Agenda - Executive Policy Committee - March 14, 2007

Report - Standing Policy Committee on Property and Development - February 27, 2007

Item No. 17 Sale - southwest corner of Templeton Avenue and McGregor Street File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On February 27, 2007, 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 shown hatched on Misc. Plan No. 12663/5 be declared surplus to the City's requirements.

2. That the sale of the subject City property at the southwest corner of Templeton Avenue and McGregor Street, shown outlined on Misc. Plan No. 12663/4, be approved to North Grassie Properties Inc. for the price of $300,000.00 in accordance with the terms and conditions of the Offer to Purchase dated January 23, 2007, subject to the Purchaser including the pathway shown shaded on Misc. Plan 12663/4 in the subdivision/rezoning application.

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 - March 14, 2007

Report - Standing Policy Committee on Property and Development - February 27, 2007

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On February 27, 2007, 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 the Southwest corner of Templeton Avenue and McGregor Street
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: February 15, 2007

RECOMMENDATION:

1. That Council declares the City-owned property shown hatched on Misc. Plan No. 12663/5 surplus to the City's requirements.

2. That subject to the approval of Recommendation No. 1, approval be given for the sale of the subject City property at the Southwest corner of Templeton Avenue and McGregor Street shown outlined on Misc. Plan No. 12663/4 to North Grassie Properties Inc. for the price of $300,000.00 in accordance with the terms and conditions of the attached Offer to Purchase dated January 23, 2007, subject to the Purchaser including the pathway shown shaded on Misc. Plan 12663/4 in the subdivision/rezoning application.

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 City-owned property at the Southwest corner of Templeton Avenue and McGregor Street shown outlined on Misc. Plan No. 12663/4.
- Council approval is required to declare a portion of 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): 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

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 at the southwest corner of Templeton Avenue and McGregor Street shown outlined on Misc. Plan No. 12663/4. 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 (shown hatched on Misc. Plan No. 12663/5). Standing Policy Committee on Property and Development approval is required for the sale of the subject City property.

HISTORY:

The subject City-owned property, shown outlined on Misc. Plan No. 12663/4 was acquired by the City, for the future extension of McGregor Street.

On June 28, 2006, Council adopted the recommendation of the Standing Policy Committee on Property and Development and declared a portion the southwest corner of Templeton Avenue and McGregor Street, shown outlined on Misc. Plan No. 12663/1 surplus to the City's requirements.

The Department advertised the subject City-owned property for sale in the Winnipeg Free Press on Saturday, July 22 & July 29, 2006 and in the Winnipeg Sun on Sunday, July 23 & July 30, 2006, at an asking price of $385,000.00. On-site signage was placed on the property and a full information package was made available on the Department website. Also, letters were sent to all interested parties noted on file, as well as real estate brokers and developers. Offers to Purchase were to be received until 4:30 p.m. on Friday, August 11, 2006. There were no offers received for the subject City property as shown on Misc. Plan No. 12663/1.

The Planning, Property and Development Department have continued to market the subject City property and are in receipt of an Offer to Purchase the southwest corner of Templeton Avenue and McGregor Street.

Details of the Offer are as follows:

Purchaser:	North Grassie Properties Inc.
Price Offered:	$300,000.00
Deposit:	$45,000.00

The terms and conditions of the Offer are substantially in accordance with the City's standard Offer. The Purchaser is required to submit an application to rezone the property within 30 days from the date of Committee's approval of the sale. The

purchaser will have 240 days to subdivide and rezone the property to satisfy its requirements for development of the site. The date of Closing, Possession and Adjustment is 300 days from the date of approval of the Offer to Purchase.

DISCUSSION:

The Ward Councillor has verbally advised that he is concerned about the density, scale and visual impact of any project and with its effect on the integrity of the immediate area. The Councillor prefers a detached or attached single-family form of development on the site.

The property was originally marketed (as shown on Misc. Plan No. 12663/1) with the City retaining an adjoining buffer on the west (as shown on Misc. Plan No. 12663/1). However, the depth of this site limits development potential of the property. This is considered to be a principle impediment to the sale of the site. North Grassie Properties Inc. has indicated that the property including the buffer is required in order to facilitate development of the property.

