

Minutes – Standing Policy Committee on Finance – January 15, 2016

REPORTS

**Item No. 8 Servicing for St. Boniface Industrial Park Phase 2 Financial Status
Report No. 1 for the Period Ending October 31, 2015**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service that the financial status of the servicing for the St. Boniface Industrial Park Phase 2 and in particular for Parmalat Canada Inc. (Parmalat) be received as information.

Minutes – Standing Policy Committee on Finance – January 15, 2016

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

ADMINISTRATIVE REPORT

Title: Servicing for St. Boniface Industrial Park Phase 2 – Financial Status Report No. 1 for the Period Ending October 31, 2015

Critical Path: Standing Policy Committee on Finance

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Zabudney M. McGinn	J. Kiernan	M. Ruta	D. McNeil

RECOMMENDATIONS

That the financial status of the servicing for the St. Boniface Industrial Park Phase 2 and in particular for Parmalat Canada Inc. (Parmalat) be received as information.

REASON FOR THE REPORT

On July 15th, 2015 Council adopted a report regarding the land sale to Parmalat that specified “That the Winnipeg Public Service submit quarterly status reports with respect to this matter to the Standing Policy Committee on Finance”.

EXECUTIVE SUMMARY

This report identifies the financial status and significant events for the period July 15th, 2015 to October 31st, 2015.

The budget and cost estimate of \$8.2 million for this project included in the July 15th, 2015 Council adopted report was not adopted as a capital budget item, but was adopted as a project to be funded through the Land Operating Reserve Account. The \$8.2 million cost estimate was considered a Class 4 estimate with an accuracy range of -30% to +60%. Class 3 cost estimates (-20% to +30%) now available suggest that funds allocated to this project are adequate except for an additional \$400,000 required for the contribution by the City to Manitoba Hydro for the extension of natural gas service to Parmalat’s site. An additional budget authorization for these funds will be requested from the Standing Policy Committee on Property and Development, Heritage and Downtown Development under separate report.

Class 1 cost estimates (-5% to +10 %) will be available in January 2016.

After Council approval of the land sale to Parmalat in July, 2015, engineering consultants were assigned design work and design proceeded immediately for municipal services and roadways required to service the site. Design work is proceeding well and on schedule and within budget. Detailed design and preparation of bid opportunities are expected to be completed by early January 2016.

Agreements for the land purchase with Parmalat have yet to be finalized. Parmalat and their agent, Man-Shield Construction, have been granted certain staged building permits to allow some work to proceed on-site through "Enter to Construct" agreements.

An agreement with the Province of Manitoba respecting their contribution is still being drafted.

IMPLICATIONS OF THE RECOMMENDATIONS

None – report is to be received as information.

HISTORY / DISCUSSION

Parmalat Canada Inc. is pursuing an expansion proposal and requires a suitable new location in Winnipeg to establish a new fluid milk processing plant replacing the current aging facility in St. Boniface.

On July 15, 2015, Council adopted Item 1 of the Report of the Standing Policy Committee on Property and Development dated July 14, 2015, which included the following:

- "2. That in order to facilitate the sale of the City-owned property shown hatched on Misc. Plan No. 14362/6, attached (the "Site"), to Parmalat Canada Inc., Council approve the installation of the necessary services as described herein with a net cost of \$5.61 million to be funded as follows:
 - A. cash contribution by Parmalat Canada Inc. in the amount of \$1,500,000.00, to be paid to the City concurrently with the payment of the purchase price for the Site;
 - B. contribution by the Province of Manitoba in the amount of \$2,000,000.00 plus interest at the RBC prime rate, to be front-ended by the City and reimbursed by the Province of Manitoba over an

estimated 18 year period through the Province's annual Community Revitalization Levy with respect to the Site; and

- C. \$2,110,000.00 contribution from the City, to be funded from the Land Operating Reserve and reimbursed with: (i) the net sale proceeds of the balance, or any portion of the balance of the City-owned property identified on Misc. Plan No. 14362/6; and (ii) municipal property taxes and business taxes with respect to the Site;"

