Report - Standing Policy Committee on Property and Development - November 21, 2002

5. Proposed Acquisition of the Seven Oaks School Division No. 10 property at 2400 Main Street for the Future Expansion of the Red River Community Centre File FI-2(34) (Vol. 8)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION

On December 4, 2002, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and recommends to Council:

1. That the acquisition of the Seven Oaks School Division No. 10 property, shown on Misc. Plan No. 11261/2 as "subject property" be approved in the amount of $250,000.00 and in accordance with the terms and conditions as negotiated.

2. That the source of funding for the proposed acquisition be the Lord Selkirk-West Kildonan Land Dedication Account.

3. That the Director of the Planning, Property and Development Department be authorized to demolish the building situated on the subject property.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Report - Standing Policy Committee on Property and Development - November 21, 2002

STANDING COMMITTEE RECOMMENDATION

On November 21, 2002, the Standing Policy Committee on Property and Development concurred in the administrative recommendation.

Re: Proposed Acquisition of the Seven Oaks School Division No. 10 property at 2400 Main Street for the Future Expansion of the Red River Community Centre
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: November 12, 2002

Recommendation(s):

1. That the acquisition of the Seven Oaks School Division No. 10 property, shown on Misc. Plan No. 11261/2 as "SUBJECT PROPERTY" be approved in the amount of $250,000.00 and in accordance with the terms and conditions as negotiated.

2. That the source of funding for the proposed acquisition be the Lord Selkirk-West Kildonan Land Dedication Account.

3. That the Director of the Planning, Property and Development Department be authorized to demolish the building situated on the subject property.

REPORT SUMMARY

KEY ISSUES:

- The City's Planning and Land Use Division and the Community Services Department advised that as a result of population growth in the catchment area of the Red River Community Centre it would be desirable to expand the Community Centre.
- The Community Centre has out grown its existing site and has been using a portion of the lands proposed for acquisition for the placement of two public ice hockey rinks.
- The Seven Oaks School Division No. 10 has declared the "SUBJECT PROPERTY" as surplus to its needs and has been trying to sell the property.
- The Red River Community Centre has applied for a Federal/Provincial Infrastructure Grant that, if approved, will be subject to the Community Centre having acquired the lands it needs for the new proposed Community Centre Project.

IMPLICATIONS

General implications

	None
	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:

- The proposed acquisition will provide the Red River Community Centre with the land it requires to expand and rebuild the Community Centre to better serve the recreational needs of the expanding population base.

Policy implications

X	No (*There are no policy implications if the report is asking for a one-time decision.)*
	Yes *(There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)*

Comment:

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Financial implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required
	No financial implications

Comment:

- Adequate funding for the proposed acquisition is available in the Lord Selkirk West-Kildonan Community Land Dedication Account.

REPORT

RECOMMENDATION(S):

1. That the acquisition of the Seven Oaks School Division No. 10 property, shown on Misc. Plan No. 11261/2 as "SUBJECT PROPERTY" be approved in the amount of $250,000.00 and in accordance with the terms and conditions as negotiated.

2. That the source of funding for the proposed acquisition be the Lord Selkirk-West Kildonan Land Dedication Account.

3. That the Director of the Planning, Property and Development Department be authorized to demolish the building situated on the subject property.

REASON FOR THE REPORT:

The Planning, Property and Development Department has successfully concluded its negotiations to acquire the subject property and, by this report, is seeking approval to the terms and conditions as negotiated. The proposed acquisition is not part of a Council approved program and, therefore, requires Council approval.

HISTORY:

In the fall of 1998, informal preliminary discussions took place between the Red River Community Centre, the Seven Oaks School Division and the City. Both the School Division and the Community Centre were looking to expand their respective facilities in the Community to better serve the needs of a rapidly expanding population.

At its meeting of October 2, 2000 the Seven Oaks School Division passed a motion that allowed the Red River Community Club to utilize part of the subject school site for the construction and use of new outdoor ice hockey rinks for the 2000-2001 winter season. The Community Club has been and continues to use that portion of the site with the School Division's permission.

