Agenda - Council - March 22, 2006

Report - Standing Policy Committee on Property and Development - February 28, 2006

Item No. 11 Sale - South side of Beaverhill Boulevard, west of Bluewater Crescent File FI-2.4(35)

STANDING COMMITTEE RECOMMENDATION:

On March 15, 2006, 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 subject property, shown outlined on Misc. Plan No. 12376, be declared surplus to the City's requirements.

2. That the sale of subject City property shown outlined on Misc. Plan No. 12376 be approved to Ihssan Zouabi (4744081 Manitoba Ltd.) at a price of $82,500.00 in accordance with the Offer to Purchase dated February 6, 2006, and upon such additional terms and conditions that the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services consider necessary to protect the interest of the City and to achieve the intent of the Standing Policy Committee on Property and Development.

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 - February 28, 2006

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 15, 2006, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

STANDING COMMITTEE RECOMMENDATION:

On February 28, 2006, 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 City Property located on the South Side of Beaverhill Boulevard, West of Bluewater Crescent**
Riel Community
St. Boniface Ward

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

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

Report date: February 17, 2006

Recommendation(s):

1. That Council declares the subject property shown outlined on Misc. Plan No. 12376, as surplus to the City's requirements.
2. Subject to approval of Recommendation No. 1, that approval be given for the sale of the subject City property shown outlined on the attached Misc. Plan No. 12376 in favour of Ihssan Zouabi (4744081 Manitoba Ltd.) at a price of $82,500.00 and in accordance with the Offer to Purchase dated February 6, 2006, and upon such additional terms and conditions that the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services consider necessary to protect the interest of the City and to achieve the intent of the Standing Policy Committee on Property and Development.
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 City acquired the subject property shown outlined on Misc. Plan No. 12376 in 1996 for $1.00 as part of a development agreement for future transportation purposes.
- On December 8, 2004, the Public Works Department advised that it has no need for the subject property and it had no objection to the sale.
- The Planning, Property and Development Department have concluded its negotiations with Mr. Ihssan Zouabi, (4744081 Manitoba Ltd.) for the sale of the subject property.
- The Department is recommending that the sale of the City-owned property be approved in favour of Ihssan Zouabi (4744081 Manitoba Ltd.) at a price of $82,500.00, subject to Council declaring the property surplus to the City's needs.

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):

- 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 Planning, Property and Development Department are in receipt of an Offer to Purchase the subject City-owned property shown outlined on Misc. Plan No. 12376. 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 property shown outlined on Misc. Plan No. 12376 is located on the South Side of Beaverhill Boulevard, West of Bluewater Crescent. The City acquired the subject property in 1996 for $1.00 as part of a development agreement for future transportation purposes.

Particulars of the subject property are as follows:

Location:	South side of Beaverhill Blvd., West of Bluewater Crescent
Legal Description:	Lot 2, Block 1, Plan 33345
Certificate of Title:	1437274
Roll Number:	06004809000
Assessment (2006):	$47,600.00
Zoning:	"R2" – Residential District
Site Size:	±3815.6m² (41,070 sq. ft.)

On December 8, 2004, the Public Works Department advised that it had no need for the subject property and they had no objection to the sale. No other civic need has been identified for the subject property.

DISCUSSION:

Mr. Ihssan Zouabi, (4744081 Manitoba Ltd.) is the owner of the site located to the east of the subject City-owned property. Mr. Zouabi intends to build a condominium complex in partnership with Randall Homes on his property. In addition, Mr. Zouabi has advised that he has also acquired a portion of the property to the west of the subject City-owned property, which is presently developed with a condominium complex.

Mr. Zouabi has requested to purchase the subject City-owned property in order to facilitate his proposed condominium development.

The Ward Councillor has no objections to the proposed sale of the subject property.

The Planning, Property and Development Department have concluded its negotiations with Mr. Ihssan Zouabi, (4744081 Manitoba Ltd.) for the sale of the subject property. The Offer to Purchase dated February 9, 2006, is attached.