The Planning and Land Use Division of the Planning, Property and Development Department is supportive of the buffer lands being declared surplus and sold as part of the overall transaction. A proportionate share of the net proceeds of the sale, however, would be credited to the Lord Selkirk - West Kildonan Land Dedication Reserve Fund. In addition, the pathway shown shaded on Misc. Plan 12663/4 should also be included in the subdivision/rezoning application made by the developer, and offered for sale by the City to the adjoining owner of 47 Ambassador Row.

The Planning, Property and Development Department is of the opinion the project planned by North Grassie Properties Inc. would be compatible with the existing single-family developments in the area. The Offer from North Grassie Properties Inc. represents the only Offer received on the property to date and it is in excess of the estimated appraised value of the property.

The Planning, Property and Development Department is therefore recommending that the sale of the subject City-owned property shown outlined on Misc. Plan No. 12663/4 to North Grassie Properties Inc. be approved in accordance with the terms and conditions of the attached Offer to Purchase dated January 23, 2007, subject to the Purchaser including the pathway shown shaded on Misc. Plan 12663/4 in the subdivision/rezoning application.

Financial Impact Statement

Date: February 13, 2007

Project Name:

First Year of Program **2007**

Proposed Sale of the Southwest Corner of Templeton Avenue and McGregor Street

	2007	2008	2009	2010	2011
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	302,481	4,962	4,962	4,962	4,962
Net Cost/(Benefit)	$ (302,481)	$ (4,962)	$ (4,962)	$ (4,962)	$ (4,962)
Less: Existing Budget Amounts	(302,481)	(4,962)	(4,962)	(4,962)	(4,962)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Incremental revenue in 2007 consists of the proceeds of disposition of $300,000 (to be credited to the Land Operating Reserve) and property tax revenue of $2,481 (to be credited to the General Revenue Fund). The latter figure assumes the assessed value equals the sales proceeds, the portioning and mill rates are 65% & 0.025448 respectively and that the property is added to the tax roll effective July 1, 2007. Revenues from 2008 onward represent property tax revenues based on the assessed value and portioning and mill rates remaining constant (while recognizing the property's assessed value will increase once developed).

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

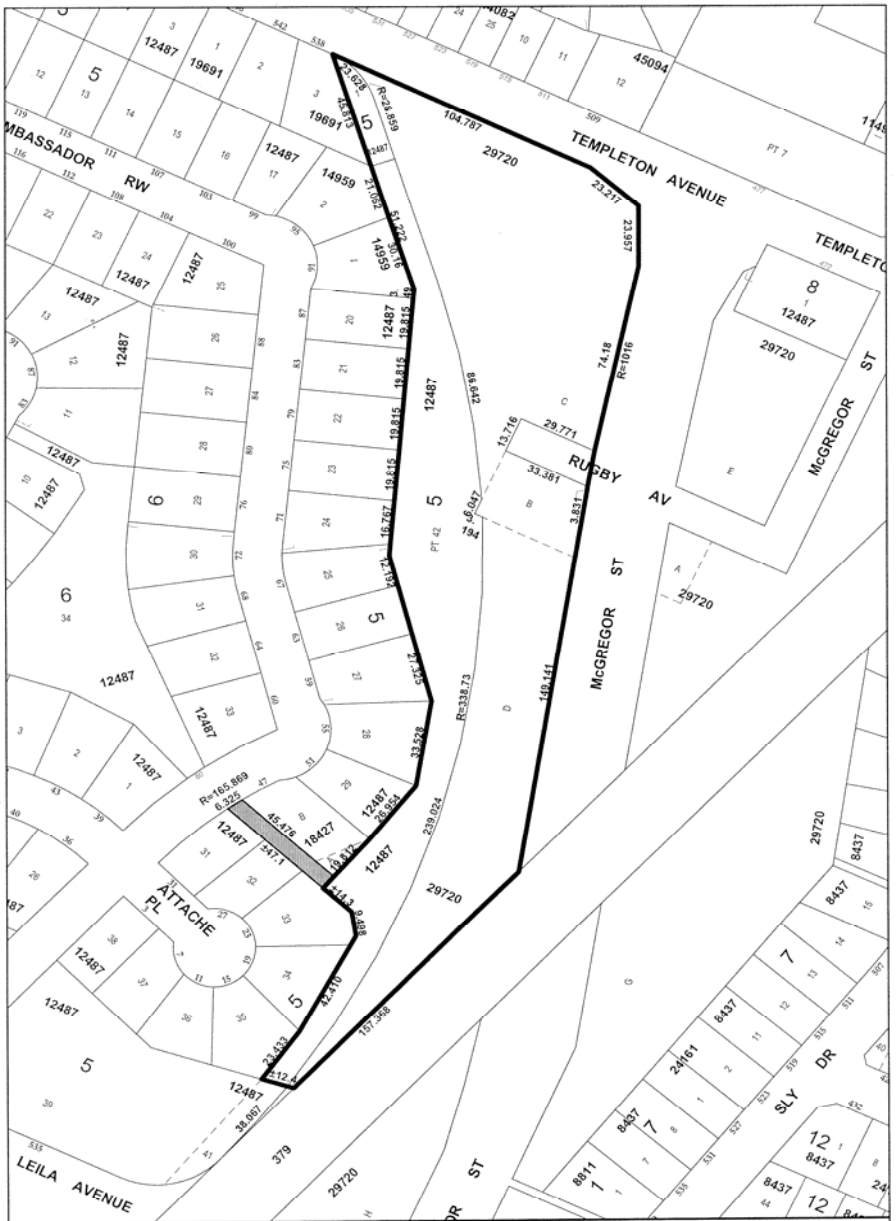
No consultation was required in the preparation of this report.

