Agenda - Executive Policy Committee - July 11, 2007

Report - Standing Policy Committee on Property and Development - June 26, 2007

Item No. 23 Marketing of Vacant City-owned land at 935-937 Pacific Avenue (Point Douglas Ward)
File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On June 26, 2007, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That the report from the Acting Director of Planning, Property and Development dated June 14, 2007, be received as information.

2. That the Acting Director of Planning, Property and Development continue to market for sale the subject City-owned property shown outlined on Misc. Plan No. 12736/1 and be authorized to negotiate and approve a sale of the subject property at fair market value in accordance with the City's standard terms and conditions and any other terms and conditions deemed necessary by the Acting Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to protect the City's interests.

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

Agenda - Executive Policy Committee - July 11, 2007

Report - Standing Policy Committee on Property and Development - June 26, 2007

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 26, 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: Marketing of Vacant City-owned Land Located at 935/937 Pacific Avenue
Lord Selkirk – West Kildonan
Point Douglas Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

ORIGINAL REPORT SIGNED BY: Director, Planning Property and Development

REPORT DATE: June 14, 2007

RECOMMENDATION:

1. That this report be received as information.
2. That the Director of the Planning, Property and Development Department continue to market for sale, the subject City-owned property shown outlined on Misc. Plan No. 12736/1, and be authorized to negotiate and approve of a sale of the subject property at fair market value, in accordance with the City's standard terms and conditions, and any other terms and conditions deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to protect the City's interests.
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 subject City-owned property located at 935 and 937 Pacific Avenue shown outlined on Misc. Plan No. 12736/1, was acquired by the City in November of 2005 pursuant to Tax Sale 108/143 and 108/44.
- The Planning, Property and Development Department received two (2) Offers for the subject property. Details of the offers are as follows:

    1. Purchaser: 2310538 Man. Ltd.
       Price Offered: $5,000.00
       Deposit: $750.00

    2. Purchaser: Amy Tsang
       Price Offered: $6,000.00
       Deposit: $900.00

- An internal appraisal report estimates a range of value for the subject property at $20,000.00 to $25,000.00. The prices offered for the subject City-owned property are significantly less than the listing price of $25,000.00, which is supported by an internal appraisal.

- The Planning, Property and Development Department is of the opinion that a much higher price can be achieved by continuing to market the subject City-owned property. The Department intends to return the Offers to Purchase to each Proponent and continue to market the subject City-owned property for sale to the general public, at a listing price of $25,000.00.
- The Department is of the opinion that the subject property may be sold in the near future given recent expressions of interest, which were received after the June 8, 2007, marketing deadline. Because Council and the Standing Policy Committees of Council meetings are prorogued from July 20 to September 3, 2007, the Department is requesting that the Director be authorized to negotiate and approve of a sale of the subject property at a fair market value (i.e., $20,000.00 to $25,000.00).

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

Comment(s):

Report

REASON FOR THE REPORT:

The Planning, Property and Development Department is in receipt of two (2) Offers to Purchase the City-owned property, shown outlined on Misc. Plan No. 12736/1. The report is being provided for Committee's information and to grant authority to the Director of Planning, Property and Development to negotiate and approve of the future sale of the subject property.

HISTORY:

The subject City-owned property located at 935 and 937 Pacific Avenue shown outlined on Misc. Plan No. 12736/1, was acquired by the City in November of 2005 pursuant to Tax Sale 108/143 and 108/44. Both lots were improved with one story residential buildings built in 1907. Both buildings failed to comply with the Vacant and Derelict Buildings By-Law No. 35/2004 and were subsequently demolished.

Details of the property are as follows:

Legal Description:	Lots 27/28 Plan 31716 PL 10 St J
Roll Number:	13080595000/6000
Assessment:	$10,000.00
Zoning:	"M3" – Industrial District
Site Size:	47.13' x 70.50' (3,322.00 sq. ft.)

The Department has determined that there is no City requirement for the subject property.

The costs incurred to-date by the City pursuant to the acquisition of the subject property via the tax sale process are $ 17,011.58.

DISCUSSION:

The Planning, Property and Development Department has consulted with the Ward Councillor in regard to marketing this property for sale.

The Department advertised the subject City-owned property for sale in the Winnipeg Free Press on Monday, June 4, 2007, and in the Winnipeg Sun on Sunday, June 3, 2007, at a list price of $25,000.00. On-site signage was placed on the property and a full information package was made available on the Department website. Offers to Purchase were to be received until 4:30 p.m. on Friday, June 8, 2007.

The Planning, Property and Development Department received two (2) Offers for the subject property. Details of these Offers are identified on Schedule "A", attached.

Details of the offers are as follows:

1. Purchaser: 2310538 Man. Ltd.
   Price Offered: $5,000.00
   Deposit: $750.00

2. Purchaser: Amy Tsang
   Price Offered: $6,000.00
   Deposit: $900.00

An internal appraisal report estimates a range of value for the subject property at $20,000.00 to $25,000.00. The prices offered for the subject City-owned property are significantly less than the listing price of $25,000.00, which is supported by an internal appraisal. The Planning, Property and Development Department is of the opinion that a much higher price can be achieved by continuing to market the subject City-owned property. The Department intends to return the Offers to Purchase to each Proponent and continue to market the subject City-owned property for sale to the general public, at a listing price of $25,000.00.

The Department is of the opinion that the subject property may be sold in the near future given recent expressions of interest, which were received after the June 8, 2007, marketing deadline. Because Council and the Standing Policy Committees of Council meetings are prorogued from July 20 to September 3, 2007, the Department is requesting that the Director be authorized to negotiate and approve of a sale of the subject property at a fair market value (i.e., $20,000.00 to $25,000.00). Any sale of the subject property would be in accordance with the City's standard terms and conditions, and any other terms and conditions deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to protect the City's interests.

