Minute No. 300
Report – Executive Policy Committee – March 21, 2007

Item No. 2 **Alternate Funding Source for Acquisition of 50.4 Acres of CPR Marconi Rail Right-of-Way – Nairn Avenue to Glenway Avenue File FI-2(33)**

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Council decision of September 27, 2006, that $500,000.00 be re-allocated from the Public Works Department's "Land Acquisition for Future Transportation Purposes" capital account for the acquisition of 50.4 acres of CPR Marconi Rail Right-Of-Way - Nairn Avenue to Glenway Avenue (Marconi lands), be rescinded.

2. That the expenditure of $500,000.00 from a Planning, Property and Development Department expropriations capital account be approved for the acquisition of the Marconi lands.

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

Report – Executive Policy Committee – March 21, 2007

DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,
That the recommendation of the Executive Policy Committee be adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 21, 2007, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

COUNCIL DECISION:

On September 27, 2006, Council adopted the following:

1. That the acquisition of the subject C.P.R. Property, shown on Misc. Plan No. 12013, be approved at a price of $1,500,000.00 as outlined in the report from the Director of Planning, Property and Development dated September 15, 2006, and upon such terms and conditions as may be acceptable to the City Solicitor/Manager of Legal Services and the Director of Planning, Property and Development.

2. That the sources of funding identified in the report from the Director of Planning, Property and Development dated September 15, 2006, be approved for the acquisition of the subject property.

3. That an expenditure of $1.2 million, prior to adoption of the 2007 Capital Budget, be approved as a first charge against the 2007 Tax Supported Capital Budget in order to ensure that adequate funds will be available for the property acquisition described in Recommendation 1.

4. That the City commit to contribute funding of up to fifty (50%) percent of the cost of a pathway in partnership with other organizations, beginning no later than Spring of 2008, and that this matter be referred to the 2007 Capital Budget process.

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

RE: Alternate Funding Source for Acquisition of 50.4 Acres of CPR Marconi Rail Right-Of-Way – Nairn Avenue to Glenway Avenue

FOR SUBMISSION TO: Executive Policy Committee

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

REPORT DATE: February 19, 2007

RECOMMENDATION:

1) That Council rescinds its decision that $500,000 be re-allocated from the Public Works Department's "Land Acquisition for Future Transportation Purposes" capital account for the acquisition of 50.4 acres of CPR Marconi Rail Right-Of-Way – Nairn Avenue to Glenway Avenue (Marconi lands).

2) That Council approves the expenditure of $500,000 from a Planning, Property and Development Department expropriations capital account for the acquisition of the Marconi lands.

Report Summary

Key Issues:

- Report dated 15 September 2006 (and adopted by Council on 27 September 2006 – attached as Appendix A) highlighted that $1.7 million was required to purchase the Marconi lands for ultimate use as a Transit corridor, and interim use as a recreational bicycle and pedestrian pathway ($1.5 million in property costs, $200,000 in additional acquisition and closing costs).

- The report recommended that Council authorize $1.2 million as a first call against the 2007 Tax Supported Capital Budget with the remaining $500,000 to come from the Public Works Department *"Land Acquisition for Future Transportation Purposes"* capital account.

- Subsequent to Council's approval of the recommended funding sources, it was determined that the funds in the Public Works Department *"Land Acquisition for Future Transportation Purposes"* capital account previously thought to be unallocated were in fact committed for other purposes.

As a result, the Administration has identified a Planning, Property and Development Department expropriations capital account as an alternate source of funding to finance the acquisition of the Marconi lands.

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):
The implications of the pathway itself on the community and external organizations was discussed in our report dated 15 September 2006 (attached as Appendix A)

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):

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):
Recommended action involves approval of expenditure from an alternate capital account

Report

REASON FOR THE REPORT:
Council approval is required to transfer funds out of a Planning, Property and Development Department expropriations account to complete the funding for the purchase of the CPR Marconi rail right-of-way lands.

