Report - Standing Policy Committee on Property and Development - April 4, 2006

Item No. 22 Sale of City-owned Property located east of Laura Street (426 Alexander Avenue – Kinew Housing Inc.
File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On April 19, 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 portion of City Policy C 325 adopted by Council on October 31, 1990, as amended on July 17, 2002, pertaining to sales to non-profit organizations participating in the Affordable Housing 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 the sale of the City-owned property outlined on Misc. Plan 12792 to Kinew Housing Inc. be approved at a price of $1.00 in accordance with the Offer to Purchase dated March 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 - April 4, 2006

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 19, 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 April 4, 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 East of Laura Street – Kinew Housing Inc.
Lord Selkirk – West Kildonan Community
Point Douglas Ward

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

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

Report date: March 23, 2006

Recommendation(s):

1. That Council, in this instance, waive that portion of City Policy C 325 pertaining to sales to non-profit organizations participating in the Affordable Housing 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 outlined on Misc. Plan 12792, attached, to Kinew Housing Inc., be approved at a price of $1.00 in accordance with the Offer to Purchase, dated March 6, 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 property shown outlined on Misc. Plan No. 12792 attached, was acquired in 1979 by way of Tax Sale.
- The Planning, Property and Development Department is in receipt of an Offer to Purchase the subject City property shown outlined on Misc. Plan No. 12792, from Kinew Housing Inc.
- Council approval is required in this instance to waive that portion of City Policy C 325 that requires non-profit organizations participating in the Affordable Housing 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 the subject City property shown outlined on Misc. Plan No. 12792 to Kinew Housing Inc. in accordance with the Offer to Purchase dated March 6, 2006.

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 Planning, Property and Development Department is in receipt of an Offer to Purchase the subject City property shown outlined on Misc. Plan No. 12792, from Kinew Housing. Council approval is required in this instance to waive that portion of City Policy C 325 pertaining to sales to non-profit organizations participating in the Affordable Housing 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, 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 property shown outlined on Misc. Plan No. 12792, attached, was acquired in 1979 by way of Tax Sale.

Particulars of the subject City property are as follows:

Location:	Alexander Avenue, south side, east of Laura Street
Legal Description:	Lot 52, Plan 32326
Certificate of Title:	1395398
Roll Number:	13080258000
Total Assessment (2006):	$5,350.00
Realty Taxes (2006):	$152.00
Zoning:	"R-2" Residential District
Site Size:	7.536 m x 23.851 = 181 m^2 (24.72 x 78.25 = 1948.3 ft^2)
Property Description:	Vacant lot

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

DISCUSSION:

Kinew Housing Inc. has made a request to acquire 426 Alexander Avenue for an infill housing project. The City property at 426 Alexander Avenue is less than 25 feet wide and considered too narrow to develop. There is also no back lane access to the site. Kinew Housing Inc. is proposing to consolidate the subject property with the lots at 430 and 432 Alexander Avenue in order to create three lots (each being 37.5 feet wide). Kinew Housing has also made a request to purchase City-owned property at 432 Alexander which is currently being processed.

A portion of the Council approved City Policy C 325 requires sales to non-profit organizations participating in the Affordable Housing 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 Kinew Housing Inc. cannot build on the subject property until the consolidation and subsequent subdivision, this condition must be waived in this instance.

The Planning, Property and Development Department has concluded its negotiations with Kinew Housing Inc. for the sale of the subject City property shown outlined on Misc. Plan 12792. The Offer to Purchase dated March 6, 2006, is attached.

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

- The Winnipeg Housing and Homelessness Initiative is highly supportive of transferring the subject property to Kinew Housing Inc.
- The subject property is not highly marketable because of its small size and lack of back lane access. Sale of this property for the sum of $1.00 will not result in any financial loss to the City and will improve the adjacent holding and the neighbourhood.
- City Policy C 325 can be imposed as a condition of the resubdivision of 426, 430 and 432 Alexander Avenue.

Financial Impact Statement Date: March 20, 2006

COMMENTS:

The proposed sale of City-owned property located east of Laura Street to Kinew Housing Inc., upon consolidation with adjacent properties and subdivision thereof, will result in three properties being added to the tax roll. It will also relieve the City of the responsibility to maintain the subject property. However, the amount of incremental municipal property taxes is not determinable at this time. The maintenance costs avoided by selling the subject property are immaterial.

