Agenda – Executive Policy Committee – December 7, 2022

Report – Standing Policy Committee on Property and Development – November 30, 2022

Moved by Councillor

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.

Item No. 2 Reallocation of Approved Grant Funding for the Jonathan Toews Community Centre Field House Development (St. Norbert-Seine River Ward)

STANDING COMMITTEE RECOMMENDATION:

On November 30, 2022, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the $45,862 residual amount of a grant to the Dakota Community Centre Inc. approved by Council on March 25, 2015, for the procurement of design development services for the Jonathan Toews Community Centre Field House Development project, be reallocated to finance capital construction costs.

2. Subject to approval of Recommendation 1, that the $45,862 grant be funded by the Assets and Project Management Department, Municipal Accommodations Division 2022 operating budget.

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

Agenda – Executive Policy Committee – December 7, 2022

Report – Standing Policy Committee on Property and Development – November 30, 2022

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 30, 2022, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Reallocation of Approved Grant Funding for the Jonathan Toews Community Centre Field House Development

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

Between 2013 and 2015, Council approved a total contribution of $6.7 million to Dakota Community Centre Inc. ("Dakota") for the Jonathan Toews Community Centre Field House Development project ("the Project"). This $6.7 million contribution was approved for facility design, business plan development and capital cost estimates ($118,000), design development services ($812,000) and construction costs ($5,770,000). Final design development costs were $766,138; $45,862 less than that approved by Council. Dakota have requested that this residual amount be reallocated to fund construction costs.

As the Project budget was closed in 2020, the original residual funding is no longer available. The Public Service supports Dakota's request and recommends the $45,862 be funded from the Municipal Accommodations Division 2022 operating budget; specifically, to be funded by the transfer from the Community Services Department for facilities operation and maintenance. Funding is available due to the timing of staff deployed to Community Service's facilities, supply chain delays, and constraints within the consultant/contractor industries.

RECOMMENDATIONS

1. That the $45,862 residual amount of a grant to the Dakota Community Centre Inc. approved by Council on March 25, 2015, for the procurement of design development services for the Jonathan Toews Community Centre Field House Development project, be reallocated to finance capital construction costs.

2. Subject to approval of Recommendation 1, that the $45,862 grant be funded by the Assets and Project Management Department, Municipal Accommodations Division 2022 operating budget.

3. That the proper officers of the City be authorized to do all things necessary to complete the intent of the foregoing.

REASON FOR THE REPORT

Reallocation of grant monies for a purpose other than for which it was originally approved must be approved by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

An additional grant of $45,862 will be paid to Dakota Community Centre bringing the City's total contribution to the Project to the Council-approved amount of $6.7 million. The grant amount can be accommodated within Municipal Accommodations' existing budget and no new funding is required.

HISTORY/DISCUSSION

On February 27, 2013, Council approved the establishment of a new 2013 capital project, "Jonathan Toews Community Centre Field House Development" ("the Project"), in the amount of $9.534 million to be financed by $4.767 million from the Province of Manitoba and $4.767 million as the City's share.

On June 25, 2014, Council approved that the Project, the approval of which was conditional upon the submission of a satisfactory business plan to Council prior to commencement of construction, be amended from $9.534 million to a total of $15.9 million. On this date, Council also approved that, prior to submission of a satisfactory business plan to Council, $120,000 of the City's approved total contribution to the Project be authorized to undertake and complete additional facility design development and a Class C cost estimate as well as a phased site plan with detailed costs and a completed business plan.

On March 25, 2015, Council approved the provision of a grant of $812,000 to Dakota for procurement of design and development services for the Project.

On June 17, 2015, Council approved that a grant to Dakota in the total amount of $6.7 million ($1.933 million plus the $4.767 million contribution from the February 27, 2013 Council decision with respect to this matter), less advance amounts as previously approved by Council of:

A. $118,000 which had already been expended by the Planning, Property and Development Department for facility design, business plan development and preparation of capital cost estimates; and
B. The portion of the $812,000 in grants that has been paid to Dakota for the procurement of design development services.

The total Project budget at that time was $17.9 million representing a capital grant of $13.7 million (funded by contributions from the City of $6.7 million and the Province of $7.0 million with Dakota to finance the remaining $4.2 million). Relatively early on, the anticipated final cost of the Project was anticipated to exceed $17.9 million and Dakota secured the additional required financing of approximately $2.3 million and completed the Project in 2017 at a final cost of $20.2 million.

City of Winnipeg Contribution of $6.7 Million

The Council-approved contribution to Dakota for the Project breaks down as follows:

	Approved	Expended	Remaining
Advance for facility design, business plan development and preparation of capital cost estimates	$ 118,000	$ 118,000	$ -
Grant for the procurement of design development services	812,000	766,138	45,862
Construction Grant	5,770,000	5,770,000	-
Total	**$6,700,000**	**$6,654,138**	**$ 45,862**

Dakota have requested that the remaining $45,862 be reallocated to the construction grant from the design development services grant. Dakota have carried this amount as an Account Receivable in their financial statements for the past several years. Due to competing priorities during this time as well as disruptions resulting from the pandemic, this matter has not been brought forward for consideration by elected officials in as timely a manner as desired. Notwithstanding this delay, approval of the recommendations contained in this report would bring the City's financial contribution to the Project to $6.7 million; the amount approved by Council.

As the Project budget was closed in 2020 and the original funding is no longer available, it is recommended that the reallocated grant be funded from the Municipal Accommodations Division 2022 operating budget; specifically, to be funded by the transfer from the Community Services Department ("CmS") for facilities operation and maintenance. Based on the most recent operating budget forecast, the allocated budget will not be fully spent by the end of the year and, as such, the $45,862 grant amount can be accommodated within existing budget. The primary reason there is available budget at this time is the timing of the recruitment of staff deployed to CmS as well as supply chain delays and constraints within the consultant/contractor industries.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 14, 2022

Project Name:

First Year of Program **2022**

Reallocation of Approved Grant Funding for the Jonathan Toews Community Centre Field House Development

	2022	2023	2024	2025	2026
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 45,862	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 45,862	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	45,862	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent the recommended reallocation of design development services grant funds to construction grant funds.

Mike McGinn Oct. 14, 2022

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Community Services Department

OURWINNIPEG POLICY ALIGNMENT

Goal: Economic Prosperity

- **Objective** - Leverage community and regional assets to optimize local economic competitiveness.
- **Policy 3.16 Optimize Facility Access** - Maximize the use of existing municipal assets to promote recreation, community development, and social interaction, while optimizing equitable access, infrastructure reinvestments, service delivery methods and resource management.

Goal: Good Health and Well-Being

- **Objective –** Enable access to basic needs for good physical and mental health.
- **Policy 4.11 Equitable Service Access** - Prioritize equitable access to recreation and park systems, services, and infrastructure, in order to: enable active living; connect people and nature; create supportive environments; build community capacity; and achieve desired health outcomes, with a focus on children and youth.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Assets and Project Management
Division: Municipal Accommodations
Prepared by: Mike McGinn, Manager of Finance
Date: October 19, 2022
File No: N/A