Report - Standing Policy Committee on Property and Development – May 1, 2007

Item No. 13 **Sale - north side of Beecher Avenue west of Ferrier Street – Global Homes Ltd.**
(Old Kildonan Ward)
File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On May 1, 2007, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That the criteria of the Policy adopted by Council on December 6, 2006, pertaining to principles guiding the process of sale of City-owned property, be waived in this instance.

2. That the sale of the subject City Property outlined on Misc. Plan No. 9488/8 be approved in favour of Global Homes Ltd. at a price of $50,000.00 in accordance with the Offer to Purchase attached to the report from the Acting Director of Planning, Property and Development dated April 23, 2007, and upon such additional terms and conditions that the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services consider necessary to protect the interest of the City and to achieve the intent of Council.

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

Report - Standing Policy Committee on Property and Development – May 1, 2007

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 1, 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 City Property located on the North side of Beecher Avenue West of Ferrier Street
Lord Selkirk - West Kildonan Community Committee
Old Kildonan Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

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

REPORT DATE: April 23, 2007

RECOMMENDATION:

1. That Council, in this instance, waive that portion of City Policy adopted on December 6, 2006, pertaining to principles guiding the process of sale of City-owned property since the proposed sale to the adjoining owner would promote orderly development and negotiations on the sale of the property commenced prior to the Policy being adopted by Council.
2. That subject to the approval of Recommendation No. 1, that the Offer to Purchase the subject City Property shown in broken outline Misc. Plan No. 9488/8, be approved in favour of Global Homes Ltd. at a price of $50,000.00 and in accordance with the attached Offer to Purchase dated March 16, 2007, and upon such additional terms and conditions that the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services consider necessary to protect the interest of the City and to achieve the intent of the Standing Policy Committee on Property and Development.
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 has received an Offer to Purchase the subject City-owned property shown in broken outline on Misc. Plan No. 9488/8, from Global Homes Ltd.
- The Planning, Property and Development Department are recommending approval of the sale as negotiated.

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): Council approval is required to waive that portion of City Policy adopted on December 6, 2006, pertaining to principles guiding the process of sale of City-owned property.

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 north side of Beecher Avenue West of Ferrier Street shown in broken outline on the attached Misc. Plan 9488/8. Council approval is required to waive that portion of City Policy adopted on December 6, 2006, pertaining to principles guiding the process of sale of City-owned property. Approval by the Standing Policy Committee on Property and Development is required for the sale of the subject City-owned property.

HISTORY:

Part Lots 26 to 28, Block 18, Plan 1100 and Parcel L, Plan 28768 was acquired in Tax Sale in April of 1998.

On September 22, 1998, the Standing Policy Committee on Property and Development concurred in the administrative recommendation to authorize the Director of Property and Development Services to list Lots 26, 27 & 28, Block 18, Plan 1100 and Parcel L, Plan 28768 for sale in accordance with the Council approved Residential Sales Program.

Particulars of the property are as follows:

Location:	North side of Beecher Avenue, west of Ferrier Street
Legal Description:	Lots 26-28, Block 18 Plan 1100 and Part Parcel L, Plan 28768
Certificate of Title:	1656770
Roll No.:	05009134500
Assessed Value:	Not apportioned
Zoning:	“R1-20” Residential District

Lots 1 and 2, Plan 29317 were acquired by way of tax sale in December 2001.

On June 23, 2004, Council adopted the report of the Standing Policy Committee on Property and Development wherein it authorized the Director of the Planning, Property and Development Department to commence marketing of Lots 1 and 2, Plan 29317 in accordance with the residential sales marketing program.

Particulars of this property are as follows:

Location:	North side of Beecher Avenue west of Ferrier Street
Legal Description:	Lot 1 and Part Lot 2, Plan 29317
Certificate of Titles:	1842455 and 1841867
Roll No.:	05000190200 and 05000190400
Assessed Value:	Not apportioned
Zoning:	“R1-20” Residential District

In 2004, the owner of Parcel A (Global Homes Ltd.) shown on Misc. Plan 9488/8, applied for a residential subdivision and rezoning and required the City's Lots 26 to 28, Block 18, Plan 1100 and Part Parcel L, Plan 28768 (shown in broken outline on Misc. Plan No. 9488/8) for access purposes to Beecher Avenue (DASZ 40/04).

