Minute No. 404
Report - Standing Policy Committee on Property and Development - February 28, 2006

Item No. 9 **Sale - West side of Powers Street between Manitoba Avenue and Pritchard Avenue - North End Housing Project, Inc.**
File FI-2.4(34)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That the portion of Policy C325 adopted by Council on October 31, 1990, as amended on July 17, 2002, pertaining to sales to non profit organizations participating in the Winnipeg Housing and Homelessness Initiative being subject to the requirement that new construction upon the properties or rehabilitation of existing improvements on the properties must be at least substantially completed to a condition to allow for occupancy within two years from the date of the sale, failing which title to the properties will revert back to the City, be waived in this instance.

2. That sale of the City-owned property shown outlined on Misc. Plan No. 12054 to the North End Housing Project, Inc. be approved at a price of $1.00 in accordance with the Offer to Purchase dated January 31, 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.

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DECISION MAKING HISTORY:

Moved by Councillor De Smedt,
That the recommendation of the Standing Policy Committee on Property and Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 15, 2006, 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 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-owned Property located on the West Side of Powers Street between Manitoba Avenue and Pritchard Avenue - North End Housing Project, Inc.**
Lord Selkirk – West Kildonan Community
Mynarski Ward

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

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

Report date: February 13, 2006

Recommendation(s):

1. That Council, in this instance, waive that portion of City Policy pertaining to the sales to non profit organizations participating in the Winnipeg Housing and Homelessness Initiative being subject to the requirement that new construction upon the properties or rehabilitation of existing improvements on the properties must be at least substantially completed to a condition to allow for occupancy within two years from the date of the sale, failing which, title to the properties will revert back to the City.
2. That subject to approval of Recommendation No. 1, the sale of the City-owned property shown outlined on Misc. Plan No. 12054, attached, to the North End Housing Project, Inc. be approved at a price of $1.00 in accordance with the Offer to Purchase, dated January 31, 2006, attached, 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 subject City-owned property shown outlined on Misc. Plan No. 12054, attached, was acquired by way of Tax Sale No. 106/249 in December 2003.
- The Planning, Property and Development Department is in receipt of an Offer to Purchase the subject City-owned property, shown outlined on Misc. Plan No. 12054, from the North End Housing Project, Inc.
- Council approval is required in this instance to waive the requirement that non profit organizations participating in the Winnipeg Housing and Homelessness Initiative be subject to the requirement that new construction upon the properties or rehabilitation of

existing improvements on the properties must be at least substantially completed to a condition to allow for occupancy within two years, failing which, title to the properties will revert back to the City.

- The Planning, Property and Development Department is recommending the sale of subject property, shown outlined on Misc. Plan No. 12054, to the North End Housing Project, Inc. in accordance with the Offer to Purchase dated January 31, 2006, attached as Schedule "A".

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 is in receipt of an Offer to Purchase the subject City-owned property shown outlined on Misc. Plan No. 12054, from the North End Housing Project, Inc. Council approval is required in this instance to waive the requirement that non profit organizations participating in the Winnipeg Housing and Homelessness Initiative be subject to the requirement that new construction upon the properties or rehabilitation of existing improvements on the properties must be at least substantially completed to a condition to allow for occupancy within two years, failing which, title to the properties will revert back to the City.

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. 12054 attached, was acquired by way of Tax Sale No. 106/249 in December 2003.

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

Location:	West side of Powers Street between Manitoba Avenue and Pritchard Avenue
Legal Description:	Lot 21, Plan 15631
Certificate of Title:	1986161
Roll Number:	14020528100
Total Assessment (2005):	$5,300.00
Realty Taxes:	$138.08
Zoning:	"R2-T" – Residential District
Site Size:	Irregular ± 11.127m x 17.069m = 189.9m² (± 36.5 ft x 55.986 ft = 2043.8 ft²)
Property Description:	Vacant lot with very shallow depth.

