Agenda – Council – September 29, 2023

Report – Standing Policy Committee on Property and Development – September 18, 2023

Item No. 9 Development of the South Winnipeg Recreation Campus

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2023, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That, subject to Pembina Trails School Division and/or Province of Manitoba approval, the City be authorized to enter the property located at 50 Frontier Trail for the purpose of constructing a daycare and vocational school on Pembina Trails School Division and/or Province of Manitoba land, which the City does not intend to acquire.

2. That, subject to two-thirds approvals from all members of Council, the City declare as surplus, approve any purchase, sale or land exchange, Joint Use Agreement, Cross-Access Agreement, and lease or other agreement required, for any portion of the Subject City Property located at 262 Cadboro Road or the property located at 50 Frontier Trail necessary to facilitate the development of the South Winnipeg Recreation Campus.

3. That the Director of Planning, Property and Development be authorized to acquire any land necessary for the South Winnipeg Recreation Campus from Pembina Trails School Division and/or Province of Manitoba property located at 50 Frontier Trail, provided that the appraised value of the land acquired does not exceed the appraised value of the land sold.

4. That the City enter into, execute, and deliver a Purchase and Sale Agreement or Land Exchange Agreement, Joint Use Agreement(s), Cross-Access Agreement, Lease(s), Access Agreement, and Supplemental Agreements with Pembina Trails School Division and/or Province of Manitoba, 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").

5. That the City enter into, execute and deliver a Cost Sharing Agreement with Southeast Lands Corporation in order to service the City-owned property that forms part of DASZ 10/2022, 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").

Report – Standing Policy Committee on Property and Development – September 18, 2023

STANDING COMMITTEE RECOMMENDATION (continued):

6. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of any agreement required as a result of the above Recommendations, including the determination of the final location and size of the Subject City Property declared surplus, sold, exchanged, or leased, all 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.

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

Pursuant to Section 205(2) of The City of Winnipeg Charter, disposal of land owned or acquired by the City for park or cemetery purposes requires approval by two-thirds of all Members of Council.

Agenda – Council – September 29, 2023

Report – Standing Policy Committee on Property and Development – September 18, 2023

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2023, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 18, 2023, 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: Development of the South Winnipeg Recreation Campus

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Chappell (Acting)	H. Borys	N/A	M. Jack

EXECUTIVE SUMMARY

The South Winnipeg Recreation Campus (SWRC) is a new regional multi-use inter-generational recreation facility including three gymnasiums with a mezzanine walking/running track and fitness areas, several multi-purpose program meeting spaces of various sizes, change rooms, offices, washrooms, lobby/common space, tenant lease space, parking, and related site development. The project is on lands adjoining with Pembina Trails School Division (PTSD).

In accordance with the Investing in Canada Infrastructure Program Contribution Agreement, and as part of the SWRC Phase 1, the City will also construct: a daycare, a vocational school wing, and a community spray pad.

Based on effective and efficient site planning and the required link from the recreation facility to the daycare, both the daycare and school's vocation wing may span current property boundaries. Any portion of the daycare or vocational wing residing on City property will be transferred to PTSD upon substantial performance.

The Public Service recommends the subdivision (if necessary) occur after construction is complete, or nearly complete, to ensure the finished buildings and any necessary setbacks are within the proposed boundaries.

Currently, there are multiple zoning classifications for the lands including: Parks and Recreation (PR); Education – Institutional (EI); and Multi-family (RMF). The Provincial/PTSD and City of Winnipeg lands will be rezoned to EI to reflect and align with proposed uses. This will ensure consistent zoning and land use designations, regardless of interim lot lines. (Appendix A)

SWRC expenditures to date total approximately $5 million. The approved funding and forecasted total cost for the SWRC remains at a value of $89.036 million. The Prime Consultant, Diamond Schmitt Architects Incorporated, have advanced design activities including site layout and refinement of long-term facility spatial planning.

The Public Service is currently working with the Province of Manitoba and PTSD to finalize land assembly, detailed design, and align funding commitments with project scope.

The initial and subsequent phases of construction will require Council's approval to enter onto Provincial/PTSD land. In order to service the recreation facility, the City will need to enter into a cost sharing agreement with Southeast Lands Corporation for the servicing costs related to the SWRC development, as Southeast Lands Corporation is required to service the immediate area pursuant to Council's conditions of approval for Development Application No. DASZ 10/2022 ("DASZ 10/2022").

RECOMMENDATIONS

1. That, subject to Pembina Trails School Division and/or Province of Manitoba approval, the City be authorized to enter the property located at 50 Frontier Trail for the purpose of constructing a daycare and vocational school on Pembina Trails School Division and/or Province of Manitoba land, which the City does not intend to acquire.

