Agenda – Council - July 26, 2006

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

Item No. 21 Sale and Exchange - southeast Fernbank Avenue and Riverstone Road
File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On July 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 sale and exchange of City-owned property on the corner of Fernbank Avenue and Riverstone Road with Silpit Industries Co. Ltd., as shown on Misc. Plan No.12704, be approved for the price of $62,047.00 in accordance with the terms and conditions of the Offer to Purchase dated May 3, 2006.

2. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

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

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 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 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: Sale and Exchange of City-owned Property Located at the South East Corner of Fernbank Avenue and Riverstone Road
Lord Selkirk/West Kildonan Community
Old 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 26, 2006

RECOMMENDATION:

1) That approval is given for the sale and exchange of City-owned property, on the corner of Fernbank Avenue and Riverstone Road, as shown on Misc. Plan No.12704, with Silpit Industries Co. Ltd. for the price of $62,047.00 in accordance with the terms and conditions of the attached Offer to Purchase dated May 3, 2006.

2) That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

Report Summary

Key Issues:

- The subject City property as shown on Misc. Plan No. 12704 was acquired by the City of Winnipeg under Tax Sale Certificate No. 98/32 on March 18, 1996.

- The Planning, Property and Development Department were approached by Silpit Industries Co Ltd., the owner of the adjacent property to the east, to acquire the subject City-owned property.

- The Transportation Division of the Public Works Department has indicated that it will need to retain a portion of the subject City-owned property. In addition, Public Works advised that acquisition of a portion of the Silpit Industries Co. Ltd. property (see Misc. Plan No. 12704) is required for the widening of Fernbank Avenue and Main Street.

- Ongoing negotiations have resulted in Silpit Industries Co. Ltd. submitting an Offer to Purchase and Exchange proposal for the subject City-owned property as shown on Misc. Plan No. 12704.

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):
An Environmental Site Assessment (ESA) has not been done on this property. In accordance with the Sales and Purchase Agreement, the Purchaser will have an opportunity to conduct its own ESA, at its own cost.

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 a proposal involving a sale and exchange of City-owned property for land required for street right-of-way, which requires approval by the Standing Policy Committee on Property and Development.

HISTORY:

The subject City-owned property, as shown on Misc. Plan No. 12704, was acquired by the City of Winnipeg under Tax Sale Certificate No. 98/32 on March 18, 1996.

The Planning, Property and Development Department were approached by Silpit Industries Co. Ltd., the owner of the adjacent property to the east, with a proposal to acquire the subject City lands.

The Transportation Division of the Public Works Department has indicated that it will need to retain a portion of the subject City-owned property. In addition, Public Works advised that acquisition of a portion of the Silpit Industries Co. Ltd. property (see Misc. Plan No. 12704) is required for the widening of Fernbank Avenue and Main Street.

Ongoing negotiations have resulted in Silpit Industries Co. Ltd. submitting an Offer to Purchase and Exchange proposal for the subject City-owned property as shown on Misc. Plan No. 12704. Details of the Offer are as follows:

Location: South of Fernbank Avenue between Riverstone Road and Main Street

Misc. Plan No.: 12704

Size:
a) subject City-owned property – 19,659.5 sq. ft.

b) Silpit Industries Co. Ltd. property to be transferred to the City – 5,577 sq. ft.

Price: $62,047
Deposit: $ 9,307 (15% of purchase price)

Silpit Industries Co. Ltd. has agreed that it will transfer to the City on demand, free and clear of all encumbrances, approximately 518.1 square metres, as shown on Misc. Plan No. 12704, at no cost to the City, for road opening purposes. The City is to be responsible for the cost and preparation of the plan of widening.

DISCUSSION:

The price offered is consistent with an internal appraisal prepared for the subject property.

The acquisition of the lands required for the widening of Fernbank Avenue and Main Street will satisfy the requirements of the Public Works Department for future development of the area. The sale of the property, to Silpit Industries Co. Ltd., will place the property on the tax roll and allow for further development of all the property involved, which will increase the tax base.

