Minute No. 434
Report - Standing Policy Committee on Property and Development - June 7, 2005

Item No. 19 Purchase of 86 Inkster Boulevard
File FI-2(34)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That 86 Inkster Boulevard, identified as "Subject City Property" on Misc. Plan No. 12382, be purchased at a price of $53,000.00 in accordance with the terms and conditions contained within Schedule "A" attached to the report from the Director of Planning, Property and Development dated May 25, 2005.

2. That upon issuance of title to the City of Winnipeg, the Director of Planning, Property and Development be authorized to clear the site by either removal or demolition of the structures and buildings.

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

Report - Standing Policy Committee on Property and Development - June 7, 2005

DECISION MAKING HISTORY:

Moved by Councillor De Smedt,
That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On June 7, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: **Proposed Purchase – 86 Inkster Boulevard**
Lord Selkirk – West Kildonan Community
Mynarski Ward

For submission to: **Standing Policy Committee on Property and Development**

Original report signed by: **Director of Planning, Property and Development**

Report date: May 25, 2005

Recommendation(s):

1. That 86 Inkster Boulevard, identified as "Subject City Property" on the attached Misc. Plan No. 12382, be purchased at a price of $53,000.00 and in accordance with the terms and conditions contained within the attached Schedule "A".

2. That upon issuance of title to the City of Winnipeg, the Director of the Planning, Property and Development Department be authorized to clear the site by either removal or demolition of the structures and buildings.

3. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

- The subject property, commonly known as 86 Inkster Boulevard, forms part of the Phase II Luxton Community Centre Expansion.
- The Real Estate Division has negotiated the proposed purchase of the subject property and is recommending the price and associated terms of sale for Council approval.

Implications of the Recommendation(s):

General implications:

X	**None**
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

-

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

- There are no environmental concerns relating to this residential property.

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

- Adequate funding for this acquisition and site clearing is budgeted within the Luxton, Seven Oaks, St. John's Park Community Project

REASON FOR THE REPORT:

The Planning, Property and Development Department has negotiated terms and conditions of a proposed acquisition. Council's approval is required for land acquisitions when Council has not previously determined the program.

HISTORY:

At its meeting held April 6, 2000, the Standing Policy Committee on Property and Development considered a report from the Lord Selkirk-West Kildonan Community Committee and instructed the Director of the Planning, Property and Development Department to acquire at least four properties (86, 86½, 88 and 90) on Inkster Boulevard, for Phase II of the Luxton Community Centre field expansion, subject to the identification of funding.

In 2004 the Building Communities Initiative identified funding in the amount of $200,000.00 for the acquisition of the four required properties. In 2004, the City acquired and demolished 86½, and 88 Inkster Boulevard.

Negotiations with the owners of 86 Inkster Boulevard are now complete. Particulars of the subject property are as follows:

Location:	86 Inkster Boulevard
Legal Description:	Lot 27, Block, Plan 728
Certificate of Title:	1149092
Registered Owners:	Carl and Janet Sandulak
Realty Roll No.:	14-070137000
Assessment:	$28,300.00 (1999 Value)
Zoning:	R-2 (Residential)
Site Size:	7.62m x 36.06m = 278.7m2 (3,000 sq. ft.)
Description:	A one and three quarter storey, approximately 1008 sq. ft., single family dwelling on a full basement, in fair to poor condition.

DISCUSSION:

The Department notes that the Luxton neighbourhood is one of the most deficient neighborhoods in the City with respect to open space. The Building Communities Initiative has identified the Luxton, Seven Oaks, St. John's Park Community to be in serious need of open space and has committed funds towards this project.

The subject property is the second last property required in order to expand the Luxton Community Club. Currently there is approximately $108,000.00 remaining in the account from the original $200,000.00. Once all costs associated with the acquisition of the subject property have been paid, it is anticipated that $38,000.00 will remain in the account. This amount is not adequate to complete the acquisition of the remaining property at 90 Inkster Boulevard.

In August 2004 the Real Estate Division commenced negotiations with the property owners. After several rounds of negotiations, the property owners advised they are not prepared to sell the subject property for less than $53,000.00.

The Department is of the opinion the market value of the subject property is approximately $45,000.00. It may be noted that the cost of an expropriation would add significantly to the acquisition costs and that funding could be lost because of the length of time required for an expropriation.