On March 16, 2005, the Department provided Global Homes Ltd. with a letter authorizing it to include the subject City property as part of its proposed subdivision and rezoning.

On September 13, 2005, the Department sent Global Home Ltd. a subsequent letter advising that a reasonable time had been provided for its proposed subdivision/rezoning application to be dealt with by the various Committees of Council. As a result, the Department advised that if its application was not advanced to a public hearing before the Lord Selkirk - West Kildonan Community Committee by November 30, 2005, the Department would rescind its authorization to include the subject City property. Subsequently, DASZ 40/04 did not proceed.

In 2006, Global Homes Ltd. amended DASZ 40/04 to provide for the connection of the street within the proposed subdivision to the street in the lands to the north approved by the City under DASZ 53/04.

On May 11, 2006, the Department again authorized Global Homes Ltd. to include the subject City-owned property shown in broken outline on Misc. Plan No. 9488/8 in its proposed subdivision and rezoning.

On July 26, 2006, DASZ 40/04 was approved by Council. As part of DASZ 40/04, Global Homes Ltd. is required to purchase the subject property at market value.

DISCUSSION:

The Planning, Property and Development Department have concluded its negotiations, with Global Homes Ltd. for the sale of the subject City-owned property.

Details of the Offer to Purchase are as follows:

Price Offered:	$50,000.00
Deposit:	$7,500, being 15% of the purchase price
Balance:	60 days from date of approval by the City

The Planning, Property and Development Department recommend the sale of the subject City-owned property shown in broken outline on Misc. Plan No. 9488/8 to Global Homes. Ltd. for the following reasons:

a) The Ward Councillor has no objections to the sale of the subject property.
b) The proposed sale price is supported by an internal appraisal as to its market value.
c) The sale of the property will meet the street requirement of DASZ 40/04.
d) The sale of the property will provide for the connection of the street within the proposed subdivision to the street in the lands to the north approved by the City under DASZ 53/04.

Financial Impact Statement

Date: April 17, 2007

Project Name:

First Year of Program 2007

Proposed Sale of City Property located on the North side of Beecher Avenue West of Ferrier 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	50,286	573	573	573	573
Net Cost/(Benefit)	$ (50,286)	$ (573)	$ (573)	$ (573)	$ (573)
Less: Existing Budget Amounts	(50,286)	(573)	(573)	(573)	(573)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Incremental revenue in 2007 consists of the $50,000 purchase price, which will be credited to the Land Operating Reserve, and $286 in realty tax revenue. The latter amount assumes an assessed value equal to the sales proceeds, 45% portioning, mill rate of 0.025448 and that the property is added to the tax roll effictive July 1. Revenues from 2008 represent realty taxes for the full year based on the same assumptions.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