Therefore, the Planning Property and Development Department recommend that approval be given for the Sale and Exchange of the subject City-owned property located at the south east corner of Fernbank Avenue and Riverstone Road, as shown on Misc. Plan No.12704, be approved, with Silpit Industries Co. Ltd. for the price of $62,047.00, in accordance with the terms and conditions of the attached Offer to Purchase, dated May 3, 2006.

Financial Impact Statement

Date: June 16, 2006

Project Name:

Sale and Exchange of City Property Located at the South East Corner of Fernbank Avenue and Riverstone Road

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	62,047	1,026	1,026	1,026	1,026
Net Cost/(Benefit)	$ (62,047)	$ (1,026)	$ (1,026)	$ (1,026)	$ (1,026)
Less: Existing Budget Amounts	(62,047)	(1,026)	(1,026)	(1,026)	(1,026)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenue of $62,047 in 2006 represents the proceeds of disposition of the subject City property, which will be credited to the Land Operating Reserve. The $1,026 in revenues from 2007 onward represent incremental property taxes assuming the property is added to the roll effective Jan. 1/07, the assessed value equals the sale proceeds, and the portioning and mill rates remain constant at 65% and 0.025448 respectively.

"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:

N/A

THIS REPORT SUBMITTED BY:

Department: Planning Property and Development
Division: Real Estate
Prepared by: Gerry Anderson
PPD File No. 32/7013

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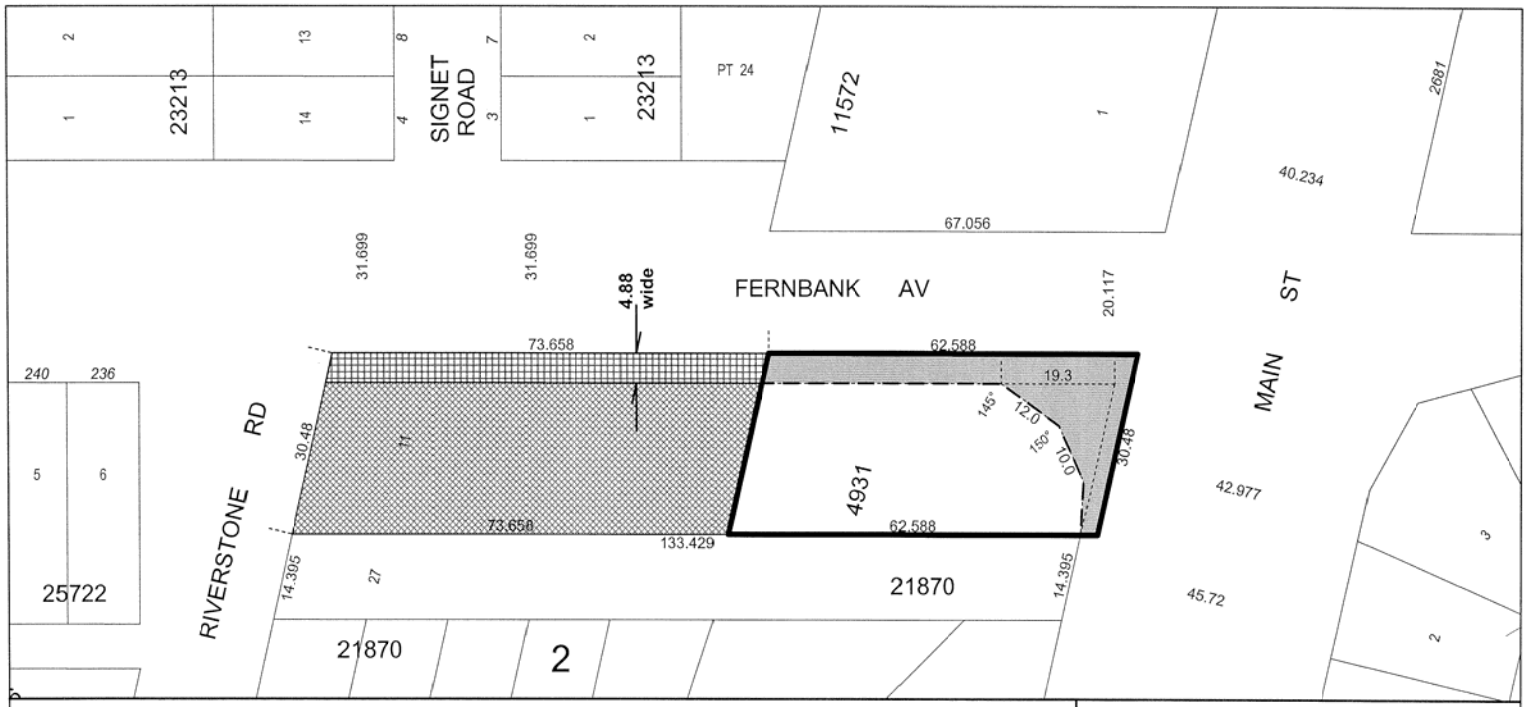
SIGNET ROAD
FERNBANK AV
RIVERSTONE RD
MAIN ST
4.88 wide
23213
11572
PT 24
2681
40.234
67.056
31.699
31.699
20.117
73.658
62.588
19.3
145°
12.0
150°
10.0
30.48
30.48
240
236
5
6
25722
4931
73.658
133.429
62.588
14.395
14.395
27
21870
21870
2
42.977
45.72
METRIC
Date: 2005-OCT-12
District: LSWK
File: 32/7013
Scale: 1:800
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 Property Required for Widening
Subject City Property
Area: ±1826.4m² (±19659.5 ft²)
Silpit Industries Ltd Property
Silpit Industires Property to be transferred to the City for Street Widening
Area: ±518.1m² (±5577 ft²)
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12704

