Minutes – Executive Policy Committee – January 19, 2022

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – January 17, 2022

Item No. 8 Transformative Reserve Fund Policy

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 the Transformative Reserve Fund Policy, attached hereto as Schedule A, be adopted as a Council Policy.

2. That subject to adoption of Recommendation 1, a Transformative Reserve Fund be established in accordance with the Transformative Reserve Fund Policy.

3. That the Director of Planning, Property and Development be designated as the Reserve Fund Manager.

4. 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 – January 17, 2022

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 recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development be concurred in and forwarded to Council.

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On January 17, 2022, 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.

COUNCIL DECISION:

On November 25, 2021, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. That a further extension of time of up to 60 days be granted for the Winnipeg Public Service to report back on Recommendation 1.E 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 – January 17, 2022

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

1.E. A plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii. and that the report from the Public Service include the following parameters for the Transformative Fund:

i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and

ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

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 November 17, 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 November 10, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development submitted the following to Council:

1. That a further extension of time of up to 60 days be granted for the Winnipeg Public Service to report back on Recommendation 1.E 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 – January 17, 2022

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATION (continued):

1.E. A plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii. and that the report from the Public Service include the following parameters for the Transformative Fund:

i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and

ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

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 June 24, 2021, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and granted a further extension of time of up to 120 days for the Winnipeg Public Service to report back on the matter.

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.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – January 17, 2022

DECISION MAKING HISTORY (continued):

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.E of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020, namely:

    1.E. A plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii. and that the report from the Public Service include the following parameters for the Transformative Fund:

        i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and

        ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

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 December 17, 2020, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and granted a further extension of time of up to 180 days for the Winnipeg Public Service to report back on the matter.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – January 17, 2022

DECISION MAKING HISTORY (continued):

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.

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.E of the 2020-2023 Multi-Year Budget, as approved by Council on March 20, 2020, namely:

    1.E. A plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii. and that the report from the Public Service include the following parameters for the Transformative Fund:

        i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and

        ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

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 – January 17, 2022

DECISION MAKING HISTORY (continued):

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 granted an extension of time of 60 days be granted for the Winnipeg Public Service to report back on the matter.

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 the Executive Policy Committee and Council:

1. That an extension of time of 60 days be granted for the Winnipeg Public Service to report back on the following:

    1.E. A plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii. and that the report from the Public Service include the following parameters for the Transformative Fund:

        i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and

        ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – January 17, 2022

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

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

1.E. That Council direct the Public Service to report back within 180 days with a plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii. and that the report from the Public Service include the following parameters for the Transformative Fund:

i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and

ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

ADMINISTRATIVE REPORT

Title: Transformative Reserve Fund Policy

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	J. Kiernan	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

On March 20, 2020, Council adopted the 2020-2023 Multi-Year Budget which included a recommendation to create a Transformative Reserve Fund. The Transformative Reserve Fund will accumulate proceeds through the sale of qualifying City assets and direct the majority of the funds to Ward reinvestment. The Transformative Reserve Fund is intended to transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation and public green space, as well as preservation, protection and enhancement of Winnipeg's tree canopy.

The proposed Transformative Reserve Fund Policy is attached as Schedule A and recommends that sale proceeds be used to acquire transformative and significant greenspace areas within the city.

Aside from the recommended disposition of the John Blumberg Golf Course, to date no other qualifying transaction has been identified for the Transformative Reserve Fund.

RECOMMENDATIONS

1. That the Transformative Reserve Fund Policy, attached hereto as Schedule A, be adopted as a Council Policy.

2. That, subject to adoption of Recommendation 1, a Transformative Reserve Fund be established in accordance with the Transformative Reserve Fund Policy.

3. That the Director of Planning, Property and Development be designated as the Reserve Fund Manager.

4. 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:

E. That Council direct the Public Service to report back within 180 days with a plan to establish a new Transformative Fund that is separate and distinct from the current Land Operating Reserve, to be funded from the sale of assets referred to in Recommendations F, G and H. ii. and that the report from the Public Service include the following parameters for the Transformative Fund:
   i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and
   ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

F. That Council direct the Public Service to report in 180 days to the Standing Policy Committee of Property Development, Heritage and Downtown Development with recommendations to sell or enter into a joint venture in respect of John Blumberg Golf Course or the land on which the John Blumberg Golf Course is situated and that a portion of the sale/development proceeds be deposited into the Transformative Fund.

G. That Council direct the Public Service to report back in 2020 with a plan to re-purpose up to 30% of all City owned golf lands. The re-purposing options of these golf lands may include, but are not limited to, public green space, active transportation, reforestation, community gardens, residential development (with affordable housing) and recreational opportunities. The report from the Public Service is to include a policy to deposit a portion of any proceeds from the sale of these lands into the Transformative Fund.

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.

Council approval is required to establish a reserve fund.