External Consultation With:

No consultation was required in the preparation of this report.

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development
Division: Real Estate
Prepared by: Gerry Anderson
PPD File No. 7686/A



N
W E
S

Subject City Property
AREA: ±22,813.3 m² (±5.637 acres)

City Land (6.096 wide) to be Rezoned and Offered to the Adjacent Owner
AREA: ±282.0 m² (±3035.1 ft²)

Date: 2007-FEB-07
District: LSWK
File: 7686 A
Scale: 1:1800

METRIC

NOTE:
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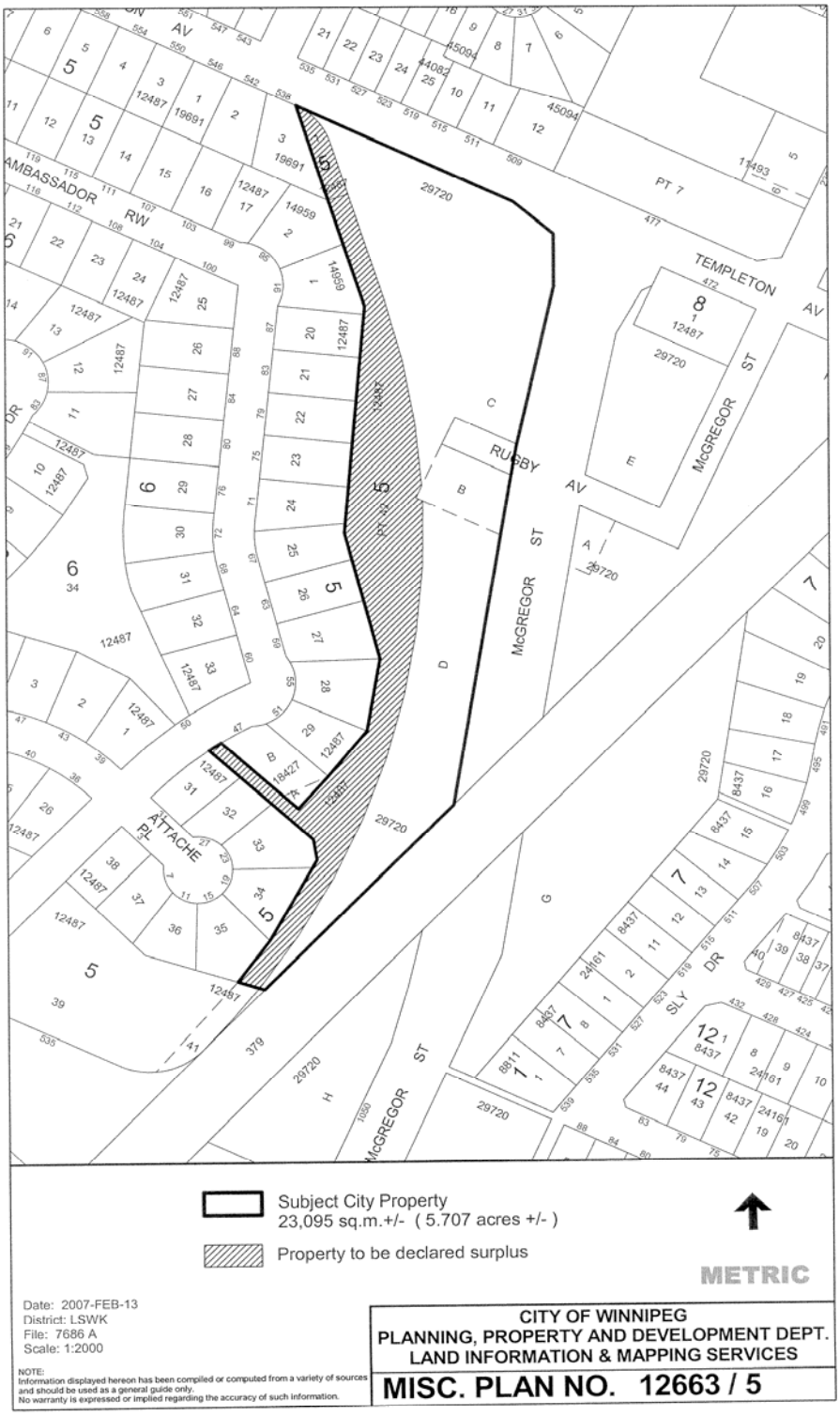
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 12663 / 4


