ±)
AREA: 2,203.2 m² ±
(23,716 ft² ±)
AREA: 728.4 m² ±
(7,840 ft² ±)
AREA: 1,635.7 m² ±
(17,606 ft² ±)
GEORGINA STREET
BEAUMONT STREET
DANIEL STREET
HEATHERDALE AVENUE
PARKER AVENUE
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
Date: 2015-APRIL-29
District: CC
File: Not Available
Scale: 1:1500
Requested by: MH
Drawn by: MS
Reference Dwg No.: 2015-04-23-SWBRT STAGE2 LEGAL.pdf
METRIC
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14833 / 1

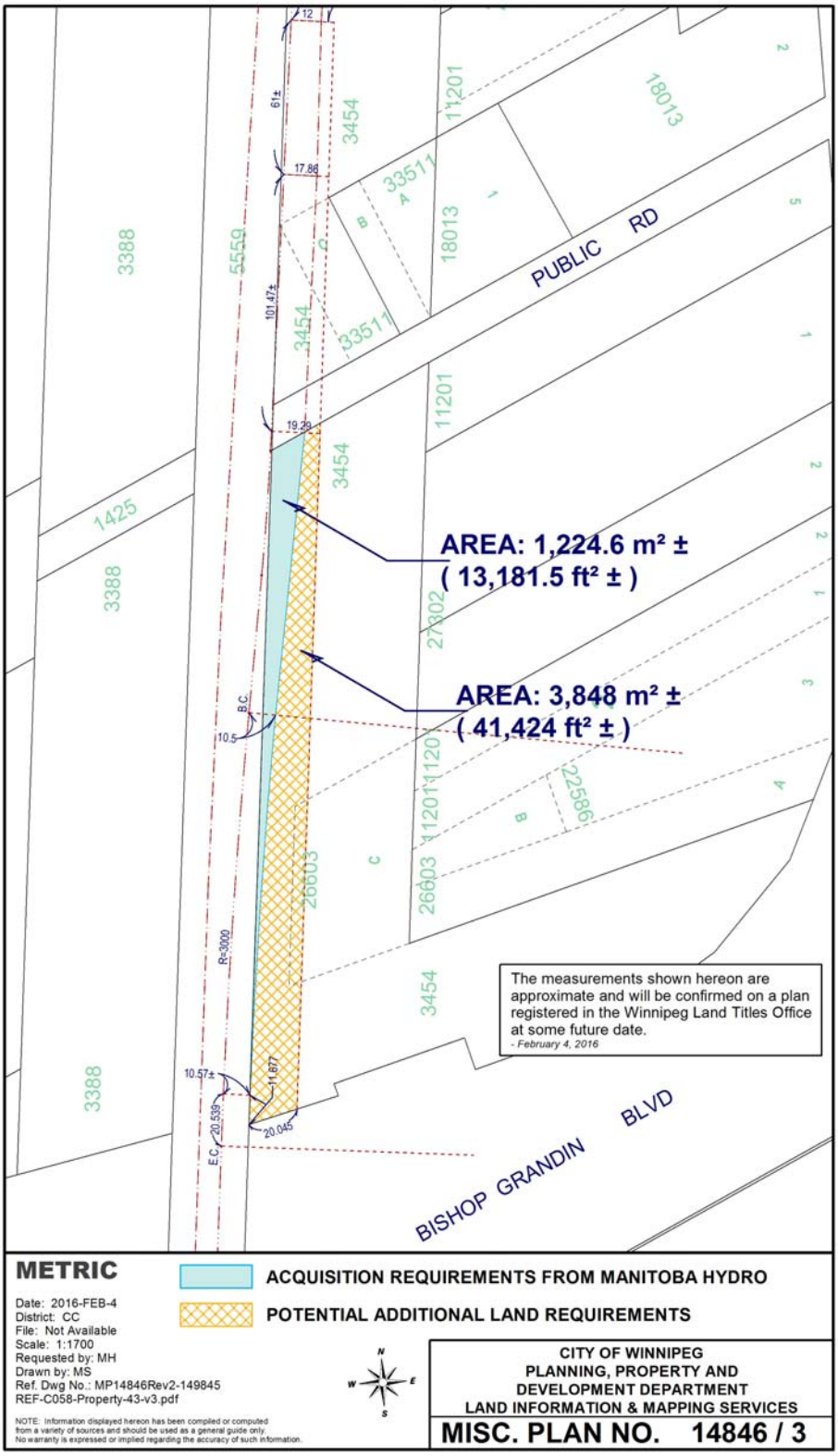

PEMBINA HWY
AREA: 7,510 m² ±
(80,836 ft² ±)
PUBLIC RD
PEMBINA HWY
PLAZA D
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-APRIL-29
District: CC
File: Not Available
Scale: 1:2200
Requested by: MH
Drawn by: MS
Reference Dwg No.: 2015-04-23-SWBRT STAGE 2 LEGAL.pdf
NOTE: Information displayed hereon has been compiled d computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14845 / 2


PUBLIC RD
BISHOP GRANDIN BLVD
AREA: 1,224.6 m² ±
(13,182 ft² ±)
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-APRIL-29
District: CC
File: Not Available
Scale: 1:1700
Requested by: MH
Drawn by: MS
Ref. Dwg No.: 2015-03-23-SWBRT STAGE 2 LEGAL.pdf
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14846 / 1