Details of the Offer are as follows:

Price Offered:	$82,500.00
Purchaser:	4744081 Manitoba Ltd.
Deposit:	$12,375 being 15% of the purchase price
Balance Due:	60 days from date of approval of the Offer by the City

The Department supports the sale of the subject property for the following reasons:

a) The subject property is not developable as a "stand-alone" site.
b) The proposed purchaser owns the property to the east and has an interest in a portion of the property to the west of the subject property; therefore, it would be logical to offer the subject property to this owner for consolidation purposes.
c) The proposed purchase price is supported by an internal appraisal.
d) The Purchaser will be required to subdivide and rezone the subject property and pay all associated costs of same.
e) The property will generate realty tax upon closing of the sale.

Financial Impact Statement

Date: February 14, 2006

Project Name:

Proposed Sale of City Property located on the South Side of Beaverhill Boulevard, West of Bluewater 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	83,051	1,102	1,102	1,102	1,102
Net Cost/(Benefit)	$ (83,051)	$ (1,102)	$ (1,102)	$ (1,102)	$ (1,102)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (83,051)	$ (1,102)	$ (1,102)	$ (1,102)	$ (1,102)

Additional Comments:

The $83,051 consists of the $82,500 in sales proceeds, which will accrue to the Land Operating Reserve Fund, and the municipal portion of realty taxes totalling $551, which will accrue to the General Revenue Fund. The latter amount is based on the assumptions that the assessed value equals the sale price of $82,500, portioning and mill rates remain unchanged at 45% and 0.029686 respectively, and the property is added to the tax roll effective July 1, 2006. Revenues from 2007 onward represent municipal realty taxes based on the same assumed assessed value and portioning & mill rates.

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

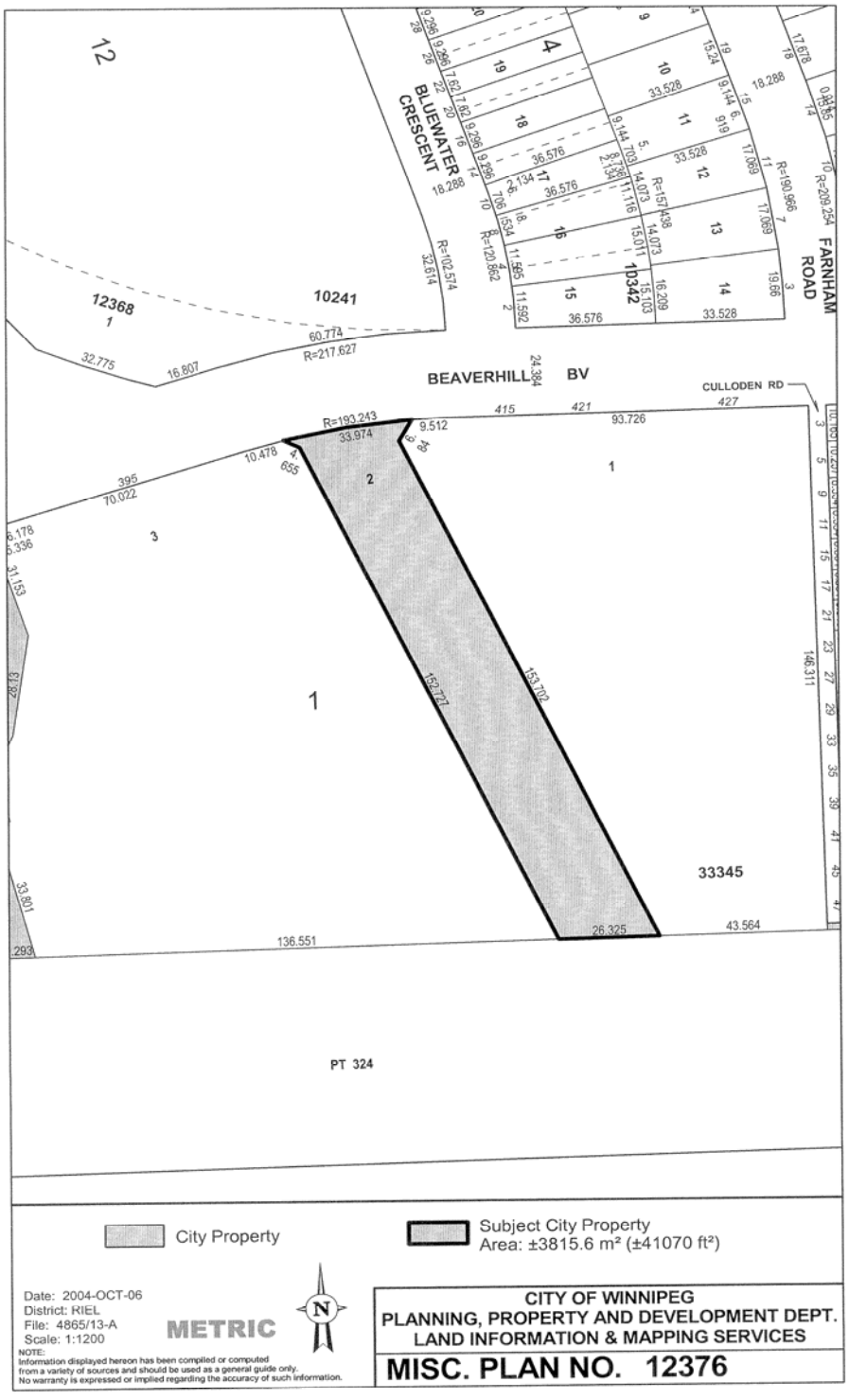
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