- “4. That the Chief Administrative Officer be delegated the authority:
- A. to negotiate and approve the sale of the Site in favour of Parmalat Canada Inc. (or its Nominee), for the purchase price of \$2,625,000.00, in accordance with the City’s standard terms and conditions of Offer to Purchase and upon such additional terms and conditions that the Director of the Planning, Property and Development Department and the Director of Legal Services and City Solicitor consider necessary to protect the interests of the City.
 - B. to proceed with the installation of the necessary services as described herein in order to facilitate the sale of the Site to Parmalat Canada Inc., subject to fully executed funding agreements between:
 - i. the City and Parmalat Canada Inc., setting out the terms and conditions of Parmalat Canada Inc.’s contribution to wastewater oversizing costs in the amount of \$520,000.00 and site servicing costs in the amount of \$1,500,000.00; and
 - ii. the City and the Province of Manitoba, setting out the terms and conditions of the Province’s agreement to reimburse the City for site servicing costs in the amount of \$2,000,000.00 plus interest at the RBC prime rate.
 - C. to negotiate and approve the terms and conditions of the agreements referenced in clause b. hereof, in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.
 - D. to negotiate on a single source basis, approve the terms and conditions and award an engineering consultant contract to Stantec Engineering Ltd., for the conceptual, preliminary and detailed design and Contract Administration of the roadways, water mains, wastewater collection, and land drainage servicing requirements in the proposed development (St. Boniface Industrial Park Phase 2 Development) in an amount not to exceed \$850,000.00.
 - E. to negotiate on a single source basis, and approve the terms and conditions of contract and award a contract to Manitoba Hydro in an amount not to exceed \$150,000, plus P.S.T and G.S.T. as applicable for the installation of electricity and natural gas utility servicing requirements to facilitate the sale of the subject site.
 - F. to negotiate, on a single source basis, and approve the terms and conditions and award a contract to Man-shield Construction Inc. (Man-shield) if required

for the partial excavation of the storm water retention basin in an amount not to exceed \$240,000, plus P.S.T. and G.S.T. as applicable.”

On August 7th, 2015, an award of contract to Stantec was made for the conceptual, preliminary and detailed design, and contract administration of the roadways, water mains, wastewater collection, and land drainage servicing requirements in the St. Boniface Industrial Park Phase 2 Development.

On October 8th, 2015, an award of contract was made to Man-shield Construction Inc. for Partial Excavation of the Stormwater Retention Basin in the St. Boniface Industrial Park Phase 2 Development – Bid Opportunity No. 800-2015B in the amount of \$166,600.00, GST extra as applicable.

On November 5th, 2015, the Province confirmed their approval in principle to provide funding to this project further to 4. B. ii above.

1. MAJOR CAPITAL PROJECT STEERING COMMITTEE

Administrative policy for projects with capital cost exceeding \$20 million requires the formation of a Major Capital Project Steering Committee. As the value of this project is estimated at \$8.2 million, a Project Steering Committee has not yet been established but will be considered.

2. DESCRIPTION OF PROJECT

This project consists of the City selling to Parmalat approximately 6 hectares (15 acres) of surplus land in the area west of Mazon Road and south of the existing Greater Winnipeg Water District rail line. The land to be purchased is within the area now known as St. Boniface Industrial Park Phase 2 and is to be fully serviced in accordance with City standards and Parmalat’s specifications. The City in this instance has taken on the role of the land developer and is arranging for installation of services required for the land.

The services to be installed consist of watermains, wastewater sewers, land drainage sewers and surface drainage ditches, a partial stormwater retention basin, a wastewater lift station, and roadway pavements. The City is also arranging for the installation of electrical and natural gas services with Manitoba Hydro and communications cables with Manitoba Telephone and Shaw Cable Systems.

Services to be installed to accommodate the Parmalat site will be capable of being integrated and extended into the servicing of the balance of the lands within St. Boniface Industrial Park Phase 2. A conceptual layout for roadways with Phase 2 has been developed and certain of the works being a watermain

required for looping of supply and to provide adequate flows for fire protection will follow that roadway layout.

3. RISKS AND RISK MITIGATION STRATEGIES

A risk to this project is that the agreements for sale of the land and the funding and servicing agreement between Parmalat and the City have not yet been executed. While the risk of no agreement is considered low (less than 10%), the risk is mitigated by requiring “Enter to Construct” agreements which include a letter of credit from Parmalat to provide for site remediation should a final agreement not be signed. In addition, the agreement with the Province that identifies repayment of \$2.0 million being front ended by the City is still under development.

Additional risks for this project are associated with the capital costs for the services and roadway to the Parmalat property, and the schedule for completion of the work to provide Parmalat access to services to conform to their facility construction and commissioning schedule.

