

References for Transformative Fund, Re-purposing golf course lands and Sale of Blumberg

Prepared April 12, 2020

Two documents sourced:

1. City of Winnipeg 2020 Budget- Preliminary 2020 Budget Operating and Capital Vol 2

https://winnipeg.ca/finance/files/2020PreliminaryBudget_Volume2.pdf

2. Golf Business Plan 2020 - March 16, 2020 Standing Policy Committee on Innovation and Economic Development Special Meeting Agenda, The City of Winnipeg – Golf Services – Special Operating Agency –

<http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=19552&SectionId=&InitUrl=>

City of Winnipeg 2020 BUDGET

Preliminary 2020 Budget Operating and Capital Vol 2 P.55 – 57

https://winnipeg.ca/finance/files/2020PreliminaryBudget_Volume2.pdf

Transformative Service Delivery

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“This multi-year balanced budget process provides an opportunity to develop a transformative budget that creates a sustainable financial plan to meet the dynamic needs of a growing city.”

Quote from Councillor Scott Gillingham, Chair of Standing Policy Committee of Finance

- Transformative fund
 - Sources of funds:
 - Sale of certain assets deemed surplus
 - Re-purpose golf lands
 - Golf Lands Repurposing Review - \$200,000 investment
 - Options: public green space, active transportation, reforestation, community gardens, residential development, recreational opportunities



Preliminary 2020 Budget - Overview

Transformative Service Delivery

- Sale of (or enter into a joint venture) John Blumberg golf course
- Rationalize owned and leased buildings
 - Buildings leased to third parties
 - Terry Sawchuk arena
 Note: sale of administrative buildings – Land Operating Reserve
- Reduction in fleet inventory and assets



Transformative Service Delivery

- Reinvestment:
 - Recreation, public green space, protect tree canopy



- Wading pool rationalization and spray pad reinvestment strategy
- Portion re-invested within the area in which the funds were generated
- Collaboration of Public Service with Police Service and Police Board – options for a multi-year funding formula for police service
- Transformative Fund (policy, implementation plan) to be approved by Council in fall of 2020

Driving Transformative Change, 2020 Budget - Page 19

https://winnipeg.ca/finance/files/2020PreliminaryBudget_Volume2.pdf

The preliminary multi-year balanced budgets will chart a course for real, measurable transformative change over the next four years. In 2020, the Public Service will bring forward options to establish a new Transformative Fund (TF) for Council's consideration that will be funded from the sale of assets deemed surplus to the City's needs.

The TF will support investments that transform the delivery of City services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as protection and enhancement of Winnipeg's tree canopy. The Public Service will also present a plan for Council's consideration early in 2020 to initiate the sale of John Blumberg Golf Course, and report back later in 2020 with a plan to re-purpose up to 30 percent of all City-owned golf lands.

The Public Service will also report back in 2020 with a plan for Council's consideration to reduce the number of City owned building assets, including those leased to 3rd parties. The Public Service will also report back in 2020 with a wading pool and splash pad reinvestment strategy for Council's consideration that will be funded by the TF. And finally, in preparation for the 2024-2027 multi-year balanced budgets, the Public Service will be working collaboratively with the Winnipeg Police Service (WPS) and Winnipeg Police Board to bring forward options for Council's consideration on a new multi-year funding formula for the WPS that will provide planning certainty for the City, and a sustainable and predictable funding level for the WPS.

2020 Budget, Page 10

The preliminary multi-year balanced budgets will also provide a blueprint for transformative change in the way we deliver key services and invest in infrastructure while providing certainty and predictability for ratepayers.

2020 Budget, Pages 22-23

- E. That Council direct the Public Service to report back within 180 days with a plan to establish a new Transformative Fund that is **separate and distinct from the current Land Operating Reserve**, to be funded from the sale of assets referred to in Recommendations F, G and H. ii., 13 and that the report from the Public Service include the following parameters for the Transformative Fund:
 - i. That the Transformative Fund be used to support investments that transform the delivery of services and reduce the City's infrastructure deficit with a focus on recreation, public green space as well as preservation, protection and enhancement of Winnipeg's tree canopy; and
 - ii. That the Transformative Fund include a requirement that a majority of the proceeds deposited into this fund be re-invested within the area in which the funds were generated.

- F. That Council direct the Public Service to report in 180 days to the Standing Policy Committee of Property Development, Heritage and Downtown Development with recommendations to sell or enter into a joint venture in respect of John Blumberg Golf Course or the land on which the John Blumberg

Golf Course is situated and that a portion of the sale/development proceeds be deposited into the Transformative Fund.

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

H. That Council direct the Public Service to report back within 180 days with a plan to rationalize City owned and/or leased building assets including:

- i. Administrative buildings that the Public Service considers to be surplus to the needs of the City, with any sale proceeds from these buildings deposited into the **Land Operating Reserve**ⁱ;
- ii. Buildings leased to third parties that the Public Service considers to be surplus to the needs of the City (including a relocation plan for any non-profit tenants) and the Terry Sawchuk Arena, with a portion of any sale proceeds deposited into the Transformative Fund.