By letter dated October 18, 2000, the Seven Oaks School Division No. 10 inquired of the Lord Selkirk-West Kildonan Community Committee if it would consider the sale of the Red River Community Club site, adjacent the "SUBJECT PROPERTY", for the possible development of a new Middle School. The Lord Selkirk-West Kildonan Community Committee at its meeting held on November 7, 2000 passed a motion recommending against the sale of the Red River Community Club site.

At its meeting held on February 14, 2001, the Public Schools Finance Board (which has the final say on the disposition of any school property in the Province) passed a motion denying the Seven Oaks School Division's request to begin formal discussions with the City of Winnipeg to relinquish the surplus Red River School site to the City. They further instructed that the Seven Oaks School Division dispose of the surplus Red River School site in accordance with its "Guidelines for Disposition of Surplus School Property".

Despite knowing of the City's interest in acquiring the "SUBJECT PROPERTY", the Seven Oaks School Division No. 10 offered the property for sale by public tender, which closed on November 2001. The tender attracted only one offer, which was deemed unsuitable by the Seven Oaks School Division.

The Standing Policy Committee on Property and Development, at its meeting held on September 10, 2002, considered a communication from the Clerk of the Lord Selkirk-West Kildonan Community Committee and passed the following motion:

That the necessary funding for the proposed acquisition of land (for the expansion of the Red River Community Centre) owned by the Seven Oaks School Division and identified as subject property on Misc. Plan No. 11261, be expended from the Lord Selkirk-West Kildonan Land Dedication Reserve Fund.

That the Administration be requested to do all things necessary to complete the proposed acquisition as soon as possible.

The Department and the School Division entered into negotiations. These discussions finally resulted in the proposed Purchase and Sale Agreement. The Public Schools Finance Board approved this proposed Agreement at its meeting held on September 25, 2002.

DISCUSSION:

The Red River Community Centre services the Riverbend, Rivergrove and part of the old Rosser-Old Kildonan neighbourhoods, which have experienced a tremendous exponential growth in the resident population over the last 15 years and is still growing. The City's Planning and Land Use Division and the Community Services Department both fully support the acquisition of the "SUBJECT PROPERTY" to allow for the long-term development of the Red River Community Centre in order to better serve the recreational needs of the area residents. The acquisition and consolidation of the roughly 5 acre school site with the existing 2.54 acre community centre site would allow more flexibility to expand and reconfigure amenities to allow for usage by a broader age group of participants than is currently possible. The acquisition and consolidation of the subject lands also provides the City with the ability to run more efficient and cost-effective programs than would be possible if the City had to consider using satellite sites (isolated non-contiguous land) to satisfy the recreational program needs for the area.

The particulars of the subject property are as follows:

Location:	2400 Main Street
Legal Description:	Lot 12, Plan 23928
Certificate of Title:	1100682
Registered Owner:	Seven Oaks School Division No. 10
Zoning:	PR1 – Parks District
Realty Roll:	05-03450000
Assessed Value (2002):	413,300
Current Taxes:	$6,341.94. The subject property is currently exempt from payment of realty taxes.

Local Improvements and annual levies payable:

wastewater sewer 1987-2006	$283.29
land drainage sewer 1991-2010	$2,851.94
sewer renewal	$2,268.98
water renewal	$937.73
	$6,341.94

Site Area:	2.02 ha (4.99 acres)
Property Description:	Nearly a rectangular shaped, level site improved with old (1954) school building of approximately 4, 824 square feet that has not been used for some time. The building is considered to have no contributory value to the overall value of the property.

The ever-increasing area population caused both the Seven Oaks School Division and the Red River Community Centre to search for larger sites that could accommodate construction and expansion of facilities in order to meet increasing user demands. The Community Centre preferred to expand in the existing location whereas the Seven Oaks School Division required a fairly large site and therefore found it necessary to relocate within the community. The Seven Oaks School Division acquired a larger site west of its current location and had the lands rezoned under DASZ 16/01 to permit construction of a new school.

Negotiations for the “SUBJECT PROPERTY” have been going on for several years, but until recently the City could not identify a source of funding for the acquisition. Originally, the Department advanced the position that the “SUBJECT PROPERTY” should be conveyed to the City for a nominal amount as the property was in essence publicly owned land that would continue to be used for the benefit of the public.