No consultation was required in the preparation of this report.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Joedi Pruden
PPD File #: 4865-A/13

Document name: o:\reports directive\real estate\sales\(jp)beaverhill.doc


BEAVERHILL BV
CULLODEN RD
FARNHAM ROAD
BLUEWATER CRESCENT
12368
10241
10342
33345
PT 324
City Property
Subject City Property
Area: ±3815.6 m² (±41070 ft²)
Date: 2004-OCT-06
District: RIEL
File: 4865/13-A
Scale: 1:1200
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. 12376

Beaverhill
File: 4865/13-A

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands:

Lot 2, Block 1, Plan 33345 WLTO in Lots 323 and 324
Roman Catholic Mission Property

(hereinafter called the "Lands")

for the sum of $82,500.00 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 $12,375.00, 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) and/or its delegated authority, hereinafter called the "Date of Approval". The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing, possession and adjustments.

   (2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing, possession and adjustments 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 sixty (60) days following the Date of Approval or earlier as mutually agreed to.

   (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 closing, possession and 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 closing, possession and 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 closing, possession and 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 Tax 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, possession and adjustments or the date the balance of monies is paid to the City, whichever is the earlier.

   (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, which includes, without limiting the generality of the foregoing, obtaining their own Surveyor's Building Location Certificates, Surveyor's Staking Certificates and Zoning Memorandum and in connection therewith acknowledges and is aware that the City does not provide Declarations of Possession.

5. The Purchaser acknowledges that in submitting this Offer to Purchase, the Purchaser relies entirely upon personal inspection of the Lands, independent of any representation made by or on behalf of the City of Winnipeg. Any error or discrepancy in the description or in the dimensions of the Lands as contained herein shall not entitle the Purchaser to any compensation in respect thereof nor shall it entitle the Purchaser to the cancellation of this Offer to Purchase.

6. It is agreed that no representation, warranty, collateral agreement or condition affecting this offer or the land is expressed herein. The City does not warrant the quality, condition or sufficiency of the Lands for any use or purpose. The Lands are deemed to be taken by the Purchaser in an "as is" condition and at the Purchaser's own risk and 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.

7. All existing improvements (if any) in or on the said Lands shall remain as part of the freehold.

8. (1) The City is unable to confirm that sewer and water lot-line connections from the services in the street to the lot line exist. 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.

   (2) The Purchaser agrees to repair any damage made to the sodded boulevards abutting the lands during construction as soon as practicable and maintain same and shall pay the cost thereof and shall also restore the boulevard to its proper grade.

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

10. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment and/or soil testing 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 to the City within sixty (60) days following the Date of Approval, but in any event, 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.

11. (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 Manitoba Hydro, MTS Allstream Inc., Centra Gas Manitoba Inc., or The City of Winnipeg, and/or any of their respective successors and/or other utilities, for the maintenance of existing and future facilites 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 utility or The City of Winnipeg requiring such easement.

    (2) Any removal or relocation of a public utility will be at the expense of the developer and/or customer.