2. That, subject to two-thirds approvals from all members of Council, the City declare as surplus, approve any purchase, sale or land exchange, Joint Use Agreement, Cross-Access Agreement, and lease or other agreement required, for any portion of the Subject City Property located at 262 Cadboro Road or the property located at 50 Frontier Trail necessary to facilitate the development of the South Winnipeg Recreation Campus.

3. That the Director of Planning, Property and Development be authorized to acquire any land necessary for the South Winnipeg Recreation Campus from Pembina Trails School Division and/or Province of Manitoba property located at 50 Frontier Trail, provided that the appraised value of the land acquired does not exceed the appraised value of the land sold.

4. That the City enter into, execute, and deliver a Purchase and Sale Agreement or Land Exchange Agreement, Joint Use Agreement(s), Cross-Access Agreement, Lease(s), Access Agreement, and Supplemental Agreements with Pembina Trails School Division and/or Province of Manitoba, 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").

5. That the City enter into, execute and deliver a Cost Sharing Agreement with Southeast Lands Corporation in order to service the City-owned property that forms part of DASZ 10/2022, 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 authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of any agreement required as a result of the above Recommendations, including the determination of the final location and size of the Subject City Property declared surplus, sold, exchanged, or leased, all 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.

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

Council approval is required for the following reasons:

- The Real Estate Policy Framework does not address construction on land that will not be acquired by the City or delegated authority to enter into a cost sharing agreement for servicing.
- The Real Estate Policy Framework does not address agreements where buildings span property lines.
- Council approval is required to enter into the above noted agreements.
- Land acquisition programs must be approved by Council.
- Land acquired for park purposes that are to be sold or transferred requires 2/3 approval from all members of Council pursuant to subsection 205(2) of The City of Winnipeg Charter.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no immediate financial implications to the Recommendations of this report. Council approvals are required to acknowledge and support the unique nature of the project which involves funding by three levels of government; with two levels of government and school division undertaking the project delivery.

Construction will be initiated prior to the property line and zoning resolution; however, final approvals, zoning, and title registration will take place prior to substantial performance. Funding requirements are the motivating factor to advance construction prior to land use approvals.

This report seeks to confirm authority for the following:

- A cost sharing agreement with Southeast Lands Corporation (i.e. Qualico) to service the land as part of DASZ 10/2022.
- Permission to allow the Public Service to construct a vocational wing and daycare on third party lands (Province/PTSD).
- To develop Joint Use, Access and Service Sharing agreements.
- Authority for the Chief Administrative Officer to conclude required park lands sale and determine what (if any) compensation is required.
- Approval of lease(s) that allows occupation of the vocational wing or daycare in advance of revised plan of subdivision (property line adjustment), as required.
- Direction to initiate the rezoning of the Provincial/PTSD land and City property to Education / Institutional (EI) reflecting and aligning proposed and future land use.

The proposed land arrangement will require a future Short-Form Subdivision (DASSF) application to carry out the intent of lands to be exchanged. It is anticipated that variances may be required to ensure site usage is maximized and that any land exchange remains at minimum.

HISTORY/DISCUSSION

1. Community Engagement and Consultation:

The plan for the South Winnipeg Recreation Campus (SWRC) was developed over several years, as shown in the timeline below:

2014	South Winnipeg Recreation Initiative: Stakeholder Consultation & Recommendations) report completed. More than 40 participants representing 15+ organizations provided input in the creation of a "most needed" list of amenities/program spaces.
2016	South Winnipeg Recreation Campus Planning and Feasibility Project Charter completed. This document includes the level of demand for certain activities and a list of desired programming spaces.
2019	Preliminary site and facility planning report completed by Gibbs Gage Architects. The feasibility study included a recommendation for over 230,000 square feet of space, with gyms, indoor track, fitness area, multi-purpose rooms, aquatic centre, indoor arena, and library. Council approved the Investing in Canada Infrastructure Program (ICIP) application. The project was divided into phases. Each phase includes more achievable budgets. Phase 1 is about 66,000 square feet and includes gymnasiums, multi-purpose spaces, indoor track, and fitness area. These spaces were identified as priorities by the community and stakeholders.
2020	Council amended the previously-approved South Winnipeg Recreation Campus: Phase 1 – Recreation Centre project to include a daycare and a vocational wing to be attached to the new high school.

2. Land Acquisition:

On February 22, 2018, Council approved the expropriation of 262 Cadboro Road for the purposes of the SWRC development. The capital budget for the land acquisition was $4,114,000.00. The land area for the campus was later increased through a road closing and dedication of public reserve through DASZ 43/2019.

3. Secondary Plan:

The Secondary Plan was adopted on June 20, 2019.

Subject land is designated as Community Node and the Land Use Map identifies the subject land as the Recreation Centre Site, with a Community Scale Park directly to the south.

