Agenda – Executive Policy Committee – July 19, 2006

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

Item No. 26 Sale - City Property - south side of Knowles Avenue west of DeVries Avenue
File FI-2.4(33)

STANDING COMMITTEE RECOMMENDATION:

On July 4, 2006, 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 identified as Parcels A, B, and C on Misc. Plan No. 12840/1 be declared surplus to the City's requirements.

2. That the sale of Parcel C to North Grassie Properties Inc. be approved for the price of $24,000.00 in accordance with the terms and conditions of the Offer to Purchase dated June 19, 2006.

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

Pursuant to Section 205(2) of The City of Winnipeg Charter, disposal of land owned or acquired by the City for park or cemetery purposes requires approval by two-thirds of all Members of Council.

Agenda – Executive Policy Committee – July 19, 2006

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

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On July 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 Property Located on the South Side of Knowles Avenue West of DeVries Avenue
East Kildonan - Transcona Community
North Kildonan Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

ORIGINAL REPORT SIGNED BY: Director of Planning, Property and Development

REPORT DATE: June 28, 2006

RECOMMENDATION:

1. That Council declare the City-owned property identified as Parcels A, B, & C on the attached Misc. Plan No. 12840/1 surplus to the City's requirements:
2. That approval be given for the sale of Parcel C to North Grassie Properties Inc. for the price of $24,000.00 in accordance with the terms and conditions of the attached Offer to Purchase dated June 19, 2006.
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 Planning, Property and Development Department is in receipt of an Offer to Purchase the subject City-owned property located on the south side of Knowles Avenue, West of DeVries Avenue, identified as Parcel C on Misc. Plan No. 12840/1.
- The subject property was included in North Grassie Properties Inc. subdivision and rezoning (DASZ 20/04). This proposed new street will be named Cindy Klassen Way after Canada's gold medalist speed skater.
- Council approval is required to declare the subject property surplus to the City's requirements.
- Standing Policy Committee on Property and Development approval is required for the sale of the subject City 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

( ) Involves a multi-year contract

Comment(s):

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

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):

Report

REASON FOR THE REPORT:

The Planning, Property and Development Department is in receipt of an Offer to Purchase the subject City-owned property located on the south side of Knowles Avenue, West of DeVries Avenue, identified as Parcel C on Misc. Plan No. 12840/1. Approval of at least two-thirds of the members of Council is required for all sales of property designated or acquired for park or cemetery purposes. Standing Policy Committee on Property and Development approval is required for the sale of the subject City property.

HISTORY:

On October 28, 1974, the East Kildonan Community Committee considered an application for a variance to permit the establishment of nine substandard building sites on the south side of Knowles Avenue between Gateway Road and DeVries Avenue.

After considering all aspects, the Community Committee ordered that the application and amendments to permit the establishment of nine substandard building sites, located on the south side of Knowles Avenue between Gateway Road and DeVries Avenue, be granted, subject to dedication of both Lot 1, Block 2 for open space purposes and Parcel A, Plan 12429 for roadway purposes.

On December 23, 1974, the City acquired the subject property for Parks and Open Spaces from Tammar Holdings Ltd. for $1.00. At that same time the City also acquired for $1.00 for roadway purposes, Parcel A, Plan 12429 as shown on the attached Misc. Plan No. 12343 from Tammar Holdings Ltd.

In June 2004, North Grassie Properties Inc. applied for a subdivision and rezoning of land located west of DeVries Avenue, between Knowles and Bonner Avenues – DASZ 20/04 (Arrowood Subdivision).

The Public Works Department had a number of recommendations in regard to this subdivision. One of the recommendations was as follows:

> "The Developer is to establish an 18.0m in width north-south local street right-of-way connecting Knowles Avenue with the extension of Headmaster Row within 105m of DeVries Avenue to the satisfaction of the Director of Public Works. This is necessary since Knowles Avenue is to be severed from DeVries Avenue in conjunction with implementation of this subdivision".

To accommodate the Public Works Department requirement, the subject property was deemed to be the most logical location for a roadway link. Even though the subject property is considered "Parks", the Department has confirmed that there is sufficient Parks space within the North Grassie Properties subdivision.

The subject property is 30.48 metres (100 feet) in width and only 18 metres (59 feet) is required for street purposes. Therefore, Parcels A and B as shown on the attached Misc. Plan No. 12840/1 are considered residual to the City's needs. These strips will be offered for sale to the adjoining owners for future subdivision purposes.