File No: 32/7013

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

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

Part Lot 11 Plan 4931 shown as subject City Property on Misc. Plan No. 12704

(hereinafter called the "lands")

for the sum of $62,047.00 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 $9,307.00, 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). The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing 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 on or before 120 days from the date of approval of the sale.

(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 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 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 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.

(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.

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

6. 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 it's proposed use and development of the lands may require applications for rezoning, variances or conditional uses and/or

amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

7. 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.

8. Upon closing of the sale, 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.

9. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than ninety (90) days from the Date of Approval, and

(2) maintain the Lands in safe condition at all times during the conduct of any work done in pursuance of this Clause 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; and

(4) indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such Environmental Site Assessment; and

(5) provide copies of any such Environmental Site Assessment of the said Lands to the City for its own use, at no cost to the City no later than ninety (90) days from the date of approval.

AND in the event it is determined as a result of said Environmental Site Assessment, 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 ninety (90) days following the Date of Approval, the City, at its sole option, shall be entitled to:

take remedial action to bring the contamination levels to within the Provincial Environmental Standards;

OR

cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date, PROVIDED that the Applicant shall have first satisfied all conditions of this Clause 9.

AND FURTHER if the City has not been advised of any non-compliance of the lands to Provincial Environmental standards within 90 days from the Date of Approval, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10 (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, or The City of Winnipeg, for the maintenance of existing and future 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.

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

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

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

(1) the City has given no representations or warranties with respect to the Lands or with respect to the value thereof or with respect to the Purchaser's intended uses or development or redevelopment thereof or with respect to the environmental condition of the Lands;

(2) the Purchaser has inspected or investigated the Lands, the title thereto, the Permitted Encumbrances, any tenancies and all other matters material to the Purchase and the proposed use of the Lands and that it is relying solely upon its own independent inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) the Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the Lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) the Lands are deemed to be taken by the Purchaser at the Purchaser's own risk 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.

12. It is understood and agreed that the Purchaser will transfer to the City on demand, free and clear of all encumbrances, for road opening purposes the property shown as Silpit Industries Property to be transferred to the City for Street Widening, containing approximately 518.1 Square Meters as shown on Misc. Plan No. 12704 at no cost to the City. The City to be responsible for the cost and preparation of the plan of widening.

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

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

15. 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.

16. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety which are composed of Lacustrine Clays with Silt Intrusions. The Purchaser shall be responsible for any increased costs of development due to this random stratification.