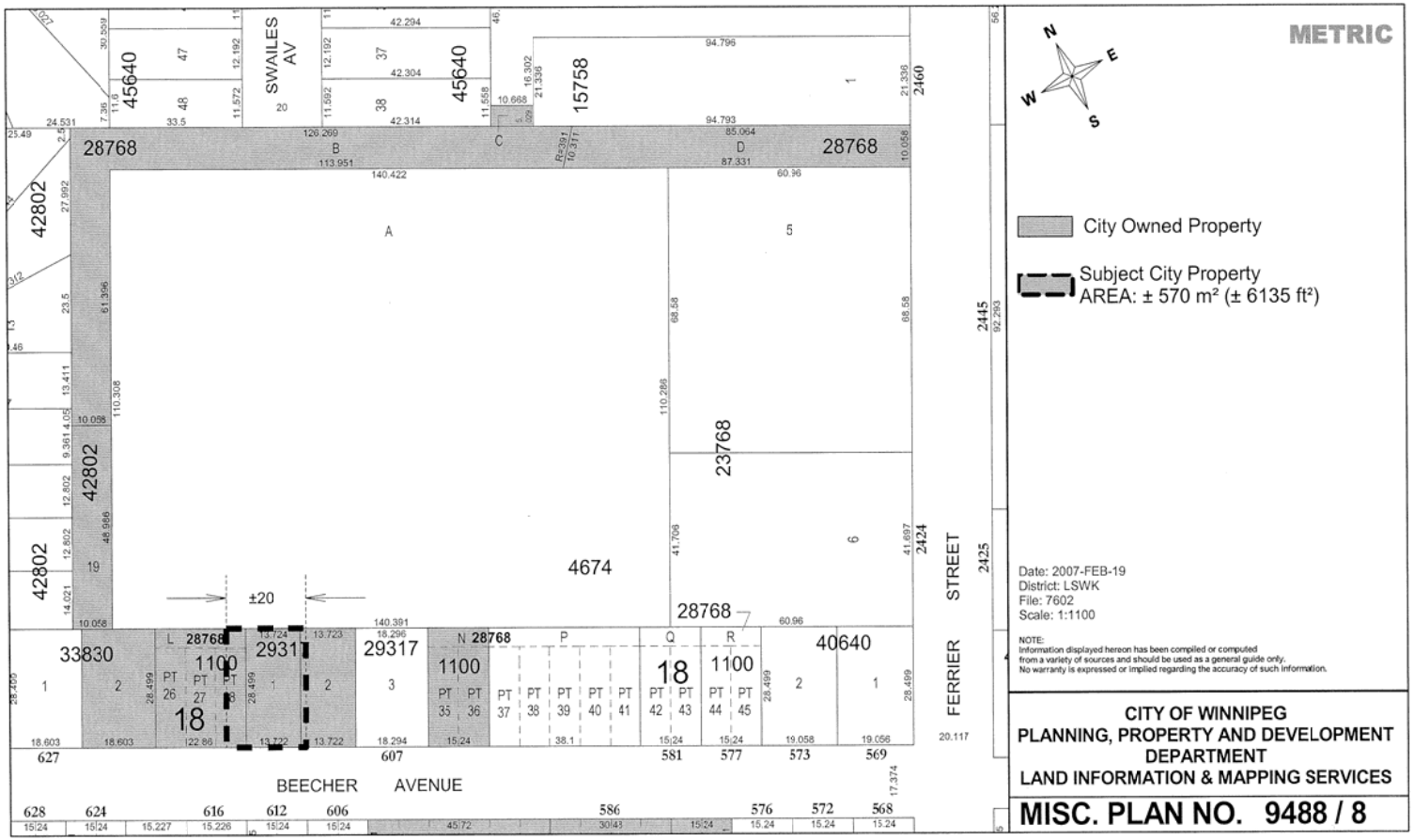
External Consultation With:

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.	32/7090, 32/7091, 6026/15 and 7602

O:\Reports Directive\Real Estate\Sales\(jp)Beecher,GlobalHomes.doc


METRIC
N
E
S
W
City Owned Property
Subject City Property
AREA: ± 570 m² (± 6135 ft²)
Date: 2007-FEB-19
District: LSWK
File: 7602
Scale: 1:1100
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 DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 9488 / 8
SWAILES AV
BEECHER AVENUE
FERRIER STREET
28768
42802
45640
15758
23768
4674
33830
29317
40640
1100
18
±20

Global
File: 7602 V.2

OFFER TO PURCHASE

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

Lot 1 and Part Lot 2, Plan 29317
Part Lot 28, Block 18, Plan 1100
and Part Parcel L, Plan 28768 WLTO

(hereinafter called the "Lands")

for the sum of $50,000.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's certified cheque, bank draft or money order payable to "The City of Winnipeg" in the amount of $7,500.00, 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) and/or its delegated authority, hereinafter 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 sixty (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, including local improvements if any, 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. <u>Goods and Services Tax</u>

   (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 Tax 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 of Winnipeg. 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 land 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) The City is unable to confirm that sewer and water lot-line connections from the services in the street to the lot line exist. The Purchaser must satisfy himself as to their existence and suitability for re-use. Consequently, if 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.

    The Purchaser agrees that this clause 10 shall survive the closing of this transaction of purchase and sale

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 Manitoba Inc., 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.

