Agenda - Council - July 18, 2007

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

Item No. 22 Sale/Exchange - City-owned Property - west side of Main Street, south of Park Manor Boulevard (Old Kildonan Ward) File FI-2.4.4.1

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 sale and exchange of lands between the City and Silpit Industries Co. Ltd. be approved as follows:

   A. Silpit Industries Co. Ltd. to receive title to the subject City-owned property shown in broken outline on Misc. Plan No. 8308/3, and

   B. The City to receive title to the property shown outlined and identified as "Applicants Property to be transferred to the City for Street Widening" on Misc. Plan No. 8308/3 and $27,900.00, all in accordance with the terms and conditions of the Offer to Purchase dated November 22, 2006.

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.

RE: Proposed Sale/Exchange of City-owned property located on the west side of Main Street, south of Park Manor Blvd.
Lord Selkirk – West Kildonan Community
Old Kildonan 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 the proposed sale and exchange of lands between the City and Silpit Industries Co. Ltd. be approved as follows:

    a) Silpit Industries Co. Ltd. to receive title to the subject City-owned property shown in broken outline on Misc. Plan No. 8308/3, and

    b) The City to receive title to the property shown outlined and identified as "Applicants Property to be transferred to the City for Street Widening" on Misc. Plan No. 8308/3 and $27,900.00, all in accordance with the terms and conditions of the attached Offer to Purchase dated November 22, 2006.

2. 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 shown in broken outline on Misc. Plan No. 8308/3 was acquired in Tax Sale by the former Rural Municipality of Old Kildonan.
- Over the years, Silpit Industries Co. Ltd., the owner of the adjoining lands to the north and south of the subject City property has expressed interest in acquiring the subject City-owned property.
- The City requires the property owned by Silpit Industries Co. Ltd. shown outlined and identified as "Applicants Property to be transferred to the City for Street Widening" on Misc. Plan No. 8308/3.
- The Planning, Property and Development Department is recommending the exchange of lands and the payment of $27,900.00 to the City.

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): 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 shown in broken outline on Misc. Plan No. 8308/3. Approval by Council for the proposed exchange of lands is required.

HISTORY:

The subject City-owned property shown in broken outline on Misc. Plan No. 8308/3, was acquired in Tax Sale by the former Rural Municipality of Old Kildonan. Over the years, Silpit Industries Co. Ltd., the owner of the adjoining lands to the north and south of the subject City property, has expressed interest in acquiring the subject City-owned property.

At its meeting held on April 6, 1976, the then Committee on Finance and Administration approved the proposed sale of the subject City-owned property to Silpit Industries Ltd. subject to, among other things, the Director of the Land Surveys and Real Estate Department being able to negotiate a satisfactory two year building covenant. Silpit Industries Co. Ltd. found the covenant to construct unacceptable and as a result did not proceed with the purchase.

DISCUSSION:

The Public Works Department has indicated that the property owned by Silpit Industries Co. Ltd. shown outlined on Misc. Plan No. 8308/3, is required by the City for the future widening of Main Street.

The Planning, Property and Development Department has concluded its negotiations with Silpit Industries Co. Ltd. for the exchange of the lands in accordance with the terms and conditions as set out in the attached Offer to Purchase dated November 22, 2006. Briefly, the proposed exchange of lands identified on Misc. Plan No. 8308/3 provides for the following:

- Silpit Industries Co. Ltd. to receive title to the subject City-owned property shown in broken outline on Misc. Plan No. 8308/3, and
- The City to receive title to the property shown outlined and identified as “Applicants Property to be transferred to the City for Street Widening” on Misc. Plan No. 8308/3 and $27,900.00, all in accordance with the terms and conditions of the attached Offer to Purchase dated November 22, 2006.

The Planning, Property and Development Department is recommending the proposed exchange of lands with Silpit Industries Co. Ltd. for the following reasons:

a) The proposed exchange of lands and payment of $27,900.00 to the City is supported by an internal appraisal report.

b) The Ward Councillor has no objections to the exchange of lands.
c) The subject property would be placed on the tax roll at the closing of the sale.
d) Negotiations with the Purchaser have concluded with the final offer now having been presented.
e) The sale will eliminate the liability for the City associated with holding this parcel of vacant land.