Waverley West Neighbourhood B Secondary Plan

> *The Community Node area provides for public and institutional uses, including the site for two schools and a recreation centre, limited commercial and multi-family residential, where appropriate. The Community Node area will contain a regional recreational and educational hub.*
>
> *There shall be at least one Community Scale Park of approximately 10-12 acres in the Plan Area, to support active uses, co-located with the school sites and recreation facility.*
>
> *The Community Scale Park shall be configured to accommodate at least two full-sized sports fields with supporting facilities.*
>
> *The Community Scale Park shall be located on a collector road and should, where possible, have frontage onto another road (local or collector) to maximize access options and visibility.*
>
> *The Community Scale Park shall be accessible by a variety of modes of transportation and be connected to the linear park network***.**

4. Canada Infrastructure Program Contribution Agreement

July 23, 2020, Council amended the previously-approved SWRC: Phase One – Recreation Centre project to include a daycare and vocational building. Council also approved submitting the amended $89.039 million project for federal and provincial funding consideration through ICIP.

August 12, 2021, the SWRC: Phase One – Recreation Centre was approved for federal and provincial funding under the ICIP – Community, Culture and Recreation Infrastructure Stream.

February 15, 2023, the City of Winnipeg received the first-issue draft of the SWRC Funding Contribution Agreement from the Province of Manitoba. An approved SWRC ICIP contribution agreement is currently being concluded.

Current Status:

The high school vocational wing and daycare will be constructed by the City project team and any portion of the buildings on City property will be transferred to PTSD who will own and manage the assets.

One of the requirements through the ICIP agreement is the daycare be physically connected to the recreation centre. There are also exits/egress from the school which may require students to cross the property lines onto the City site, as well as the need for secure long-term access to the daycare. Cross-access agreements will be required during, and post construction.

Next Steps:

1. Continued Design Development and refinement for the SWRC, High School Vocational Wing and Day Care to align scope and budgets.

2. Two supplemental agreements will be developed for the project including:
    - Facility Development and responsibilities related to PTSD facilities and operations.
    - Programming and collaborative community program model.

3. Three parcels of land will be zoned Educational/Institutional to match the proposed facilities and intended site use with the correct zoning and land classifications.

4. Once lands are rezoned and foundation permits issued, a Short-Form Subdivision (DASSF) will be initiated to reflect the proposed property ownership.

5. The SWRC project continues to evolve as the City meets with stakeholders and balances information from: the public engagement processes; ICIP requirements; operational considerations; conceptual design; and budget constraints.

6. The City will share the facility designs with the public and stakeholders as part of the Phase 2 engagement.
    - Feedback will validate the design, and adjustments will be made based on Phase 2 feedback.

7. The South Winnipeg Recreation Campus major capital project provides regular quarterly status updates to the Standing Policy Committee on Finance and Economic Development.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 28, 2023

Project Name:

Development of the South Winnipeg Recreation Campus

COMMENTS:

There are no financial implication of this report as it is asking for delegated authority to enter into agreements for which there is approved funding.

Mike McGinn Aug 28, 2023

Mike McGinn CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Community Services
- Assets and Project Management
- Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

The following sections within OurWinnipeg 2045 are applicable to the South Winnipeg Recreation Campus:

Goal: Economic Prosperity
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
4.11 Equitable Service Access
Prioritize equitable access to recreation and parks 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.

Goal: City Building
6.29 New Communities
Plan New Communities to identify and include a defined level of service for public infrastructure and resource requirements, or approved alternative, to achieve complete communities, including an integrated and sustainable transportation system, recreation, parks, libraries, emergency services, and digital communications technology.

6.33 Major Open Space
Designate Major Open Spaces within the Urban Structure, to accommodate only compatible park, recreation, open space, and City operations related uses and recognize, preserve, and retain lands of city-wide importance for its valued natural features and habitats, connections, and varied recreation opportunities, that promote this Plan's goals.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The following sections within the City's Climate Action Plan are applicable to the South Winnipeg Recreation Campus:

Strategic Opportunity #5
Low Carbon and Energy Efficient Buildings
5.2 Improve Energy Performance of New Buildings

Strategic Opportunity #7
Community Climate Resiliency

7.2 Increase and Preserve Tree Canopy
7.3 Preserve and Manage Parks and Natural Areas to Support Climate Change Mitigation

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The Poverty Reduction Strategy aligns with the South Winnipeg Recreation Campus in the following ways:

Goal #6 – All City Services are Equitable, Inclusive and Accessible
Recreation services and access to nearby greenspace contribute to enhanced individual and community well-being, social inclusion, and positive health outcomes in the short term, while also providing a long-term investment in a healthy city for the future.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Gord Chappell, Administrator of Real Estate
Date: August 29, 2023
File No: 32/5951 (V7)

Attachments:

Appendix A Zoning Map