REPORT OF THE

EXECUTIVE POLICY COMMITTEE

DATED JULY 17, 2002

On motion of His Worship Mayor Murray, the rule was suspended and the Report of the Executive Policy Committee, dated July 17, 2002, was considered clause by clause.

Integrated Planning Model
File GP-1 (Vol. 19)

635 - 1. On May 16, 2001, the Executive Policy Committee recommended that an Integrated Planning Model Ad Hoc Committee be struck and co-chaired by Councillors Gerbasi and Vandal to review the operations of departments for the purpose of providing improved customer services, achieving efficiencies, providing better integration of systems, procedures, and processes, and streamlining operations both internal and external in the areas of neighbourhood planning, inspections, applications, permits, zoning, and long range integrated planning.

On November 23, 2000, the former Director of Planning, Property and Development, Doug Kalcsics, submitted a report to the Standing Policy Committee on Property and Development in response to a challenge by the Mayor and concerns raised by the Standing Policy Committee regarding the capacity of the Planning, Property and Development Department to effectively carry out its planning and development mandates. The report identified a number of issues and called for an annual tax supported budget increase to the department of $560,000.00 in order to address resource deficiencies.

As background for their work, the Ad Hoc Committee studied planning models used by other municipalities, including undertaking a study tour to Portland, Seattle, and Vancouver, and another to Calgary. As well, extensive research was conducted on other municipalities across North America comparing the manner in which planning is undertaken in those jurisdictions with the approach taken here. Particular attention was paid to the allocation of resources to various functions. It was immediately evident that Winnipeg was under resourced.

Extensive consultation was also carried out over several months with administrative staff in the Planning, Property, and Development, Community Services, and Public Works Departments in order to better understand the current situation and to explore options for improvement. Following compilation of a draft report on June 5, 2002, discussions were carried out with members of Executive Policy Committee and a Council Seminar was held on July 11, 2002.

The Administration has reviewed the report of the Ad Hoc Committee and concurs with its recommendations. A Financial Impact Statement for 2003, the first year of the program, is outlined on Attachment “B”.

The Executive Policy Committee recommends:

I. That the report outlined on Attachment “A”, entitled "Toward an Integrated Planning Model", Final Draft, dated July 11, 2002, be adopted by Council, including the twenty-four recommendations contained within it as summarized in Table 1 on Page 43 of the report.

II. That the annual departmental operating budgets of the Planning, Property, and Development and Community Services Departments be increased by $857,000.00 and $149,000.00 respectively, beginning in 2003, consistent with the recommendations outlined in the report and as summarized in Table 2 on Page 47 of the report.

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

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

Report of the Executive Policy Committee dated July 17, 2002

Council recessed at 12:00 p.m., and reconvened at 1:36 p.m., the Speaker in the Chair, same members present, except for Councillor Prystanski.

Canada/Manitoba Infrastructure Update
File S-7 (Vol. 4)

636 - 2. On July 17, the Executive Policy Committee passed the following motion, namely:

WHEREAS the Executive Policy Committee has identified six candidate projects, as outlined in Schedule "A", for consideration in the Canada/Manitoba Infrastructure Program;

AND WHEREAS the Infrastructure Committee requires that the six candidate projects be added to the City's proposed list to negotiate contributions from the other levels of government;

THEREFORE BE IT RESOLVED that:

I. The list as proposed in Schedule "A" be forwarded to Council for consideration and approval.

II. The City's Infrastructure Committee be authorized to use the proposed list of projects in its negotiations with the other levels of government.

III. The Standing Committee on Fiscal Issues be requested to identify funding sources to cover the City's funding commitment.

IV. The Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing;"

and submits same to Council for approval.

Copy of attachment referred to in the above clause is on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

Manitoba Hydro Proposal to Purchase Winnipeg Hydro
File H (Vol. 11) [c/r HG (Vol. 5)]

637 - 3. On July 17, 2002, the Executive Policy Committee passed the following motion, namely:

WHEREAS Council at its meeting held on June 19, 2002, approved a change in the closing date of the sale of Winnipeg Hydro to a date on or before July 31, 2002;

AND WHEREAS legislation required to effect the sale may not be passed until some date after July 31, 2002;

THEREFORE BE IT RESOLVED that the decision of Council made on June 19, 2002, be amended by changing the date of closing for the sale of Winnipeg Hydro from a date on or before July 31, 2002, to a date on or before September 30, 2002;"

and submits same to Council for approval.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

Report of the Executive Policy Committee dated July 17, 2002

The Speaker called the Deputy Speaker to the Chair and left the Chamber.

Implementation of Two Additional Ambulances

File GF-3 (Vol. 25)

638 - 4. The Executive Policy Committee has been advised that rising emergency medical call volumes necessitate the addition of ambulance resources. There have been several occasions where no ambulances are available to be dispatched, and these occurrences have been increasing.

Manitoba Health's commitment to fund the Winnipeg Regional Health Authority (WRHA) portion of operational costs alleviates the need for immediate negotiations with the WRHA for additional funds. Negotiations can be aimed towards obtaining funding for the years 2004 and beyond to keep this additional ambulance in service.

Over the past few years, there has been a steady increase in the number of emergency medical calls received by the Winnipeg Fire Paramedic Service (WFPS). There have been several occasions where no ambulances were available to be dispatched, and these occurrences have been increasing.

The increases in call volume are due to a number of factors, including the increase in number and age of Winnipeg's population, increased utilization of the service and reorganizations within the WRHA.

Over the past few years, there has been a steady increase in the number of Emergency Medical Service calls received by the WFPS, resulting in increasing occasions where units are simultaneously committed to calls and unavailable for another call. This currently occurs at least once per twelve-hour shift, and on some night shifts, this situation has lasted for several hours.

Two additional twenty-four-hour equivalent ambulances would enable the Service to decrease the strain on its resources and reduce or eliminate the times when no resources are available for dispatch. This would also relieve some of the additional stress on the paramedics who must cope with the ever-increasing call volumes on a twenty-four-hour basis. However, implementation of two additional ambulances would require the hiring of twenty-four more paramedics.

The WFPS currently has thirteen twenty-four-hour equivalent ambulances. The addition of two more twenty-four-hour equivalent ambulances will bring this number to fifteen twenty-four-hour equivalent ambulances, which is still less than the sixteen twenty-four-hour equivalent ambulances recommended in the TriData report. Currently, ambulance resources are already over-burdened, and when faced with steadily increasing call volumes, are insufficient. The workloads currently experienced in the WFPS are contributing to increased response times, decreased unit availability, and undue amounts of stress placed upon the paramedics.

Ambulance service is funded through a cost-sharing agreement with the Winnipeg Regional Health Authority. The service is currently funded approximately 50 percent by ambulance fees, 25 percent by the City of Winnipeg and 25 percent by the WRHA.

Manitoba Health will fund the WRHA portion of their operational costs for a period of two years. The City of Winnipeg is responsible for its share of operational costs for the remainder of 2002 ($134,220.00) and for every year thereafter. Additional operational funding must be obtained from the WRHA for general expense increases in addition to the funding of these ambulance units, regardless.