Financial Impact Statement

Date: June 11, 2007

Project Name: **First Year of Program** **2007**

Proposed Sale/Exchange of City-owned property located on the west side of Main Street, south of Park Manor Boulevard

	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	27,900	-	-	-	-
Net Cost/(Benefit)	$ (27,900)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(27,900)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The proposed exchange of lands would result in proceeds of $27,900 being credited to the Land Operating Reserve. The effect on municipal realty tax revenue has been excluded from this analysis as it is immaterial.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Public Works Department

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department: Planning Property and Development Department
Division; Real Estate
Prepared by: Gerry Anderson
PPD File No. 32/5874

O:\Reports Directive\Real Estate\Sales\(ga) Sale and Exchange of West side of Main Street South of Park Manor Blvd..doc



Applicant's Property

Subject City Property 504.8 sq.m.

Applicant's Property to be transferred to the City for Street Widening 141.1 sq.m.

City Land to be Opened as Street Right of Way 47.0 sq.m.

METRIC

Date: 2006-NOV-9
District: LSWK
File: 32 / 5874
Scale: 1:750

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. 8308 / 3

File No: 32/5874

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: -

Lots 65 & 66 Block 12 Plan 1894 shown as subject City Property on Misc. Plan No. LSWK 8308/3

(hereinafter called the "Lands")

for the sum of $27,900.00 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 ($4,185.00) 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.

(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.

2. (1) The date of Closing, Possession and adjustments shall be on or before 120 days from the date of approval of the sale.

(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. Furthermore the Purchaser acknowledges and understands that it's proposed use and development of the lands may require applications for rezoning, variances or conditional uses and/or amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

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. (A) The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than ninety (90) 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 no later than ninety (90) days from the date of approval.

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 ninety (90) 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 90 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.

(B) The Purchaser will permit the City to, at it's discretion and expense (within 90 days of approval) conduct or have conducted on it's behalf an environmental assessment of the Applicant's Property to be transferred to the City for street widening. The Purchaser acknowledges and accepts that should the City determine that there are environmental concerns or contamination, it may elect to cancel the proposed transaction and report the results of such testing to the Provincial Government.

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.

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

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 (1) In consideration of the sum of One ($1.00) Dollar paid to the Purchaser by the City (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), the Purchaser hereby grants to the City an option to purchase the lands shown as "Applicant's Property to be transferred to the City for Street Widening" consisting of approximately 141.1 sq. m. as shown on Misc. Plan No. 8308/3 (hereinafter called "Applicant's Property for Street Widening"). It

is understood and agreed that upon being notified by the City that the City requires for street widening purposes the Applicant's Property for Street Widening, the Purchaser shall forthwith transfer the Applicant's Property for Street Widening to the City, without compensation, at no cost to the City, and free and clear of any and all encumbrances.

The Purchaser covenants and agrees not to build on the Applicant's Property for Street Widening any building or other structure whatsoever.

The provisions contained in this clause shall not merge but shall survive the closing of this transaction of purchase and sale.

The rights contained in this clause shall run with the Applicant's Property for Street Widening and shall enure to the benefit of the City, its successors and assigns, and the burdens contained in this clause shall be binding upon the Purchaser and the Purchaser's successors in title, and the owners and occupiers for the time being of the Applicant's Property for Street Widening.

(2) It is understood and agreed that the City shall have a reversionary interest in the portion of the Lands shown as "City Land to be opened as street right of way" consisting of approximately 47.0 sq. m. as shown on Misc. Plan No. 8308/3 (hereinafter called the "City Land to be opened as street right of way"), and that upon being notified by the City that the City requires for street widening purposes the City Land to be opened as street right of way, the Purchaser shall forthwith transfer the City Land to be opened as street right of way to the City, without compensation, at no cost to the City. and free and clear of any and all encumbrances.

The Purchaser covenants and agrees not to build on the City Land to be opened as street right of way any building or other structure whatsoever.

The provisions contained in this clause shall not merge but shall survive the closing of this transaction of purchase and sale.

