Agenda – Executive Policy Committee – December 7, 2005

Report - Standing Policy Committee on Property and Development - November 29, 2005

Item No. 28 Sale of 2589 Assiniboine Crescent
File FI-2.4(31)

STANDING COMMITTEE RECOMMENDATION:

On November 29, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That the City-owned property shown outlined on Misc. Plan No. 11487/2 be declared surplus to the City's requirements.

2. That the sale of the City-owned property shown outlined on Misc. Plan No. 11487/2 in favour of Sara Pao for the purchase price of $125,000.00, be approved in accordance with the terms and conditions of the Offer to Purchase outlined in the report from the Director of Planning, Property and Development dated November 17, 2005, and upon such additional terms and conditions that the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services deem necessary to protect the interest of the City.

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

Agenda – Executive Policy Committee – December 7, 2005

Report - Standing Policy Committee on Property and Development - November 29, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 29, 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 Sale of 2589 Assiniboine Crescent**
Assiniboine Community
St. James – Brooklands Ward

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

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

Report date: November 17, 2005

Recommendation(s):

1. That Council declare the City-owned property shown outlined on the attached Misc. Plan No. 11487/2 surplus to the City's requirements.
2. That subject to the approval of Recommendation 1, the sale of the City-owned property shown outlined on Misc. Plan No. 11487/2, attached, in favour of Sara Pao for the purchase price of $125,000.00, be approved in accordance with the terms and conditions of the attached Offer to Purchase and upon such additional terms and conditions that the Director of Planning, Property and Development Department and the City Solicitor/Manager of Legal Services deem necessary to protect the interest of the City.
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 City-owned property shown outlined on Misc. Plan No. 11487/2, attached, was acquired for the Charleswood Bridge Project that has now been completed.
- The subject property was circulated to all City Departments and is now considered surplus to the City's needs.
- The Planning, Property and Development Department are in receipt of an Offer to Purchase the subject City-owned property shown outlined on Misc. Plan No. 11487/2. Council approval is required to declare City-owned property surplus to the City's needs. Approval by the Standing Policy Committee on Property and Development is required for the sale of the subject City-owned property.

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 City's standard terms and conditions of sale include provisions to protect the City's interests in the event that environmental contamination is discovered.

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 Director of the Planning, Property and Development Department has the delegated authority to accept and finalize offers to purchase for surplus City-owned residential properties that were previously acquired for operational use and have a value up to $100,000.00. The proposed sale price is in excess of that limit.

Council approval is required to declare City-owned property surplus to the City's needs. Approval by the Standing Policy Committee on Property and Development is required for the sale of the subject City-owned property.

HISTORY:

The subject City-owned property shown outlined on Misc. Plan No. 11487/2, attached, was acquired for the Charleswood Bridge Project that has now been completed.

The property is developed with a bi-level single-family residence and a double detached garage. Over the years, the property has been rented to tenants and managed by the Winnipeg Housing and Rehabilitation Corporation on behalf of the City. The last tenant vacated this property in June 2005.

Details of the subject City-owned property are as follows:

Location:	2589 Assiniboine Crescent
Legal Description:	Parcel F, Plan 43866
Certificate of Title:	2084200
Roll Number:	07075260000
Total Assessment (2005):	$99,200.00
Realty Taxes:	$2,576.00
Zoning:	"R1-5.5A" – Residential District
Site Size:	Irregular ± 795.7m² (± 8,565sq. ft.)
Property Description:	The subject property is developed with a single-family four-bedroom wood-frame bi-level built in 1963, with wood siding/stucco/brick veneer exterior cladding, comprising of 1,187 sq. ft. on a full basement. The basement floor has heaved somewhat causing tiles to detach. All of the windows are in poor condition and need replacement (broken seals and/or rotted, sagged frames). The floor of the garage is severely cracked and heaved. The garage in all likelihood should be demolished.

The subject property was circulated to all City Departments and no Civic need was identified.

At its meeting held on February 18, 2003, the Assiniboia Community Committee indicated that its had no objections to the sale of 2589 Assiniboine Crescent.