In return for Manitoba Health's commitment to fund the operation of these additional ambulances, WFPS will allow the Province's rural paramedics a chance to ride on high-volume ambulances to obtain skills and preceptorship to complete their training program. The WFPS considers this a win-win situation, the Province's training needs are fulfilled, and the WFPS gets much-needed additional ambulance resources. The preceptorship requirement does not place a burden on the WFPS, because it results in an additional paramedic riding on some ambulances.

In 2000, the City of Winnipeg entered into a three-year agreement with the Winnipeg Regional Health Authority for the provision of ambulance services. While the agreement has not yet expired, the expansion of the scope of services, growth and demand for services, and the new funding commitment from the Province, necessitates a review of the current agreement to incorporate these new realities. One of the principles of a new agreement with the Province and WRHA is that the City will proceed with the amalgamation of fire and ambulance services. It is therefore also recommended that the Chief Administrative Officer be delegated responsibility to negotiate a new agreement on behalf of the City.

Report of the Executive Policy Committee dated July 17, 2002

The Executive Policy Committee recommends:

I. That two additional 24-hour equivalent ambulances be put into service immediately.

II. That the Fire Paramedic Service's permanent establishment be increased by twenty-four (24) paramedics to staff these units.

III. That the additional ambulances and associated resources be funded from the anticipated 2002 photo technology revenues.

IV. That the balance of funding for this initiative in 2003 and beyond be referred to the 2003 Budget Process.

V. That the Chief Administrative Officer be delegated responsibility to negotiate a new "Emergency Medical Response and Inter-facility Transfer Services Agreement", on the basis of user pay 50 percent, the City 25 percent and the Province 25 percent.

VI. That the Chief Administrative Officer proceed with the amalgamation of fire and paramedic services and the final amalgamation plan be submitted to Council for approval.

VII. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

The Deputy Speaker called Councillor Eadie to the Chair to participate in the Debate.

Increase in Complement of the Winnipeg Police Service
File GF-2 (Vol. 55)

639 - 5. The Executive Policy Committee has been advised that Division 11 of the Winnipeg Police Service is commonly known as the downtown and surrounding areas. The actual geographical location is the Red River to the East, the Assiniboine River to the South, Arlington Street to the West, and Logan Avenue to the North.

The ability to adequately field calls for service in a timely fashion continues to be a vital component of policing, and acts as the cornerstone in providing quality police service. Beyond responding for calls for service, Division 11 has also implemented community based policing strategies by utilizing neighborhood foots patrols, and staffing three service centers. These efforts require support and commitment to provide a diversified police response. Despite the long- term gains of community based policing, the calls for service and the level of difficulty of these calls requires general patrol members to respond. By comparison to 1981, the 2001 calls for service have increased by 45,000 and the general patrol complement has decreased by 11. A significant and steady increase in response times to emergency and priority one calls clearly indicates the impact of both the quantity and quality matters the Service faces. Thus, the state of the general patrol, which includes road and traffic safety initiatives, has been burdened for well over a decade.

A number of studies, such as the 1992 Audit, the Carruthers Shaw and Partners study completed in 1995, the Operational Review Committee of the WPS (2000), and the Progestic International Inc. report (2000), have reaffirmed the need for further resources

Several changes in resources, strategies, and process initiatives have occurred since 1992. The initiatives have been of assistance in supporting general patrol, however, as outlined in Appendix 1, the sheer volume and increasing number of calls for service remain a concern.

Not demonstrated in Appendix 1 is the increased amount of time needed to complete calls. Policing has experienced radical changes since 1981. The natural evolution of laws, policies, and society expectations have seriously impacted on the length of time each call requires. Such policies and legislations include:

Report of the Executive Policy Committee dated July 17, 2002

- Charter of Rights
- Zero Tolerance Policy (Domestic Violence)
- Firearms Legislation Bill C16
- Feeney Warrants
- Report Writing Requirements
- Video Taping Suspect and Victims Interviews
- Evidence Gathering and Testing

The increase in response time for emergency and priority one calls provide a clearer understanding of the total impact. As illustrated in Appendix 2, it now requires twice as long to respond to emergency calls as compared to 1997. Over the past three years the response time continues to escalate at a substantial rate.

In October, 2001, a workload analysis was completed for the entire city. Of the 231 defined neighborhoods, 28 were sighted as requiring 50 percent of the entire workload for the service.

Distribution of High-Workload Neighborhoods	
Division	**No. of High-Workload Neighbourhoods**
11	17
12	1
13	6
14	2
15	1
16	1

As outlined in the study, 17 of the 28 neighborhoods are within Division 11. A closer review of the workload analysis clearly shows there is a higher proportion of domestic calls within Division 11. As illustrated in Appendix 3, the 2002 analysis (January to- May) shows Division 11 responds to 35 percent of all domestic calls within the City, yet has the smallest geographical area.

The workload analysis also validates the daily reliance Division 11 police members have on their neighbouring officers. Officers assigned to surrounding Divisions are frequently reassigned to calls within Division 11. Continued use of additional resources hampers service delivery in other areas of the city.

The Service is committed to the philosophy of community based policing and thereby appreciates the value of having an active and visible presence. The flexibility of deploying the additional resources will provide the support necessary to enhance the public's sense of safety within the area.

While funding for this initiative is recommended to be referred to the 2003 budget process, it is anticipated that the source of funding will be off-set from photo technology revenues. A Financial Impact Statement, outlined in Appendix 4, outlines the potential impact on the 2003 to 2007 Current Estimates.

The Executive Policy Committee recommends:

I. That the service provided in Division 11 area be enhanced by adding three (3) police members to each of the six (6) shifts.

II. That the total police complement be increased by eighteen (18) members.

III. That funds for resourcing this initiative be referred to the 2003 Budget process.

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

Copy of attachments referred to in the above clause are on file in the office of the City Clerk.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

Report of the Executive Policy Committee dated July 17, 2002

Memorandum of Settlement with the Winnipeg Police Senior Officers' Association

File GU-4.3.10 (Vol. 6)

640 - 6. The Collective Agreement between the City of Winnipeg and the Winnipeg Police Senior Officers' Association (WPSOA) expired on December 19, 2001.

Historically, the WPSOA has been in lockstep with the WPA and has been provided economic increases consistent with those granted to the WPA.

The City employed a different strategy in the most recently expired WPSOA Agreement that provided for a wage increase in 2001 before an Agreement was reached with the WPA for 2001. As such, the WPSOA led the WPA for the year 2001. Retrospectively, this was deemed to be adverse to the City's interests, particularly in the course of the WPA interest arbitration.

The WPSOA Agreement provides for wage increases consistent with the Freedman Award to the WPA. The wage increases are as follows:

- December 2000 – 2.5%
- September 2001 – 1.0%
- December 2001 – (-3.208%)
- December 2001 – 2.5%
- September 2002 – 0.75%

In effect, this Agreement reverses the 2001 wage increase pursuant to the 1998-2001 Agreement and puts the WPSOA back in lockstep with the WPA.

The City has also opted for a one-year agreement to ensure that the WPSOA is on the same bargaining cycle as the WPA with both Agreements expiring in December 2002. Subsequently, the City intends to conclude a collective agreement with the WPA prior to entering into discussion with the WPSOA.