Financial Impact Statement Date: June 11, 2007

Project Name:

Marketing of vacant City-owned land located at 935/937 Pacific Avenue

COMMENTS:

The recommendations in this report are 1) that this report be received as information and, 2) that the Director of the Planning, Property and Development Department continue to market for sale the subject City-owned property shown outlined on Misc. Plan No. 12736/1, and be authorized to negotiate and approve of a sale of the subject property at fair market value, in accordance with the City's standard terms and conditions, and any other terms and conditions deemed necessary by the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services to protect the City's interests.

Other than foregone revenue related to the offers discussed in the report, there are no financial implications 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:

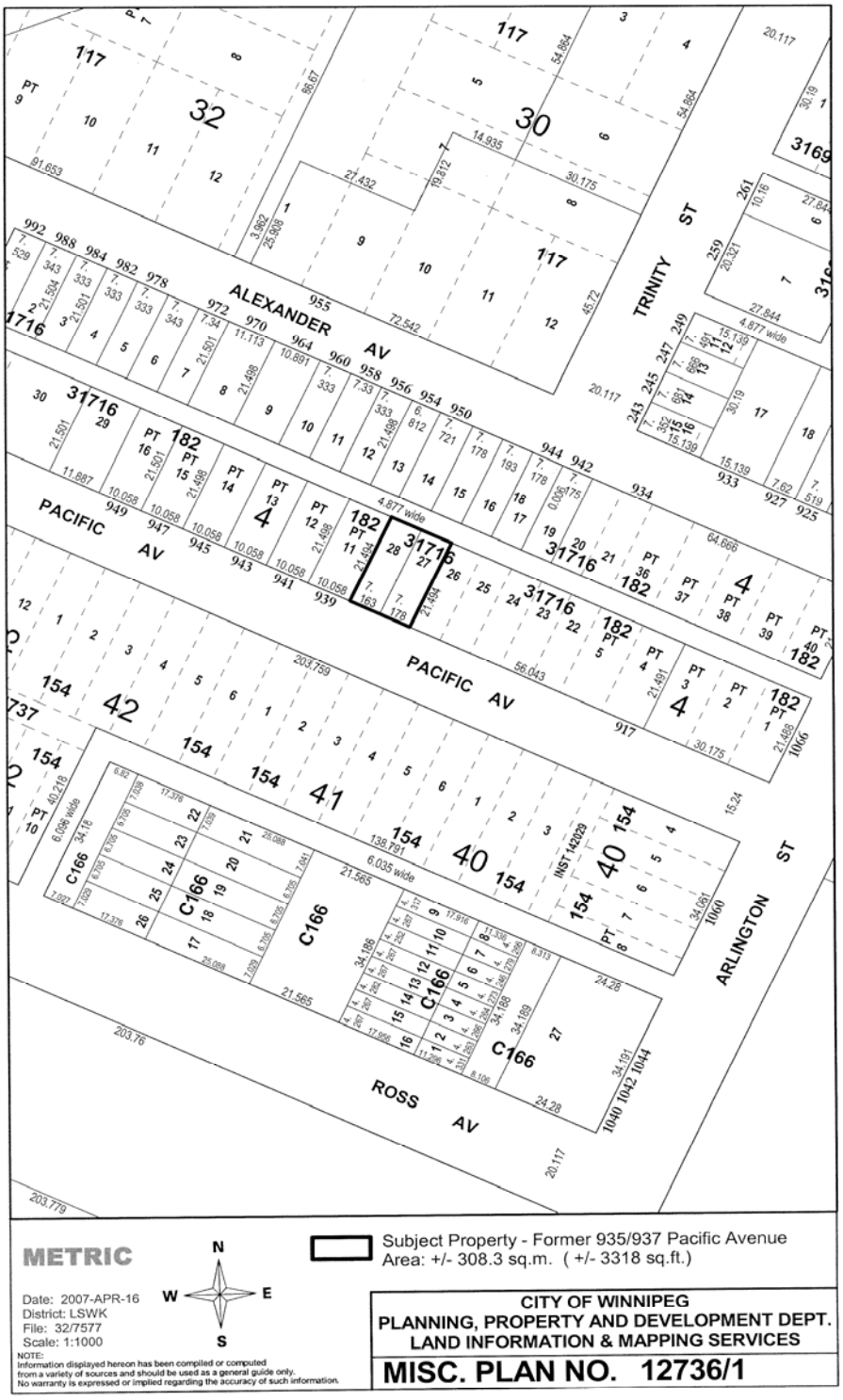
N/A

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department: Planning Property and Development
Division: Real Estate
Prepared by: Gerry Anderson
PPD File No. 32/7577 & 32/7578


ALEXANDER AV
PACIFIC AV
PACIFIC AV
ROSS AV
TRINITY ST
ARLINGTON ST
METRIC
N
W
E
S
Date: 2007-APR-16
District: LSWK
File: 32/7577
Scale: 1:1000
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.
Subject Property - Former 935/937 Pacific Avenue
Area: +/- 308.3 sq.m. (+/- 3318 sq.ft.)
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12736/1

SCHEDULE "A "

VACANT LAND 935/937 PACIFIC AVENUE

OFFEROR	PRICE OFFERED	DEPOSIT	COMMENTS
2310538 Man. Ltd.	5,000.00	750.00	Adjacent owner
Amy Tsang	6,000.00	900.00	