To address the cost risks, a contingency of 15% of construction costs is included in the budget. In addition, regular cost estimate reviews are scheduled with expected increasing accuracy such that adjustments to the work or to the authorized budget can be made in a timely fashion. Schedule for cost estimates preparation are shown in 5. Project Schedule below. The City’s engineering consultant has also reviewed the servicing requirements with line Departments responsible, Water and Waste, and Public Works, to ensure that facilities will conform to their design standards and requirements. Design work and associated cost estimate derivation have been undertaken using the advice provided by these Departments.

Two bid opportunities are being prepared, one for the underground piping, retention basin and pavements; and the second for the wastewater lift station. This is done to divide the construction by work type such that contractors experienced with each type can bid to their area of specialization. This should result in favorable costs and schedule for each area of work, however there is always a risk that the construction companies could bid the work differently resulting in higher prices than estimated.

It is intended that bid opportunities for consideration by the construction industry be posted in mid-January, 2016. As this will get the project to the market place early in 2016, it is envisioned that favorable pricing will be received. Early contract award is anticipated provided that bids received are within budget, such that works will be completed to accommodate the schedule requirements of Parmalat.

However construction contract award is contingent on both funding agreements with Parmalat and the Province being fully executed. Both Parmalat and the Province have been advised of this award condition and agreement preparation is underway such that contract award is not unduly delayed.

There is a project schedule and cost risk associated with Manitoba Hydro's installation of the natural gas supply line required for the Parmalat site development. The agreement for installation of the work is still being negotiated between Manitoba Hydro and the City. Costs for natural gas line extension have been identified by Hydro as preliminary and their agreement makes provision for an adjustment to the cost contribution required from the City if actual costs exceed their estimates. The proposed gas line will be installed within the Mazonod Road right-of-way in proximity to the watermain and the wastewater lift station to be installed by the City's contractor(s). The construction sequencing and scheduling of the City's work is being reviewed and discussions will be undertaken with Manitoba Hydro to minimize conflicts.

4. PROJECT STATUS

- a. **Agreements with Parmalat:** There are two agreements that are in process of being prepared between the City and Parmalat in connection with the sale and servicing of the land. The first is the Offer to Purchase that sets out the conditions and purchase price for the sale of the land. The second is a Funding and Servicing Agreement that sets out the terms for the payment by Parmalat of funding specified by 4.B.i. above and also deals with service capacities and target dates for completion. The Offer to Purchase has been finalized but not executed. The Funding and Servicing Agreement is still in draft form and discussions continue between both parties around certain conditions. Parmalat requests that both agreements be executed at the same time so finalization of both is required. As title transfer cannot occur until the agreements are signed, any work occurring on site by Parmalat or their agents have been subject to Enter to Construct agreements. In the unlikely event that the land purchase does not proceed, the City's interests are protected by Letters of Credit posted by Parmalat in sufficient amounts to return the lands to their condition prior to any construction taking place.

- b. **Design and Contract Administration:** The City's consultant for the servicing work is Stantec Consulting Ltd. The engineering work for Stantec's assignment includes conceptual and preliminary engineering for the entire 200+ acre site now known as the St. Boniface Industrial Park Phase 2; and the detailed design and contract administration for the installation of all underground municipal services, including wastewater lift station and stormwater retention basin, and pavements within the Mazenod Road right-of-way to service the proposed Parmalat development on the west side of Mazenod Road. At the end of December, the conceptual and preliminary engineering is approximately 80% complete; and the detailed design of the underground works, retention basin and pavements are approximately 90% complete; while the design of the wastewater lift station is approximately 95% complete. No services for contract administration have been provided yet and will not be until contracts for construction are awarded in 2016. Costs to date for engineering services are within authorized funds.

- c. **Building Permits:** A permit has been issued to Man-Shield Construction, agent for Parmalat, to begin construction on the land prior to the official title being registered to Parmalat. Prior to the permit being issued, an "Enter to Construct" agreement was entered into between the City and Parmalat. The Enter to Construct agreement was entered into pursuant to authority from Council of June 25, 2014. The permit issued was for site clearing and grading only. An additional application for a permit for foundations only was applied for by Man-Shield and was issued in early November, again after an Enter to Construct Agreement was executed for that purpose. Additionally Man-Shield applied for a staged superstructure permit for building erection at the end of November. A third Enter to Construct Agreement to allow issuance of a stage superstructure permit was prepared and the permit therefor was issued on January 4th, 2016.

