Minute No. 697
Report - Standing Policy Committee on Property and Development - October 2, 2007

Item No. 11 Sale of Vacant City Property - 481 Spence Street
File FI-2.4(32)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That the criteria of the Policy adopted by Council on December 6, 2006, with respect to Unsolicited Offers to Purchase be waived in this instance.

2. That the sale of the subject City property shown on Misc. Plan No. 11608 be approved in favour of Travis and Stephanie Unger at a price of $10,000.00 in accordance with the Offer to Purchase dated July 3, 2007, upon such additional terms and conditions that the Acting 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 City.

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 – October 2, 2007

DECISION MAKING HISTORY:

Moved by Councillor Swandel,

That the recommendation of the Standing Policy Committee on Property and Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 17, 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 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: Proposed Sale of Vacant City Property located at 481 Spence Street
City Centre Committee
Daniel McIntyre 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:

1. That the criteria of the Policy adopted by Council on December 6, 2006, with respect to unsolicited Offer to Purchase be waived in this instance.
2. That subject to the approval of Recommendation No. 1., the sale of the subject City property shown outlined on Misc. Plan No. 11608 be approved in favour of Travis and Stephanie Unger at a price of $10,000.00 and in accordance with the attached Offer to Purchase dated July 3, 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 subject property was acquired in Tax Sale on November 22, 2002.
- Initially, on October 25, 2002, the adjoining owners of 481 Spence Street, made a request to the Planning, Property and Development Department to purchase the subject City property for the purpose of adding it to their existing holding.
- The Planning, Property and Development Department is recommending that the sale of the subject City property shown outlined on Misc. Plan No. 11608 be approved in favour of Travis and Stephanie Unger at a price of $10,000.00 and in accordance with the attached Offer to Purchase dated July 3, 2007.

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 at 481 Spence Street shown outlined on Misc. Plan No. 11608. 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:

The City acquired the subject property by way of Tax Sale on November 22, 2002.

Particulars of the property are as follows:

Location:	East side of Spence Street, South of Sargent Avenue
Legal Description:	Lot 10, Plan 33,109
Certificate of Title:	1912571
Roll No.:	13051790000
Assessed Value:	$10,700.00
Appraised Value:	$10,000.00
Zoning:	R2T
Size:	±331.61m² (±3,555 sq. ft.)

The costs incurred to date by the City pursuant to the acquisition of the subject property via the tax sale process are $10,357.95.

DISCUSSION:

On October 25, 2002, Mr. Travis Unger, the adjoining owner of 483, 485 and 478/480 Spence Street, made a request to the Planning, Property and Development Department to purchase the subject City property for the purpose of utilizing it for gardening purposes for the community.

The Spence Neighbourhood Association has advised that it supports the sale of the property to Mr. Unger, since it would provide gardening opportunities for the community.

The proposed disposition of the property was circulated to all City Departments. No Civic need was identified nor was any utility easements identified.

The Planning, Property and Development Department are supportive of a direct sale of the subject property to Travis and Stephanie Unger, as the sale would provide green space in the area. The Department has concluded its negotiations with Travis and Stephanie Unger.

Details of the Offer to Purchase are as follows:

Purchaser:	Travis and Stephanie Unger
Price Offered:	$10,000.00
Condition:	The Purchaser acknowledges that the sewer and/or water service of 483 Spence Street (also owned by the Ungers) may cross the property at 481 Spence Street.

The Planning, Property and Development Department recommend the sale of the subject City property shown outlined on Misc. Plan No. 11608 to Travis and Stephanie Unger for the following reasons:

a) The proposed sale price is supported by an internal appraisal as to its market value.
b) The Ward Councillor has no objections to the sale of the subject property.
c) The 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: September 17, 2007

Project Name:

First Year of Program **2007**

Proposed Sale of Vacant City Property located at 481 Spence 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	10,000				
Net Cost/(Benefit)	$ (10,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(10,000)				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenues in 2007 consist of the proceeds of disposition of $10,000, which will be credited to the Land Operating Reserve Fund. No estimate of realty tax revenues have been included as the amounts are immaterial.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

No internal consultation was required in the preparation of this report.