This Agreement also includes provisions that are consistent with the WPA agreement. These include:

- A simplified grievance process.
- A modest improvement to vision care benefits that eliminates a discrepancy between the benefits provided to WPSOA members and other civic employees.
- Extension of indemnification provisions in accordance with the WPA Agreement.

The Financial Impact Statement is outlined on Appendix "A".

The Incremental Cost of the Memorandum of Agreement is outlined on Appendix "B".

City Council must ratify all collective agreements negotiated between the City of Winnipeg and bargaining agents representing civic employees before they may take effect.

The Executive Policy Committee recommends:

I. That City Council ratify the Memorandum of Settlement as negotiated by the City and the WPSOA.

II. That City Council authorize the City's negotiating committee to conclude a Collective Agreement with the WPSOA based on the terms of the Memorandum of Settlement.

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

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

(See next page for attachment)

Report of the Executive Policy Committee dated July 17, 2002

Appendix "A" referred to in Clause 6 of the Report of the Executive Policy Committee dated July 17, 2002

Project Name: **First Year of Program** **2000**

Consolidated WPSOA - 2002 Memorandum of Agreement

	2000	2001	2002	2003	Total
Capital					
Capital Expenses Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (identify)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Funding Required	$ -				
Current Expenditures/Revenues (in millions)					
Direct Costs	$ 0.002	$ 0.070	$ 0.153	$ 0.166	$ 0.391
Advance	$ -	$ 0.006	$ 0.054	$ -	$ 0.060
Roll Back	$ -	$ -	$ (0.060)	$ -	$ (0.060)
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 0.002	$ 0.076	$ 0.147	$ 0.166	$ 0.391
Less: Existing Budget Amounts	$ -	$ 0.080	$ 0.103	$ -	$ 0.183
Net Budget Adjustment Required	$ 0.002	$ (0.004)	$ 0.044	$ 0.166	$ 0.208

The cumulative financial impact for the year 2003 was annualised to be comparative with the budget. The budget is not sufficient to cover the total cost of the Memorandum of Agreement. The budget shortfall is $0.208 million. It is proposed that the shortfall be addressed in future budget discussions. See attached Incremental cost of the Memorandum of Agreement and assumptions.

Origianl Signed by Radhika Abeysekera,

Manager of Finance & Administration

Report of the Executive Policy Committee dated July 17, 2002

Appendix "B" referred to in Clause 6 of the Report of the Executive Policy Committee dated July 17, 2002

WPSOA
Incremental Cost of the Memorandum of Agreement
July 4, 2002
Assumptions

The Memorandum of Agreement stipulates the increases as follows

- Pay Period 26 2000 – 2.5%
- Pay Period 19 2001 – 1.0%
- Pay Period 25 2001 – (3.208)%
- Pay Period 26 2001 – 2.5%
- Pay Period 19 2002 – 0.75%

1. In effect, this agreement reverses the 2001 wage increase pursuant to the 1998-2001 Agreement. The costing adjusts the base wages, to get back to the 2000 base, before applying the new wage adjustments. The roll back includes all the salary related benefits.

2. The composition of the workforce in the bargaining unit is constant at 25 as of July 3, 2002, for the term of the contract.

3. The number of employees in each classification and pay rate is assumed constant for the term of the contract.

4. Vacation entitlements remain constant for the term of the contract.

5. The number of hours paid to employees assumes a weighted average workweek per employee for 52 weeks a year and includes overtime hours.

6. A constant number of hours worked has been used for each year.

7. Step adjustments have been estimated to be 0.68%, 0.68%, 0.68% effective pay period 1, for 2000, 2001,2002 respectively.

8. The maximum coverage in the Vision Care Plan shall be extended to $175 to be at par with all the other City bargaining groups. The cost of this change is immaterial.

9. The proposed changes to the current indemnification will broaden indemnification provisions to WPSOA. When agreed upon, the City will be liable for more legal costs. It is not possible to estimate how many new cases the City will have to pay for and therefore no costs have been provided.

Report of the Executive Policy Committee dated July 17, 2002

Appendix "B" referred to in Clause 6 of the Report of the Executive Policy Committee dated July 17, 2002 (continued)

WPSOA - 2002 Negotiations

Incremental cost of the Memorandum of Agreement

Proposed Term of Agreement December 20, 2001 - December 19, 2002

Salary Adjustments	Year	PP #	Negotiated % Increase
	2000	26	2.50%
	2001	19	1.00%
		26	2.50%
	2002	19	0.75%
Cumulative			6.9%

Base Wage Negotiated Costs:		2000	2001	2002	2003	Total
Base Wages (1)		1,744	8,110	4,992	0	14,846
Salary Related (2)		535	2,486	1,530	0	4,551
Prior period financial impact (3)			56,977	76,028	13,187	146,192
Annual Incremental financial impact		**2,279**	**67,573**	**82,550**	**13,187**	**165,589**
Cumulative financial Impact For Fiscal Year		**2,279**	**69,852**	**152,402**	**165,589**	**390,123**
2000 Adjusted Base (4)	$2,354,229	**0.1%**	**3.0%**	**6.5%**	**7.0%**	
Advance			5,682	53,978		59,660
Roll Back				(59,660)		(59,660)
Financial Impact Net of Advance		**2,279**	**75,534**	**146,720**	**165,589**	**390,123**

Notes:

See attached list of assumptions used in the calculation.

1) The base wage does not include the step increases which were previously negotiated. The step increase is the wage increase that employees get on their anniversary date.

2) Salary related cost includes overtime premiums, annual vacation, statutory holidays, pension costs, group life and other wage related benefits. These costs have been estimated to be 30.7% of base wages.

3) Adjustment required to reflect the full year effect of prior year wage and benefit increases.

4) Adjusted base, includes salary related factor.

The financial impact of negotiations on the year 2003 and thereafter equals	**$165,589**
The adjustment required for a full year effect of 2002 wage and benefit increase equals	**$13,187**
The carry over cumulative budget impact equals	**$152,402**

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Report of the Executive Policy Committee dated July 17, 2002

Establishment of the North End School Resource Officer Partnership Initiative Pilot Project

File GF-2 (Vol. 55)

641 - 7. The Executive Policy Committee has been advised that The Winnipeg Police Service is committed to the Community Based Policing philosophy in addressing the issues of crime prevention and safety in the community, including the school environment. The underlying premise of community policing is that the Police Service be more proactive and less reactive in addressing the issues of crime and safety.

Other jurisdictions have seen the benefits of the School Resource Officer Program. The Edmonton Police Service established a program in 1979 with Constables assigned to four high schools. This has evolved to its current status, which has twelve officers working in fifteen high schools. The Calgary Police Service established a program in 1974 with one officer in one school. This has evolved to fifteen Constables working in twenty-five high schools. The Regina Police Service started in 1980 with constables working in elementary schools. In 1992, the program shifted to include high schools. Currently, the Regina Police Service has nine police officers working in seventeen high schools. These School Resource Officers also are responsible for feeder schools.

In the late 1980's and early 1990's, a pilot project was conducted in Winnipeg at Daniel McIntyre School. This project turned out to be very successful as it broke down the barriers and built up positive and trusting relationships between students and police officers. In addition, the project developed proactive strategies that addressed youth prostitution, drugs, gangs, arson, violence, vandalism and graffiti.

