Agenda - Executive Policy Committee - October 17, 2007

Report - Standing Policy Committee on Property and Development - October 2, 2007

Item No. 12 Annual Review of Industrial Land Sales Price – St. Boniface Industrial Park
(St. Boniface Ward)
File FI-2.4.5

STANDING COMMITTEE RECOMMENDATION:

On October 2, 2007, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the price of $110,000.00 per acre be approved for the sale of sites in the St. Boniface Industrial Park for 2007 effective on the date of approval.

2. 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 - October 17, 2007

Report - Standing Policy Committee on Property and Development - October 2, 2007

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On October 2 2007, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

RE: Annual Review of Industrial Land Sales Price – St. Boniface Industrial Park
Riel Community
St. Boniface Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

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

REPORT DATE: September 20, 2007

RECOMMENDATION:

That the Standing Policy Committee on Property and Development approve the price of $110,000.00 per acre for the sale of sites in the St. Boniface Industrial Park for 2007 effective on the date of approval.

Report Summary

Key Issues:

The Planning Property and Development Department is recommending that the price for sites within the St. Boniface Industrial Park be increased to $110,000 per acre for the 2007/08 marketing year.

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

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):

Report

REASON FOR THE REPORT:

In accordance with Council Order of July 16th, 1990, the Standing Policy Committee on Property and Development must approve, on an annual basis, the selling price of the City's industrial park lands.

HISTORY:

The current price of lands in the St. Boniface Industrial Park, as approved by Standing Policy Committee on Property and Development June 6, 2006, is $85,000.00 per acre.

DISCUSSION:

The St. Boniface Industrial Park (Park) was first established in 1976 with a total of 144 acres. An additional 89 acres of serviced land were added in the spring of 2005. The Park is serviced to industrial park standards with underground services, boulevards and a concrete internal road system. The Park meets the high standards of its MP-2 zoning, being a high quality, fully serviced industrial development in a landscaped surrounding. Lot sizes within the Park range from 1 to 20 acres.

Warehousing and manufacturing industries are the predominant users of the Park and the City sells on average one to two lots per year, with 2003 being the best year with 4 lots selling. There was one sale during 2006, and approval was given for the sale of a 22 acre site and a 7.6 acre site in September 2007.

The new City Yards will be developed on a 23.7 acre site on the north side of Camiel Sys Street and the Winnipeg Police Service will be constructing a new facility on a 6.75 acre site on Durand Road facing Dugald Road.

There are approximately 28 acres of serviced lands remaining for sale in the most recent phase along Camiel Sys Street.

The attached Miscellaneous Plan 3572/51 shows the industrial lands that have been sold and the serviced lands that are currently available for sale.

There are several factors that enhance the marketability of sites in the Park. One factor is the current limited supply of serviced industrial lands in the City. A majority of the established industrial parks within the City are either fully developed or the remaining few vacant serviced sites are being marketed on a "build to lease" basis. A second factor is the improving quality of the industrial development in the immediate vicinity, including the Terracon Industrial Park and new developments along Dugald Road. A third factor is the improvement of transportation links associated with the relocation of the CN Winnipeg Intermodal Terminal from Kenaston Boulevard to Plessis Road immediately south of the Park.

An analysis of sales, vacancy rental rates, land inventory and market trends for industrial properties within the City of Winnipeg, completed by the Planning, Property and Development Department, indicates there are few serviced sites available for sale within comparable industrial neighbourhoods. The more popular industrial areas such as St. James, Fort Garry and Inkster Industrial Park have no vacant serviced sites currently listed for sale. This lack of serviced industrial sites has increased demand for sites within the St. Boniface Industrial Park.

Current demand in the City is for smaller industrial sites of 1 to 4 acres in size. When viewing sales of smaller serviced industrial lots over the past year within the industrial parks, an average per acre rate would be from $125,000 in the Inksbrook Park Neighbourhood to $200,000 per acre within the St. James area and up to $250,000 in the southwest quadrant were current demand for industrial sites is strong. Due to the lack of supply within the City, partially serviced industrial subdivisions have been developed outside the City perimeters and are being marketed at prices of $85,000. to $125,000 per acre.

In view of the current market conditions, the Planning, Property and Development Department is recommending that the asking price for serviced sites within the St. Boniface Industrial Park be increased to $110,000.00 per acre for the 2007 marketing year. The recommended pricing for the St. Boniface Industrial Park will enable the Park to remain in an excellent competitive position with other industrial parks during 2007/08.

Financial Impact Statement Date: September 12, 2007

Project Name:

Annual Review of Industrial Land Sales Price – St. Boniface Industrial Park

COMMENTS:

The recommendation contained in this report is that the Standing Policy Committee on Property and Development approve the price of $110,000.00 per acre for the sale of sites in the St. Boniface Industrial Park for 2007 effective on the date of approval.