Using the subject property for street purposes ultimately fulfills the intent of the original acquisition of the subject property and Parcel A, Plan 12429 back in 1974. However, instead of using Parcel A, Plan 12429 for street purposes (as it was originally intended), the subject property will instead be utilized for street purposes.

The Department will request that Parcel A, Plan 12429 be declared surplus and offered for sale to the general public. This will be the topic of a subsequent report.

Particulars of the subject property are as follows:

Location:	South Side of Knowles Avenue West of DeVries Avenue
Legal Description:	Lot 1, Block 2, Plan 12163
Roll Number:	04003479000
Assessment:	$30,000.00
Zoning:	R1-5.5 and A.5
Site Size:	1,229.67m² 13,236.49(ft²)
Appraised Value:	$38,000.00

The subject property was included in North Grassie Properties Inc. subdivision and rezoning (DASZ 20/04). This proposed new street will be named Cindy Klassen Way after Canada's gold medalist speed skater.

Council approved DASZ 20/04 at its meeting held on May 18, 2005, subject to conditions, amendments, etc.

DISCUSSION:

Sales Price:

The Department presented an offer to purchase at $24,000.00 to North Grassie Properties Inc. for the sale of the subject property. The price is based upon an apportionment of the appraised value ($38,000.00) over the total developable lands

located within the North Grassie Properties Inc. subdivision and vacant lands located north of Knowles Avenue.

This rationale reflects the fact that the only access to Lagimodiere Boulevard will occur at Headmaster Row. Notwithstanding any other development charges, traffic generated from the development of the lands located north of Knowles Avenue will still be required to use the proposed Cindy Klassen Way for access to the regional street system (Lagimodiere Boulevard). The property owners located north of Knowles Avenue will benefit from the proposed Cindy Klassen Way; therefore, they should pay their proportionate share for the cost of the subject property as follows:

Owners on the north side of Knowles Avenue	$14,122.00
Owner on the south side of Knowles Avenue (North Grassie)	$23,878.00*
	$38,000.00

*This amount was rounded to $24,000.00 in the offer to purchase.

The Department will set up an area charge ($14,122.00), which will be collected at the time the property owners north of Knowles Avenue make a Development Application.

The Planning, Property and Development Department have concluded its negotiations, with North Grassie Properties Inc., for the sale of the subject property. The Offer to Purchase is attached.

Details of the Offer to Purchase are as follows:

Price Offered:	$24,000.00
Purchaser:	North Grassie Properties Inc.
Deposit:	$3,600.00, being 15% of the purchase price
Balance Due:	60 days from date of approval of the Offer by the City

The Planning, Property and Development Department recommend the sale of the subject property for the following reasons:

1. The purchase price is within market value established by an internal appraisal.
2. The sale of the property for the proposed opening of Cindy Klassen Way will meet the street requirement of DASZ 20/04.
3. The opening of Cindy Klassen Way will provide access to Lagimodiere Blvd. for the residents north of Knowles Avenue, when their current access is eliminated.
4. The Ward Councillor has no objections to the sale of the subject City-owned property.

Financial Impact Statement

Date: June 19, 2006

Project Name:

Proposed Sale of City Property on South Side of Knowles Avenue West of DeVries Avenue

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	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	24,000	-	-	-	-
Net Cost/(Benefit)	$ (24,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(24,000)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Proceeds of disposition of $24,000 will be credited to the Land Operating Reserve Fund.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Public Works Department.