Subject City Property
23,095 sq.m.+/- (5.707 acres +/-)
Property to be declared surplus
METRIC
Date: 2007-FEB-13
District: LSWK
File: 7686 A
Scale: 1:2000
NOTE:
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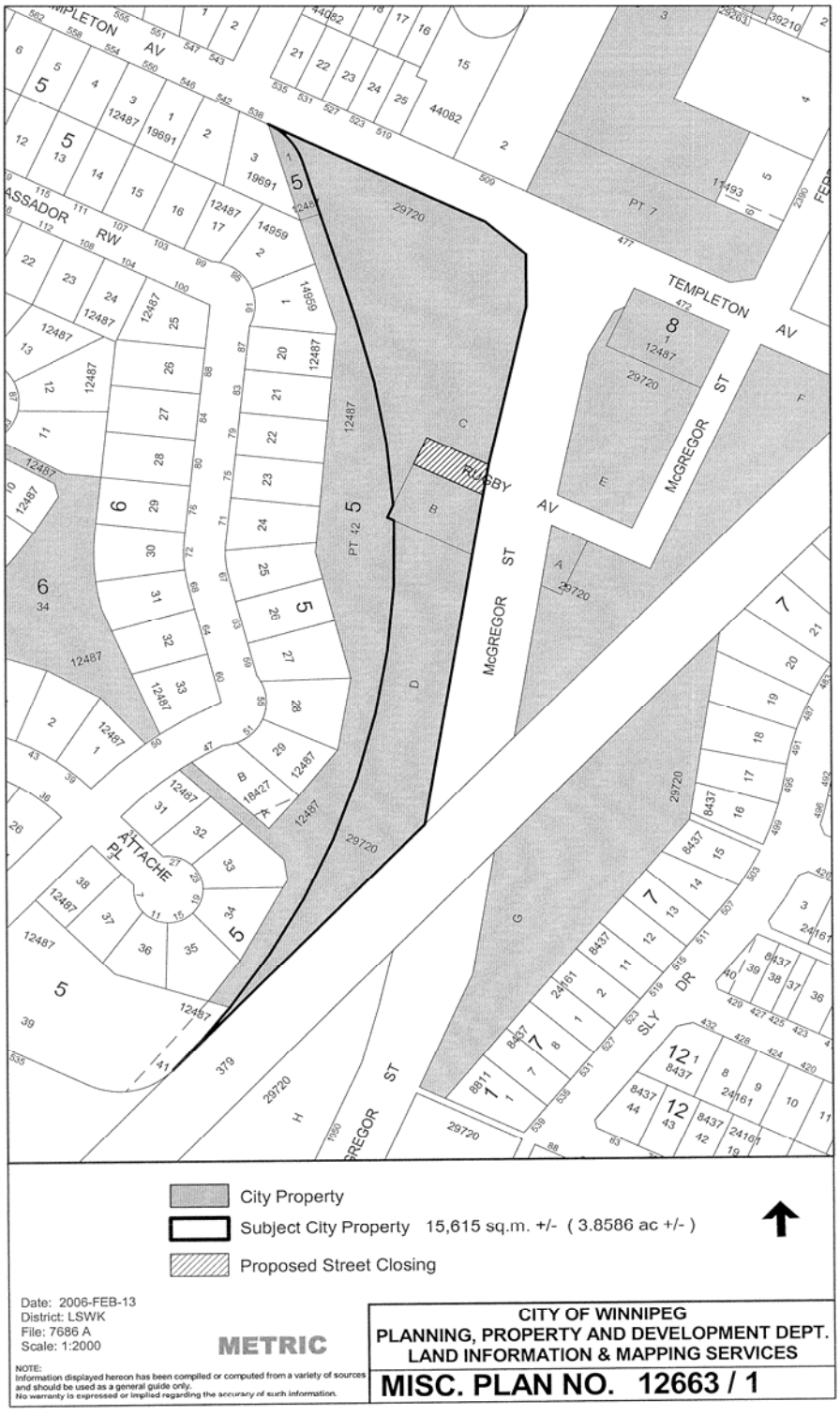
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12663 / 5


