Agenda - Council - September 28, 2005

Report - Standing Policy Committee on Property and Development - September 12, 2005

Item No. 13 Sale - 1760 Main Street and 214 Belmont Avenue - The United Church of Canada
File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2005, 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 the sale of the subject land and building located at 1760 Main Street and 214 Belmont Avenue, as shown on Misc. Plan No. 12522, to The United Church of Canada for the price of $301,000.00 be approved in accordance with the terms and conditions of the Offer to Purchase dated August 2, 2005.

2. That the Director of Planning, Property and Development be instructed to terminate the lease with Onashowewin Inc., the current Tenant at 1760 Main Street.

3. That fifty percent (50%) of the net proceeds of the sale be allocated to the Lord Selkirk-West Kildonan Land Dedication Reserve Fund for the purpose of additional development in the community area.

4. 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 - September 12, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation with the following amendment, namely:

> WHEREAS the property, located at 1760 Main Street and 214 Belmont Avenue, as shown on Misc. Plan No. 12522, is the site of the former City Hall of the City of West Kildonan and the Lord Selkirk-West Kildonan Community Committee and is an historic part of the community;
>
> THEREFORE BE IT RESOLVED THAT fifty percent (50%) of the net proceeds of the sale be allocated to the Lord Selkirk-West Kildonan Land Dedication Reserve Fund for the purpose of additional development in the community area.

and submitted the matter to the Executive Policy Committee and Council.

Re: **Sale of 1760 Main Street and 214 Belmont Avenue - The United Church of Canada**
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: August 22, 2005

Recommendation(s):

1. That approval be given for sale of the subject land and building located at 1760 Main Street and 214 Belmont Avenue as shown on Misc. Plan No. 12522, attached, to The United Church of Canada for the price of $301,000.00 in accordance with the terms and conditions of the attached Offer to Purchase, dated August 2, 2005.
2. That the Director of the Planning, Property and Development Department be instructed to terminate the lease with Onashowewin Inc., the current Tenant at 1760 Main Street.
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:

- On May 18, 2005, Council adopted the following recommendations of the Standing Policy Committee on Property and Development dated May 3, 2005:

    1. *"That the subject City-owned property located at 1760 Main Street and adjoining parking lot located at 214 Belmont Avenue shown outlined on the attached Misc. Plan No. 12522, be declared surplus to the City's requirements.*
    2. *That the Director of the Planning, Property and Development Department be instructed to market the subject property for sale to the general public.*
    3. *That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing."*

- The Planning, Property and Development Department is recommending that the sale of the subject property be approved to The United Church of Canada for the price of $301,000.00 in accordance with the terms and conditions of the attached Offer to Purchase, dated August 2, 2005.

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):

- The Planning, Property and Development Department has not conducted an Environmental Site Assessment (ESA) on the subject property. In accordance with the Offer to Purchase, the Purchaser will have an opportunity to conduct its own ESA, at its own cost.

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):

-

REASON FOR THE REPORT:

The Planning, Property and Development Department is in receipt of an Offer to Purchase the City-owned property located at 1760 Main Street and 214 Belmont Avenue as shown on Misc. Plan No. 12522. Standing Policy Committee on Property and Development approval is required for the sale.

HISTORY:

The former Municipality of West Kildonan used the subject City property located at 1760 Main Street as civic offices. Subsequently, the Lord Selkirk - West Kildonan Community Committee vacated the building in November of 2003.

Details of the property (1760 Main Street and 214 Belmont Avenue) are as follows:

1. Location: Southwest corner of Main Street and Belmont Avenue

   Legal Description: Lots 43/46, Block 3, Plan 1267

   Roll Number: 11020661000

   Certificate of Title: 496995

   Size: Frontage 122.92 feet
   Depth 119 feet
   Site Area 14,586 sq. ft.

   Type of Building: One Storey Office Building

   Size of Building: Gross Floor Area 9,255 sq. ft.
   Plan Area 7,082 sq. ft.

   Zoning: C1.5 Commercial District

   Assessment: $458,000 (2005)

   Realty Taxes: $8,838.00

2. Location: 214 Belmont Avenue

   Type of property: Parking Lot (vacant land)

   Legal Description: Lot 21, Block 3, Plan 1267

   Roll Number: 11020646000

   Certificate of Title: B 43284

   Size: Irregular (2,235 sq. ft.)