The financial implications associated with this recommendation, if approved, will be the subject of future reports on the proposed sale of lots within the St. Boniface Industrial Park. There are no direct financial implications associated with the recommendation contained in this report.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

None

External Consultation With:

None

THIS REPORT SUBMITTED BY:

Planning Property and Development
Division: Real Estate
Prepared by: Susan Gifford
PPD File No. 4225/B1/10/11

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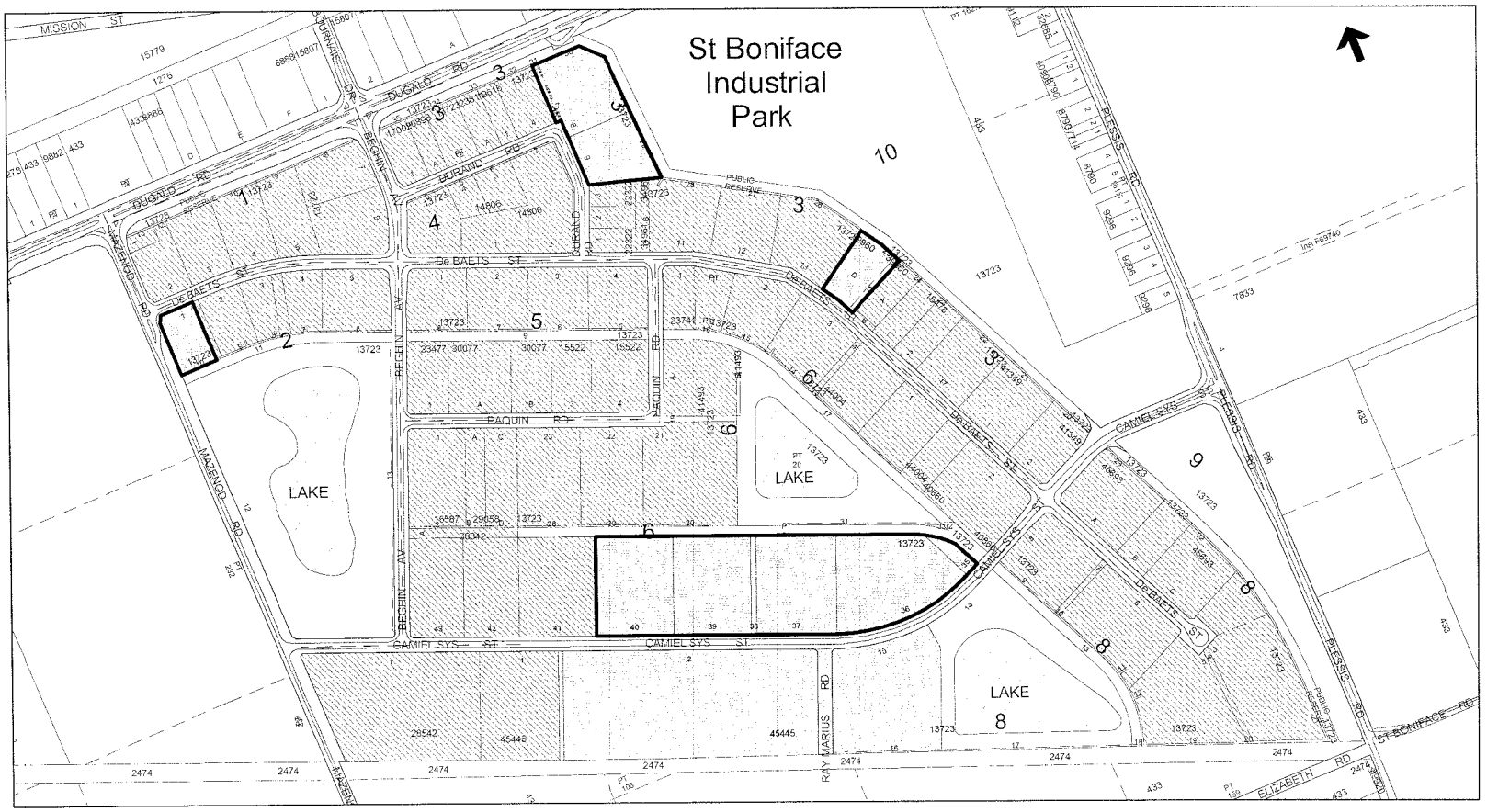

City Property | Lands Sold | Lands Reserved

SCALE 1:7500 SEPT 2007

Misc Plan 3572 / 51

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