Agenda – Executive Policy Committee – July 5, 2023

Report – Standing Policy Committee on Property and Development – June 27, 2023

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. 8 Contribution and Access Agreement between the City of Winnipeg and Richardson Centre Limited for Below and At-Grade Improvements at Portage and Main Intersection (Point Douglas Ward)

STANDING COMMITTEE RECOMMENDATION:

On June 27, 2023, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, as amended, and submitted the following to Council:

1. That the unused funds of up to $230,000 allocated for architectural and engineering services under the Portage and Main Intersection Improvements capital project (project # 6331000518) be re-allocated and used for the demolition and removal of the stairwell bunker, installation of a new sidewalk in its place east of the city barricade planter, extending east to the first private approach, required code-related changes within the concourse, and pedestrian wayfinding in accordance with City standards..

2. That the unused funds of up to $1,493,000 from the 2018 Portage and Main Rehabilitation capital budget (project # 1804100418) be re-allocated and used for the demolition and removal of the stairwell bunker, installation of a new sidewalk in its place east of the city barricade planter, extending east to the first private approach, required code-related changes within the concourse, and pedestrian wayfinding in accordance with City standards.

3. That, subject to approval of Recommendations 1 and 2, the City enter into, execute, and deliver a Contribution Agreement with Richardson Centre Limited in an amount of up to $1,652,000 and such other agreements as determined necessary by the City Solicitor/Director of Legal Services and to implement the intent of the foregoing (the "Ancillary Agreements").

4. That, subject to approval of Recommendations 1 to 3, the City enter into, execute, and deliver an agreement with Richardson Centre Limited to secure public use and access to the City concourse through Richardson Centre Limited's property located at 365 and 375 Main Street (the "Access Agreement") and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Other Ancillary Agreements").

Report – Standing Policy Committee on Property and Development – June 27, 2023

STANDING COMMITTEE RECOMMENDATION (continued):

5. That authority be delegated to the Chief Administrative Office (CAO) to negotiate and approve the terms and conditions of the Contribution Agreement, Ancillary Agreements, Access Agreement, and Other Ancillary Agreements in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

6. That authority be delegated to the Chief Administrative Officer to negotiate and approve all future agreements with Richardson Centre Limited with respect to public use and access to the City concourse through Richardson Centre Limited's property located at 365 and 375 Main Street and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

7. 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 – June 27, 2023

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 27, 2023, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, with the following amendments:

- In recommendations 1 and 2, delete the words "demolition and removal of the stairwell bunker and the renewal of the Portage Avenue East public sidewalk abutting Richardson Plaza" and replace with "demolition and removal of the stairwell bunker, installation of a new sidewalk in its place east of the city barricade planter, extending east to the first private approach, required code-related changes within the concourse, and pedestrian wayfinding in accordance with City standards."

and submitted the matter to the Executive Policy Committee and Council.

Susan Russell, McGowan Russell Group, submitted a presentation in support of the matter.

ADMINISTRATIVE REPORT

Title: Contribution and Access Agreement between the City of Winnipeg and Richardson Centre Limited for Below and At-Grade Improvements at Portage and Main Intersection

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

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch (Acting)	M. Pittet (Acting)	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

In consideration of recent capital investments by Richardson Centre Limited (RCL) and further to the October 25, 2017, decision of Council regarding Portage and Main Intersection Implementation of a Phased Approach to Below and At-Grade Improvements, the Public Service recommends that Council approve a contribution of up to $1,652,000 to RCL for work to be undertaken at the northeast corner of the Portage and Main intersection; specifically the demolition and removal of the stairwell bunker that provides access to the underground concourse and the renewal of the Portage Avenue East public sidewalk abutting Richardson Plaza.

Council approval is required as the recommended contribution requires re-allocation of amounts previously approved by Council on October 25, 2017, and the proposed works will not re-introduce at-grade pedestrian activity at the intersection.

Should Council approve the contribution, it is recommended that the City enter into two agreements with RCL; a Contribution Agreement to provide the funds to RCL for the demolition and removal of the stairwell bunker and the renewal of the Portage Avenue East public sidewalk abutting Richardson Plaza and an agreement to provide for public use and access to the City's underground concourse through the RCL property and building located at 365 and 375 Main Street to replace access from the removed existing stairwell bunker noted above.

RECOMMENDATIONS

1. That the unused funds of up to $230,000 allocated for architectural and engineering services under the Portage and Main Intersection Improvements capital project (project # 6331000518) be re-allocated and used for the demolition and removal of the stairwell bunker and the renewal of the Portage Avenue East public sidewalk abutting Richardson Plaza.
2. That the unused funds of up to $1,493,000 from the 2018 Portage and Main Rehabilitation capital budget (project # 1804100418) be re-allocated and used for the

demolition and removal of the stairwell bunker and the renewal of the Portage Avenue East public sidewalk abutting Richardson Plaza.