The current method used by Beat and Community Services Officers visiting and working in the schools is a benefit to the surrounding communities, however, the proposed pilot project will enhance the overall proactive approach to building relationships with youths and schools. The strategic deployment of police officers to work out of schools is an effective strategy to promote community safety in the north end.

It is interesting to note that the term "law enforcement officer" is nowhere to be found in The Criminal Code of Canada. The term that is used to describe the work of police in The Criminal Code of Canada is "peace officer". Keeping the peace in the community is a much different role than enforcing the law. Keeping the peace involves building strong relationships of trust in a community, teaching people new skills, building stronger communities, linking communities to relevant resources, mobilizing citizens to become more involved in contributing to the well being of their community and strengthening the problem solving capacity of the community.

The Police need to shift the allocation of their resources into strategic community settings in order that they are better positioned to play a more preventative role in addressing community safety issues. Addressing the issues will start at elementary schools and continue up to high school level.

The pilot project proposes that a new service delivery model be developed based on the premise that police officers need to develop strong working relationships with youth, schools and communities by being stationed in 15 North End (District No. 3) schools. They would be known as School Resource Officers (SRO's) and would also have the responsibility of working with local elementary feeder schools in the north end.

The SRO's would work out of the following high schools and have responsibility to work with the identified elementary feeder schools:

R. B. Russell High School	Children of the Earth School
(1 School Resource Officer)	(1 School Resource Officer)
St. Johns High School/Isaac Newton	
Junior High School (1 School Resource Officer)	
Norquay	Nijiimahkwa
David Livingstone	King Edward
William Whyte	Strathcona
Machray	Champlain
Inkster	Luxton
Ralph Brown	

A Management Committee consisting of representatives from the police, schools and community would oversee the pilot project. The committee would have two representatives from The Winnipeg Police Service, two from Winnipeg School Division No. 1, two members from the community at large, two students and one member from the North End Renewal Corporation.

Report of the Executive Policy Committee dated July 17, 2002

The SRO's would be funded as follows: Winnipeg School Division No.1 will provide $36,038.00 for 2002-2003, $41,370.00 for 2003-2004 and $47,213.00 for 2004-2005. In addition the School Division will provide in-kind services including office space, telephone and computer access in the designated home and feeder schools. The North End Community Renewal Corporation will provide $258,545.00 it received as funding for this pilot project from the Province of Manitoba, Inter-Governmental Affairs (Neighbourhoods Alive program). The Winnipeg Police Service will cover the remaining costs including training and equipment. In addition, as a result of the recent Collective Bargaining Agreement signed with the Winnipeg Police Association, a shortfall of less than $12,000.00 for additional salary increase would be covered by The Winnipeg Police Service.

The Memorandum of Agreement would stipulate that payments would be made quarterly and due within thirty (30) days of the dates indicated. The Memorandum of Agreement would provide an escape clause allowing for the cancellation of the agreement if required. The Winnipeg Police Service would be responsible for the performance of the School Resource Officers who will be under the direction of the District No. 3 (North End) Divisional Commander.

The role of the SRO would be to focus on prevention, education and maintaining the peace in schools and adjacent neighbourhoods. The SRO's would be selected to work in schools based on the recommendations of a joint police and school selection advisory committee. SRO's would be assigned to work full time in the local school site for a three-year period.

The current workload for police in District No. 3 (North End) is very high. In addition, calls for service have seen a steady increase over the past few years. In order to maintain service delivery for the citizens in the North End, those officers assigned to the pilot project would have to be replaced. This would mean hiring three more officers as replacements, thus increasing the complement by three.

The Management Committee would oversee the evaluation of the three-year pilot project and would hire an evaluation resource consultant to develop and implement evaluation of the project. The stakeholders involved in the pilot project including students, parents, community residents, school staff, The Winnipeg Police Service and the Province of Manitoba will meet at the beginning of the pilot project. This meeting will identify mutually agreeable outcomes as to what will be evaluated on an annual basis over the three-year period of the pilot project.

The Executive Policy Committee recommends:

I. That the City of Winnipeg (The Winnipeg Police Service) enter into a Memorandum of Agreement with the North End Community Renewal Corporation to establish a pilot project, called the North End School Resource Officer Partnership Initiative.

II. That the complement of The Winnipeg Police Service be increased by three constables for the term of the agreement and additional funds allocated regarding salaries, benefits, training and equipment to the operating budget. The funds shall be off-set by additional revenue.

III. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing, including the drafting of the Memorandum of Agreement.

Moved by His Worship Mayor Murray,
Adoption of the clause.

Carried.

Amendment to the Master Lease Agreement and Financial Contribution to the CanWest Ballpark Expansion Project – Riverside Park Management Inc.
File F-5 (Vol. 21)

642 - 8. The Executive Policy Committee has been advised by the Planning, Property and Development Department as to the outstanding issues respecting the Riverside Park Management Inc. tenancy and other city-owned lands in the vicinity, together with a proposed resolution of those issues.

Report of the Executive Policy Committee dated July 17, 2002

At its meeting held on October 22, 1997, Council approved the terms and conditions for two lease agreements with Riverside Park Management Inc. for the development of a new baseball stadium and parking lot. These leases have been documented and executed and apply to the lands shown as schedule "A" outlined on Misc. Plan No. CC 9985/9. The fundamental aspects of the 2 leases are identified as follows:

Master Lease Agreement:

Owner:	City of Winnipeg
Tenant:	Riverside Park Management Inc.
Location:	City-owned lands north of Pioneer Avenue and east of Westbrook St. and west of Pioneer Boulevard
Legal Description:	(As shown on Misc. Plan CC 9985/ 9)
Zoning:	Ra, NRg, PL, S-3,P/L 1, BR-5
Size:	7.7342 ac
Term:	25 years
Commencement Date:	July 28, 1998
Termination:	On default
Rental:	$1.00 per year plus school, business and amusement taxes. The Tenant does receive an annual municipal tax credit for the municipal portion of the realty taxes. The Agreement does not provide for any revenue sharing.

Island Parking Lot Lease Agreement:

Owner:	City of Winnipeg
Tenant:	Riverside Park Management Inc.
Location:	North of Water Ave., south of Pioneer Ave.
Legal Description:	(As shown on Misc. Plan CC 9985/9)
Zoning:	Ra, NRg, PL,S-3,P/L 1, BR-5
Size:	+/- 1.5364 ac.
Term:	5 years
Commencement:	May 1, 1998
Termination:	On receipt of City request.
Rental:	$1.00 per year plus realty and business taxes

At its meeting held on June 3, 1999, the Standing Policy Committee on Property and Development approved the terms and conditions for an additional interim lease with Riverside Park Management Inc. for temporary additional parking on the lands shown as subject city properties on Misc. Plan No. 7886/7. The particulars of this lease agreement are as follows:

Owner:	City of Winnipeg
Lessee:	Riverside Park Management Inc.
Location:	South of Water Ave., east and west of Pioneer Blvd.
Legal Description:	(As shown on Misc. Plan 7886/7)
Zoning:	Ra, NRg, PL,S-3,P/L 1, BR-5
Size:	+/- 7.9616 ac.
Term:	3 years
Commencement:	June 4, 1999
Termination:	6 months notice by the City. This lease was terminated effective June 30, 2001

On June 4, 1999, Canwest Global Park was officially opened.