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: Christine Osborne
PPD File No. 32/7389

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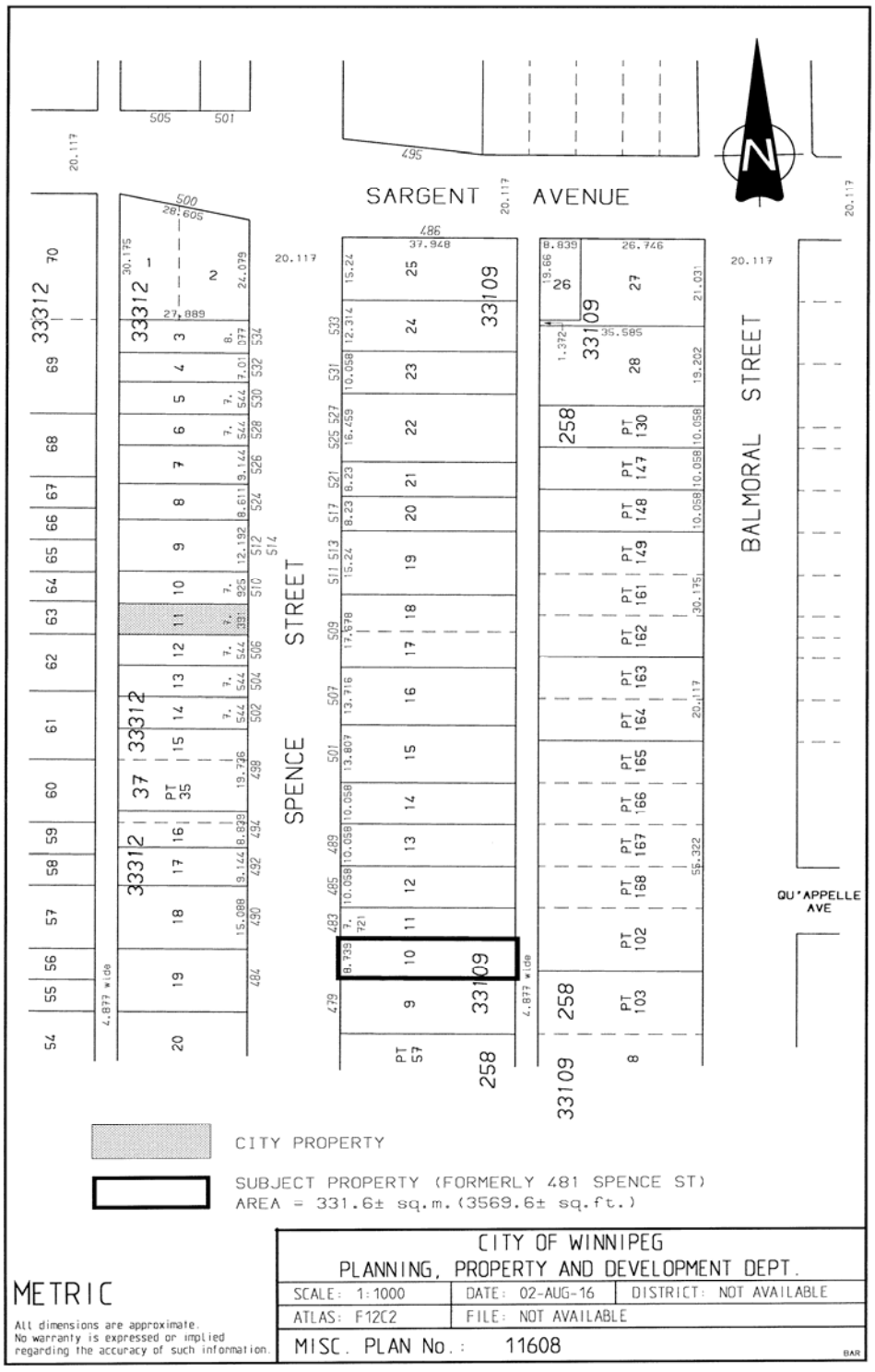

SARGENT AVENUE
SPENCE STREET
BALMORAL STREET
QU'APPELLE AVE
CITY PROPERTY
SUBJECT PROPERTY (FORMERLY 481 SPENCE ST)
AREA = 331.6± sq.m.(3569.6± sq.ft.)
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:1000
DATE: 02-AUG-16
DISTRICT: NOT AVAILABLE
ATLAS: F12C2
FILE: NOT AVAILABLE
MISC. PLAN No.: 11608
METRIC
All dimensions are approximate.
No warranty is expressed or implied
regarding the accuracy of such information.