3. That, subject to approval of Recommendations 1 and 2, the City enter into, execute, and deliver a Contribution Agreement with Richardson Centre Limited in an amount of up to $1,652,000 and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

4. That, subject to approval of Recommendations 1 to 3, the City enter into, execute, and deliver an agreement with Richardson Centre Limited to secure public use and access to the City concourse through Richardson Centre Limited’s property located at 365 and 375 Main Street (the “Access Agreement”) and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Other Ancillary Agreements”).

5. That authority be delegated to the Chief Administrative Office (CAO) to negotiate and approve the terms and conditions of the Contribution Agreement, Ancillary Agreements, Access Agreement, and Other Ancillary Agreements in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That authority be delegated to the Chief Administrative Officer to negotiate and approve all future agreements with Richardson Centre Limited with respect to public use and access to the City concourse through Richardson Centre Limited’s property located at 365 and 375 Main Street and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

7. 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

The expenditure of capital budget funds for a purpose(s) other than that originally approved by Council requires Council approval. Council approval is required to enter into the Contribution Agreement and Access Agreement with RCL.

IMPLICATIONS OF THE RECOMMENDATIONS

Should the recommendations of this report be approved, up to $1,493,000 from the 2018 Public Works Department “Portage and Main Rehabilitation” capital project budget and up to $230,000 from the 2018 Planning, Property and Development “Portage and Main Intersection Improvements” capital program budget will be used for the demolition and removal of the stairwell bunker at 365 Main Street and the renewal of the Portage Avenue East public sidewalk abutting Richardson Plaza. Subject to approval of the recommendations contained in this report, contribution and access agreements will be entered into by the City and RCL.

There are no financial implications arising from the Access Agreement.

Construction will be carried out by RCL with eligible costs reimbursed by the City to the maximum stipulated in the Contribution Agreement.

HISTORY/DISCUSSION

On October 25, 2017, Council adopted the following:

1. That the intersection of Portage Avenue and Main Street be identified as a priority, through a phased-approach, for renewed purpose and investment that allows for full use by everyone, pedestrian (both at and below grade) and vehicle, to increase walkability, safety and connectivity throughout the entire downtown.

2. That a Portage Avenue and Main Street Working Group be established by the Chief Administrative Officer which will include the CAO, representatives of the property owners at the intersection, and the departments of Public Works, Transit, Planning, Property and Development and Water and Waste, to ensure collaboration and consultation for aligned overall planning.

3. That a new Portage and Main Intersection Improvements capital project in the amount of $1,500,000 be authorized for inclusion in the 2018 Capital Budget (Appendix A) to be funded with prior year authorizations as laid out in Appendix B; and that the 2018 Regional and Local Streets Renewal Budget include the project “Portage and Main Rehabilitation” in the amount of $2,000,000.

4. Subject to approval of Recommendation 3, that Council authorize expenditures in 2017 of up to $3,500,000, prior to the adoption of the 2018 Capital Budget, as a first charge against the General Capital Fund – of up to $1,500,000 for the 2018 Portage and Main Intersection Improvements capital project, and up to $2,000,000 for the Portage and Main Rehabilitation project in the 2018 Regional and Local Street Renewal capital program, in accordance with Subsection 288(2) of the City of Winnipeg Charter, to be utilized as follows:

   A. Up to $1,500,000 for Architectural and Engineering services obtained through a competitive bid process.

   B. Up to $500,000 for new sidewalks, curbs, paving bands and street trees on the city’s assets directly connected to the plaza at 365 Main Street (Richardson Building).

   C. Up to $1,500,000 for the city’s assets in the concourse, consisting of work in the concourse below 201 Portage Avenue, removal of the bunker and associated works at 365 Main Street and concourse evaluations, assessments and studies.

5. That the City enter into, execute and deliver an agreement on a single source basis with Harvard Property Management Inc. for reimbursement of costs for renovation and upgrading work to be undertaken by Harvard Property Management Inc., to a maximum of $500,000, in the City-owned portion of the Underground Pedestrian Concourse adjacent to the 201 Portage Avenue property and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

6. That the City enter into, execute and deliver agreements with the property owners at the intersection of Portage Avenue and Main Street to reintroduce at grade pedestrian activity at the intersection, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Other Ancillary Agreements") including the amendment or termination of any previous agreements entered into with existing or previous property owners at the intersection of Portage Avenue and Main Street.

7. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the agreements referred to in Recommendations 5 and 6 and the Ancillary Agreements and the Other Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

In 2022, engineering, design and construction drawings were completed under consultant assignments with the City. The sum of those contracts totaled $121,370.65. That work has been reviewed by Public Works and Municipal Accommodations.

While the total cost of past work in the concourse below 201 Portage Avenue ($500,000) plus the removal of the bunker will together exceed $1,500,000 as originally approved by Council (Recommendation 4C of the October 25, 2017, decision), and the $500,000 originally allocated by Council for sidewalk renewal (Recommendation 4B of October 25, 2017, Council Decision) was fully expended in the previous phase of work (the sidewalk along the west side of the property), there is budget remaining within the overall $3,500,000 2018 Portage and Main Rehabilitation and Intersection Improvements budget to complete the proposed work and fulfill Council's intent per its 2017 decision.

Of the $3,500,000 originally allocated by Council, there is approximately $1,493,000 remaining in the Portage and Main Rehabilitation project in the 2018 Regional and Local Street Renewal capital program and approximately $230,000 remaining in the 2018 Portage and Main Intersection Improvements capital project for a total of $1,723,000 in available funds.

It is recommended that the full $1,723,000 from the 2018 Portage and Main Rehabilitation and Intersection Improvements budget be made available for this work (less $71,000 for internal City overhead costs). The bunker demolition, removal, surface remediation and sidewalk renewal will comprise one integrated project. The estimated cost, including contract administration, permits, contractor overhead and contingencies is $1,752,891.35. A detailed breakdown of costs can be found in Attachment A. The difference between the available funding and the total estimated costs (with contingencies) equals $100,891.35, which would need to be covered by RCL as part of their contribution to the project.

This estimate does not include a number of code-related changes within the concourse required by the loss of the bunker exit, as outlined in a 2018 Egress Analysis. Those changes would be required prior to demolition of the bunker, and the cost of implementing those changes would also need to be covered by RCL as part of their contribution to the project.

It should also be noted that the sidewalk renewal does not include any concourse roof membrane work and there is the possibility that these sidewalks (or a portion of) will need to be re-excavated at some point in the future when membrane replacement occurs.

Subject to Council approval, eligible costs of up to $1,652,000 (i.e. $1,493,000 from 2018 Portage and Main Rehabilitation capital budget + $230,000 from Portage and Main Intersection

Improvements capital project = $1,723,000 less City overheads of $71,000 = $1,652,000) will be paid to RCL under the Contribution Agreement to reimburse RCL for costs of the demolition and removal of the stairwell and bunker and sidewalk renewal, which RCL will carry-out in conjunction with their own work required for completion of their plaza. Work is planned to begin as soon as possible and is expected to be completed in spring of 2024. RCL will be responsible for any costs over the amount provided by the City under the Contribution Agreement.

Prior to any work taking place, both the Contribution Agreement and the Access Agreement must be negotiated and executed. The Access Agreement will provide a fully-accessible public connection to the underground concourse through the Richardson Building located at 365 and 375 Main Street in the absence of a City-owned stairwell connection to the concourse on this corner of the Portage and Main intersection. RCL has agreed in principle to provide this access during all concourse hours of operation. Current concourse hours are 6:30 am to 10:30 pm.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 21, 2023

Project Name:

First Year of Program **2023**

Contribution and Access Agreement between the City of Winnipeg and Richardson Centre Limited for Below and At-Grade Improvements at Portage and Main Intersection

	2023	2024	2025	2026	2027
Capital					
Capital Expenditures Required	$ 1,652,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	1,652,000	-	-	-	-
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	71,000	-	-	-	-
Net Cost/(Benefit)	$ (71,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(71,000)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the maximum $1,652,000 in costs to be reimbursed to RCL under the terms of the contribution agreement + short-term interest charges & corporate admin fees of $30,000 and Public Works' capital overhead of $41,000. The latter two amounts are offset by equal recoveries in the current budgets of the Corporate Finance and Public Works Departments respectively.

Mike McGinn Apr. 21, 2023

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Public Works Department
Assets and Project Management Department
Legal Services

OURWINNIPEG POLICY ALIGNMENT

3.6 – Downtown Economic Development
Prioritize the Downtown by leveraging private and public investments, including housing, entrepreneurship, arts, entertainment, and tourism, that advance its status as an economic driver.

6.17 – Downtown Economic Investment
Support development that reflects the Downtown's designation as a Transformative Area and preeminent complete community, as detailed in Complete Communities.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

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: Planning, Property and Development
Division: Urban Planning & Design
Prepared by: Kurtis Kowalke, Principal Planner
Date: April 21, 2023

Attachments:

A – Cost Breakdown