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

Item No. 20 Acquisition – 65 Fulham Avenue - Future Proposed Widening of Kenaston Boulevard (River Heights-Fort Garry Ward) File FI-2(32)

STANDING COMMITTEE RECOMMENDATION:

On July 11, 2007, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the acquisition of the "Subject Property" shown on Misc. Plan No. 13151 be approved at an all-inclusive purchase price of $175,000.00 in accordance with the terms and conditions outlined in Schedule "A" to the report from the Acting Director of Planning, Property and Development dated June 12, 2007.

2. 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 - June 26, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 11, 2007, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

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.

On May 8, 2007, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation, namely, that the Acting Director of Planning, Property and Development be authorized to negotiate the acquisition of 65 Fulham Avenue, which is required for the future proposed 6-lane widening of Kenaston Boulevard.

RE: Proposed Acquisition – 65 Fulham Avenue for the Future Proposed Widening of Kenaston Boulevard
City Centre Community
River Heights – Fort Garry Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

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

REPORT DATE: June 12, 2007

RECOMMENDATION:

1. That the proposed acquisition of the "Subject Property" shown on Misc. Plan No. 13151 be approved at an all-inclusive purchase price of $175,000.00 and in accordance with the terms and conditions as specified on the attached Schedule "A".

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

Report Summary

Key Issues:

The City requires the subject property for the future proposed 6-lane widening of Kenaston Boulevard. Due to the location of the northbound approach ramps to the St. James Bridge, all options that have been contemplated for the future proposed widening of Kenaston Boulevard from Academy Road to Taylor Avenue, require the acquisition of the subject property.

The property owner has now agreed to the proposed sale of the subject property to the City, in accordance with the proposed purchase price, terms and conditions as specified on the attached Schedule "A".

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):

No environmental issues are anticipated. However, as a precaution, the proposed transaction contains terms and conditions that protect the City's interests regarding environmental matters.

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): The Public Works Department advised that this property acquisition, including demolition, is to be funded from the Land Acquisition for Future Transportation Purposes Account No. 003-18100-180604-1833000100.

Report

REASON FOR THE REPORT:

The Planning, Property and Development Department has negotiated the proposed acquisition of the "Subject Property", as shown on the attached Misc. Plan No. 13151, in accordance with the proposed purchase price, terms and conditions as specified on the attached Schedule "A".

By this report, Council approval is required for the proposed acquisition, as negotiated.

HISTORY:

In January 2007, the owner's representative offered the subject property, commonly known as 65 Fulham Avenue, for sale to the City.

At its meeting held on May 8, 2007, the Standing Policy Committee on Infrastructure Renewal and Public Works authorized the Director of the Planning, Property and Development Department to negotiate for the acquisition of the subject property.

Ensuing negotiations conducted with the owner's representative has produced a proposed agreement to sell the subject property to the City. The particulars of the subject property and negotiated settlement are as follows:

Location:	65 Fulham Avenue at Kenaston Boulevard
Legal Description:	Lot 8, Plan 5120 (as shown on Misc. Plan No. 13151, attached)
Owner:	Raymond Archibald Crossman, c/o Royal LePage, 1450 Corydon Avenue, Winnipeg, Manitoba, R3C 3Z6
Certificate of Title No.:	1962005
Zoning:	Rl-5.5A Residential District
Assessment:	Total Assmt: $135,700
Site Area:	757.0 sq.m.± (8,148.3 square feet ±)
Description of Property:	The property is improved with a 1941, one and three quarter storey, 151.99 m2 (1,636 square foot), 6 room residential building on a full, partially finished basement. The building is considered to be in fair condition for its age. A new double detached garage was constructed in August of 2001.

DISCUSSION:

On May 31, 2007, the owner provided the Planning, Property and Development Department with a signed Schedule “A” confirming his agreement to sell the subject property to the City.

The Department considers the proposed acquisition of the subject property by the City in the amount of $175,000.00 and upon the proposed terms and conditions of purchase, as specified in the attached Schedule “A”, to be acceptable. The proposed purchase price reflects the estimated market value, which is supported by an appraisal prepared by the City. The associated terms and conditions of acquisition are consistent with other acquisitions of a similar nature.

By proceeding with this proposed acquisition based on the proposal as recommended herein:

- The City will be in possession of the subject property and will not have to concern itself either with potential purchasers acquiring the property for speculation purposes or with market conditions in future years which could potentially increase the acquisition cost.
- This proposed settlement will also eliminate the need for this property to be expropriated by the City in the future, together with the risk of a litigated award, plus costs applicable under The Expropriation Act.

Once purchased, the subject building will be formally evaluated by the Real Estate Division of the Department for possible placement on the City’s property management program until such time as the property is required for the proposed widening of Kenaston Boulevard, or alternatively, for demolition of the building situated thereon.