   Zoning: R1-2.5 Residential

   Assessment: $18,400 (2005)

Realty Taxes: $355.00

Note: The R1-2.5 zoning regulation has been varied to permit the establishment of an off-street parking area on the lands at 214 Belmont Avenue.

On November 13, 2003, the Lord Selkirk - West Kildonan Community Committee directed the Administration to investigate the feasibility of selling the subject City property located at 1760 Main Street.

On January 16, 2004, the Standing Policy Committee on Property and Development instructed the Director of the Planning, Property and Development Department to evaluate and report back on the feasibility of declaring the City-owned property surplus to the City's requirements and making it available for sale.

On May 18, 2005, Council adopted the following recommendations of the Standing Policy Committee on Property and Development, dated May 3, 2005:

1. *"That the subject City-owned property located at 1760 Main Street and adjoining parking lot located at 214 Belmont Avenue shown outlined on the attached Misc. Plan No. 12522, be declared surplus to the City's requirements.*

2. *That the Director of the Planning Property and Development Department be instructed to market the subject property for sale to the general public.*

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

DISCUSSION:

The Planning, Property and Development Department advertised the subject City property for sale in the Winnipeg Free Press on Saturday, July 9 & 16, 2005, and in the Winnipeg Sun on Sunday, July 10 & 17, 2005, at a list price of $269,000.00. On-site signage was placed on the property and a full information package was made available on the Department website. Offers to Purchase were received until 4:30 p.m. on August 5, 2005.

The Planning, Property and Development Department received three (3) offers for the subject property as shown on Misc. Plan No. 12522. The details of these offers are shown on attached Schedule "A".

The prices offered are as follows:

United Church of Canada	$301,000.00
International Brotherhood of Electrical Workers	$269,000.00
Izu Gephter or Nominee	$240,000.00

The Offer to Purchase received from the United Church of Canada is considered to be the highest and best offer even after payment of real estate commissions in the amount of $12,030.00 (i.e., net sale price = $288,970). The Offer is in accordance with the terms and conditions of the Offer to Purchase that was included in the information package released by the Planning, Property and

Development Department. In addition, the net sale price exceeds the internal appraised value of the property, which was estimated at $265,000.00.

For Committee's information, the subject property has been leased to Onashowewin Inc. on a month-to-month basis. Onashowewin Inc. is aware that it will be required to vacate the building. Onashowewin Inc. has indicated that it will be in a position to relocate to new premises in the Downtown area by the end of September 2005.

The Planning Property and Development Department therefore recommends the following:

1. That approval be given for sale of the subject land and building located at 1760 Main Street and 214 Belmont Avenue as shown on Misc. Plan No. 12522, attached, to The United Church of Canada for the price of $301,000.00 in accordance with the terms and conditions of the attached Offer to Purchase, dated August 2, 2005.

2. That the Director of the Planning, Property and Development Department be instructed to terminate the lease with Onashowewin Inc., the current Tenant at 1760 Main Street.

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

Financial Impact Statement

Date: August 8, 2005

Project Name:

Sale of 1760 Main Street and 214 Belmont Avenue

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery		-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts		-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Net proceeds of disposition of $288,970 (i.e. selling price of $301,000 net of sales commission) will be credited to the Land Operating Reserve Fund.