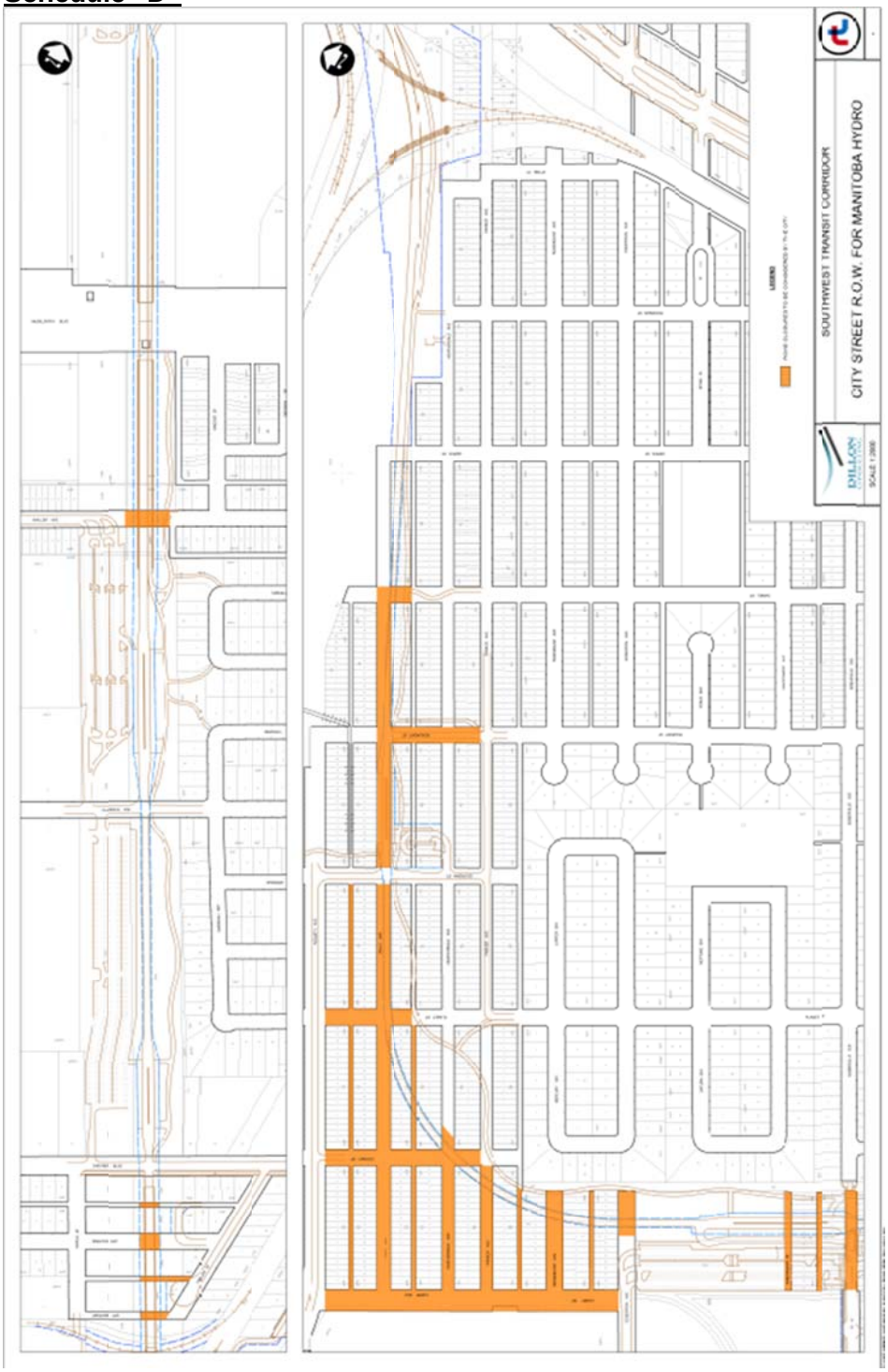

AREA: 1,203.1 m² ±
(12,950 ft² ±)
AREA: 2,448.7 m² ±
(26,358 ft² ±)
PUBLIC RD
PEMBINA HWY
BISHOP GRANDIN BLVD
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- January 5, 2016
METRIC
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
Date: 2015-APRIL-10
District: CC
File: Not Available
Scale: 1:2400
Requested by: MH
Drawn by: MS
Ref. Dwg No.: 2015-03-26-LEGAL-01-Leased-Hydro-Land.pdf
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14872


PEMBINA HWY
PLAZA DR
PUBLIC RD
see MP14845/2
TEMPORARY CONSTRUCTION EASEMENT
AREA: 6,195 ± m² (66,680 ± ft²)
ACQUISITION REQUIREMENT FROM MANITOBA HYDRO
Date: 2016-JAN-13
District: CC
File: Not Available
Scale: 1:2400
Requested by: MH
Drawn by: MS
Referrence Dwg No.: SCHEDULE 12 APPENDIX B
(SHEET 1 OF 2)
SOUTHWEST TRANSITWAY - STAGE 2
PROPERTY REQUIREMENT DRAWING, DECEMBER 15, 2015
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14845 / 3


PEMBINA HWY
AREA: 7,510 m² ±
(80,836 ft² ±)
AREA: 730 m² ±
(7,854 ft² ±)
PLAZA DR
PUBLIC RD
PEMBINA HWY
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- February 4, 2016
METRIC
Date: 2016-FEB-4
District: CC
File: Not Available
Scale: 1:2200
Requested by: MH
Drawn by: MS
Reference Dwg No.: MP14845Rev4-149845 -REF-C058-Property-43-v2.pdf
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
POTENTIAL ADDITIONAL LAND REQUIREMENTS
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14845 / 5


PUBLIC RD
BISHOP GRANDIN BLVD
AREA: 1,224.6 m² ±
(13,181.5 ft² ±)
AREA: 3,848 m² ±
(41,424 ft² ±)
The measurements shown hereon are approximate and will be confirmed on a plan registered in the Winnipeg Land Titles Office at some future date.
- February 4, 2016
METRIC
Date: 2016-FEB-4
District: CC
File: Not Available
Scale: 1:1700
Requested by: MH
Drawn by: MS
Ref. Dwg No.: MP14846Rev2-149845
REF-C058-Property-43-v3.pdf
NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
ACQUISITION REQUIREMENTS FROM MANITOBA HYDRO
POTENTIAL ADDITIONAL LAND REQUIREMENTS
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14846 / 3

Schedule "D"



Schedule "E"

