Agenda – Council – September 28, 2016

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – September 20, 2016

Item No. 19 Establishment of a 2016 East District Police Station Leasehold Improvements Capital Budget

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2016, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That a 2016 East District Police Station Leasehold Improvements Capital Budget (Project No. 6331002826) be established in the amount of $825,000.00 funded by contributions from Huntingdon Capital Corporation.

2. 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 – September 20, 2016

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2016, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 20, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Establishment of a 2016 East District Police Station Leasehold Improvements Capital Budget

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	J. Kiernan	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

This report seeks to establish a 2016 East District Police Station Leasehold Improvement Capital Budget based on funding provided by Huntingdon Capital Corporation.

RECOMMENDATIONS

1. That a 2016 East District Police Station Leasehold Improvements Capital Budget (Project No. 6331002826) be established in the amount of $825,000.00 funded by contributions from Huntingdon Capital Corporation.

2. 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

Council approval is required to establish Capital Project and/or Project Budgets.

IMPLICATIONS OF THE RECOMMENDATIONS

A 2016 East District Police Station Leasehold Improvements Capital Budget in the amount of $825,000.00 will be established.

No additional City of Winnipeg funding is required as the $825,000.00 has been received from Huntingdon Capital Corporation.

HISTORY

On July 18, 2007, Council concurred in the recommendations of the then Standing Policy Committee on Property and Development and approved a Public-Private Partnership (P3)

contract to Huntingdon Real Estate Investment Trust (HREIT) for the development and operation of the East District Police Station pursuant to Request-For-Proposals Bid Opportunity No. 673-2006 based on a 30-year lease term. Note that, effective December 31, 2011, Huntingdon Real Estate Investment Trust converted from an income trust to a corporation; Huntingdon Capital Corporation.

The terms of the lease agreement included a leasehold improvement allowance of eight hundred and twenty-five thousand dollars ($825,000.00) to be provided in years seven (7), fourteen (14) and twenty-one (21) of the initial lease term. The commencement date of the lease agreement was September 15, 2008 and, as such, the first leasehold improvement allowance was due and payable during the one-year period from September 15, 2015. Pursuant to the terms of the lease agreement, the City of Winnipeg, Planning, Property and Development Department, has received from Huntingdon Capital Corporation a total of $825,000.00 ($100,000.00 in October 2015 and $725,000.00 in January 2016).

Subject to Council approval of the requested budget, the leasehold improvement allowance will be used for the refurbishment and/or replacement of existing slide gate systems at the north access point off Dugald Road and the west access point off Durand Road. Other planned expenditures include, but are not limited to, replacement of all exterior and interior locks to standardize security, replacement of existing analog cameras to Internet Protocol cameras to standardize resolution quality, and the replacement and/or relocation of exterior signage to improve visibility.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 22, 2016

Project Name:

Establishment of a 2016 East District Police Station Leasehold Improvements Capital Budget

First Year of Program **2016**

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ 825,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 825,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Huntingdon Capital Corporation	825,000	-	-	-	-
Total Funding	$ 825,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 825,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: While capital expenditures funded by the leasehold improvement allowance received from Huntingdon Capital Corporation are to be incurred over more than one year, for the purposes of this analysis, the entire amount has been reflected in 2016.

"Original signed by"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

Corporate Finance Department

Winnipeg Police Service

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

This report is consistent with the vision and directions established in *OurWinnipeg*. Some key policies from Section 01-2 Safety and Security related to this report include:

- Provide a visible and effective community police presence (page 42).
- Ensure that construction projects meet the intent of standards set in national and local building codes, while recognizing advances in construction and development-related technologies (page 43).

SUBMITTED BY

Department: Planning, Property and Development
Division: Municipal Accommodations
Prepared by: Sandi Caputo, Leasing Officer
Date: July 6, 2016
File Name: MA2015-240 – 1750 Dugald – Leasehold Improvements Capital Budget

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