Thus, the Public Works Department and the Planning, Property and Development Department are both of the opinion that it would be in the best interests of the City to conclude this matter on the basis of the proposal as specified herein.

All costs of acquisition, including demolition, are to be charged to Capital Account No. 003-18100-180604-1833000100 PROPERTY.

Financial Impact Statement

Date: June 5, 2007

Project Name:

First Year of Program **2007**

Proposed Acquisition - 65 Fulham Avenue for the Future Widening of Kenaston Boulevard

	2007	2008	2009	2010	2011
Capital					
Capital Expenditures Required	$ 180,250	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	180,250	-	-	-	-
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	$ -	$ 16,223	$ 16,223	$ 16,223	$ 16,223
Less: Incremental Revenue/Recovery	5,250	-	-	-	-
Net Cost/(Benefit)	$ (5,250)	$ 16,223	$ 16,223	$ 16,223	$ 16,223
Less: Existing Budget Amounts	(5,250)	16,223	16,223	16,223	16,223
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures in 2007 consist of the purchase price of $175,000, short-term financing costs of $3,500 and a corporate admin fee of $1,750. The latter two amounts are offset by equal recoveries by the Corporate Finance Department. Direct costs beginning in 2008 represent debt & finance charges on the 2007 capital expenditure and will be charged to the current budget of the Public Works Department.

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

4348

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Public Works Department

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Real Estate Division
Prepared by: Maria Haddock, Senior Negotiator
PPD File No. 8694

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SCHEDULE "A"

Proposed terms and conditions of Purchase and Sale between, Raymond Archibald Crossman, being the "Vendor" and the City of Winnipeg, the "City", as "Purchaser" of the subject property commonly known as 65 Fulham Avenue and legally described as Lot 8, Plan 5120 in Certificate of Title No. 1962005: -

1. **An all-inclusive proposed purchase price of ONE HUNDRED AND SEVENTY-FIVE THOUSAND ($175,000.00) DOLLARS, for the "Subject Property" as shown on the attached Misc. Plan No. 13151.**

2. **The subject property is to be conveyed to the City free and clear of any and all liens, charges, encumbrances and leasehold interests, excepting any utility easements registered against the title to the subject property.**

3. **The date for vacant possession, payment of the purchase price and tax adjustments shall be arranged by mutual agreement following final approval of the City's Standing Policy Committee on Property and Development and City Council.**

4. **The purchase price is to include all fixtures on the premises including but not limited to fitted carpets, electrical light fixtures, heating, plumbing and ventilating equipment, fire and smoke detection equipment; all of which are represented by the Vendor to be free and clear of encumbrances or liens and in good working order as of the date of possession. The Vendor agrees to allow the City at its sole expense to undertake a pre-possession inspection of the fixtures or equipment to ensure they are in good working order.**

5. **The Vendor covenants, warrants and represents to the City and it is a condition of the agreement that to the best of the Vendor's knowledge and belief:**
   (a) the subject property complies with all applicable environmental laws, regulations and by-laws;
   (b) there are no outstanding governmental orders or requests for information;
   (c) there are no existing, pending or threatened actions of an environmental nature;
   (d) there are no waste disposal sites on the property, nor has the property ever been used as a landfill or waste disposal site, or for temporary storage of special wastes on an interim basis pending treatment or fill, and,
   (e) the Vendor further acknowledges and accepts that should the City determine that there are environmental concerns or contamination, it may elect to cancel the proposed purchase.

6. **Commissions payable, if any, are to be the sole responsibility of the Vendor.**

7. **Each party hereto shall be responsible for their own legal and related fees.**

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8. **The property, until possession is delivered to the City, shall remain at the risk and responsibility of the Vendor. In the event of substantial damage to the property prior to possession being delivered, the City may elect to accept the proceeds of any insurance on the property and complete the purchase or alternatively, cancel the proposed purchase.**

9. **The Vendor agrees to enter into an appropriate Purchase/Sale Agreement with the City embodying the within terms and conditions and in a form satisfactory to the City Solicitor/Manager of Legal Services and its own solicitor. It is further acknowledged that the said Purchase/Sale Agreement will be filed as a Caveat against the Vendor's title pending conveyance of the subject property to the City.**

10. **The Vendor agrees:**
    (a) that the subject property will not be conveyed, disposed of or encumbered in any manner whatsoever, except subject to this agreement.
    (b) that the monies payable in respect of this agreement will only be paid at such time as all the required conveyance documents, consents, discharges or other evidence required are provided by the Vendor.