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

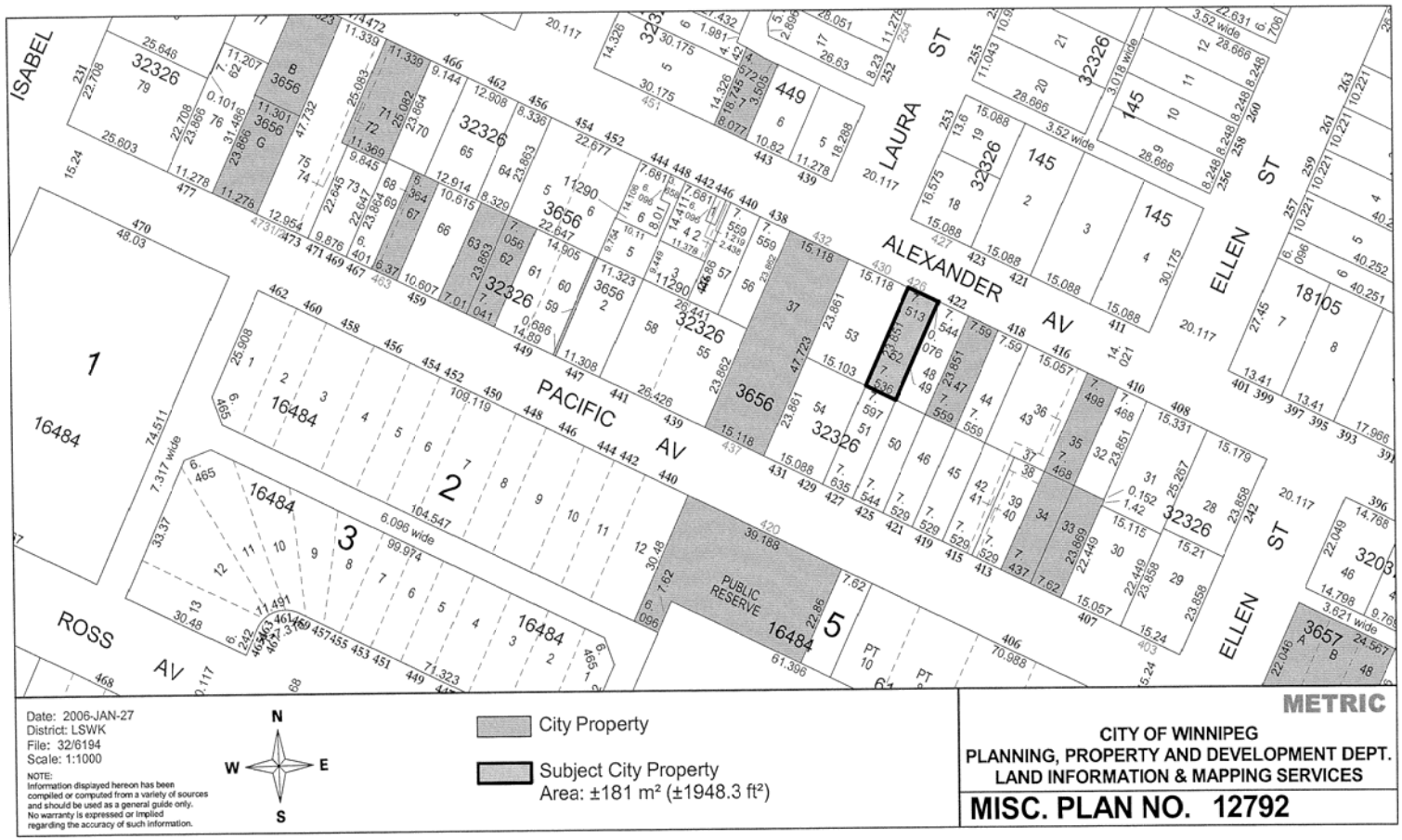
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

No consultation was required in the preparation of this report

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Kelly Udell
PPD File #: 32/6194

Document name: o:\reports directive\real estate\sales\(ku)426 alexander.doc


ISABEL
LAURA ST
ELLEN ST
ALEXANDER AV
PACIFIC AV
ROSS AV
PUBLIC RESERVE
Date: 2006-JAN-27
District: LSWK
File: 32/6194
Scale: 1:1000
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.
N
W
E
S
City Property
Subject City Property
Area: ±181 m² (±1948.3 ft²)
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12792

File: 32/6194
Alexander (426)

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 52, Plan 32326 WLTO in RL 10 and 11 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.