The rights contained in this clause shall run with the Lands and shall enure to the benefit of the City, its successors and assigns, and the burdens contained in this clause shall be binding upon the Purchaser and the Purchaser's successors in title, and the owners and occupiers for the time being of the Lands or any part of the Lands.

13. The City will be responsible for payment of the existing local improvement charges for the land drainage and wastewater sewer levied against lot 65 & 66 Block 12 Plan 1894 and the Purchaser is to be responsible for the existing local improvement charges for the land drainage and wastewater sewer levied against lots 62/64 and lots 67/69 Block 12 Plan 1894.

14. The City may, at it's option and discretion as to timing, attend to the survey required by the Winnipeg Land Titles Office in order to dedicate the lands to be widened as street right of way.

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: -

SILPIT INDUSTRIES CO. LTD
Name (Please I

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

IN WITNESS WHEREOF the Purchaser has signed this document in

WINNIPEG, MANITOBA, this 22nd day of NOVEMBER 2006

H. Anderson
Witness

Authorized Signature

DAVID S KAUFMAN PRESIDENT
Name and Title of Authorized Signature (Please print)

Witness

Authorized Signature

Name and Title of Authorized Signature (Please print)

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

THE CITY OF WINNIPEG

Per:_____

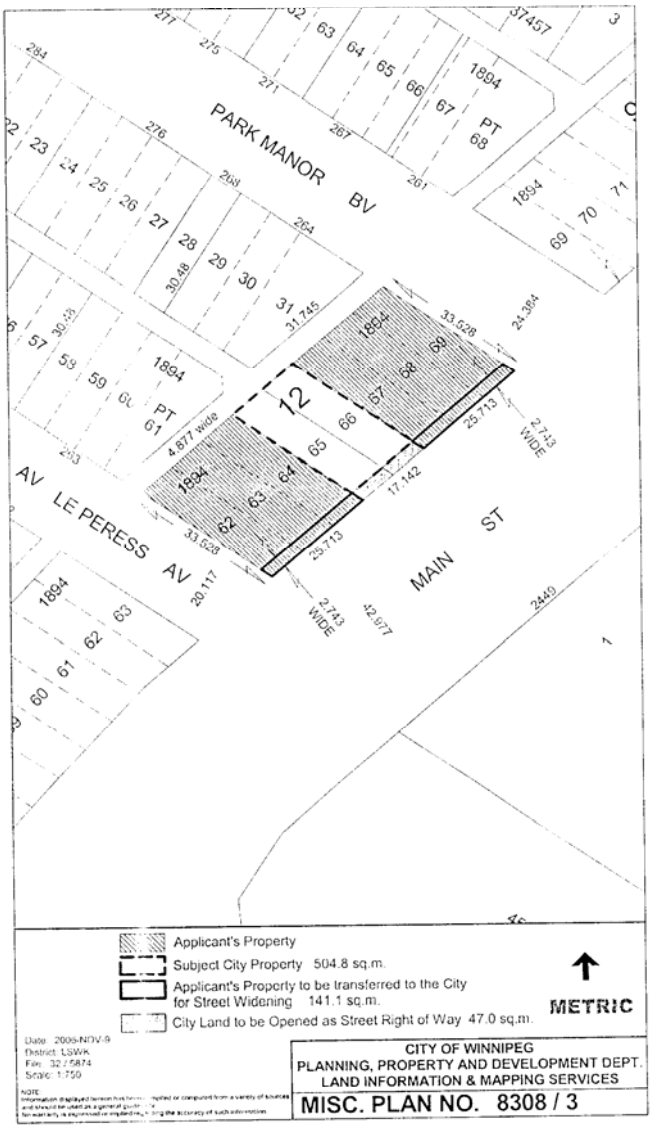
DIRECTOR

Planning,Property and Development Department

Approved:

Planning Property and Development Department

Certified as to form:


PARK MANOR BV
AV LE PERESS AV
MAIN ST
1894
PT 68
PT 61
33.528
24.384
25.713
2.743 WIDE
4.877 wide
17.142
20.117
42.977
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 8308 / 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 Owner_____
(Print)

_____
(Print)

6. Description of building on property:

Dwellings _____

Other Buildings _____

7. Date of Purchase _____ 8. Purchase Price_____

Date: _____ 200 __ _____
(Signature of Applicant)

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