11. **The Vendor agrees to consent on a Real Owner Application Form to add The City of Winnipeg as the Real Owner of the subject property on the Assessment Rolls of the City of Winnipeg.**

12. **The Vendor agrees to declare whether or not he is a "Registrant" for the purposes of the "Goods and Services Tax" and if so, to provide his G.S.T. Registration Number in the space provided on the signing page of this agreement.**

13. **The City (Goods and Services Tax Registrant No. R121682967) will self-assess any G.S.T. tax payable on this transaction.**

14. **This proposal is a recommendation only and is subject to the final approval of the City's Standing Policy Committee on Property and Development and City Council.**

I/WE hereby agree to the proposed sale of the "Subject Property" commonly known as 65 Fulham Avenue and shown on the attached Misc. Plan No. 13151 to the City of Winnipeg, in accordance with the proposed purchase price, terms and conditions as specified herein.

RAYMOND ARCHIBALD CROSSMAN

MAY 31, 2007 — R A Crossman

Date

G.S.T. Registration No. _____.

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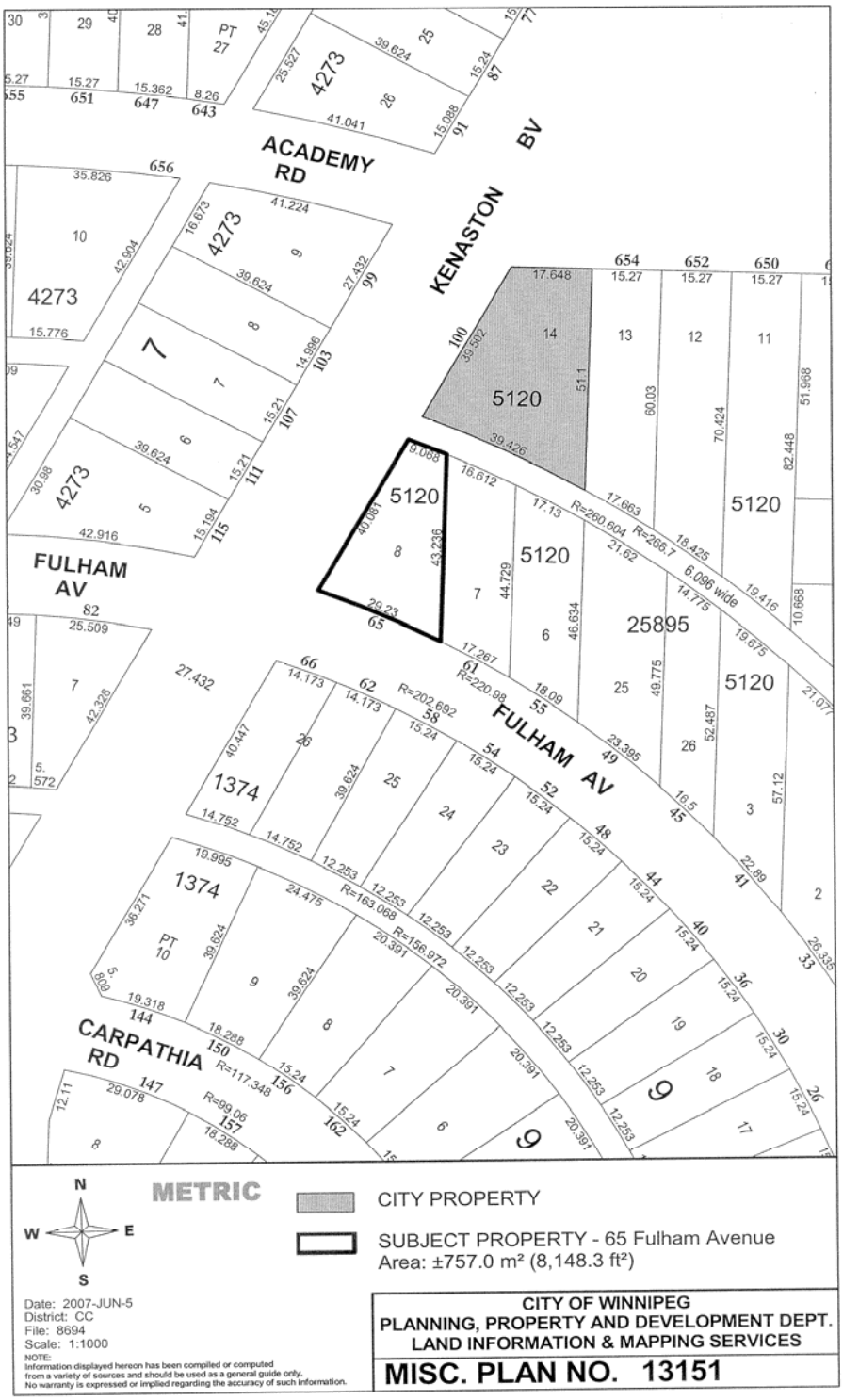
ACADEMY RD
KENASTON BV
FULHAM AV
CARPATHIA RD
5120
4273
1374
25895
METRIC
CITY PROPERTY
SUBJECT PROPERTY - 65 Fulham Avenue
Area: ±757.0 m² (8,148.3 ft²)
Date: 2007-JUN-5
District: CC
File: 8694
Scale: 1:1000
NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 13151