IMPLICATIONS OF THE RECOMMENDATIONS

The proposed Transformative Reserve Fund Policy (the "Policy") recommends redirecting net sale proceeds that otherwise would have been deposited into the Land Operating Reserve Fund or Land Dedication Reserve Fund. During the past five years, there would have only been one

qualifying transaction for the Transformative Reserve Fund (partial sale of the Wildewood Golf Course – June 21, 2017). A future qualifying transaction is the recommended disposition of John Blumberg Golf Course.

If adopted by Council, the Public Service will be authorized to negotiate the acquisition of land identified in the Policy and recommend transactions for approval to the Standing Policy Committee on Property and Development, Heritage and Downtown Development.

HISTORY/DISCUSSION

On March 20, 2020, Council passed the 2020-2023 Multi-Year Operating and Capital Budget which proposed the creation of a new reserve fund – the Transformative Reserve Fund. The Transformative Reserve Fund is intended to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy. The Transformative Reserve Fund will accumulate funding through the recommended disposition of John Blumberg Golf Course, in addition to the sale of City buildings which were previously leased to third parties.

Council also directed the Public Service to report back on a plan to repurpose up to 30% of City-owned golf courses (i.e. up to 139 acres after the disposition of the John Blumberg golf course). If a repurposing option resulted in a sale of golf course lands, the proceeds would be credited to the Transformative Reserve Fund. The Public Service does not intend to recommend the sale of any City-owned golf courses through the repurposing study, in accordance with Council's direction to acquire 1,000 acres of public park space within the city.

Elements of the proposed Transformative Reserve Fund have been accommodated through the new Real Estate Policy Framework which was approved by Council on September 29, 2021. The Framework amended the Land Operating Reserve Fund Policy, allotting 3% of gross sale revenue to tree planting initiatives (i.e. enhancement of the tree canopy) and authorized the Fund Manager to spend up to $250,000 annually on capital repairs for leased City property (i.e. reduce infrastructure deficit). The amendments to the Land Operating Reserve Fund Policy allow the Transformative Reserve Fund to focus squarely on improving recreation and public green space.

The best way to enhance recreation and public green space is through the acquisition of privately-owned green spaces/forests/natural habitats. The acquisitions may allow for improved connectivity with existing City parks, preservation of mature trees or protection of native species and riverbanks. Presently, the most common way in which the City acquires greenspace is through developer led residential subdivisions, where the developer typically dictates park locations and sizes.

Utilizing the Transformative Reserve Fund to acquire privately owned greenspace would enable the City to purchase land that might not otherwise be possible to acquire with competing interests for capital dollars. The proposed use of the Transformative Reserve Fund would be distinct from the Land Operating Reserve Fund which is only permitted to acquire property for the purpose of resale. The Land Dedication Reserve Fund may be used to purchase privately owned green space, but would rarely (if ever) have sufficient funds to acquire transformative green space or significant forested areas.

Purchases will be prioritized and identified through Council approved policies and strategies. Up to 50% of the net proceeds from a qualifying transaction will be reinvested into the Ward. If the Public Service is unable to acquire land within a specific Ward, or the qualifying Asset is not located within a Ward, an alternate property acquisition will be recommended to Council.

The procedures to acquire privately-owned green space will align with the Real Estate Policy Framework, except that all property acquisitions arising out of the Transformative Reserve Fund will require Council approval.

Transformative Reserve Fund requirements and responsibilities are further defined within the Transformative Reserve Fund Policy attached as Schedule A to this report.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 2, 2021

Project Name:

Transformative Reserve Fund Policy

COMMENTS:

The Transformative Reserve Fund Policy will have financial implications for how the Public Service manages certain land and property transactions. Net proceeds from the sale of surplus golf course lands or City-owned buildings available for lease to third parties will accrue to the Transformative Reserve rather than to the Land Operating Reserve or Land Dedication Reserve as currently applicable. The Transformative Reserve will be used as a funding source to acquire or create new parkland.

Notwithstanding the above, as this report addresses the adoption of policy and the establishment of a new operating fund rather than any specific transaction or transactions, for the purposes of this report, there are no financial implications.

Mike McGinn Nov. 2, 2021

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)
Public Works Department – Parks and Open Spaces Division

OURWINNIPEG POLICY ALIGNMENT

01-5 Recreation
Direction 3:
Directly provide, or facilitate through partnerships, equitable access to a base level of recreation, culture and leisure services for all Winnipeggers.

Direction 4:
With community partners, participate as a leader in planning and delivering recreation and leisure services in Winnipeg.

Direction 6:
Plan for sustainable and connected recreation and leisure infrastructure.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

1.7 - Increase Opportunities to Respond to Food Needs Throughout Winnipeg and Increase Access to Local and Sustainable Food

3.4 - Increase Active Transportation Rates

7.2 - Increase and Preserve Tree Canopy

7.3 - Preserve and Manage Parks and Natural Areas to Support Climate Change Mitigation

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Gord Chappell, Real Estate Administrator
Date: November 3, 2021
File No:

Attachments:

Schedule A – Transformative Fund Policy