- d. **Partial Retention Basin Excavation:** It was recognized that fill would be required for Parmalat's site as it was low lying and contained swampy areas. To facilitate the sale and recognizing the City's current role as the site developer, the City agreed to supply reasonable quantities of fill material to Parmalat for their use in grading of the site. Partial excavation of the retention basin was required to provide sufficient material to be shield on behalf of Parmalat. The retention basin is a convenient fill material source as it is near the Parmalat site. To solicit pricing from Man-shield for partial basin excavation, Bid Opportunity No. 800-2015B was prepared. The original maximum contract amount which was authorized by Council of \$240,000.00 was estimated based on excavating about 24,000 cubic metres of fill for the Parmalat site. However Man-shield advised that their construction schedule and grading plans would only necessitate between 15,000 and 17,000 cubic metres of fill this fall. The maximum contract value to be paid by the City was commensurately reduced to \$170,000.00 in the Bid Opportunity. An award in the amount of \$166,600 to Man-Shield was made. The work began in mid-October and continued as weather permitted into November. Latest quantity estimates provide that the final amount to be paid under this contract will be \$92,496.
- e. **Services Agreement with Manitoba Hydro:** When cost estimates for servicing for the St. Boniface Industrial Park Phase 2 were being developed in June/July of this year, the natural gas consumptive load from Parmalat had not been finalized. The cost estimate of \$150,000 for natural gas and electrical servicing that was based on information from Manitoba Hydro was therefore very preliminary. In September 2015, the natural gas loads were finalized by Parmalat for the projected 2016 and future 2018 milk processing facility needs. Manitoba Hydro indicated on October 19th, 2015 that due to the increase in natural gas consumptive load from earlier Parmalat estimates, that provision of natural gas supply to the site would be more complex and require larger diameter gas line and extension from a major feed point some 3.1 kilometres away. Manitoba Hydro has provided their preliminary cost estimate for gas line extension into St. Boniface Industrial Park Phase 2 at \$800,000, and that the City's share to be paid in 2016 is \$303,440, which is in excess of preliminary costs estimates from earlier this year. In addition there is potential for an additional cost contribution from the City in 2018 when Hydro completes a cost reconciliation that takes actual construction costs compared to pre-construction cost estimates into consideration. As well the actual natural gas consumption by Parmalat and other users is considered. This additional cost contribution could be as much as \$200,000 bringing the total natural gas servicing cost to \$503,440. In addition to the gas service, the City will be required to pay for street lighting along Mazonod Road. This lighting will only be installed along the frontage of Parmalat's lot with Mazonod Road. The estimated cost for the street lighting will be about \$46,000.

A report to Council has been submitted requesting additional budget authorization of \$400,000 to cover the potential cost increase from Manitoba Hydro and to seek increased delegated authority for the CAO to enter into an agreement with Manitoba Hydro for installation of the gas line and street lighting. It will be ensured that the gas line to be installed for Parmalat can be readily extended to service the balance of the lands within St. Boniface Industrial Park Phase 2.

- f. **Reimbursement for work under previous Joint Venture:** The previous joint venture for the “Prairie Industrial Park” was rescinded by Council on July 15, 2015. Certain activities were undertaken under the previous joint venture agreement that benefited the City’s current work for servicing the property being sold to Parmalat. This work included legal and other surveys, geotechnical investigations; and preliminary and conceptual engineering. The value of these work items are currently being reviewed for possible reimbursement to the previous joint venture partner. An allowance for payback to the joint venture partner has been included in the project budget.
- g. **Project Contribution Agreement with Manitoba:** An agreement with Manitoba specifying the Provincial contribution to this project is still under development. The City is front-ending the Provincial contribution of \$2.0 million, which will be repaid to the City plus interest at the RBC prime rate, by way of the Province’s annual Community Revitalization Levy generated from the sale of the 15 acre site to Parmalat. Repayment to the City is estimated to occur over an approximate 18-year period. At this point there is a difference in repayment terms proposed by the Province compared to what has been authorized by Council; but Provincial and City officials are communicating to resolve this difference.