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

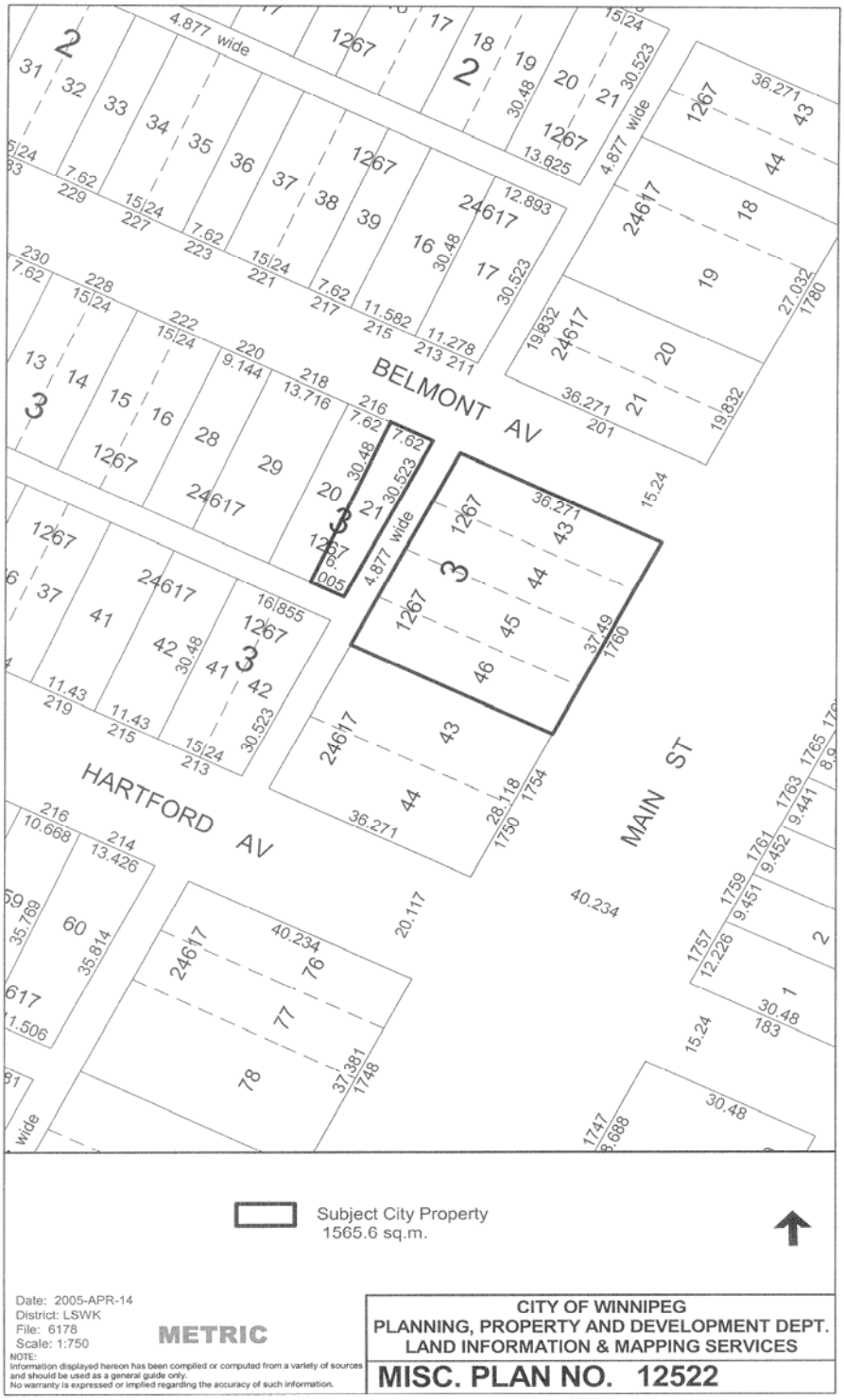
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

No consultation was required in the preparation of this report.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 6178

Document name: o:\reports directive\real estate\sales\(ga)sale of 1760main-214belmont.doc


BELMONT AV
HARTFORD AV
MAIN ST
4.877 wide
Subject City Property
1565.6 sq.m.
Date: 2005-APR-14
District: LSWK
File: 6178
Scale: 1:750
METRIC
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 OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12522

SCHEDULE "A"

1760 Main Street and 214 Belmont Avenue

OFFEROR	CORPORATE OFFICERS	PRICE OFFERED	DEPOSIT	REAL ESTATE AGENT	LEGAL	COMMENTS
United Church of Canada	Ian Fraser General Council	301,000	45,000	Gerry McAlpine	K McDonald Legal judicial council	Clean offer
International Brotherhood of Electrical Workers or Nominee	Brad Belot Union Rep	269,000	40,350	none	Corne& Corne	Building Committee 7 Membership Approval Financing
Izu Gephter or Nominee		240,000	36,000	none	Ronald Zimmerman McJannet Rich	Clean offer

File No: 6178

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands:
The land and buildings located at 1760 Main Street and 214 Belmont Avenue as shown on Misc. Plan No. 12522.
(hereinafter called the "lands")

for the sum of $ 301,000.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of $45,000.00, and represents an amount equal to fifteen (15%) percent of the purchase price which the Purchaser tenders by way of deposit, and which sum shall be applied to the purchase price if the sale is approved by the City's Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required). The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing as in sub-clause (1) above provided, the City may, at its option, cancel the sale and retain the deposit as liquidated damages.