Council on October 18, 2000 approved the construction of the Provencher Bridge Roadway Project. To facilitate that construction, the Planning, Property and Development Department, by letter dated December 29, 2000, terminated the temporary parking lease shown as subject city properties on Misc. Plan 7886/7 effective June 30, 2001.

The Department, by letter dated December 29, 2000, also terminated the 5 year Island Parking lot lease shown on Misc. Plan CC 9985/9 effective June 30, 2001. Although officially terminated, the Public Works Department did not utilize the land for project construction in 2001.

The tenant came into default of the Master Lease and the Island Parking Lot Lease Agreements by not having kept the payments of realty, business and entertainment funding taxes up to date. The Administration worked with the tenant to resolve this issue resulting in some improvement. However, the defaults continue.

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There have been continuing discussions, both within the Administration and with the tenant, to attempt to find a resolution to a number of outstanding matters.

The following matters require discussion and resolution:

Tenant's Issues:

- The tenant has requested that the Master Lease term be extended from 25 to 50 years.
- The tenant has requested that additional land be added to the Master Lease Agreement to enable an expansion of the baseball stadium and to facilitate the provision of long term parking.
- The tenant has requested the City to contribute a grant in the amount of $1.5M to apply to the financing of the stadium expansion.

City's Issues:

- The tenant is in default of the Master Lease Agreement, and as such, the City requires the tenant to remedy those defaults.
- The City may require an amendment to the Master Lease in the form of a reduction in site size to enable the acquisition of property from Scott Bathgate for the purposes of widening Westbrook Street and Pioneer Avenue.

A) TENANT'S ISSUES

1) Request for a Lease Extension

The tenant has requested that the Master Lease term be extended from 25 to 50 years.

The tenant advised that it originally requested a 99 year lease term from the City in order to proceed with construction of the baseball facility. The request was based on the length of term granted for other leases in the downtown such as the Winnipeg Square Parking Garage and Ground Lease with terms of 75 years or more.

Although the tenant executed the original lease agreement for a term of 25 years, it has stated that it still requires an extension of 25 years in order to enter into long term leases for equipment, reinvestment, long term security for lenders, investors and shareholders. However, it has not provided any supporting documentation in this regard.

Department Comment:

In reviewing the tenant's request, the Planning, Property and Development Department acknowledges that the Canwest Global Stadium Project has contributed to the community in the following ways:

(i) it has, together with other initiatives, acted as a catalyst for continued infra-structure and new private investment in the Downtown (Forks District);

(ii) it has improved the visibility, image and marketability of the Downtown by its construction, opening and operations;

(iii) it has improved the image of the Downtown by having regular crowds in the area between 50 and 60 events each year;

(iv) it has provided an opportunity for the City to add an entertainment and recreation facility in the Downtown thereby extending the concept of the Forks site.

In addition to considering the benefits, the Department also reviewed data collected from various Northern League and Pacific Coast League baseball franchises in Canada and the United States. The data appears to indicate that the existing 25 year lease term as between the City and Riverside appears to be comparable to the length of term for other Northern League franchises with facilities constructed during the last five years. It appears that various levels of government contributed substantial funding to the cost of constructing these stadiums.

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The Department is of the view that the requested extension should not be granted for the following reasons:

i) the Department has not been provided with any compelling or persuasive rationale to justify the grant of an extension beyond references to other ventures and a general reference to provide a guarantee for financing purposes;

ii) the tenant's request for a lease extension from 25 years to 50 years would impact on the City's long term flexibilities in managing its real property assets. The Department is of the view that due to the strategic location of this property it would be in the City's best interests to retain the ability to review its vision for this property in the context of the larger community on a regular basis, and as such, the existing 25 year term would provide for that window of opportunity;

iii) on the basis of the lease term comparison with other jurisdictions, it would appear that the existing 25-year lease term is comparable to the length of terms granted to other AAA Baseball Franchises in Canada and the United States. It is recognized that in other jurisdictions, various municipalities made significant capital contributions thus negating a long amortization period for return on private equity. However, this tenant has not volunteered any data which would indicate the repayment term applicable to its financing. Therefore, the Department assumes that the amortization period for this project lies within the existing 25 year term.

The Department recognizes that changes occur over time. Accordingly, the City can revisit this matter on an as required basis at any time during the remaining term of this Agreement.

The tenant has advised that it is prepared to accept the City's position on this matter and as such the Lease term will remain at 25 years.

2) Request for Additional Land

The tenant has requested that additional land be added to the Master Lease Agreement to enable an expansion of the baseball stadium and to facilitate the provision of long term parking.

The tenant advises, in its letter dated March 18, 2002, that after the termination of all interim parking arrangements with the City it will be left with 156 parking spots to service a 6266 capacity ballpark.

The tenant has therefore requested the City to make the additional City-owned lands, identified as Parcel 1 on Misc. Plan 11119/4, available for the proposed expansion of the Stadium. The tenant intends to construct a 1900 seat grandstand on parcel 1 along the first base line. The balance of this parcel would be used for parking purposes.

The tenant has also asked the City to make parcel 5 as shown on Misc. Plan No. 11119/4 available to it for parking purposes.

The tenant proposes the amendment of the Master Lease to incorporate these additional lands. Therefore, if approved, the terms of the Master Lease would apply to both parcels 1 and 5 as well.

The tenant advises in its March 18, 2002, letter that with the use of the residual part of parcel 1 and the entire parcel 5 that it would have a total of 366 parking spots to service its stadium. It states that the loss of revenue would be catastrophic.

i) Request for Additional City-owned land – Facility Expansion:

The particulars of parcel 1 as shown on Misc. Plan No.11119/4 are as follows:

Owner:	City of Winnipeg
Location:	N.W. Corner Pioneer Ave and Pioneer Blvd
Legal Description:	parcel 1 as shown on Misc. Plan No.11119/4
Zoning:	Ra, NRg, PL,S-3,P/L 1, BR-5
Size:	1.09 ac

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Planning & Land Use Division comments are provided within the context of *Plan Winnipeg: 2020 Vision*, *CentrePlan (Vision & Strategies, Development Framework)*, and *The Forks North Portage Partnership Concept and Financial Plan (2001 – 2020).* Parcels 1, 2, 3, 4, and 5 are prominent downtown development sites, foreseen for retail, office, entertainment, residential, and other uses. The Division anticipates development of these lands consistent with the Marina Precinct – Character and Goals – (Focus on the Future – Concept and Financial Plan 2001-2010), a copy of the subject concept plan for the Marina Precinct is outlined on Appendix "B".

The proposed expansion of Canwest Global Stadium is consistent with anticipated development of a portion of Parcel 1. In order to effect the proposed expansion, those lands immediately required for grandstand extension (Parcel 1, portion A) should be added to the Master Lease regarding City-owned lands. The full extent of lands required for the grandstand extension is to be based on concept plans (provided by the lessee) indicating location and dimensions and agreed to by the City of Winnipeg.