I. That Council direct the Public Service to report back within 180 days with a wading pool rationalization and splash pad reinvestment strategy which proposes funding from the Transformative Fund.

Golf Services Business Plan

<http://clkapps.winnipeg.ca/dmis/ViewDoc.asp?DocId=19552&SectionId=&InitUrl=>

Golf Business Plan, Page 4

The following recommendations affecting Golf Services have been included in the 2020 Preliminary Budget:

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

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

The 2020 Preliminary Budget (Capital) includes **\$200,000 to procure third party resources** to assist in the development of the golf lands re-purposing study.

The Management Agreement at the John Blumberg Golf Course has been extended for the 2020 season and expires March 31, 2021.

Golf Business Plan Strategic Direction, Page 9

The Agency's strategic direction is set out by its Operating Charter and Business Plan and places emphasis on managing for results, bottom-line accountability, customer satisfaction and full disclosure.

The Agency participates in the competitive Winnipeg golf market. The market is served with golf courses ranging from private and semi-private championship courses to shorter practice courses that are oriented to beginners, seniors and families.

To maintain market share, most public golf courses attempt to attract golfers by offering tee time discounts and other promotional opportunities. Golf Services uses a comparable strategy but in an effort to differentiate itself from the competition, has established a points and rewards program. Implemented in 2015, this was a new concept introduced to the Winnipeg golf market.

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

The 2020 Preliminary Budget (Capital) includes \$200,000 to procure third party resources to assist in the development of the golf lands re-purposing study.

Golf 2020 Business Plan, Page 7

CONSULTATION

This Report has been prepared in consultation with:
Planning, Property and Development Department

OURWINNIPEG POLICY ALIGNMENT

Section 01 – A City That Works

Section 01 – 5 Recreation – Direction 6 – Plan for Sustainable and Connected Recreation and Leisure Infrastructure

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in alignment with the Strategic Opportunity #1, Corporate Leadership of the Winnipeg Climate Action Plan. It specifically addresses the following actions and directions:

Direction 1.1 Cultivate a Corporate Culture that Values Climate Action [page 28]
Action – Integrate sustainability and climate action into procurement standards which demonstrate increasing impact from year to year.
Primary Responsibility – Office of Sustainability

Direction 1.3 Implement Low Carbon and Energy Efficient City Facilities and Buildings [page 29]
Action - Evaluate opportunities to invest in renewable energy technologies at City buildings.
Primary Responsibility – Planning, Property and Development Department

Golf 2020 Business Plan Page 21

1F. That Council direct the Public Service to report in 180 days to the Standing Policy Committee of Property Development, Heritage and Downtown Development with recommendations to sell or enter into a joint venture in respect of John Blumberg Golf Course or the land on which the John Blumberg Golf Course is situated and that a portion of the sale/development proceeds be deposited into the Transformative Fund.

Land Operating Reserve Definition

2020 Budget, Page 315

https://winnipeg.ca/finance/files/2020PreliminaryBudget_Volume2.pdf

City Council, on May 16, 1973, authorized the establishment of a Land Operating Reserve Fund to reduce the need for the issuance and sale of debentures in connection with the acquisition cost of properties for resale.

Disbursements from this Reserve are limited to the acquisition cost of properties for resale, and any other expenses directly related to the acquisition, sale and improvement of disposable City properties.

Use of the Reserve's funds for any other purpose requires the authorization of City Council. This Reserve is maintained by the proceeds from the sale of City-owned properties and interest earned.

In accordance with City Council directives, 5% of the gross sales revenue is allocated to the Historical Building Program, another 5% of gross sales revenue is allocated to the Enhanced Land Marketing Program to finance those activities necessary to facilitate the sale of surplus lands and 15% is allocated to the Community Centre Renovation Grant Program annually, subject to Council approval.

City Council, on July 19, 1999, adopted a policy that in order to sustain the business operations supported by the Reserve, equity be allowed to accumulate within the Reserve sufficient to eliminate the inter-fund debt owing to the General Revenue Fund created in past years. Any surplus funds greater than the amount required for the purposes of the Land Operating Reserve Fund and meeting the annual budgeted transfer to the General Revenue Fund is to be transferred to the Commitment Reserve Fund.

The Director of Planning, Property and Development is the Fund Manager.

Full list of City reserve funds - Page 319

Reserves - Represent amounts appropriated for designated requirements as established by Council. Part of best practices for fund accumulation to replace capital assets and to provide financial flexibility in times of budget shortfall. A listing of the reserve funds is noted below and a description for each one can be found in this glossary. (Includes Contribution in Lieu Land Dedication Reserve Fund).