5. PROJECT SCHEDULE

Activity	Target Date
Class 3 Estimate	Nov. 6, 2015
Pre-tender (Class 1) Estimate	Jan. 15, 2015
Report to Council if Class 1 Estimate projects budget shortfall (meeting dates estimated)	Feb. 24, 2016
Invitation to Bid (2 Bid Opportunities)	Jan. 15, 2016
Bid Review	Feb. 19, 2016
Construction Contract Award (if within budget)	Feb. 26, 2016
Report to Council if bids exceed budget (meeting dates estimated)	Mar. 23, 2016
Alternate Construction Contract Award	Apr. 1, 2016
Construction Start (estimated)	Apr. 15, 2016
Underground Piping Construction Completion (estimated)	July 30, 2016
Lift Station Construction Completion (estimated)	Oct. 31, 2016

Pavement Completion (estimated)	Oct. 31, 2016
Landscaping and Final Grading (estimated)	July, 2017

6. CHANGES FROM LAST REPORT

As this is the first status report there are no changes to report.

7. Major Contracts

The status of current Requests for Proposal and Bid Opportunities issued and to be issued are as follows:

Request for Proposal or Bid Opportunity	Description	Current Status	Contract Value (GST and MRST extra as applicable)	Total Approved Over-Expenditures
RFP – Single Source	Conceptual, preliminary and detailed design, and contract administration of the roadways, water mains, wastewater collection, and land drainage servicing requirements	Awarded to Stantec	\$850,000	Nil
Bid Opportunity No. 800-2015B Single Source	Contract for Partial Excavation of the Storm Water Retention Basin in the St. Boniface Industrial Park Phase 2 Development	Awarded to Man-Shield	\$166,600	Nil
Contract Single Source	Natural Gas and electrical service (To be awarded)	Manitoba Hydro	\$350,000	Nil
Bid Opportunity TBD	Construction of watermains, wastewater and land drainage sewers, retention basin and pavements	TBA	\$4,090,000	Nil
Bid	Construction of wastewater	TBA	\$2,260,000	Nil

Opportunity TBD	lift station			
	Total		\$7,716,600	

8. FINANCIAL ANALYSIS

Project funding

The approved budget funds for this project are as follows:

YEAR	Funding Source - Land Operating Reserve	ACTUAL + PROJECTED CASH FLOWS	CUMULATIVE BUDGET REMAINING
2015	\$8,200,000	\$8,600,000 ¹	(-\$400,000)

¹ Includes budget adjustment estimated at \$400,000 required for Manitoba Hydro's natural gas line installation.

Project Component	Budget	Value/Cost Estimate	Variance Revised Budget to Value/Cost Estimate	Change in Variance from Last Report
Engineering, design and other costs	\$ 850,000	\$ 850,000	\$ -	\$ -
Construction:				
- Underground Piping, Pavements, and Retention Basin	\$ 4,087,181	\$ 4,087,181	\$ -	\$ -
- Lift Station	\$ 2,258,079	\$ 2,258,079	\$ -	\$ -
- Manitoba Hydro services	\$ 150,000	\$ 550,000	\$ 400,000	\$ -
- Man-Shield Partial Retention Basin Excavation	\$ 166,600	\$ 92,496	\$ (74,104)	\$ -
- Misc. -Temp. Access road, legal surveys, JV reimbursement	\$ 688,140	\$ 762,244	\$ 74,104	\$ -
Total	\$ 8,200,000	\$ 8,600,000	\$ 400,000	\$ -

9. PROJECT FINANCING

	Contribution (in millions)	Cumulative Project Budget (in millions)
Parmalat Canada Inc.		
- Parmalat Site Preparation	\$ 2.07	
- Wastewater Oversizing	\$ 0.52	
- Industrial Park Site Preparation	\$ 1.50	\$ 4.09
Province of Manitoba*	\$ 2.00	\$ 6.09
City of Winnipeg	\$ 2.11	\$ 8.20

* Province of MB contribution will be interim financed by the City of Winnipeg and repaid over an 18 year term plus interest

10. ANTICIPATED PROGRESS DURING NEXT REPORTING PERIOD

During the next reporting period it is expected that:

- Detailed design will be completed for the underground services, the retention basin, roadway pavements, and the wastewater lift station.
- Class 1 Cost Estimates (pre-tender) will be completed.
- Two bid opportunities will be posted in mid-January with closing in early to mid-February.
- Purchase Agreement, and Funding and Servicing Agreement will be finalized with Parmalat.
- Agreement will be entered into with Manitoba Hydro for extension of natural gas service to the site and for street lighting along Mazenod Road.
- Agreement with the Province regarding their contribution will be finalized.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 7, 2016

Project Name:

Servicing for St. Boniface Industrial Park Phase 2 – Financial Status Report No. 1 for the Period Ending October 31, 2015

COMMENTS:

As this report is submitted for informational purposes only, there is no financial impact associated with this recommendation.

