Minutes – Executive Policy Committee – November 17, 2021

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – November 10, 2021

Item No. 13 Rationalization of City owned and/or Leased Building Assets

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee recommended to Council:

1. That the Winnipeg Public Service be directed to report back within 150 days with an interim report including current options for the rationalization of City owned and/or Leased Building Assets.

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 – November 10, 2021

DECISION MAKING HISTORY:

Moved by Councillor Gilroy,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Gilroy,

That the Winnipeg Public Service be directed to report back within 150 days with an interim report including current options for the rationalization of City owned and/or Leased Building Assets and that the matter be forwarded to Council.

Yea:	Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

On November 10, 2021, due to a tie vote, the Standing Policy Committee on Property and Development, Heritage and Downtown Development submitted the matter to the Executive Policy Committee and Council without recommendation.

COUNCIL DECISION:

On June 24, 2021, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and approved the following:

1. That an extension of time of up to 120 days for the Winnipeg Public Service to report back on Recommendation 1.H of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020, namely:

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – November 10, 2021

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

1.H. A plan to rationalize City owned and/or leased building assets including:

i. Administrative buildings that the Public Service considers to be surplus to the needs of the City, with any sale proceeds from these buildings deposited into the Land Operating Reserve;

ii. Buildings leased to third parties that the Public Service considers to be surplus to the needs of the City (including a relocation plan for any nonprofit tenants), with a portion of any sale proceeds deposited into the Transformative Fund.

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 16, 2021, 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 June 8, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development submitted the following to the Executive Policy Committee and Council:

1. That a further extension of time of up to 120 days be granted for the Winnipeg Public Service to report back on Recommendation 1.H of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020.

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 – November 10, 2021

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On December 17, 2020, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and approved the following:

1. That an extension of time of up to 180 days for the Winnipeg Public Service to report back on Recommendation 1.H of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020, namely:

    1.H. A plan to rationalize City owned and/or leased building assets including:

        i. Administrative buildings that the Public Service considers to be surplus to the needs of the City, with any sale proceeds from these buildings deposited into the Land Operating Reserve;

        ii. Buildings leased to third parties that the Public Service considers to be surplus to the needs of the City (including a relocation plan for any nonprofit tenants), with a portion of any sale proceeds deposited into the Transformative Fund.

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 9, 2020, 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.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – November 10, 2021

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATION:

On December 7, 2020, the Standing Policy Committee on Property and Development, Heritage and Downtown Development submitted the following to the Executive Policy Committee and Council:

1. That a further extension of time of up to 180 days be granted for the Winnipeg Public Service to report back on Recommendation 1.H of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020.

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

COUNCIL DECISION:

On October 29, 2020, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. That an extension of time of 60 days be granted for the Winnipeg Public Service to report back on Recommendation 1.H of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020, namely:

    1.H. A plan to rationalize City owned and/or leased building assets including:

        i. Administrative buildings that the Public Service considers to be surplus to the needs of the City, with any sale proceeds from these buildings deposited into the Land Operating Reserve;

        ii. Buildings leased to third parties that the Public Service considers to be surplus to the needs of the City (including a relocation plan for any nonprofit tenants), with a portion of any sale proceeds deposited into the Transformative Fund.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – November 10, 2021

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

2. That the Winnipeg Public Service be directed to report back to the Standing Policy Committee on Property and Development, Heritage and Downtown Development within 90 days with a status update on the plan to rationalize City owned and/or leased building assets.

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 20, 2020, 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 October 16, 2020, the Standing Policy Committee on Property and Development, Heritage and Downtown Development submitted the following to Council:

1. That an extension of time of 180 days be granted for the Winnipeg Public Service to report back on Recommendation 1.H of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020.