Those lands not required for grandstand extension should not be added to the Master Lease (including Parcel 1, portion B). The stadium representative's request for additional interim surface parking on all or portions of Parcels 3, 4, and 5 can be met without adding these parcels to the Master Lease, subject to future negotiations. Prior to entering into negotiations regarding Parcels 3, 4, and 5, it must be understood that permanent surface parking as a principal use of these lands is inconsistent with referenced plans and will not be encouraged by Planning and Land Use Division.

In order to enable marketing and future development of Parcels 1 (portion B), 2, 3, 4, and 5, Planning & Land Use Division recommends these properties not be encumbered by long-term lease agreements such as that requested by Canwest Global Stadium representatives. Design of the Water/Pioneer Avenue approaches to the Provencher Bridge, York Avenue, and Pioneer Boulevard/Waterfront Drive has been undertaken to ensure: convenient motor vehicle access to The Forks, Exchange District, the Central Business District, and St. Boniface; enhanced pedestrian comfort and accessibility to these same areas; as well as enhanced developability of lands adjacent to these roadways. Although the City of Winnipeg owns Parcels 2, 3, and 4, future development of these lands will be considered within the context of *The Forks North Portage Partnership Concept and Financial Plan* concepts for the Portage & Main Precinct (includes Parcel 4), the Festival Precinct (includes Parcel 3), and the Marina Precinct (includes Parcel 2). Opportunities for interim, accessory joint use, and permanent parking facilities (surface or structured) on Parcels 2, 3, 4, and 5 should be considered as plans for these specific site evolve.

The Real Estate Division advises that Clause 15.01 of the Master Lease states as follows:

> "The tenant shall use the Project and the Land only for a facility for sports, recreational, artistic and cultural purposes, both professional and amateur, a sports memorabilia store, a restaurant and a sports bar (the nature of the restaurant and sports bar to be in keeping with the general public nature of the Project ….."

Therefore, the Division is of the view that if no parking is to be permitted on the residual portion of parcel 1, then this part of the land can be used for the purposes of providing a sports memorabilia store, a restaurant and a sports bar, in accordance with the existing executed Master Lease Agreement. These uses would appear to be in accord with the planning vision of the Planning and Land Use Division.

However, if the residual of parcel 1 is used for purposes and/or development other than as provided for in the Master Lease Agreement, then the terms of the Agreement should be revisited with the intention of generating revenue to the City.

The Planning, Property and Development Department supports the inclusion of Parcel 1 as shown on Misc. Plan 11119/4 into the Master Lease Agreement with the existing terms and conditions to also apply to this parcel for the following reasons:

1) the administration has designed the Provencher Bridge Project and Approach Roadways with the specific intention of creating this "Parcel 1" for the express purpose of the Stadium expansion;

2) the fundamental basis for the Master Lease as it already applies to the existing stadium is to facilitate the "presentation of baseball". If the residual of parcel 1 is developed in accordance with Clause 15.01 of the Master Lease, then, it would be appropriate to apply the terms of the Master Lease to Parcel 1 as well.

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Given the above comments, the Planning, Property and Development Department supports the inclusion of the City-owned lands shown as Parcel 1 on Misc. Plan No. 11119/4 into the Master Lease subject to the following:

1) That Parcel A as shown on Misc. Plan No. 11439 be used for the expansion of the first base line grandstand, and;

2) That Parcel B as shown on Misc. Plan No. 11439 be developed by the Lessee within two years in accordance with the Master Lease Agreement and the aforementioned "guiding principles and development and design objectives", failing which, Parcel B would be forthwith deleted from the Lease and the City could proceed to market Parcel B for development purposes. In the interim, the use of the Parcel B lands be restricted to general site use purposes, excluding vehicle parking.

Both the tenant and the Administration agree that this parcel can be added to the Master Lease Agreement. However, there is no consensus on the utilization of the residual portion of parcel 1. As such, the Administration is recommending that the development of the residual of parcel 1 be in accordance with the Department's "planning vision" and in accordance with Clause 15.01 of the Master Lease Agreement.

ii) Request for Additional City-owned land – Long Term Parking Purposes:

The tenant has requested that city-owned parcels 3, 4, and 5 as shown on Misc. Plan No. 11119/4 be added to the Master Lease Agreement. The Department understands that the tenant requires these lands for the provision of long term parking in support of the stadium as a stadium amenity.

The particulars of parcels 3, 4 and 5 are as follows:

Owner:	City of Winnipeg
Location:	Residual Island between Pioneer Ave and Water Ave
Legal Description:	New legal description to be created
Zoning:	Ra, NRg, PL, S-3,P/L 1, BR-5
Size:	Parcel 3 – 1.0697 acres
	Parcel 4 – 5.3575 acres
	Parcel 5 – 0.5743 acres

The Planning, Property and Development Department advises that it is in the process of producing a companion report dealing with the matter of an Asset Management Strategy for the city-owned lands in the East Yard Area. This Report will deal with parcels 3, 4 and 5 and will indicate that the Forks North Portage Partnership, CentreVenture and private developers have all expressed interest in these very lands. No decisions respecting this tenant's requests should be made without consideration being given to an overall Asset Management Strategy.

The Planning, Property and Development Department has the following additional comments:

1) Council approved the Master Lease for the baseball stadium for a defined parcel of land which only made provision for a relatively small number of parking stalls;

2) Council subsequently approved a lease of the "Island Parking Lot", but only for a 5 year period, perhaps on the basis that a long term lease would not have been feasible given the then uncertainty relative to the City's right of way requirements or perhaps on the basis that Council was not prepared to provide land for long term parking;

3) The Canwest Stadium currently has seating for 6266 spectators. Pending the 1900 seat expansion of the ballpark, the stadium capacity will be increased to 8666 spectators. Using a normal traffic generation methodology, a 2.5:1 ratio of spectators to parking spaces is required for vehicle parking. As such, approximately 3266 parking spaces would be required for 50–60 games per year;

4) The city-owned property which had been controlled by this tenant for parking purposes is as follows:

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i) Westbrook Parking: Currently, 176 vehicle stalls are available on the Westbrook lands which is part of the 25 year term Master Lease.

ii) Island Parking Lot: The 100 vehicle stalls previously located on the Island Parking Lot will not be available for stadium use due to the construction of the Provencher Bridge streetworks. A residual amount of land (parcel 5) may be available after the construction is completed.

iii) Parking on City-owned lands located south of Water Avenue: The City had entered into a short term (3 year) lease with the tenant for parking purposes at this location which, as earlier stated has now been terminated. These sites had a capacity of 1019 parking stalls. Also as stated earlier it will be necessary for Council to determine an Asset Management Strategy for these lands.

iv) The combination of the 1 long term lease and the 2 short term leases provided a total of 1286 parking spaces upon and adjacent to the stadium. With the termination of the 2 short term leases, the tenant has only 156 parking stalls under its direct control.

v) It should be noted that the Public Works Department had previously reported that up to 9000 vehicle parking stalls and 250 on street parking stalls were available in the Downtown within a 15 minute walk of the baseball stadium including approximately 1000 parking stalls in the Winnipeg Square.

vi) A review of parking arrangements with other baseball franchises within Canada and the United States indicates that between 500 and 2000 spectator parking spaces are provided at various ballparks.

vii) As part of the review, creation and implementation of a Forks Master Plan, parking facilities may ultimately be constructed on parcels 3, 4, or 5. For the information of the Committee, the Forks North Portage Partnership has examined the need for on site vehicle parking requirements. Its preliminary concept plan identifies the need to construct a parking facility; however, the size and location are unknown at this time.

viii) It would appear that the City's position on long term parking needs to be clarified.