Unger
File: 32/7389

OFFER TO PURCHASE

VACANT LAND – FORMER 481 SPENCE STREET

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

Lot 10, Plan 33109 WLTO in RL 78 Parish of St. James

(hereinafter called the "Lands")

for the sum of $10,000.00 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 $1,500.00, 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, 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. 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 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.

   (3) This property requires new water and sewer connections since both the existing sewer and water lines have been cut off. The 483 Spence Street services may be branched from 481 Spence Street which means the purchaser of 481 Spence Street would need to be aware that the sewer and/or water service of 483 Spence Street may cross their property.

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.

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. 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.

13. 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.

14. 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.

15. 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, 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, variance or conditional use orders and/or amendments to Plan Winnipeg when the Purchaser's application for same is made to the City.

16. 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.

17. 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.

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

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

Offer to Purchase Page 4

20. 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.

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

TRAVIS AND STEPHANIE UNGER

Name (Please Print) Address

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

IN WITNESS WHEREOF the Purchaser has signed this document in

WINNIPEG, MANITOBA, this 3RD day of JULY, 2007

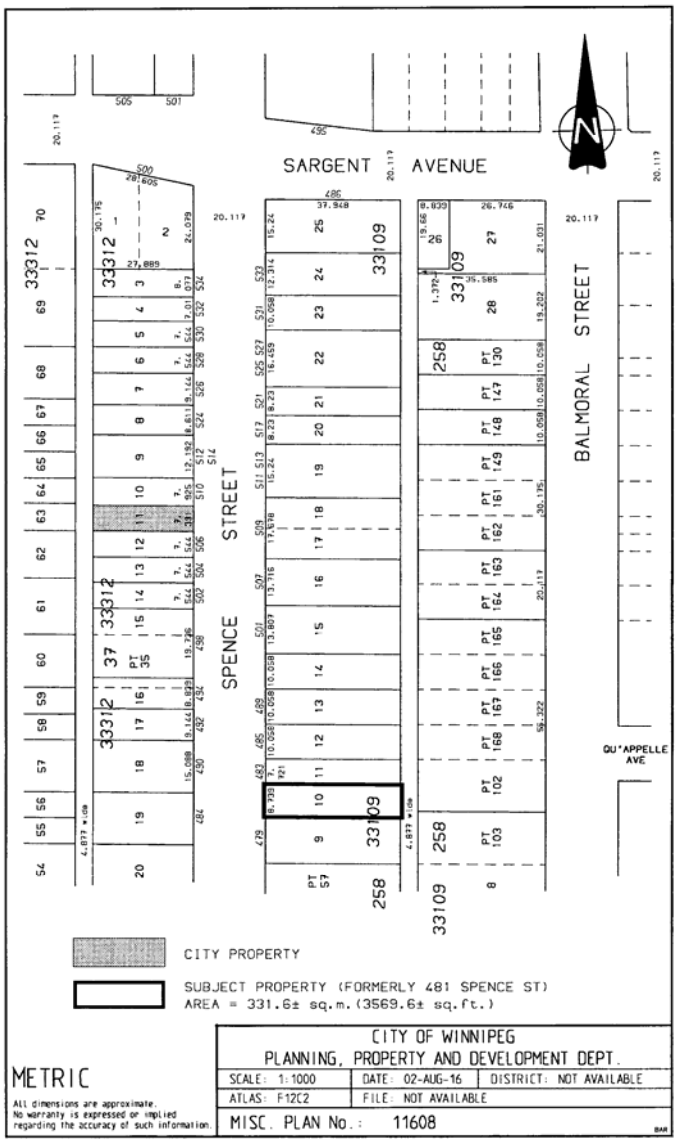
Witness

Purchaser

Witness

Purchaser

Offer to Purchase Page 5



Offer to Purchase Page 6

Exhibit "A"

To the City Assessor

_____ Roll No. _____

(Name of Municipality)

1. I/We TRAVIS AND STEPHANIE UYGER

(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 NONE

Other Buildings NONE

7. Date of Purchase _____ 8. Purchase Price $10,000.00

Date: _____ 19 ____

_____

(Signature of Applicant)

Office of the City Assessor

The City of Winnipeg

_____

(Signature of Registered Owner)