Winnipeg

Corporate Finance Department • Services des finances générales

Memorandum

TO: Richard Kachur, City Clerk

FROM: Mike Ruta, Chief Financial Officer

DATE: March 16, 2017

SUBJECT: Winnipeg Convention Centre Corporation (WCCC)

On September 30, 2015, Council approved the following recommendations relating to the Winnipeg Convention Centre Corporation:

Council concurred in the recommendation of the Executive Policy Committee, as amended, and adopted the following:

1. That in the event the Winnipeg Convention Centre Corporation (WCCC) is unable to service debt payments on $33 million of the total loan guarantee as demonstrated to the satisfaction of the Chief Financial Officer, that the Destination Marketing Reserve (Reserve) be approved as a funding source for any shortfalls as determined annually by the Chief Financial Officer.

2. That once surpluses from WCCC operations are identified, the WCCC reimburse the City for the full amount of any funds advanced by the Destination Marketing Reserve and applied to the $17 million portion of the debt.

3. That the approvals provided in recommendation 1 above with respect to the $17 million portion of the debt expire once a hotel development in an area to be jointly determined by the WCCC and the Chief Financial Officer is complete as evidenced by an occupancy permit for such hotel development.

4. That the City enter into a funding agreement with the WCCC that outlines the terms and conditions of any City contribution as set forth herein, and that the Chief Financial Officer be authorized to negotiate and approve the terms and conditions of such agreement in accordance with this report including a repayment schedule for all monies advanced

pursuant to Recommendation 1 and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor 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.

After review of the WCCC's year-end financial results, the CFO will be making payments as follows from the WCCC's portion of the Destination Marketing Reserve to the WCCC.

$17 million portion of the loan – first annual Payment due on March 31, 2017	$873,425.28
$16 million portion of the loan outstanding floating on an interest only basis to December 31, 2016	$107,554.00
Total payment before March 31, 2017	$980,979.28

The balance in the WCCC's portion of the Destination Marketing Reserve at December 31, 2016 is $9.5 million and there are sufficient funds available to make this payment.

A/CFO

Mike Ruta, FCA
Chief Financial Officer