Agenda – Council – November 26, 2020

Report – Executive Policy Committee – November 18, 2020

Item No. 1 Municipal Development and Services Agreement between the City of Winnipeg and Peguis First Nation regarding 1075 Portage Avenue

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 18, 2020, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That this Report be received as information.

Report – Executive Policy Committee – November 18, 2020

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 18, 2020, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

COUNCIL DECISION:

On September 30, 2020, Council concurred in the September 21, 2020, recommendation of the Executive Policy Committee and granted an extension of time of 60 days for the Winnipeg Public Service to report back on the status of the Municipal Development and Services Agreement between the City of Winnipeg and Peguis First Nation regarding 1075 Portage Avenue.

On July 19, 2018, Council concurred in the recommendation of the Executive Policy Committee, as amended, and adopted the following:

1. That the provision of municipal services to Peguis First Nation for a proposed urban reserve at 1075 Portage Avenue in exchange for a service fee, be approved as set forth in this report.

2. That the City enter into, execute and deliver a 5-year Municipal Development and Services Agreement with Peguis First Nation, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Municipal Development & Services Agreement and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of all future renewals of the MDSA with Peguis First Nation, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

Report – Executive Policy Committee – November 18, 2020

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

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

6. That the Winnipeg Public Service be directed to report back 1 year after the date the "First Nation Land" is set apart as reserve, on the status of the Municipal Development and Services Agreement.

ADMINISTRATIVE REPORT

Title: Municipal Development & Services Agreement between the City of Winnipeg and Peguis First Nation regarding 1075 Portage Avenue

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Jack	M. Ruta	N/A	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The Urban Reserve at 1075 Portage Avenue, set apart for the use and benefit of Peguis First Nation ("Peguis"), represents the second Urban Reserve to be created within Winnipeg city limits; the first was the Madison Reserve at 480 Madison Street, set apart for the use and benefit of Long Plain First Nation.

As one step in the process of creating the Urban Reserve, the City of Winnipeg ("City") and Peguis entered into a Municipal Development & Services Agreement ("MDSA").

Following the negotiation and execution of the MDSA, the federal Ministerial Order setting aside 1075 Portage Avenue as reserve land was issued on July 10, 2019. Since that date, Peguis has constructed an additional building on the property and launched several new businesses therefrom.

This Report provides an update with respect to this Urban Reserve.

RECOMMENDATIONS

That this Report be received as information.

REASON FOR THE REPORT

On July 19, 2018 Council approved the terms of the Municipal Development & Services Agreement and directed the Winnipeg Public Service report back 1 year after the date the First Nation Land was set apart as reserve, on the status of the Municipal Development and Services Agreement.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications arising from receiving this report as information.

HISTORY/DISCUSSION

On July 19, 2018, Council approved the City entering into the MDSA with Peguis. The MDSA sets out all of the terms and conditions of the relationship between the City and Peguis, including the fees to be paid for City services, and the framework for future collaboration and coordination of planning efforts to ensure land use and development compatibility with adjacent City of Winnipeg lands.

The MDSA was executed by both parties on October 9, 2018 for a 5-year term.

The Ministerial Order Conferring Reserve Status was dated July 10, 2019, and signed by Carolyn Bennett, Minister of Indian Affairs and Northern Development. Due to an oversight on the part of the federal government, communication on the same (along with a copy of the Order) was not sent to the City until late August 2020 (attached as appendix 1).

Economic Development

Since the setting aside of the subject property as Urban Reserve, one new building has been constructed on the site for commercial occupancy, and assigned a new municipal address (1065 Portage Avenue). Construction on the building is complete, final occupancy has been issued, and three new businesses are now operating from it.

One such business is Flint & Embers Cannabis Dispensary, fully owned and operated by Peguis.

Peguis has also entered a partnership with The Clinic Network Canada Inc. ("TCN"). TCN is a market-leading clinic platform operating in five Canadian provinces, with 12 multi-disciplinary clinics. TCN has developed a "Three Pillar" approach to clinical practice and provides an integrated combination of services to patients for pain management. These Three Pillars include:

(i) Pain and Arthritis Management;
(ii) Interdisciplinary Rehabilitation; and
(iii) Medicinal Cannabis (as the alternative to traditional narcotics).

Under the terms of the investment, Peguis has an approximately 10% ownership stake in Cura-Can Health Corp., the parent company of TCN. Through this investment, Peguis has ownership in Pain Management Clinics throughout Canada. One such clinic and associated pharmacy is operating at the subject site, with a second location in Selkirk. TCN will look to serve Peguis members in the two clinics (Winnipeg and Selkirk) and through a planned mobile unit that will give access to services for its Nation members in remote locations.

The third new business operating at property is The Tobacco Store, fully owned and operated by Peguis Development Corporation. The store serves as a neighbourhood local smoke shop involving the sale of tobacco products and related accessories, including distribution of traditional grown tobacco. The tobacco products are available for sale to all customers of legal age (both Status and Non-Status).

Municipal Tax Loss Compensation

As a term of the MDSA, Council agreed that Peguis would pay a service fee to the City equivalent to 80% of the municipal tax otherwise payable by any other taxpayer subject to the City's jurisdiction. Through the Province's Municipal Tax Loss Compensation Program, the City of Winnipeg is eligible to apply for compensation for this difference for the first five years of the MDSA.

On October 6, 2020, the City applied to the Province for compensation in the amount of $47,943.68, representing five times the annual municipal tax loss experienced by the City as a result of the MDSA. On October 21, 2020, the City was advised by the Province (attached as appendix 2) that there is no tax loss compensation. In 2018, the Province discontinued the policy indefinitely.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 3, 2020

Project Name:

Municipal Development & Services Agreement between the City of Winnipeg and Peguis First Nation regarding 1075 Portage Avenue

COMMENTS:

There are no financial implications associated with receiving this report as information. However, as noted on page 3 of the report the Province's Municipal Tax Loss Compensation Program has been discontinued, and therefore the City will not recover $47,943.68 of property taxes (a five year total) for this location as indicated in the previous report. This revision to the amount of collectible property taxes will be reflect in the Assessment and Taxation Departments estimates.

original signed by T. Yanchishyn

Tanis Yanchishyn, CPA, CA
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Assessment & Taxation Department
Planning, Property & Development Department

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity
Direction 3: Maintain strong intergovernmental cooperation

03-1 Opportunity
Direction 5: Acknowledge that Aboriginal Winnipeggers bring a diverse richness of cultures, traditions, languages, teachings, values, skills and perspectives to our city
Direction 6: Foster opportunities for Aboriginal Winnipeggers, particularly youth, to obtain meaningful employment by building on current civic practices, processes and community partnerships

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Office of the CAO
Division:
Prepared by: M. Jack
Date: November 3, 2020
File No:

Attachments:

Appendix 1 – Ministerial Order

Appendix 2 – Provincial response to City application for Municipal Tax Loss Compensation