2. That the Winnipeg Public Service be directed to report back to the Standing Policy Committee on Property and Development, Heritage and Downtown Development within 90 days with a status update on the plan to rationalize City owned and/or leased building assets.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – November 10, 2021

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATION (continued):

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

COUNCIL DECISION:

On March 20, 2020, Council adopted the 2020-2023 Multi-Year Budget, which included the following recommendation:

1.H. That Council direct the Public Service to report back within 180 days with a plan to rationalize City owned and/or leased building assets including:

i. Administrative buildings that the Public Service considers to be surplus to the needs of the City, with any sale proceeds from these buildings deposited into the Land Operating Reserve;

ii. Buildings leased to third parties that the Public Service considers to be surplus to the needs of the City (including a relocation plan for any nonprofit tenants), with a portion of any sale proceeds deposited into the Transformative Fund.

ADMINISTRATIVE REPORT

Title: Rationalization of City owned and/or Leased Building Assets

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

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Pittet B. Erickson	M. McGinn (Acting) G. Patton	N/A	M. Jack

EXECUTIVE SUMMARY

The Public Service recommends that the Planning, Property and Development Department Strategic Facilities Master Plan (the "SFMP") be completed and approved by Council prior to rationalizing City-owned and/or third party leased assets.

Based on the progress of the SFMP, it is anticipated that the Public Service will report back on a plan for the rationalization of City owned and/or Leased Building Assets in September 2022.

RECOMMENDATIONS

1. That the Public Service report back on a plan for the rationalization of City-owned and/or third party leased assets in September 2022.

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

On March 20, 2020, Council adopted the 2020-2023 Multi-Year Operating and Capital Budget which included the following recommendations:

H. That Council direct the Public Service to report back within 180 days with a plan to rationalize City owned and/or leased building assets including:
- *i. Administrative buildings that the Public Service considers to be surplus to the needs of the City, with any sale proceeds from these buildings deposited into the Land Operating Reserve;*
- *ii. Buildings leased to third parties that the Public Service considers to be surplus to the needs of the City (including a relocation plan for any non-profit tenants), with a portion of any sale proceeds deposited into the Transformative Fund.*

On October 29, 2020, Council granted the Public Service a 60-day extension of time to report back on the rationalization of City-owned and/or third party leased assets.

On December 17, 2020, Council granted an additional 180-day extension to the Public Service to report back on the rationalization of City-owned and/or third party leased assets.

On June 24, 2021, Council granted a further extension of 120 days to the Public Service to report back on the rationalization of City-owned and/or third party leased assets.

IMPLICATIONS OF THE RECOMMENDATIONS

An extension of time for the approval of a plan for the rationalization of City-owned and/or third party leased assets will ensure that rationalization aligns with the Planning, Property and Development Department (Assets and Project Management) Strategic Facilities Master Plan.

HISTORY/DISCUSSION

The City contains numerous properties which are either occupied by civic staff or leased to third party groups. As part of the 2020 City Budget, Council directed the Public Service to review the City's building portfolio and determine what assets could be disposed of (provided that a relocation plan is developed for third party tenants).

It is recommended that prior to rationalizing City-owned and/or third party leased assets, the Public Service complete and request Council approval for the Planning, Property and Development Department Strategic Facilities Master Plan (the "SFMP"). The SFMP is a governance document that will provide a 10-year strategic plan for assets under the jurisdiction of the Planning, Property and Development Department (or the newly created Assets and Project Management Department), providing direction on what assets are recommended to receive priority investments.

Rationalization of City assets is specifically out-of-scope for the SFMP. The SFMP will include a framework to objectively evaluate investment decisions but not specifically identify what assets to sell. Rationalization of City assets will become a separate study after the SFMP is complete and will require its own evaluation procedures.

Based on the progress of the SFMP, it is anticipated that the Public Service will report back on a plan for the rationalization of City owned and/or Leased Building Assets in September 2022.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 16, 2021

Project Name:

Rationalization of City owned and/or Leased Building Assets

COMMENTS:

There are no financial implications associated with the recommendations contained in this report.

Mike McGinn Sep. 16, 2021

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity
Direction 1: Provide efficient and focused civic administration and governance.
Direction 5: Demonstrate visionary civic leadership and commitment to sustainable long-term planning.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Low Carbon and Energy Efficient Buildings
5.1 Increase Energy Performance of Existing Buildings

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Gord Chappell, Real Estate Administrator
Date: September 16, 2021
File No: N/A