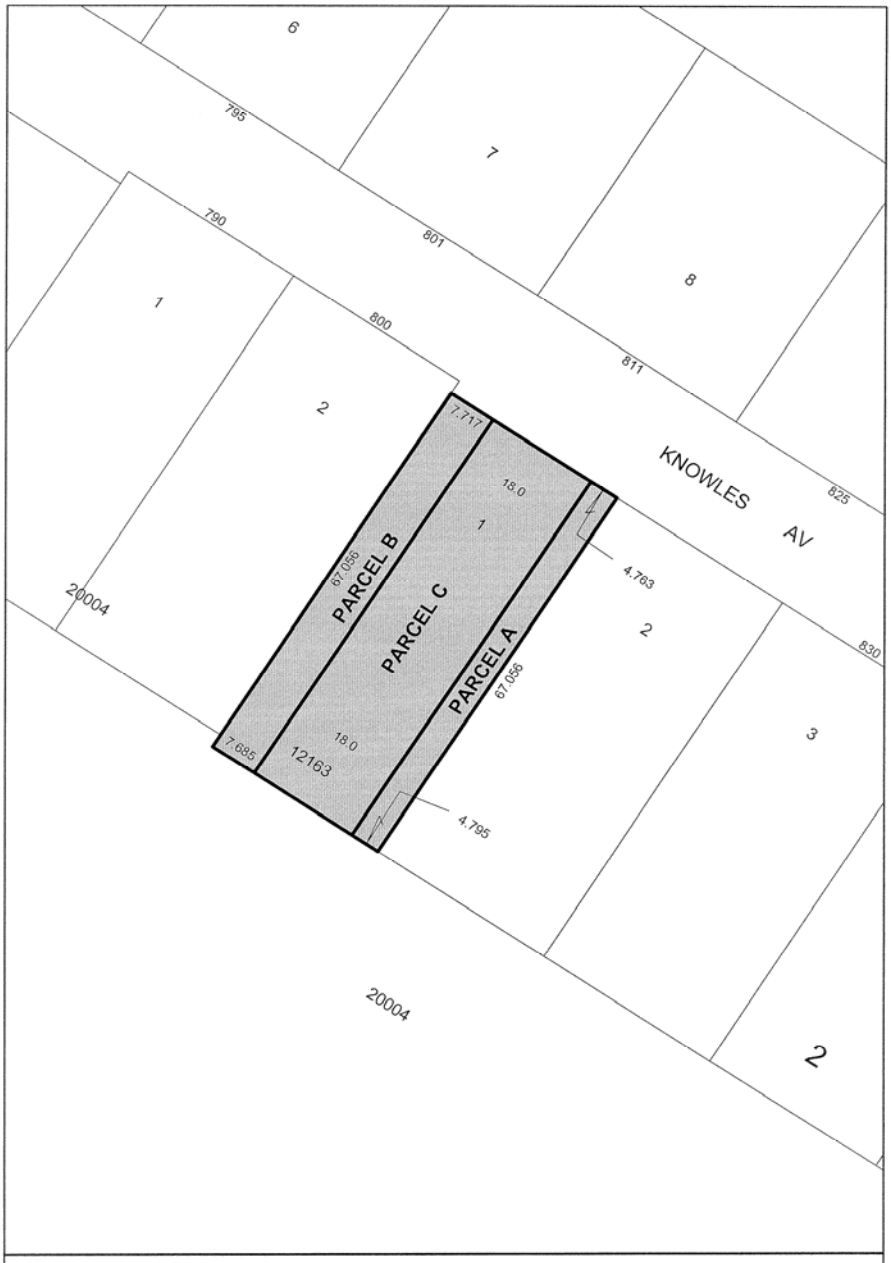
External Consultation With:

No external consultation was required in the preparation of this report.

THIS REPORT SUBMITTED BY:

Department Planning, Property and Development
Division Real Estate
Prepared by: Joedi Pruden
PPD File No. 8544

O:\Reports Directive\Real Estate\Sales\(jp)CindyKlassen.doc



City Property

Subject City Properties
Parcel A = 320.5 sq.m.+/- (3449 sq.ft. +/-)
Parcel B = 516.4 sq.m.+/- (5558 sq.ft. +/-)
Parcel C = 1207 sq.m.+/- (12,992 sq.ft. +/-)