HISTORY:
Marconi Line Recreational Pathway Project:
The former CPR Marconi rail right-of-way land is identified in Plan Winnipeg 2020 as the location of a dedicated busway – part of the overall rapid transit system. With no immediate plan for construction of this leg of the system, the land has been proposed for use in the interim as a recreational bicycle and pedestrian pathway.
Initial plans called for the Planning, Property and Development Department to fund $1.2 million of the total $1.7 million in acquisition costs. The remaining $500,000 was to come from the Public Works Department's *"Land Acquisition for Future Transportation Purposes"* capital account.

Please refer to Appendix A (attached) for more detailed history of this project, and the requisite property acquisition details.

Planning, Property and Development Department Expropriation Accounts:
The Planning, Property and Development Department (PP&D), among others, have amounts included in approved capital budgets to fund the acquisition and statutory interest costs as well as certain other miscellaneous costs associated with the expropriation of properties. The amounts included in the budget are necessarily based upon estimates made by Administration that reflect the best information available at the time the estimates are developed. Doing so is inherently uncertain with the result being that actual results can vary, perhaps materially, from the amounts budgeted. It is this variability that has resulted in funds set aside in PP&D's capital accounts for expropriations becoming available.

DISCUSSION:
Under *The City of Winnipeg Charter*, The City of Winnipeg may, for its purposes, expropriate land and improvements in accordance with *The Expropriation Act*. The owners of expropriated land or improvements are entitled to be paid due compensation consisting of the market value of the expropriated land and improvements, disturbance costs, and damages for injurious affection. Owners are also entitled to have the City pay their reasonable legal, appraisal and other costs reasonably incurred for the purpose of determining compensation. The City is also liable to pay statutory interest on unpaid compensation from the date the City takes possession of the land until the date of resolution of compensation.

At least annually, an administrative working group comprised of representatives from the Planning, Property and Development Department, Legal Services Division, and the Corporate Finance Department meet to review outstanding expropriations, update the status of each, and revisit estimated settlement/litigated amounts versus available funding. The purpose of review is to ensure that the potential liability to the City of Winnipeg related to outstanding expropriations is fully funded. In order to achieve this, conservative estimates of potential settlement/litigated amounts are compared to budgeted funding and, if applicable, appropriate steps are taken to address any shortfalls between the total estimated liability and available funds.

The variability between projected settlement/litigated amounts and funds budgeted to finance those settlements, as described above, has resulted in approximately $650,000 in funding that would otherwise be earmarked for future expropriations becoming available for other purposes. The recommendation to use this funding source to replace $500,000 that was to have come from the Public Works Department's *"Land Acquisition for Future Transportation Purposes"* capital account was made after determining that remaining funding would be sufficient to address the estimated potential liability associated with the remaining outstanding expropriations.

Financial Impact Statement Date: February 12, 2007

Project Name:

Alternate Funding Source for Acquisition of 50.4 Acres of CPR Marconi Rail Right-Of-Way – Nairn Avenue to Glenway Avenue

COMMENTS:

The recommendations contained in this report are that 1) Council rescinds its decision that $500,000 be re-allocated from the Public Works Department's "Land Acquisition for Future Transportation Purposes" capital account for the acquisition of 50.4 acres of CPR Marconi Rail Right-Of-Way – Nairn Avenue to Glenway Avenue (Marconi lands), and; 2) that Council approves the expenditure of $500,000 from a Planning, Property and Development Department expropriations capital account for the acquisition of the Marconi lands.

These recommendations, if approved, would result only in an alternative capital funding source being used for the acquisition of the Marconi lands. As such, there is no financial impact associated with these recommendations.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Public Works Department
Corporate Finance Department

External Consultation With:
N/A

Appendix A



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Reports Directive\Pla

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development Department
Division: Planning and Land Use Division
Prepared by: Michelle N. Harms, P.Eng. (4723)
PPD File No.

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