Although the property owner's final asking price is higher than the estimated market value, the Department recommends that the City purchase the subject property at the asking price of $53,000.00 and in accordance with the terms and conditions attached hereto as Schedule "A". It is the opinion of the Department that the incremental cost (above estimated market value) for this property is justified, because anticipated increased capital costs would be created by a delay of the site development project. Although 90 Inkster Boulevard is still required, the Community intends to proceed with building a much needed hockey pen this year.

Funding for all costs related to this transaction is available through the Luxton, Seven Oaks, St. John's Park Community Project.

Financial Impact Statement

Date: May 19, 2005

Project Name:

Proposed Purchase – 86 Inkster Boulevard. Lord Selkirk – West Kildonan Community, Mynarski Ward

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ 53,795	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	53,795	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 2,385	$ 2,385	$ 2,385	$ 2,385
Less: Incremental Revenue/Recovery	795	-	-	-	-
Net Cost/(Benefit)	$ (795)	$ 2,385	$ 2,385	$ 2,385	$ 2,385
Less: Existing Budget Amounts	(795)	2,385	2,385	2,385	2,385
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The $53,795 charge to capital consists of the $53,000 purchase price plus $530 short-term financing charges and a $265 admin fee. The latter two amounts are offset by equal recoveries in the Corporate Finance Department's current budget. The $2,385 charge to PP&D's current budget from 2006 -2009 represents debt and finance charges on 50% of the $53,000 purchase price. The $26,500 is the City's contribution towards the funding of this project with the other $26,500 coming from the Province.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

There was not consultation or concurrence with other departments in the preparation of this report.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate Division
Prepared by: Karen Cann
PPD File #: 8486

Document name: o:\reports directive\real estate\acquisition\86 inkster2.doc

SCHEDULE "A"

1. An all-inclusive purchase price of FIFTY-THREE THOUSAND ($53,000.00) DOLLARS for the subject property shown as "Subject Property" on the attached Misc. Plan No. 12382.

2. The subject property to be conveyed to the City free and clear of any liens and/or encumbrances except public utilities thereon.

3. The date for vacant possession - free of leasehold interest, payment of purchase price and adjustment of taxes to be by mutual agreement, but no later than 120 days after Council's approval.

4. The purchase price is to include all fixtures on the premises including but not limited to fitted carpets, electrical light fixtures, heating, plumbing and ventilating equipment, fire and smoke detection equipment; all of which represented by the Owners to be free and clear of encumbrances or liens and in good working order as of the date of possession. The Owners agree to allow the City at its sole expense to undertake a pre-possession inspection of the fixtures or equipment to ensure they are in good working order.

5. Subject to the property being in compliance with all existing building codes, zoning restrictions, By-laws, fire regulations and free from any outstanding work orders whatsoever; Owners to supply evidence of compliance as the City may reasonably request.

6. The Owners declare that the subject property complies with all applicable environmental laws, regulations and by-laws and further acknowledges and accepts that should the City determine that there are environmental concerns or contamination it may elect to cancel the proposed purchase.

7. The Owners shall supply copies of any environmental studies undertaken on the subject property.

8. Any real estate commissions payable on this transaction are the responsibility of the Owners.

9. The City shall absorb reasonable legal and related fees, subject to the prior approval by the City's Legal Services Division that the Owners may incur in providing the City with free and clear Title to the subject property.

10. Subject to the City being able to obtain a demolition permit within 30 days after approval of this proposal by The City of Winnipeg Council or its delegated authority. The City may waive this requirement at its option.

11. The property, until possession is delivered to the City, shall remain at the risk and responsibility of the Owners. In the event of substantial damage to the property prior to possession being delivered, the City may elect to accept the proceeds of any insurance on the property and complete the purchase or alternatively, cancel the purchase.

12. The Owners agree to enter into an appropriate Purchase/Sale Agreement with the City embodying the within terms and conditions and in a form satisfactory to the City Solicitor; it is further acknowledged that the Purchase/Sale Agreement may be filed as a Caveat against the Owner's Title pending transfer of title.

13. The Owners agree that the subject property will not be conveyed, disposed of or encumbered in any manner whatsoever, except subject to this agreement.