TEMPLETON AV
TEMPLETON AV
McGREGOR ST
McGREGOR ST
RUBY AV
ATTACHE PL
SLY DR
ASSADOR RW
PT 7
PT 12
City Property
Subject City Property 15,615 sq.m. +/- (3.8586 ac +/-)
Proposed Street Closing
Date: 2006-FEB-13
District: LSWK
File: 7686 A
Scale: 1:2000
METRIC
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12663 / 1

File No: 7686/A

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:

Shown as Subject City Property on Misc. Plan No. 12663/3

(hereinafter called the "lands")
for the sum of $ 300,000.00 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 $ 45,000.00, 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 300 days from the date of approval of the offer to purchase.

(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.

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 of the Lands, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than one hundred and eighty (240) 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.

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 one hundred and eighty (240) 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 240 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.

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 further understood and agreed between the parties that:

(a) The Purchaser agrees to be fully responsible for all activities and associated costs to create a Plan of Subdivision as it pertains to the Purchaser's rezoning and use of the Lands.

(i) the cost of preparation and registration of the subdivision;

(ii) any dedication fees payable in connection with the creation of this subdivision.

(b) The Purchaser will be responsible for all costs of developing the Subject Land including the servicing of the Land;

(c) The Purchaser will be acquiring the Subject Land in an "as-is, where-is" condition and has satisfied itself as to soil conditions zoning, access and environmental concerns;

(d) The Purchaser will be responsible for any and all costs associated with applications related to zoning, variances and conditional uses including application and processing costs and the payment of any dedication fees owing;

(e) The Purchaser and the City shall each pay their own legal and other consultant's fees with respect to this sale.

13. It is understood and agreed that the Purchaser has 240 days to satisfy the following due diligence conditions :

a) Subdividing and rezoning the property to satisfy the requirements of the Purchaser.

b) Arranging for suitable access for the site.

c) Verifying servicing costs.

The Purchaser is to advise the City in writing on or before 240 days from the date of approval of the sale as to the satisfaction or waiving of the due diligence conditions. If the City has not been advised the sale becomes null and void and the deposit monies are to be returned to the Purchaser.

14. Within thirty (30) days of the Date of Approval, the Purchaser agrees, at its expense, to initiate the rezoning application for the above. If the Purchaser fails to initiate such rezoning application during this (30) day time period, the deposit herein shall be forfeited to the City and the Offer to Purchase shall be null and void. All costs for the rezoning, including any dedication fees payable, are to be at the sole cost and responsibility of the Purchaser.