The Public Schools Finance Board did not agree with the City’s position and instructed the Seven Oaks School Division to dispose of the “SUBJECT PROPERTY” in accordance with the “Guidelines for Disposition of Surplus School Property”. The School Division obtained an independent accredited appraisal that estimated the market value of the “SUBJECT PROPERTY” at between $325,000.00 to $398,500.00 depending on the eventual rezoning and use to which the land could be put. The School Division tendered the property for public sale but attracted only one offer, which was deemed unacceptable.

The Red River Community Centre has applied for a Federal/Provincial Infrastructure Grant in the amount of $925,000.00 for the construction of a new Community Centre that if approved, will be subject to the Community Centre having acquired the lands it needs for the new proposed Red River Community Centre Project.

At its meeting held on July 16, 2002, the Lord Selkirk-West Kildonan Community Committee authorized that the necessary funding for the proposed acquisition be charged to the Lord Selkirk-West Kildonan Land Dedication Account.

The City can now identify sufficient funding that would permit it to make a $250,000.00 purchase proposal for the subject land in accordance with the price and the terms and conditions as negotiated. A purchase proposal was made to the Seven Oaks School Division and at its meeting held on September 25, 2002 the Public Schools Finance Board adopted the Seven Oaks School Division recommendation to sell the property to the City. The Public Schools Finance Board Resolution is attached hereto as "Addendum 1".

The Planning, Property and Development Department, based on the support provided by the Urban Planning Branch and the Community Services Department as to need, recommends acquisition of the subject land. The Real Estate Division is of the opinion that the proposed price of $250,000 is reasonable given the estimated market value range as appraised by the independent accredited appraiser. The proposed terms and conditions as negotiated are consistent with acquisitions of this nature.

An estimate of the capital cost required to complete this proposed acquisition at a purchase price of $250,000 has been prepared in the sum of $304,000, which includes the usual incidental acquisition costs plus a $15,000 allowance towards a demolition of the building. The Planning and Land Use Division advises that an Environmental Site Assessment is not required for this property.

The subject property's share of: the Regional Land Drainage System is $17,621; and, the Murray Avenue upgrades is $60,710. The City is obligated under the terms of Development Agreement AG 20/98 to reimburse both these amounts to Nova Met since they are the ones who built the facilities. The Planning and Land Use Division has determined that these costs are triggered upon a redevelopment of the site.

The Planning and land Use Division advises that the Lord Selkirk-West Kildonan Community Committee recommended the utilization of its Land Dedication Reserve Fund as the funding source for this proposed acquisition, including the aforesaid obligations under AG 20/98. There is a funding shortfall estimated to be approximately $100,000. This, however, does not impact the proposed acquisition at this time. The development charges, building demolition and contingency allowance costs are not required until site development occurs. Development of the subject property will not begin until the fall of 2003 or spring of 2004, at the earliest. This should be adequate time for sufficient funds to be credited to the account to cover this shortfall.

Financial Impact Statement

Date: November 15, 2002

Project Name:

Proposed Acquisition of the Property at 2400 Main Street For Future Expansion of the Red RiverCommunity Centre

First Year of Program 2002

	2002	2003	2004	2005	2006
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	$ 304,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 304,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	304,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

At its meeting held on July 16, 2002, the Lord Selkirk/West Kildonan Community Committee authorized that this project be funded from that Community's Land Dedication Account. The amount shown above includes acquisition costs, other incidental costs and demolition costs pertaining to existing buildings.