DISCUSSION:

The Planning, Property and Development Department prepared an information brochure, along with an Offer to Purchase document, which stated a list price of $159,900.00, which was later reduced to $140,000.00. The package was sent to all parties noted on file that had expressed a previous interest in the site. As well, the general public was made aware of this offering by way of on-site signage, advertisements in the Winnipeg Free Press (on four separate days) and the Winnipeg Sun and continuously on the Department's internet web-page site from August to November, 2005. The Department also arranged for three "Open Houses" and other individual showings. This has resulted in approximately 91 persons having inspected the property.

In total, the Department received four offers, all of which are less than the internal appraised value of $144,000.00. Details of the offers are as follows:

Offer No. 1

Date:	September 9, 2005
Name:	John Klaponski
Amount:	$104,000.00
Deposit:	$16,000.00

Offer No. 2

Date	September 9, 2005
Name:	Bruce T. Grieve
Amount:	$121,000.00
Deposit:	$18,150.00

Offer No. 3

Date:	November 4, 2005
Name:	Ron Zrobek & Doug Ross
Amount:	$80,000.00
Deposit:	$12,000.00

Offer No. 4

Date:	November 5, 2005
Name:	Sara Pao
Amount:	$125,000.00
Deposit:	$18,750.00

Although the highest offer is less than the estimated value of $144,000.00, the Planning, Property and Development Department supports the proposed sale of this property to Ms. Sara Pao for the purchase price of $125,000.00 for the following reasons:

a.) It is the highest offer received.

b.) The proposed sale of the property will increase the City's realty tax base.

c.) The sale will eliminate the maintenance and liability for the City associated with holding this property.

d.) There is a high degree of probability that no other potential purchaser will offer a price that would exceed the current offer submitted by Ms. Sara Pao.

Financial Impact Statement

Date: November 14, 2005

Project Name:
Proposed Sale of 2589 Assiniboine Crescent

First Year of Program 2006

	2006	2007	2008	2009	2010
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	126,670	1,670	1,670	1,670	1,670
Net Cost/(Benefit)	$ (126,670)	$ (1,670)	$ (1,670)	$ (1,670)	$ (1,670)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (126,670)	$ (1,670)	$ (1,670)	$ (1,670)	$ (1,670)

Additional Comments:

Revenues in 2006 include net sales proceeds of $125,000, which will be credited to the Land Operating Reserve, and $1,670 in municipal property taxes, which will accrue to the General Revenue Fund. The latter amount is based on the assumptions that the sale will close January 1, 2006, the assessed value of the property equals the sale price, and the portioning and mill rates remain at 45% and 0.029686 respectively.