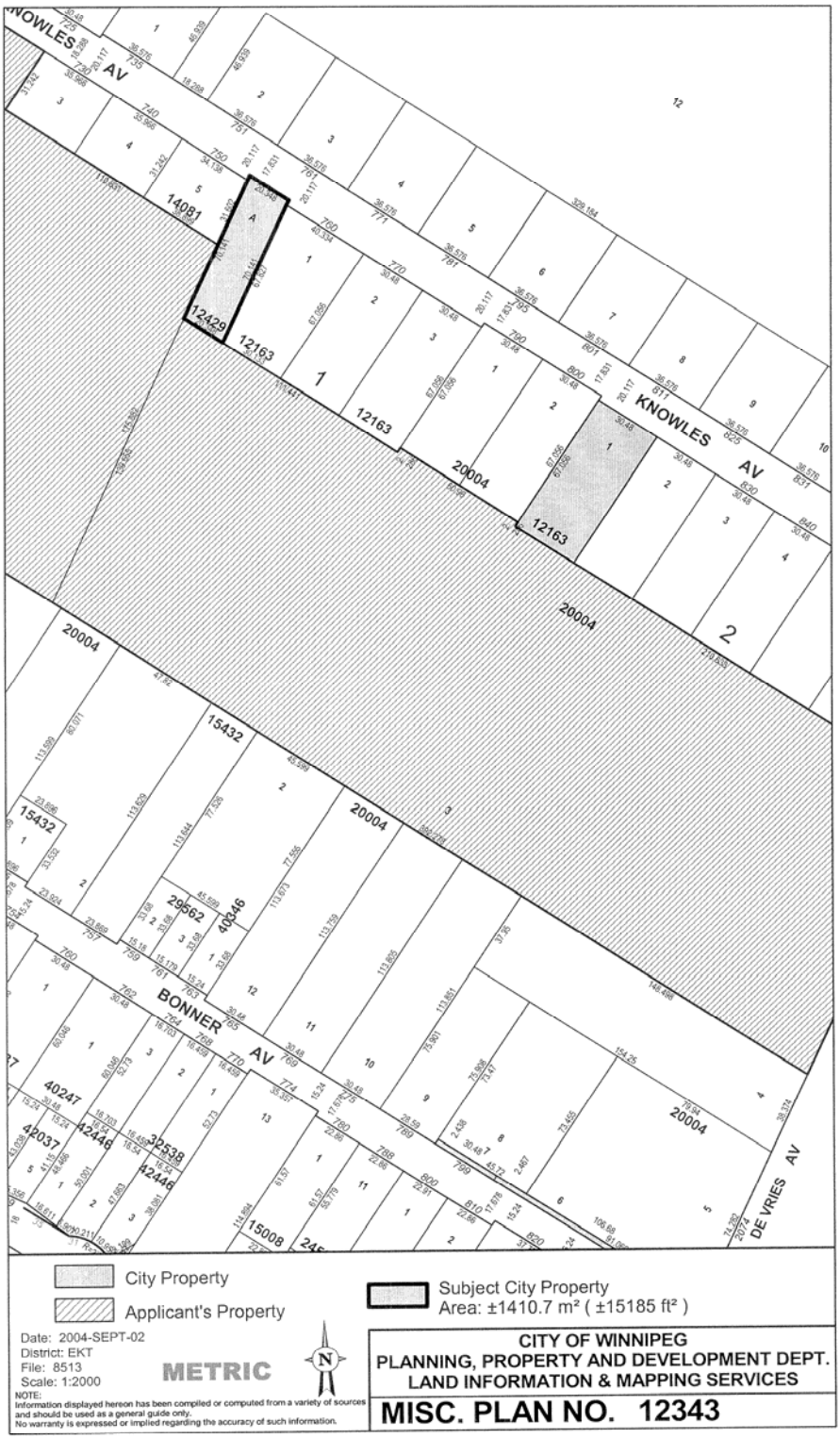
METRIC

Date: 2006-JUNE-21
District: EKT
File: 8544
Scale: 1:750

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. 12840 / 1


KNOWLES AV
BONNER AV
DE VRIES AV
20004
12163
12429
14081
15432
29562
40346
40247
40037
42446
32538
15008
City Property
Applicant's Property
Subject City Property
Area: ±1410.7 m² (±15185 ft²)
Date: 2004-SEPT-02
District: EKT
File: 8513
Scale: 1:2000
METRIC
NOTE:
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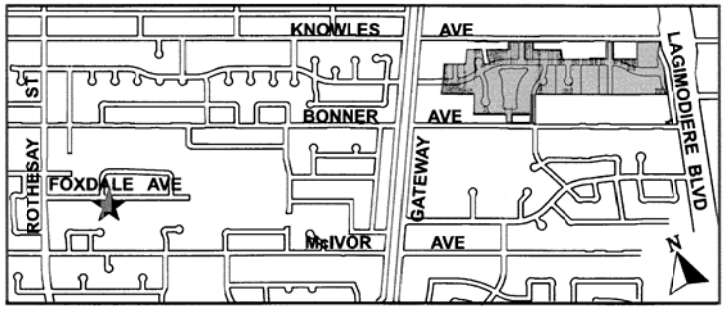
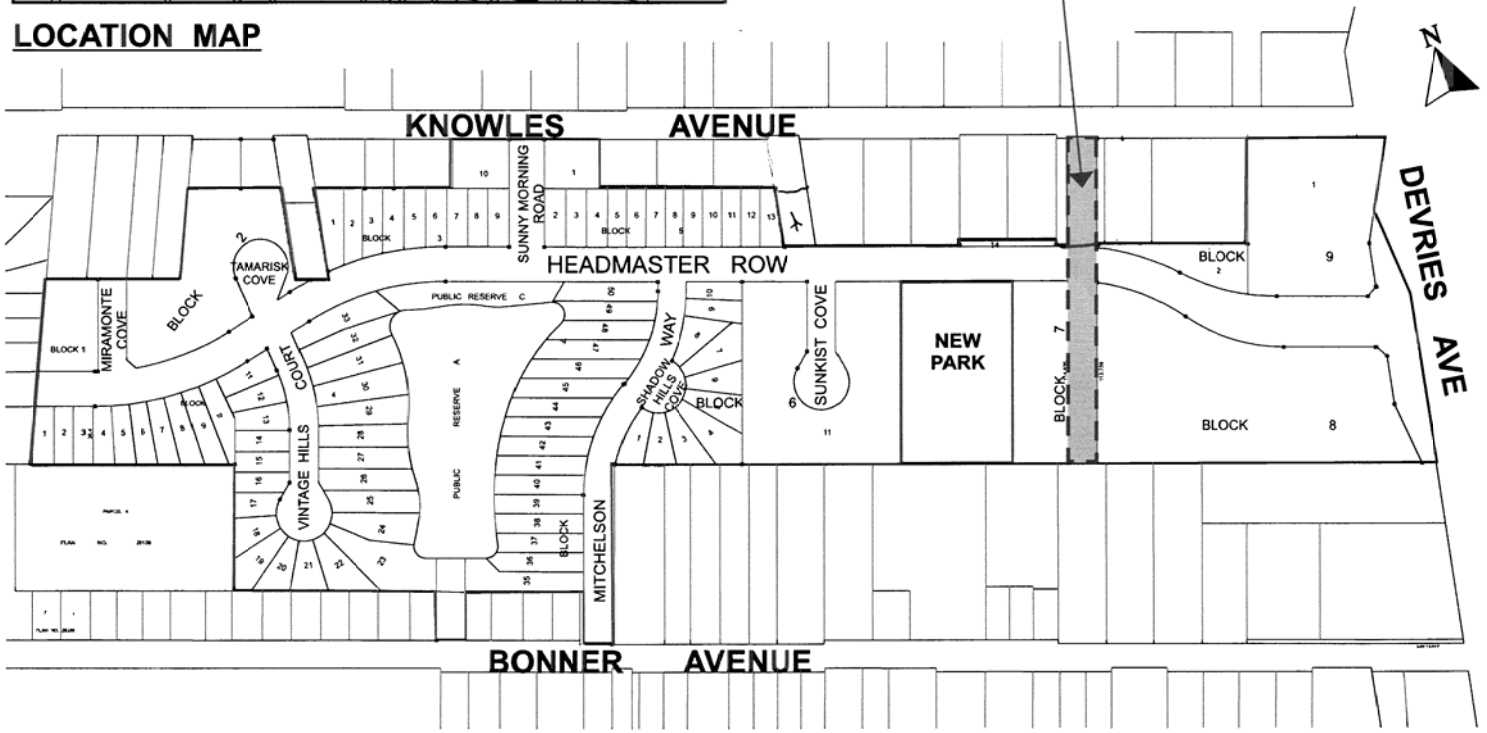
No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12343



LOCATION MAP

PROPOSED "CINDY KLASSEN WAY" *(CURRENTLY "RECREATION ROAD")*



PROPOSAL TO NAME STREET FOR CINDY KLASSEN

Cindy Klassen
File: 8344

OFFER TO PURCHASE

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

City Property as shown on Misc. Plan No. 12840 (expecting Parcels A & B)

(hereinafter called the "Lands")

for the sum of $24,000.00 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 $3,600.00, 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 Council (in the event that Council approval is required) herein after 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 (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 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 his 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 his 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. 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 lands 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) There are no sewer and water lot-line connections. 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 his 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, 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, and, without, limiting the geneality of the foregoing the sale of the lands shall be subject to the following easements, namely:

    (2) Any removal or relocation of a public utility will be at the expense of the Purchaser.