17. The Purchaser acknowledges and agrees that sale of the Lands by the City is subject to the approval of City Council or its delegated authority.

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

SILPIT INDUSTRIES CO. LTD 10 ARTHUR ST WINNIPEG MB R3B 1G7

Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) 10485 7107 RT

IN WITNESS WHEREOF the Purchaser has signed this document in

WINNIPEG, MANITOBA, this 3 day of MAY 2005.

Witness Authorized Signature

DAVID S. KAUFMAN PRESIDENT
Name and Title of Authorized Signature (Please print)

Witness Authorized Signature

Name and Title of Authorized Signature (Please print)

ACCEPTED this _____day of _____, A.D., 2005

THE CITY OF WINNIPEG

Per:_____

DIRECTOR

Planning,Property and Development Department

Approved:

Planning Property and Development Department

Certified as to form:

for City Solicitor/Manager of Legal Services

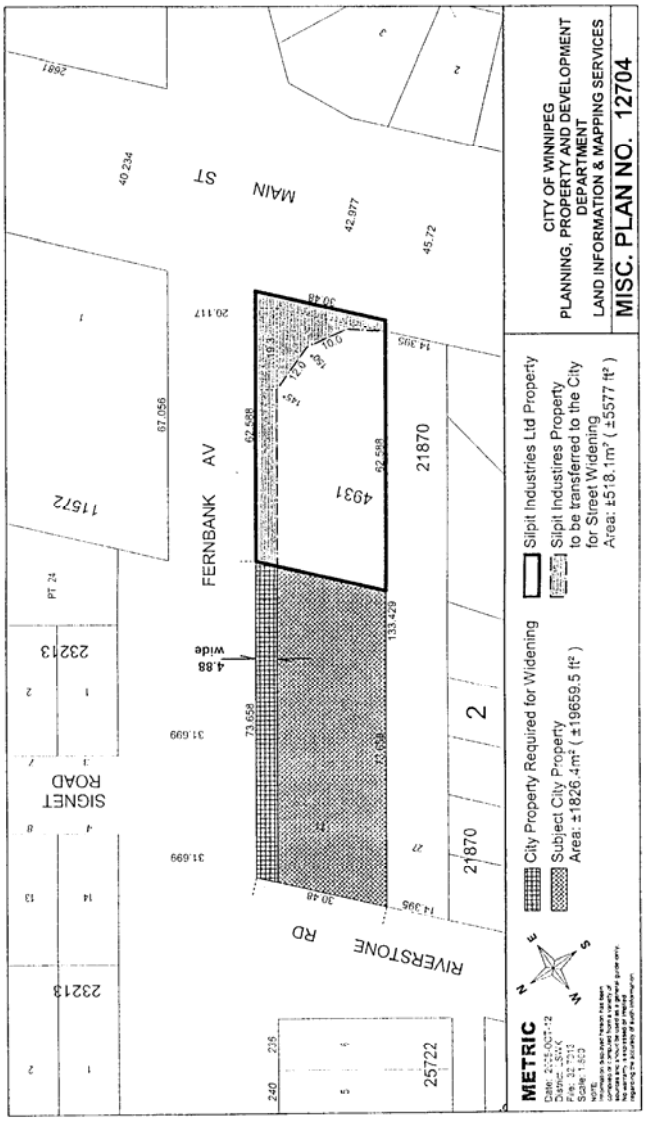
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12704
City Property Required for Widening
Subject City Property
Area: ±1826.4m² (±19659.5 ft²)
Silpit Industries Ltd Property
Silpit Industires Property to be transferred to the City for Street Widening
Area: ±518.1m² (±5577 ft²)
METRIC
MAIN ST
FERNBANK AV
RIVERSTONE RD
SIGNET ROAD
4931
21870
11572
23213
25722
4.88 wide

EXHIBIT "A"

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	Range	Interest in Property

DRAFT

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: _____ 200 __ _____
(Signature of Applicant)

Office of the City Assessor
The City of Winnipeg _____
(Signature of Registered Owner)