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

5366

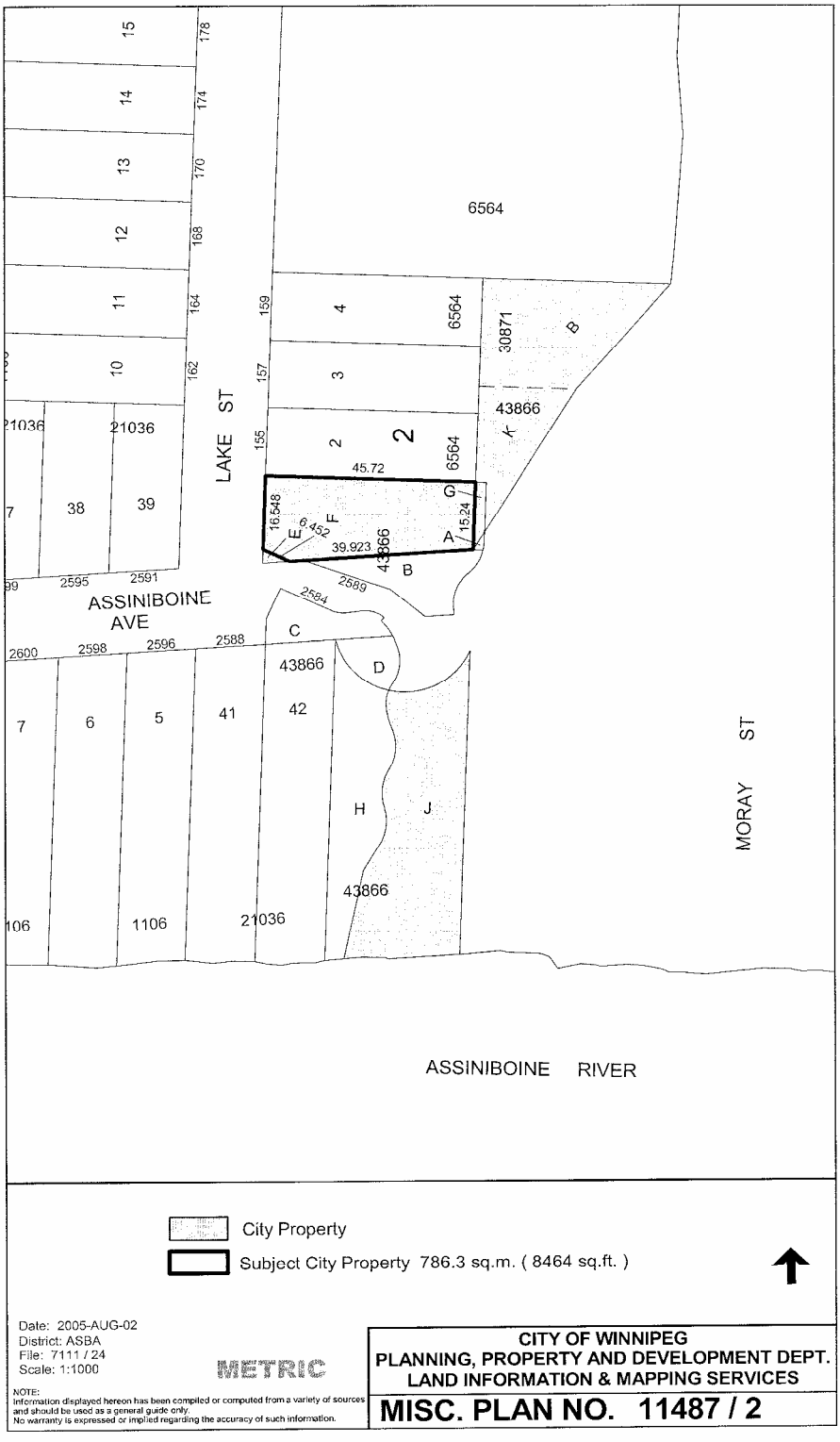
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

No consultation was required in preparing this report.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Robert Senyk
PPD File #: 7111/24

Document name: o:reportsdirective/realestate/sales/(rs)Assiniboine,2589,sale.doc


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ASSINIBOINE RIVER
City Property
Subject City Property 786.3 sq.m. (8464 sq.ft.)
Date: 2005-AUG-02
District: ASBA
File: 7111 / 24
Scale: 1:1000
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. 11487 / 2

OFFER TO PURCHASE

2589 ASSINIBOINE CRESCENT

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands together with the building situated thereon commonly known as 2589 Assiniboine Crescent:

Parcel F, Plan 43866

(hereinafter called the "lands")

for the sum of $125,000 cash, and upon the following terms and conditions:

1. I/We agree to pay for the above described property a total purchase price of $125,000.00 payable as follows:

   (1) A deposit of 15%, (to be returned if this Offer is not accepted) of $18,750.00

   (2) Balance of purchase price by cash on or before date of possession $106,250.00

   TOTAL PURCHASE PRICE $125,000.00

2. If any part of the purchase price is to be paid from the proceeds of a new mortgage, payment of that amount may be delayed by the time necessarily required for registration of the mortgage to be completed by the Land Titles Office and reported to the mortgagee and, if so, that amount shall bear interest payable to the Vendor at the same rate as the new mortgage until paid.

3. Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of $18,750., 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) and/or its delegated authority. The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the Date of Possession failing which the City may, at its option, cancel the sale and retain the deposit as liquidated damages.

4. (1) The date for adjustments shall be the Date of Possession. The Date of Possession shall be sixty (60) days from the date of acceptance of the offer by the City or at such earlier date as the parties may agree.

   (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 adjustments shall be calculated from the date of adjustments to and including the last day of the current taxation year.

5. The purchase price shall include all fixtures and in particular all such electrical light fixtures, heating and plumbing fixtures, T.V. antenna, fitted carpets, curtain rods, drapery tracks,

screen and storm windows and doors as are now on the premises, and also all built-in appliances.

6. Possession to the property will be given by the City of Winnipeg upon receipt of the full payment of the purchase price.

7. The Purchaser will obtain possession of the lands at the Purchaser's own expense, which includes, without limiting the generality of the foregoing, obtaining their own Building Location Certificates, Survey Certificates and Zoning Memorandum and in connection therewith acknowledges and is aware that the City does not provide Declarations of Possession.

8. All improvements in or on the said lands shall remain as part of the freehold.

9. All structures and equipment upon the lands shall be and remain at the risk of the City of Winnipeg until possession is given.

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

11. The Vendor is unable to confirm that sewer and water-lot line connections from the services in the street to the lot line exist and are re-usable. The Purchaser must satisfy himself as to their existence and suitability for re-use. Consequently, if new sewer and/or water lot-line connections must be installed: installation and costs of same are to be borne by the Purchaser.

12. 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 and it is determined as a result thereof that contamination levels exceed Provincial Environmental Standards for the intended use of the lands, and documentation to that effect is produced prior to closing, the City, at its sole option, shall be entitled to:

    (1) take remedial action to bring the contamination levels within the Provincial Environmental Standards, **or,**

    (2) cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date.

    AND FURTHER, in the event the Purchaser fails to provide such documentation as aforesaid, the Purchaser hereby agrees to complete the purchase as herein contemplated and to indemnify and save harmless the City from and against any and all claims arising from or in any way attributable to the existence of contaminants of any kind whatsoever at, in, or upon the said lands.

13. (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 Manitoba Inc. or The City of Winnipeg, for the construction and/or maintenance of 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.

14. (1) The Purchaser acknowledges that in submitting this Offer to Purchase, the Purchaser relies entirely upon personal inspection of the land and structures independent of any

representation made by or on behalf of the City and accepts this dwelling on an "as is" basis. Should there be any error or discrepancy in the description or in the dimensions of the land as contained herein, it shall not entitle the Purchaser to any compensation in respect thereof nor would it entitle the Purchaser to the cancellation of the Offer to Purchase.

15. It is agreed that no representation, warranty, collateral agreement or condition affecting this offer or the property is expressed herein. The City does not warrant the present or future quality or fitness of the buildings and their system/components located upon the land. The Purchaser agrees with the City that the application of the maxim "Buyer Beware" shall apply to the offer in the strictest meaning.

16. No current legal survey was made of the property to determine the nature and extent of any structure thereon or to determine if there are any encroachments from adjoining lands.

17. It will be the responsibility, and at the expense of the Purchaser, to comply with any requirements and time limits and to take such action as is necessary to conform to By-laws, building codes, zoning restrictions, fire regulations and Acts for establishing minimum standards of maintenance and occupancy.

18. The sale of the lands to the Purchaser shall be subject to the provision of the By-laws of the City of Winnipeg and all amendments thereto.

19. 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.

20. Upon approval of the sale by the City, 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.

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

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

23. 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.

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

SARAH - PAO 55 LINDEN AVE. WPG.
Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) N/A - ph - 667-0294

IN WITNESS WHEREOF the Purchaser has signed this document in

WINNIPEG, MANITOBA this 5th day of November 2005

Sarah Pao
Purchaser

Witness

TERRENCE R. McDOWELL
A NOTARY PUBLIC, MANITOBA
500 - 177 LOMBARD AVENUE
WINNIPEG, MANITOBA R3B 0W5