DISCUSSION:

The North End Housing Project, Inc. (NEHP) made a request to acquire the subject property as it bisects two yards, partially blocking lane access for one of the properties that NEHP owned at 476 Manitoba Avenue. NEHP subsequently sold 476 Manitoba Avenue to Serafim Smilianov. The subject City-owned property also entirely blocks lane access for 472 Manitoba Avenue. By acquiring the subject property, NEHP intends to subdivide and consolidate the property into both 472 and 476 Manitoba Avenue. This would create two regular sized lots fronting Manitoba Avenue, and thereby provide for access to the lane and for rear parking.

The Council approved policy requires sales to non profit organizations participating in the Winnipeg Housing and Homelessness Initiative to be subject to the requirement that new construction upon the properties or rehabilitation of existing improvements on the properties must be at least substantially completed to a condition to allow for occupancy within two years. As NEHP does not intend to build on the subject property, this condition must be waived in this instance.

The Planning, Property and Development Department has concluded its negotiations with NEHP for the sale of the subject property shown outlined on Misc. Plan No. 12054. The Offer to Purchase dated January 31, 2006, is attached as Schedule "A".

The Planning, Property and Development Department is supportive of the sale to NEHP for the price of $1.00 for the following reasons:

- The Winnipeg Homelessness and Housing Initiative is highly supportive of transferring the subject property to NEHP.
- The subject property is not highly marketable because of its small size and location. Sale of this property for the sum of $1.00 will not result in any financial loss to the City and will improve both the adjacent holdings and the neighbourhood.

Financial Impact Statement

Date: February 10, 2006

Project Name:

First Year of Program 2006

Proposed Sale of City-owned Property located on the West Side of Powers Street between Manitoba Avenue and Pritchard Avenue - North End Housing Project, Inc.

	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	48	71	71	71	71
Net Cost/(Benefit)	$ (48)	$ (71)	$ (71)	$ (71)	$ (71)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (48)	$ (71)	$ (71)	$ (71)	$ (71)

Additional Comments:

Incremental revenue in 2006 consists of the $1 in proceeds + the municipal portion of realty taxes based on the following assumptions: assessed value, portioning and mill rates remain unchanged at $5,300, 45%, and 0.029686 respectively and that the sale closes and the property is placed on the tax roll effective May 1, 2006. Revenues of $71 from 2007 onward represent the full year's municipal tax revenue based on the same assumptions regarding assessed value and portioning and 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 #: 32/7484

Document name: o:\reports directive\real estate\sales\(jp)176 powers.doc


MAGNUS AV
MANITOBA AV
POWERS ST
PRITCHARD AV
SELKIRK AV
15631
31595
19698
18448
City Property
Subject Property - West side Powers Street
Area: ±189.9 m² (±2043.8 ft²)
Date: 2003-OCT-06
District: LSWK
File: Not Available
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. 12054

Schedule "A" File: 32/7484
Powers

OFFER TO PURCHASE

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

SP Lot 21, Plan 15631 WLTO in RL 37 PARISH OF ST JOHN

(hereinafter called the "Lands")

for the sum of $1.00 cash, and upon the following terms and conditions:

1. Attached to this Offer is the Purchaser's cheque payable to "The City of Winnipeg" for the purchase of the lands if the sale is approved by the City's Standing Policy Committee on Property and Development and/or Council (in the event that Council approval is required) and/or its delegated authority (Date of Approval).

2. (1) The date 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 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.

13. The City 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.

14. No commission is payable by the City on the sale of the lands.

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 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 or conditional use orders and/or amendments to Plan Winnipeg when the Purchaser's application for same is made to the City.

16. 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.

17. 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.

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

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

20. 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.

Offer to Purchase Page 4

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

NORTH END HOUSING PROJECT, INC. 40 PARR ST
Name (Please Print) Address
WPG R2W 5C3

Purchaser's Registration No. (G.S.T.) 89289 3439 RT0001

IN WITNESS WHEREOF the Purchaser has signed this document in

WINNIPEG, MANITOBA, this 31ST day of JANUARY 2006

C Ziola
Witness

Purchaser

Witness

Purchaser