    (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. The Purchaser shall apply or include the Lands in a proposed plan of subdivision. The Purchaser shall prepare or cause to be prepared, at the Purchaser's sole cost and expense, all necessary plans that may be required by the Winnipeg Land Titles Office to facilitate the transfer of the subject lands, including the plan of subdivision and all plans of easement required to grant any utility rights.

13. As a result of the said subdivision the Purchaser to transfer to the City Parcels A and B as shown on Misc. Plan No. 12840.

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

12. No current legal survey was made of the property 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. 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.

15. 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. 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.

16. 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.

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

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

19. 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.

20. 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 agreement.

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

North Grassie Properties Inc
Name (Please Print) Address

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

IN WITNESS WHEREOF the Purchaser has signed this document in

Kelowna, BC, this 19th day of June 20_

Witness Purchaser

Witness Purchaser

THE CITY OF WINNIPEG

Per: _____
DIRECTOR of Planning, Property and Development

Approved as to details: Approved as to form:

_____ _____

Planning, Property and Development for City Solicitor/Manager of Legal Services

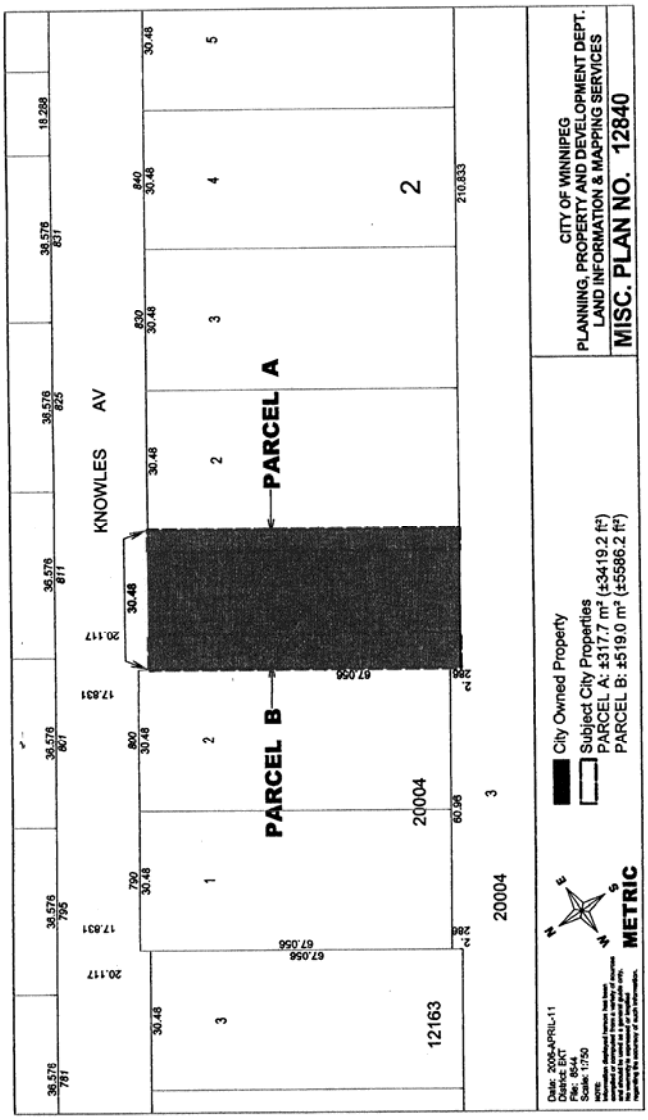

KNOWLES AV
PARCEL A
PARCEL B
20004
12163
City Owned Property
Subject City Properties
PARCEL A: ±317.7 m² (±3419.2 ft²)
PARCEL B: ±519.0 m² (±5586.2 ft²)
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12840
METRIC

Exhibit "A"

Real Owner Application

To the City Assessor

_____ Roll No. _____

(Name of Municipality)

1. I/We North Grassie Properties INC

(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 Box 25094- Mission Park PO.
4. Place of Residence Kelowna, BC V1W 3Y7
5. Name and Address of Registered Owner NorthGrassie Properties INC

(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)