Gord Courage, Manager
Support Services Division

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

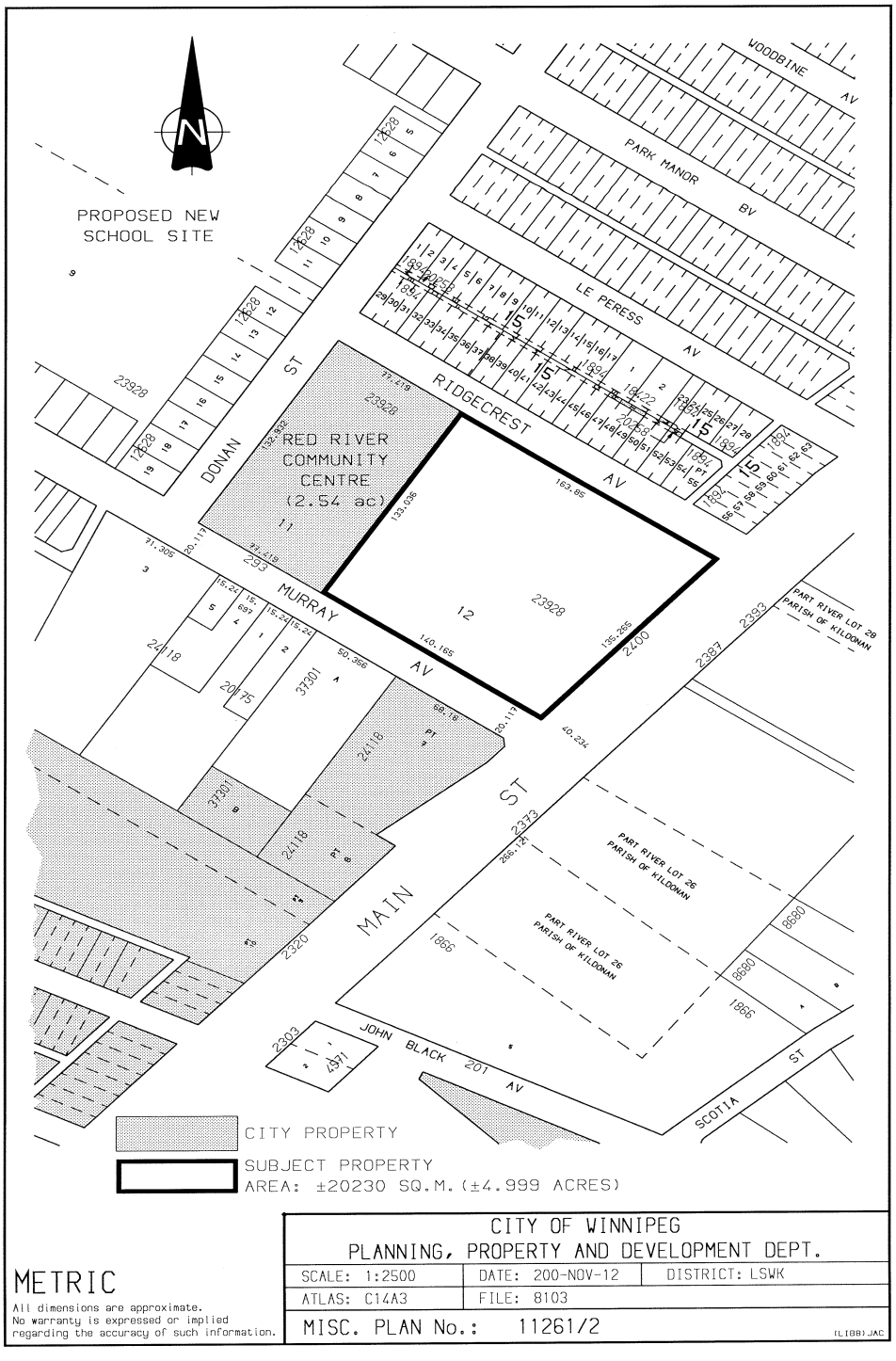
Planning and Land Use Division

Community Services Department

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate Division
Prepared by: Manuel Sousa
PPD File #: 8103

Document name: o:\reports directive\real estate\acquisition\(ms)2400 main



CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.

SCALE: 1:2500	DATE: 200-NOV-12	DISTRICT: LSWK
ATLAS: C14A3	FILE: 8103	
MISC. PLAN No.: 11261/2		(L1B8) JAC

METRIC

All dimensions are approximate.
No warranty is expressed or implied regarding the accuracy of such information.

"Addendum 1"

THE PUBLIC SCHOOLS FINANCE BOARD
Motion Record

Meeting of September 25, 2002

Be it resolved that:

1. The Public Schools Finance Board authorizes the sale of the former Red River School property by The Seven Oaks School Division to the City of Winnipeg for a total of $250,000.00.

2. The school division shall provide The Public Schools Finance Board with a copy of the final purchase and sales agreement for this property for approval prior to concluding the sale.

3. The school division shall remit 50% of the net proceeds of this sale to The Public Schools Finance Board in accordance with the Disposition Guidelines.