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

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

12. No commission is payable by the City on the sale of the Lands.

13. 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.

14. The Vendor advises that there might be an existing basement in the lands. The removal of any existing concrete or debris and any costs connected therewith will be the responsibility of the Purchaser.

15. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety which is 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 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 its proposed use and development of the Lands may require applications for re-zoning, variances, sub-divisions or conditional uses, amendments to Plan Winnipeg, which applications, resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser. Nothing in this Offer shall be construed as placing any duty or obligation upon the City to grant such rezoning, variance, sub-division or conditional use orders and/or amendments to Plan Winnipeg when the Purchaser's application for same is made to the City.

17. The Purchaser agrees that the City may register Caveat/s 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.

18. 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.

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

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

21. 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.

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

Ihssan Zouabi (4744081 Manitoba Ltd.)
Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) 890261910

IN WITNESS WHEREOF the Purchaser has signed this document in

Winnipeg, _____, this 6th day of feb. 2006

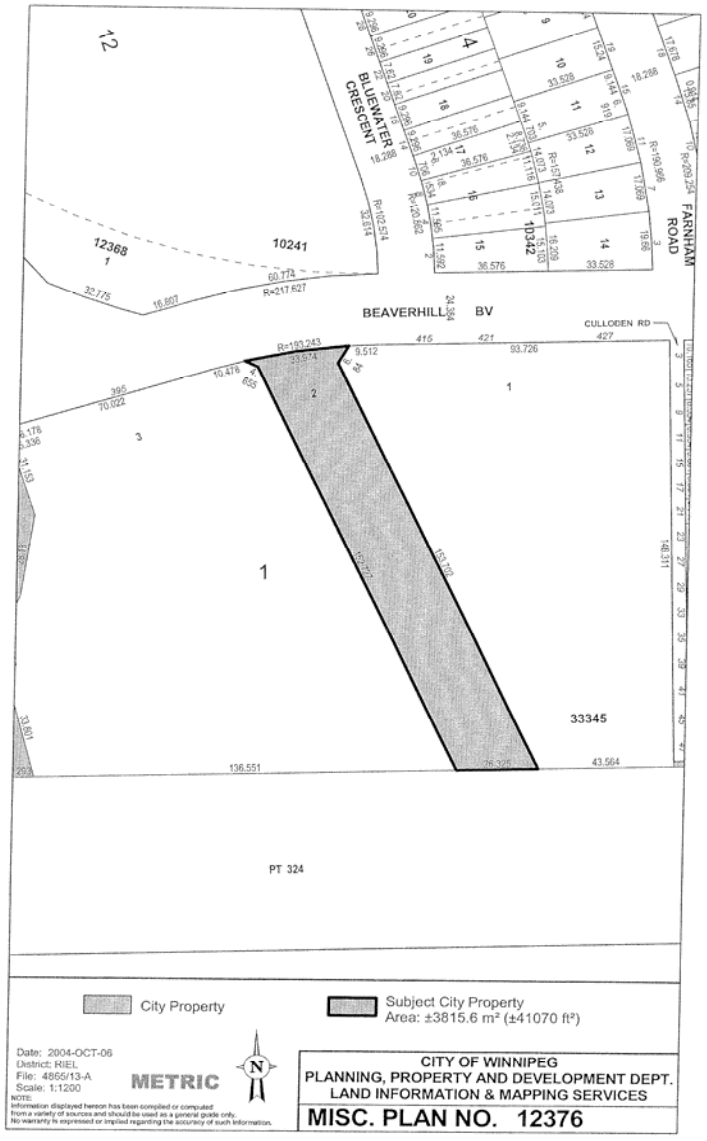
_____ _____
Witness Purchaser

_____ _____
Witness Purchaser

Location: South side of Beaverhill Blvd.

Area: ±3815.6m² (±41,070 ft²)

Zoning: R2


BLUEWATER CRESCENT
FARNHAM ROAD
BEAVERHILL BV
CULLODEN RD
12368
10241
10342
33345
PT 324
City Property
Subject City Property
Area: ±3815.6 m² (±41070 ft²)
Date: 2004-OCT-06
District: RIEL
File: 4865/13-A
Scale: 1:1200
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12376