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

(3) Any removal or relocation of a public utility as a result of a proposed subdivision will be at the expense of the Purchaser. Information on electrical and gas service to new subdivisions can be obtained from the local Manitoba Hydro District Office.

(4) The Purchaser at its own expense shall be responsible to provide any Easement Plan that may be required to effect registration of the Easement Agreement in the Winnipeg Land Titles Office.

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

12. The Purchaser(s) shall apply for 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. No commission is payable by the City on the sale of the Lands.

14. No current legal survey was made of the property to determine the nature and extent of any structure thereon or to determine if there are any encroachments from adjoining lands.

15. 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.

16. 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.

17. 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 his proposed use and development of the Lands may require applications for re-zoning, subdivisions, 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. Nothing in this Offer shall be construed as placing any duty or obligation upon the City to grant such rezoning, subdivision, variance or conditional use orders and/or amendments to Plan Winnipeg when the Purchaser's application for same is made to the City.

18. 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.

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

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

21. 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.

22. 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 Offer.

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

Bernhard Goertzen 230-1685 Henderson Hwy.
Name (Please Print) Address

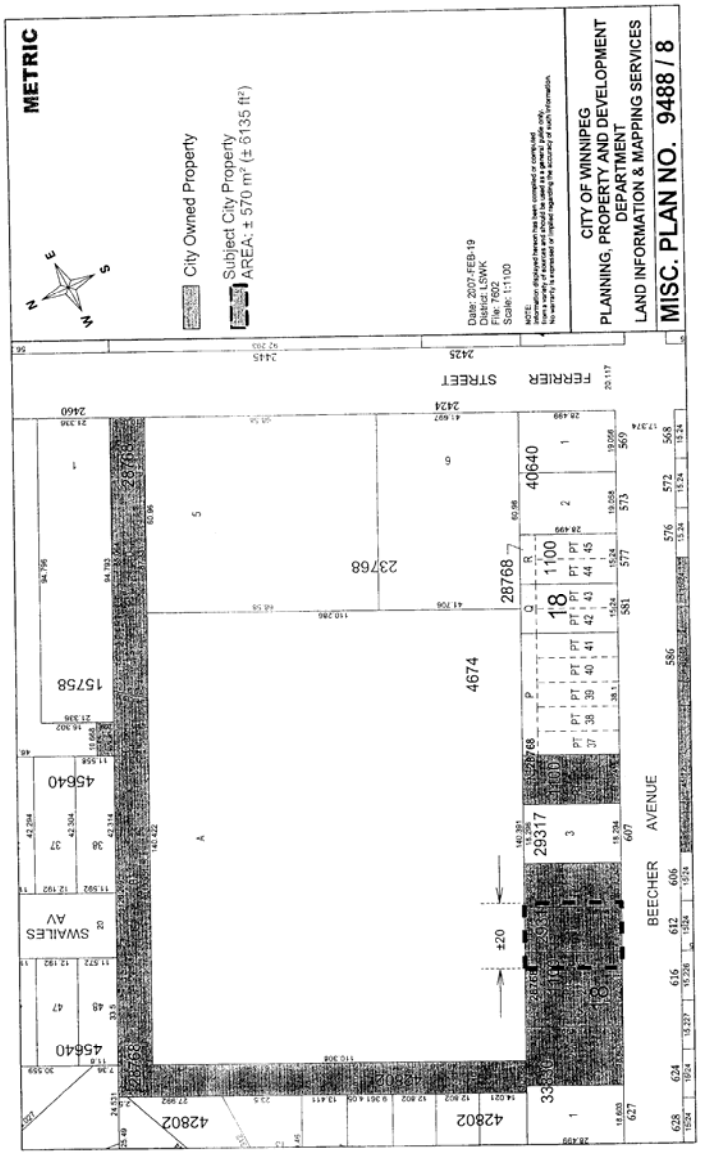
Purchaser's Registration No. (G.S.T.) 868179037000