"Original Signed By"

M. McGinn, CPA, CA

Manager of Finance

CONSULTATION

None required.

OURWINNIPEG POLICY ALIGNMENT

OURWINNIPEG AND COMPLETE COMMUNITIES DIRECTION STRATEGY

- The subject lands are located within the General Manufacturing Policy Area under the Complete Communities Direction Strategy. Supporting Direction and Enabling Strategies include:
 - “Consider options to encourage development of under-utilized parcels and obsolete sites” (p.94).
 - “Maximize the economic development potential of existing and future employment lands” (p.96).

ZONING BY-LAW

- The proposed use conforms with the current zoning of the subject lands which are zoned M3 PDO-2 – Prairie Industrial Park Manufacturing Heavy District. The purpose of this overlay is to provide flexibility for “M3” Manufacturing Heavy Zoning District uses for the area defined as the PDO-2 Prairie Industrial Park.
- M3 lands are intended to accommodate light or heavy industrial development, including heavy manufacturing, storage, major freight terminals, waste and salvage, resource extraction, processing, transportation, major utilities, and other related uses, particularly those that require very large buildings, frequent heavy truck traffic for supplies or shipments, or that may require substantial mitigation to avoid sound, noise, and odour impacts to neighbouring properties.

SUBMITTED BY

Department: Planning, Property and Development

Division: Real Estate

Prepared by: J. Zabudney/M. Shkolny

Date: January 8, 2016

File No.: o:\reports directive\real estate\acquisition\2015 archived acquisitions\finstatspc_st boniface_parmalatno 2(rev3jan82016).docx

ATTACHMENTS:

Appendix 1 – Servicing for St. Boniface Industrial Park Phase 2

Appendix 1 - Servicing for St. Boniface Industrial Park Phase 2

as at October 31, 2015

Project Component	Budget (Land Operating Reserve Account)			Expenditure Forecast						Surplus (Deficit)	Variance Last Report	Change in Variance
				Actual Costs					Total			
	Original	Adjustment	Revised	To Oct 31 2015	2015	2016	2017	2018	Forecast	From Revised Budget		
Engineering, design and other costs	\$ 850,000	\$ -	\$ 850,000	\$ 212,281	\$ 188,004	\$ 415,244	\$ 34,471		\$ 850,000	\$ -	\$ -	\$ -
*Construction:												
-Underground Piping, Pavements, and Retention Basin	\$ 4,087,181	\$ -	\$ 4,087,181	\$ -	\$ -	\$ 3,625,000	\$ 462,181		\$ 4,087,181	\$ -	\$ -	\$ -
- Lift Station	\$ 2,258,079	\$ -	\$ 2,258,079	\$ -	\$ -	\$ 2,100,000	\$ 158,079		\$ 2,258,079	\$ -	\$ -	\$ -
Manitoba Hydro services	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ 350,000	\$ -	\$ 200,000	\$ 550,000	\$ (400,000)	\$ -	\$ -
Man-Shield Partial Retention Basin Excavation	\$ 166,600	\$ -	\$ 166,600	\$ -	\$ 92,496	\$ -	\$ -		\$ 92,496	\$ 74,104	\$ -	\$ -
Misc. -Temp. Access road, legal surveys, JV Reimbursement	\$ 688,140	\$ -	\$ 688,140	\$ 88,000	\$ 20,000	\$ 654,244	\$ -		\$ 762,244	\$ (74,104)	\$ -	\$ -
Total	\$ 8,200,000	\$ -	\$ 8,200,000	\$ 300,281	\$ 300,500	\$ 7,144,488	\$ 654,731	\$ 200,000	\$ 8,600,000	\$ (400,000)		

Explanatory Notes:

The above estimates are based on Class 3 estimates developed on November 6th, 2015.

*Contingencies included at \$1.054 million

The above includes an adjustment required to the authorization from Council for a contract with Manitoba Hydro for natural gas line installation.