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

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

17. 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.

18. 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.

19. 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.

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

North Grassie Properties Inc., Box 25094, Mission Park, Kelowna, B.C V1W 3Y7

Name (Please Print) Address

Contact John E. Wiebe _____ Phone 250-764-4499 (email NGPinc@shaw.ca)

Purchaser's Registration No. (G.S.T.) 12269 7972 RT0001

IN WITNESS WHEREOF the Purchaser has signed this document in

Kelowna, British Columbia , this 23rd day of January, 2007

Witness

Authorized Signature

John E. Wiebe, President

Name and Title of Authorized Signature (Please print)

Witness

Authorized Signature

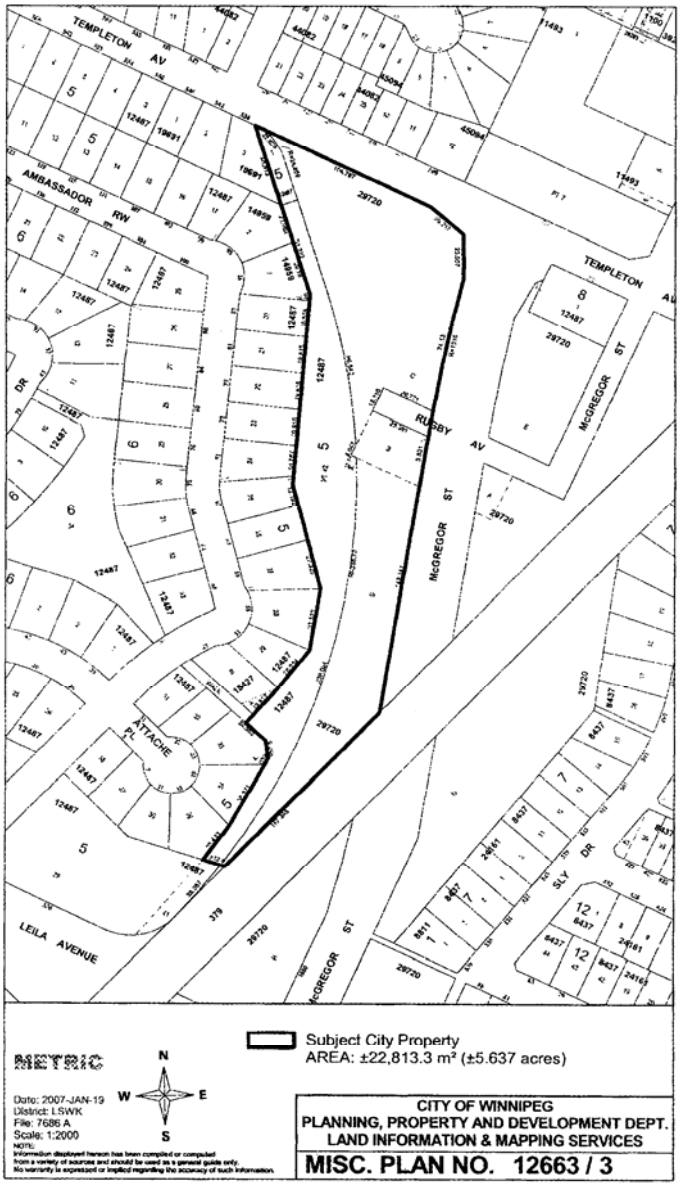
ACCEPTED this _____day of _____, A.D., 2006

THE CITY OF WINNIPEG

Per:_____
DIRECTOR
Planning, Property and Development Department

Approved:

_____
Planning Property and Development Department


TEMPLETON AV
AMBASSADOR RW
RUGBY AV
McGREGOR ST
ATTACHE PL
LEILA AVENUE
SLY DR
Subject City Property
AREA: ±22,813.3 m² (±5.637 acres)
METRIC
N
W
E
S
Date: 2007-JAN-19
District: LSWK
File: 7686 A
Scale: 1:2000
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12663 / 3

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 Ow
(Pr
_____
(Print)
6. Description of building on property:
Dwellings _____
Other Buildings _____
7. Date of Purchase _____ 8. Purchase Price_____

Date: _____ 2006 __ _____
(Signature of Applicant)

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