2. (1) The date of Closing, Possession and adjustments shall be on or before 120 days from the date of approval of the sale.

(2) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the Lands as though the Lands had been entered on the assessment rolls of the City as privately owned and subject to taxation, which adjustment shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(3) The Purchaser shall pay interest in lawful money of Canada on all monies remaining outstanding and payable to the City as of the date of adjustments, which interest shall be calculated at the rate per annum equivalent to the prime lending rate in force by the City's Banker at the date of adjustments plus one (1%) percent, computed from the date of adjustments to and including the date all such monies and interest as aforesaid have been fully paid to the City.

3. Goods and Services Tax

(1) The Purchaser agrees to pay to the City all Goods and Services Tax applicable on the sale of the Lands or, if the Purchaser is a registrant under the Goods and Services legislation, the Purchaser shall advise the City in writing of its registration number The Goods and Services Tax is to be paid or the registration number provided to the City on or before the date of closing.

(2) If the Purchaser fails to pay the Goods and Services Tax or fails to provide its registration number as prescribed in sub-clause (1) of this Clause, the Purchaser agrees that all of the Purchaser's rights and interests in respect of the Lands shall, at the City's sole discretion, be fully ended without notice or any formality and all monies paid to the City by the Purchaser shall be retained by the City free from every claim.

4. The Purchaser will obtain possession of the Lands at the Purchaser's own expense.

5. The Purchaser will accept Title to the Lands subject to all exceptions, reservations and encumbrances expressed or implied in the City's Title.

6. The sale of the Lands to the Purchaser shall be subject to the provisions of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore the Purchaser acknowledges and understands that it's proposed use and development of the lands may require applications for rezoning, variances or conditional uses and/or amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

7. The Purchaser agrees that the City may register and maintain a caveat against the Lands to ensure the performance of the covenants on the part of the Purchaser herein set forth, and the Purchaser agrees to grant and does hereby grant to the City an interest in the Lands according to the tenor of this Offer.

8. Upon closing of the sale, the Purchaser agrees to make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the Lands.

9. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment of the Lands, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than 90 days from the date of approval of the sale, and

(2) maintain the Lands in safe condition at all times during the conduct of any work done in pursuance of this Clause 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; and

(4) indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such Environmental Site Assessment; and

(5) provide copies of any such Environmental Site Assessment of the said Lands to the City for its own use, at no cost to the City no later than 180 days from the date of approval of the sale.

AND in the event it is determined as a result of said Environmental Site Assessment, that contamination levels exceed Provincial Environmental Standards for the intended use of the Lands and documentation to that effect is produced to the City no later than 90 days from the date of approval of the sale, the City, at its sole option, shall be entitled to:

take remedial action to bring the contamination levels to within the Provincial Environmental Standards;

OR

cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date, PROVIDED that the Applicant shall have first satisfied all conditions of this Clause 9.

AND FURTHER if the City has not been advised of any non-compliance of the Lands to Provincial Environmental standards no later than 90 days from the date of approval of the sale, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10 (1) The Purchaser agrees that the sale of the Lands shall be subject to any easement which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas, or The City of Winnipeg, for the maintenance of existing and future facilities together with the right to enter upon the Lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area any building or structure without the prior written consent of the public utility or The City of Winnipeg requiring such easement.

(2) The Purchaser to enter into agreements satisfactory to the said utilities or the City of Winnipeg.

(3) The Purchaser acknowledges that the City may grant the easements before the Transfer of Land issues.

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

(1) the City has given no representations or warranties with respect to the Lands or with respect to the value thereof or with respect to the Purchaser's intended uses or development or redevelopment thereof or with respect to the environmental condition of the Lands;

(2) the Purchaser has inspected or investigated the Lands, the title thereto, the Permitted Encumbrances, any tenancies and all other matters material to the Purchase and the proposed use of the Lands and that it is relying solely upon its own independent inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) the Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the Lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) the Lands are deemed to be taken by the Purchaser at the Purchaser's own risk with all faults and imperfections whatsoever. The Purchaser agrees with the City that the application of "Buyer Beware" shall apply to the offer in the strictest meaning.

12. Time shall be of the essence of this Offer.

13. The Purchaser will not file any caveat or other encumbrance against the Lands before the transfer of the lands to the Purchaser.

14. The word "Purchaser" shall have a plural meaning in the event that more than one party is making this offer, and the masculine shall mean the feminine or neuter as the case may be.

15. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety, which are composed of Lacustrine Clays with Silt Intrusions. The Purchaser shall be responsible for any increased costs of development due to this random stratification.

16. The full, true and correct name of the Purchaser is as follows: -

THE UNITED CHURCH OF CANADA, 3250 BLOOR ST. W.
Name (Please Print) TORONTO, ON Address
M8X 2Y4

McAlpine Realty Ltd
Gerry McAlpine 889-4120

Contact Person: J. BADERTCHER (204) 233 8311

Purchaser's Registration No. (G.S.T.) 118872126 RR0001

IN WITNESS WHEREOF the Purchaser has signed this document in

TORONTO, ON, this 2 dayo AUGUST 2005

Witness

Ian S. Fraser
Authorized Signature

IAN FRASER GENERAL COUNCIL MINISTER
Name and Title of Authorized Signature (Please print)

Witness

K M Donald
Authorized Signature

KMCDONALD, Legal/Judicial Counsel
Name and Title of Authorized Signature (Please print)

ACCEPTED this _____day of _____, A.D., 2005

THE CITY OF WINNIPEG

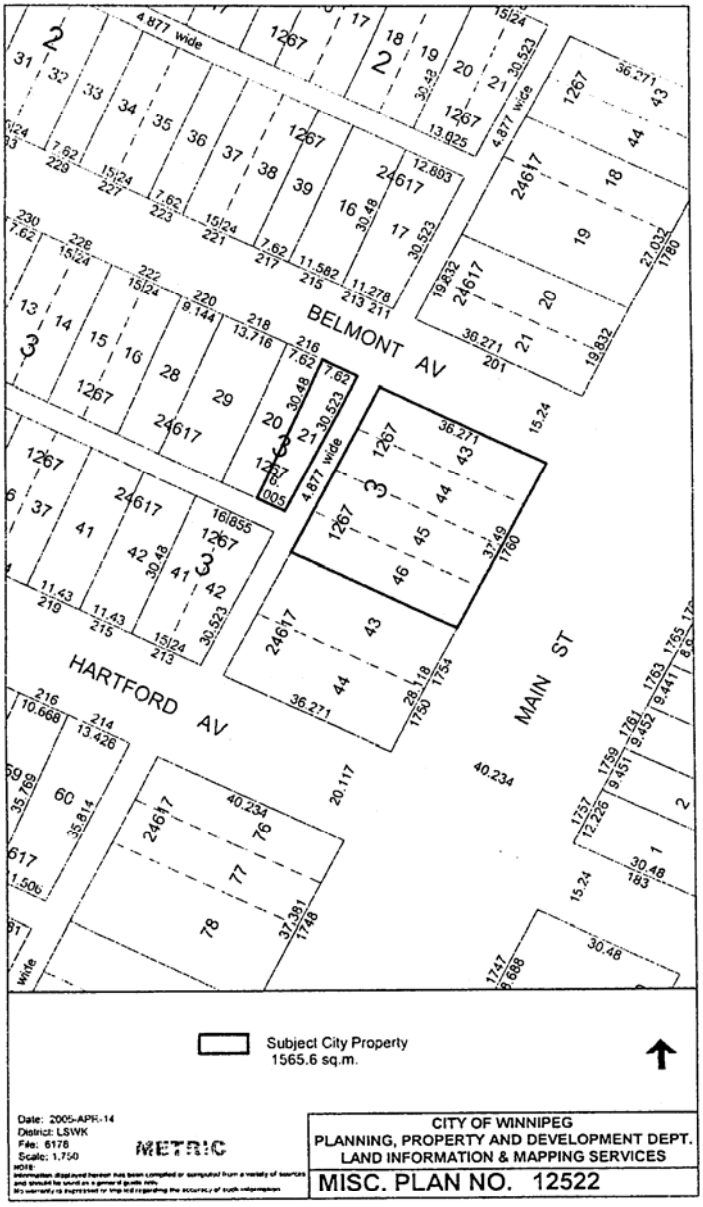
Per:_____
DIRECTOR Planning, Property and Development Department

Approved:

_____
Planning Property and Development Department

Certified as to form:

_____
for City Solicitor/Manager of Legal Services


BELMONT AV
HARTFORD AV
MAIN ST
Subject City Property
1565.6 sq.m.
Date: 2005-APR-14
District: LSWK
File: 6178
Scale: 1:750
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12522