IN WITNESS WHEREOF the Purchaser has signed this document in

_____, _____, this 16 day of March 2007.

_____ _____
Witness Purchaser

_____ _____
Witness Purchaser


METRIC
City Owned Property
Subject City Property
AREA: ± 570 m² (± 6135 ft²)
Date: 2007-FEB-19
District: LSWK
File: 7602
Scale: 1:1100
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT
DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 9488 / 8
FERRIER STREET
BEECHER AVENUE
SWAILES AV
23768
28768
40640
1100
4674
29317
15758
45640
42802
±20

Offer to Purchase

Example Only

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	Plan or Range	Interest In Property

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: _____ 19 __ _____

(Signature of Applicant)

Office of the City Assessor _____

The City of Winnipeg (Signature of Registered Owner)

Revised Schedule "A"

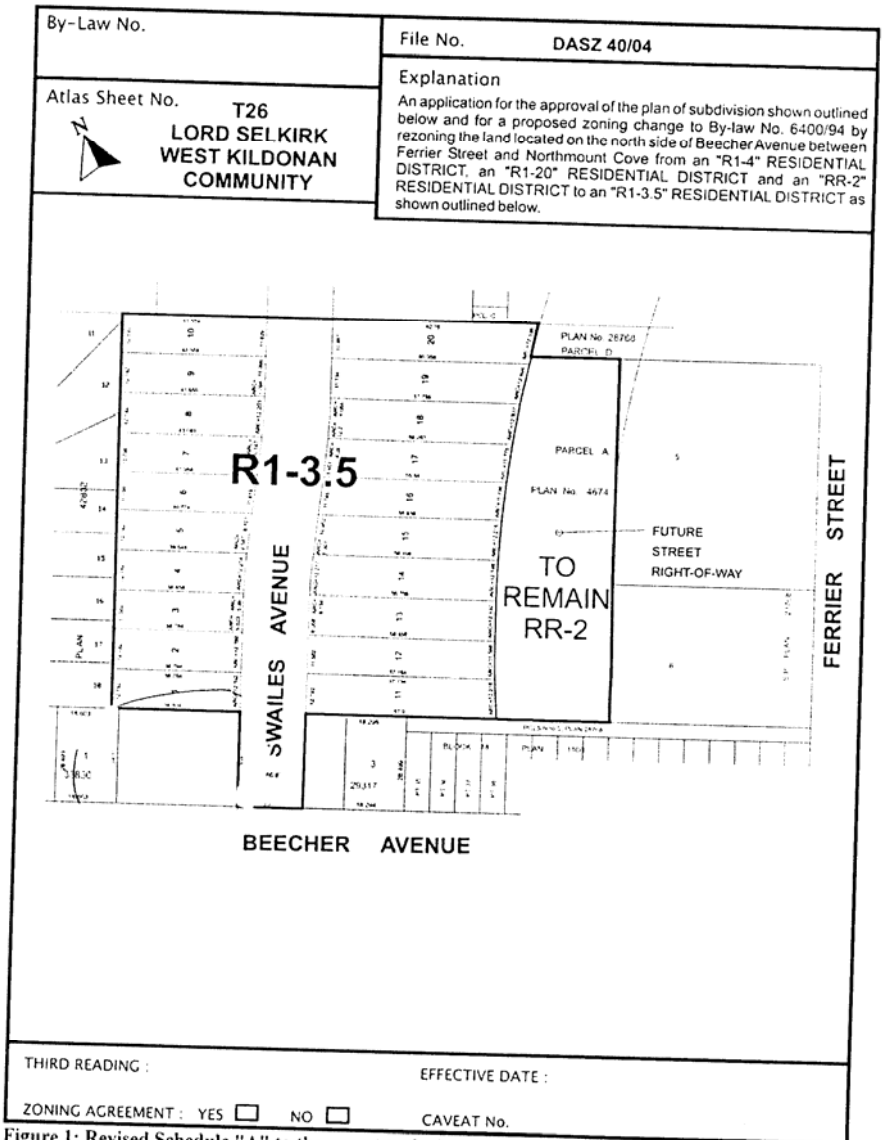


Figure 1: Revised Schedule "A" to the report to the Lord Selkirk – West Kildonan Community Committee for File No. DASZ 40/04, dated May 31, 2006.

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