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:

Kinew Housing Inc 201-424 Logan Ave Wpg. MB.
Name (Please Print) Address

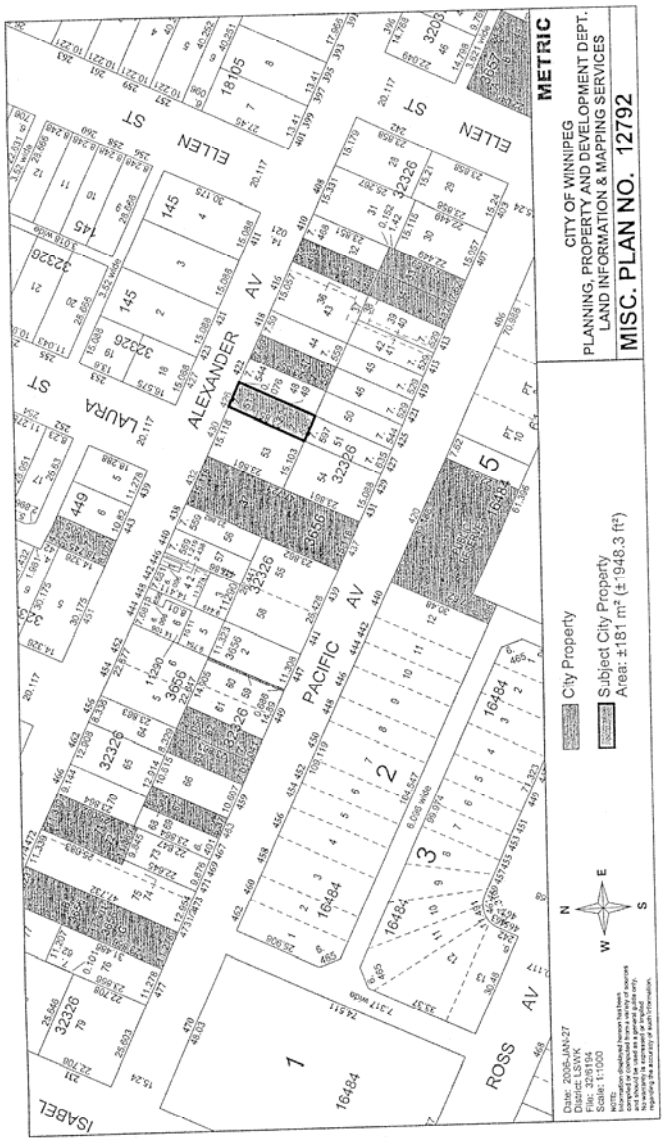
Purchaser's Registration No. (G.S.T.) 12280 1848 RT0001

IN WITNESS WHEREOF the Purchaser has signed this document in

Winnipeg, Manitoba, this 6th day of March 2006

Witness Purchaser

Witness Purchaser


METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12792
City Property
Subject City Property
Area: ±181 m² (±1948.3 ft²)
Date: 2006-JAN-27
District: LSWK
Scale: 1:1000
ALEXANDER AV
PACIFIC AV
ELLEN ST
LAURA ST
ROSS AV
ISABEL

Example Only

Real Owner Application

To the City Assessor

_____ Roll No. _____

(Name of Municipality)

1. I/We_____

(Print Full Name)

request that my/our name(s) appear in the Assessment Roll of the City of Winnipeg in respect to the following property, pursuant to Section 12(1) of "The Municipal Assessment Act", Cap. M 226 S.M.

2 Description of Properties: (Give description of all property in respect of which you wish your name to appear).

Part of Lot or Section	Lot or Section	Block or Township	Plan or Range	Interest In Property

3. Mailing Address_____

4. Place of Residence_____

5. Name and Address of Registered Owner_____

(Print)

_____

(Print)

6. Description of building on property:

Dwellings _____

Other Buildings _____

7. Date of Purchase _____ 8. Purchase Price_____

Date: _____ 19 ____ _____

(Signature of Applicant)

Office of the City Assessor _____

The City of Winnipeg (Signature of Registered Owner)