Accordingly, the Planning, Property and Development Department recommends as follows:

1) that the tenant be advised that the City is not prepared to add parcels 3, 4 or 5 to the Master Lease on the understanding that there is a sufficient parking supply available in the Downtown;

2) that a program to examine alternatives for providing additional vehicle parking in the context of the review of the Forks Master Plan, be undertaken;

3) that, the Chief Administrative Officer or her designate be delegated the authority to approve such interim parking leases in favour of Riverside Park Management Inc. as may be feasible, in her sole discretion to facilitate parking on the city-owned lands during the Provencher Bridge and Approach Roadways construction.

The tenant has advised that it is prepared to accept the City's position regarding this matter except as it relates to parcel 5. The tenant has indicated that the residual of parcel 5 is required for parking purposes.

3) Request for a Capital Grant

The tenant has requested the City to contribute a grant in the amount of $1.5M to apply to the financing of the stadium expansion. The tenant has not provided rationale for his request.

Riverside Park Management Inc. has advised the Department that it is planning a 1900 seat expansion of the baseball facility. This would be comprised of 1200 fixed seats and seating for up to 700 spectators on a grassy berm. The expansion would also include 6 sky suites, 6 concessions, washrooms, women's lounge, food court seating area and a red and gold room. The tenant is now completing the design of the expansion and is planning to commence construction on October 1, 2002.

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The Planning, Property and Development Department has been advised that the Northern Baseball League Office (Durham, North Carolina) indicates that league attendance has grown from 888,580 spectators in 1995 to 2,094,275 spectators in 2001.

The Winnipeg Goldeyes Baseball Team is situated in the Northern Division. In 1994, the team averaged 4000 spectators per game for a total of 212,000 spectators at the Winnipeg Stadium. In 2000, the team averaged 6465 spectators per game for a total of approximately 300,000 spectators at the new Canwest Stadium representing a capacity utilization of 98.5 %.

Based on the reported attendance statistics it appears to the Department that the proposed expansion of the first base line grandstand is warranted.

The tenant has advised the Department that it has applied for $4.5 million in funding under the Federal-Provincial Infra-structure Program and is planning to contribute $1.5 million in private funding. The Infra-structure funding is proposed to be split equally amongst each level of government including a request for $1.5 million from the City. The application has been received and is currently being considered by the Executive Policy Committee Secretariat.

The City has undertaken discussions with the Federal and Provincial Governments with regard to the matter of governmental contributions to this project. On the basis of those discussions, the Administration is recommending that the City's financial contribution to this Project be established at an amount of $1M with that cost to be funded by the Infrastructure Program. Furthermore, the Administration recommends that the approval of the City's contribution be subject to the Federal and Provincial Governments each committing to provide a funding commitment of $1.35M to this project.

It will be necessary to determine a source of the $1,000,000.00 funding.

The Administration advises that the proposed financial contribution is in addition to the subsidy that this tenant will enjoy by virtue of the amendment of the Master Lease to include the additional land. The Department has estimated the amount of the subsidy to be in the range of $1.5M over the remainder of the lease term (i.e. foregone annual rental and annual municipal tax based on an estimate of the potential revised assessed value for this property). As well, the City will absorb additional costs in the approximate amount of $240,000 to prepare the additional 1.09 acres for stadium expansion (i.e. for the Land Drainage Trunk Charge and modifications to utilities and to Pioneer Avenue).

The estimated grand total of the City's contribution to this project is therefore approximately $2.74M. In reviewing the proposed total benefit to the Tenant, and comparing that to the required financial commitments of the other 2 levels of government, the Administration advises that the total City contribution is acceptable and in keeping with the basis upon which the City contributed to the initial project.

4) Request to extend Entertainment Funding Tax Exemption to all Non-Baseball related events at the Stadium:

The Tenant has requested that the City agree to extend the Entertainment Funding Tax Exemption to all events scheduled at the Stadium.

The tenant advised by letter dated March 18, 2002 that it believes that WEC retains all Entertainment Funding Tax for events at the arena and stadium and that True North has negotiated a similar position. The tenant advises that it requires the same tax treatment. Please see the referenced letter at page number 26.

In accordance with clause 8.01 of the Master Lease Agreement, the Tenant remits all Entertainment Funding tax collected at the Stadium to the City. Provided the Tenant meets the requirements of the lease agreement relative to amateur baseball use of the facility pursuant to the Amateur Access Agreement, the Tenant obtains a full refund of the Entertainment Funding Tax collected for the presentation of both professional and amateur baseball games. There is no refund of Entertainment Funding Tax for non-baseball events.

The request to extend the exemption was considered by the Planning, Property and Development and Corporate Finance Departments.

Being as the Amusement Tax is a consumption tax paid for by the Purchaser of the ticket, it does not represent an expense to the Tenant other than for administrative costs. As such, the current request is a request from the Tenant for additional financial support.

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In addition, it should be noted that the extension of the Entertainment Funding Tax remittance to non-baseball events may set a precedent with respect to other entertainment venues such as the Walker Theatre.

Given the above, the Departments don't support the extension of the Entertainment Funding Tax remittance beyond that which is referenced in the Master Lease Agreement.

The Taxation and Revenue Branch advises that the City received an approximate total amount of $63,294.00 from the Entertainment Funding Tax from 2 taxable events during the years 2000 and 2001.

In the event that it is decided to approve the tenant's request on this matter, then the Department advises that the net present value of the foregone taxes would represent approximately $357,000 to the City over the remainder of the lease term (based on an averaging of the last 2 years experience).

B) CITY'S ISSUES

1) Remedy of Master Lease Agreement Default – Taxation

The tenant is in default of clause 8.01 of the Master Lease Agreement and of clause 1(a) and (b) of the now terminated Island Parking Lot lease Agreement. The Administration has been working with the tenant to attempt to resolve this outstanding issue.

Arrears

In May 2001, this tenant was in arrears for both Realty and Business taxes in the amount of $1,054,660.17. The tenant made payments through the summer months in the total amount of $250,000.00 towards the arrears. The Taxation and Revenue Branch on July 16, 2002, advised that the unpaid taxes as at July 31, 2002 will be $978,266.92 (after having applied the municipal tax credit).

The tenant has stated on various occasions that it has the following concerns:

1) that it cannot afford to pay the annual realty and business tax assessments on the leased premises primarily due to its annual debt charges on the facility;

2) that the method of calculating realty taxes is inappropriate given the seasonality of the facility and potential for generating cash flow; and

3) that in other Northern League and AAA League leases, the franchisees are not required to pay any realty or business taxes.