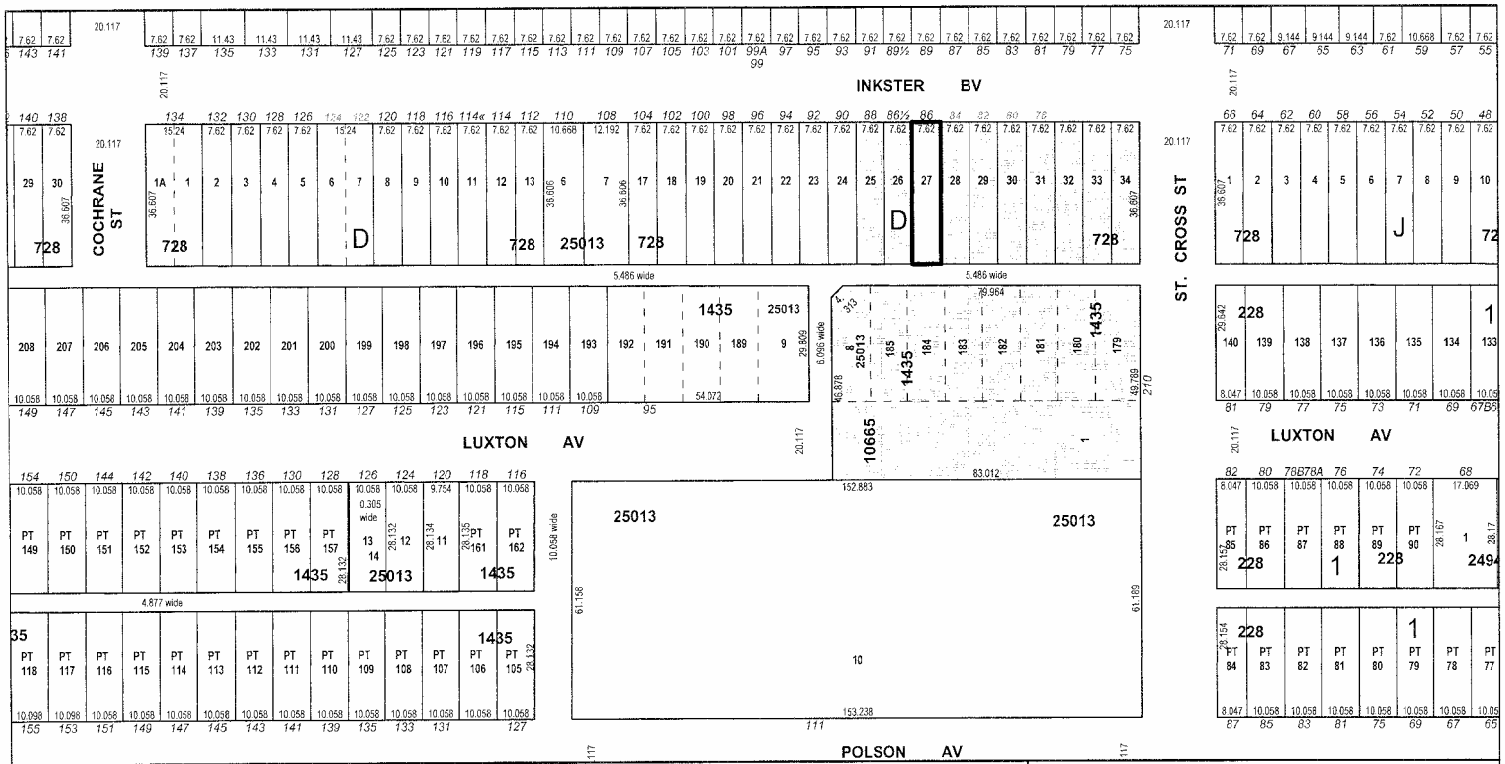
14. The Owners agree to consent on a Real Owner Application form to add The City of Winnipeg as the Real Owner of the subject property to the Assessment Rolls of the City.

15. The Owners agree to declare whether or not they are "Registrants" for the purposes of the "Goods and Services Tax" and if so, to provide their G.S.T. Registration number.

16. The Owners declare that the subject property has not been substantially renovated.

17. The City will self-assess any Goods and Services Tax owing on this transaction. It's GST Registration No. is R121682967.

18. This proposal is subject to approval by the City of Winnipeg Council or its delegated authority.



Date: 2004-OCT-13
District: LSWK
File: 8486
Scale: 1:1250

NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.

City Owned Property

Subject City Property - 86 Inkster Boulevard
Area: ±278.9 m² (±3003 ft²)

CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 12382