The tenant has not provided a set of financial statements to demonstrate its inability to pay the annual realty and business taxes; however, their tax consultant has orally advised that the tenant does not have the cash flow to pay same.

The tenant has appealed the matter of realty assessment. The tenant is continuing to have discussions with the Property Assessment Department relative to the matter of the level of assessment.

A review of other jurisdictional arrangements in Canada and the United States indicates that in 8 of 8 leases, Northern League and AAA Franchises do not pay realty taxes, but in 5 of 8 jurisdictions, business taxes are paid by the tenant. However, in 8 of 8 jurisdictions there is rent in the form of revenue sharing ranging from $20,000.00 per year through to $200,000.00 per year.

With respect to the taxation issue, the Corporate Finance, Property Assessment and Planning, Property and Development Departments are not recommending any changes to the tenant's obligations to pay taxes as stipulated in the existing Master Lease Agreement and the now terminated Island Parking Lot Lease. However, the Departments advise that the tenant has been directed to approach the Province for any consideration relative to its liability for school taxes. The tenant has since advised that a meeting with senior provincial representatives was held on December 13, 2001. The Department understands that the Province is currently reviewing this tenant's request.

The tenant, in the Spring of 2002, orally advised Corporate Finance that it is in the process of developing a plan to pay to the City the arrears owing and to enable the payment of future taxes.

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Administration Comment:

The stakeholder departments are receptive to the receipt of a proposal which would address the matter of these arrears for both the short and long terms. However, the administration neither supports the amendment of the Master Lease to add the said Parcel 1, or, the release of any grants that may be payable, until such time as the existing defaults are remedied.

2) Proposed Intersection Improvements - Westbrook Street and Pioneer Avenue

The Public Works and Planning, Property and Development Departments are implementing a street widening project at the above noted location in conjunction with the Provencher Bridge and Approach Roadways Project. The Public Works Department has reviewed and confirmed the need for this Council approved project.

In summary, the Public Works Department wishes to proceed with certain intersection improvements at Westbrook Street and Pioneer Avenue described as follows:

- To provide a median on Westbrook Street that can be a pedestrian refuge and better accommodate the substandard eastbound double right from Portage Avenue East to Westbrook Street;
- No lanes are added;
- The Westbound Pioneer Avenue right turn radius to northbound on Westbrook Street remains the same if it is moved east to provide the median, and;
- The temporary asphalt sidewalk on the east side of Westbrook Street will be reconstructed and streetscaped.

The Real Estate Division has communicated with the owner, Scott Bathgate, of the property at the northeast corner of Westbrook Street and Pioneer Avenue (parcel 6 on Misc. Plan No. 11119/4). This owner has requested the City to exchange that part of its property required by the City for its street widening project for part of the city-owned land lying to the north of and adjacent to this parking lot. The City-owned property identified by this owner is shown as parcel 7 on Misc. Plan No. 11119/4. The land exchange is required to enable the existing parking lot to, at the minimum, maintain the same capacity as currently exists before the road is widened.

Parcel 7 is part of the land leased to Riverside Park Management Inc. under the Master Lease Agreement.

The Planning, Property and Development Department is of the view that it would be cost efficient to attempt to facilitate the suggested land exchange and as such recommends that the Master Lease be amended to provide for the deletion of parcel 7, if, it is indeed possible to conclude a land exchange with Scott Bathgate. Furthermore, the Department recommends that Riverside agree to this amendment as a precondition to the amendment of the Master Lease to include parcel 1. The Department also recommends that Scott Bathgate be given a “window of opportunity” to settle on the basis of a land exchange, failing which, the proposal to amend the Master Lease for this purpose would be abandoned.

This issue has been informally discussed with this tenant. The tenant has advised that within the context of an overall resolution of all issues, it is prepared to delete this parcel 7 from the Master Lease to enable the City to proceed with a land exchange with Scott Bathgate to enable the widening of Westbrook Street.

Other Outstanding Issues Related to the Original Project

The tenant has continued to advise of its concerns and claims relative to issues arising out of the original stadium construction project and as related to riverbank stabilization and the provision of hydro, water and sewer services. The tenant has advised that it is prepared to forego any continuing claim in respect of these issues upon settlement of those issues forming the content of this Report.

The Referenced Miscellaneous Plans are outlined on Appendix "A".

The Financial Impact Statement is outlined on Appendix "C".

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The Executive Policy Committee recommends:

I. That the request for a lease extension from 25 years to 50 years be denied.

II. That the Master Lease Agreement be amended to add parcel 1 as shown on Misc. Plan No. 11119/4 on the understanding that the existing lease terms and conditions will also apply to this parcel subject to:

a) parcel B as shown on Misc. Plan 11439 being developed in accordance with the "guiding principles and development and design objectives" as discussed herein, and;

b) that in the event that the said parcel B is not developed within two years from the Date of Approval, that parcel B be forthwith deleted from the Lease and returned to the City.

III. That the request for an amendment of the Master Lease Agreement to include the lands identified as Parcels 3, 4 and 5 as shown on Misc. Plan No. 11119/4 not be approved, but that, the Chief Administrative Officer or her designate be delegated authority to approve such interim parking leases in favour of Riverside Park Management Inc. as may be feasible, in her sole discretion to facilitate parking on the city-owned lands during the Provencher Bridge and Approach Roadways construction.

IV. That the administration undertake a program to examine alternatives for providing additional vehicle parking in the context of the review of the Forks Master Plan.

V. That this Tenant's request for a City contribution to the baseball park expansion funding be approved in the amount of $1M with the payment to be funded from the Infrastructure Program, subject to the Federal and Provincial Governments each committing to provide a funding commitment of $1.35M to this project.

VI. That the Standing Committee on Fiscal Issues be requested to determine the source of the additional $1,000,000.00 required.

VII. That the tenant's request for an amendment to the Master Lease to provide for the extension of the Entertainment Funding Tax remittance to be expanded to all events, including non-baseball events commencing with the 2004 baseball season.

VIII. That the Chief Administrative Officer, or her designate, be authorized to approve a financial plan with Riverside Park Management Inc. to remedy the tenant's defaults in the Master Lease Agreement and the now terminated Island Parking Lot Lease as a precondition to both the amendment of the Master Lease to add the said Parcel 1, and, to the release of any grants that may be payable.

IX. That the Chief Administrative Officer, or her designate, be authorized to amend the Master Lease to provide for the deletion of the area generally shown as parcel 7 on Misc. Plan No. 11119/4 to enable a potential land exchange required to facilitate the road widening project at the northeast corner of Westbrook Street and Pioneer Avenue as a precondition to the amendment of the Master Lease to include parcel 1, but that a "window of opportunity" to settle on the basis of a land exchange be established, failing which, the proposal to amend the Master Lease for this purpose would be abandoned.

Moved by His Worship Mayor Murray,
Adoption of the clause.

In amendment,

Moved by Councillor Steek,
Seconded by Councillor De Smedt,

WHEREAS the first base grandstand expansion will be complete April 2003;

THEREFORE BE IT RESOLVED that Recommendation VII. be amended to read "commencing with the 2003 baseball season".

The amendment was put and declared carried.

The motion for the adoption of the clause, as amended, was put and declared carried.