Agenda - Council - July 16, 2008

Report - Standing Policy Committee on Property and Development - June 24, 2008

Item No. 23 Sale - Vacant City-owned Property located on north side of Almey Avenue between Ravelston Avenue West and Peguis Street (427 Almey Avenue) (Transcona Ward) File FI-2.4(33)

STANDING COMMITTEE RECOMMENDATION:

On July 9, 2008, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, as amended, and submits the following to Council:

1. That the sale of the vacant City-owned property located on north side of Almey Avenue between Ravelston Avenue West and Peguis Street (427 Almey Avenue) shown outlined on Misc. Plan No. 11879, be approved at a price of $151,200.00, and in accordance with the terms and conditions of the Offer to Purchase dated May 30, 2008, and upon such additional terms and conditions that the Director of Planning, Property and Development Department and the City Solicitor/Manager of Legal Services deem necessary to protect the interest of the City.

2. That $41,000.00 of the net proceeds from the sale of the subject vacant City-owned property, be allocated to the Transcona Optimist Park (home of the Transcona Nationals) for building and park improvements.

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 - June 24, 2008

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 9, 2008, 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 24, 2008, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, as amended, namely:

- Add the following Recommendation and renumber the remaining Recommendations accordingly:

    2. That $41,000.00 of the net proceeds from the sale of the subject vacant City-owned property, be allocated to the Transcona Optimist Park (home of the Transcona Nationals) for building and park improvements,

and submitted the matter to the Executive Policy Committee and Council.

RE: Proposed Sale of Vacant City-owned Property located on North side of Almey Avenue between Ravelston Avenue West and Peguis Street (427 Almey Avenue)
East Kildonan - Transcona Community
Transcona Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

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

REPORT DATE: June 5, 2008

RECOMMENDATION:

1. That the sale of the vacant City-owned property located on north side of Almey Avenue between Ravelston Avenue West and Peguis Street (427 Almey Avenue) shown outlined on Misc. Plan No. 11879, attached, be approved at a price of $151,200.00, and in accordance with the terms and conditions of the attached Offer to Purchase dated May 30, 2008 and upon such additional terms and conditions that the Director of Planning, Property and Development Department and the City Solicitor/Manager of Legal Services deem necessary to protect the interest of the City.
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 Planning, Property and Development Department is in receipt of an Offer to Purchase for the vacant City-owned property located on north side of Almey Avenue between Ravelston Avenue West and Peguis Street (427 Almey Avenue) shown outlined on Misc. Plan No. 11879.
- The Director of Planning, Property and Development has been granted the delegated authority to accept and finalize the sale of surplus residential property up to a purchase price of $100,000.00.
- As the proposed sale of the subject City-owned property is in excess of $100,000.00, this report seeks the Committee's approval of the sale as recommended.

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): The recommended sale of the subject City property is in accordance with the City's *"Offers to Purchase City-owned Property Policy"*. The subject property was marketed for sale to the general public through a public offering by the Planning, Property and Development Department

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:

The Director of Planning, Property and Development has been granted the delegated authority to accept and finalize the sale of surplus residential property up to a purchase price of $100,000.00. As the proposed sale of the subject property is in excess of $100,000.00, the approval of the Standing Policy Committee on Property and Development is required.

HISTORY:

At its meeting held on April 23, 2008, Council declared the subject City-owned property surplus to the City's needs.

DISCUSSION:

The Planning, Property and Development Department advertised the subject property along with 13 other City-owned properties for sale in the Winnipeg Free Press on Saturday, May 10, 2008, and in the Winnipeg Sun on Sunday, May 11, 2008. The listing price for the subject property was $109,900.00. 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, May 30, 2008.

The Planning, Property and Development Department received 3 Offers for the subject property, with the highest of these Offers attached to this report.

As the proposed sale is in excess of $100,000.00, this report seeks the Committee's approval for the sale.

Financial Impact Statement

Date: June 4, 2008

Project Name:

First Year of Program **2008**

Proposed Sale of Vacant City-owned Property located on North side of Almey Avenue between Ravelston Avenue West and Peguis Street (427 Almey Avenue)

	2008	2009	2010	2011	2012
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	151,633	1,731	1,731	1,731	1,731
Net Cost/(Benefit)	$ (151,633)	$ (1,731)	$ (1,731)	$ (1,731)	$ (1,731)
Less: Existing Budget Amounts	(151,633)	(1,731)	(1,731)	(1,731)	(1,731)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenue in 2008 consists of proceeds of disposition of $151,200 + realty taxes of $433. The taxes are based on the assumptions that the assessed value equals the sale price, that the portioning and mill rates are 45% and 0.025448 respectively and that the property is added to the tax roll effective October 1, 2008. Amounts from 2009 onward represent realty taxes for a full year based on the same assumptions.

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

5562

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

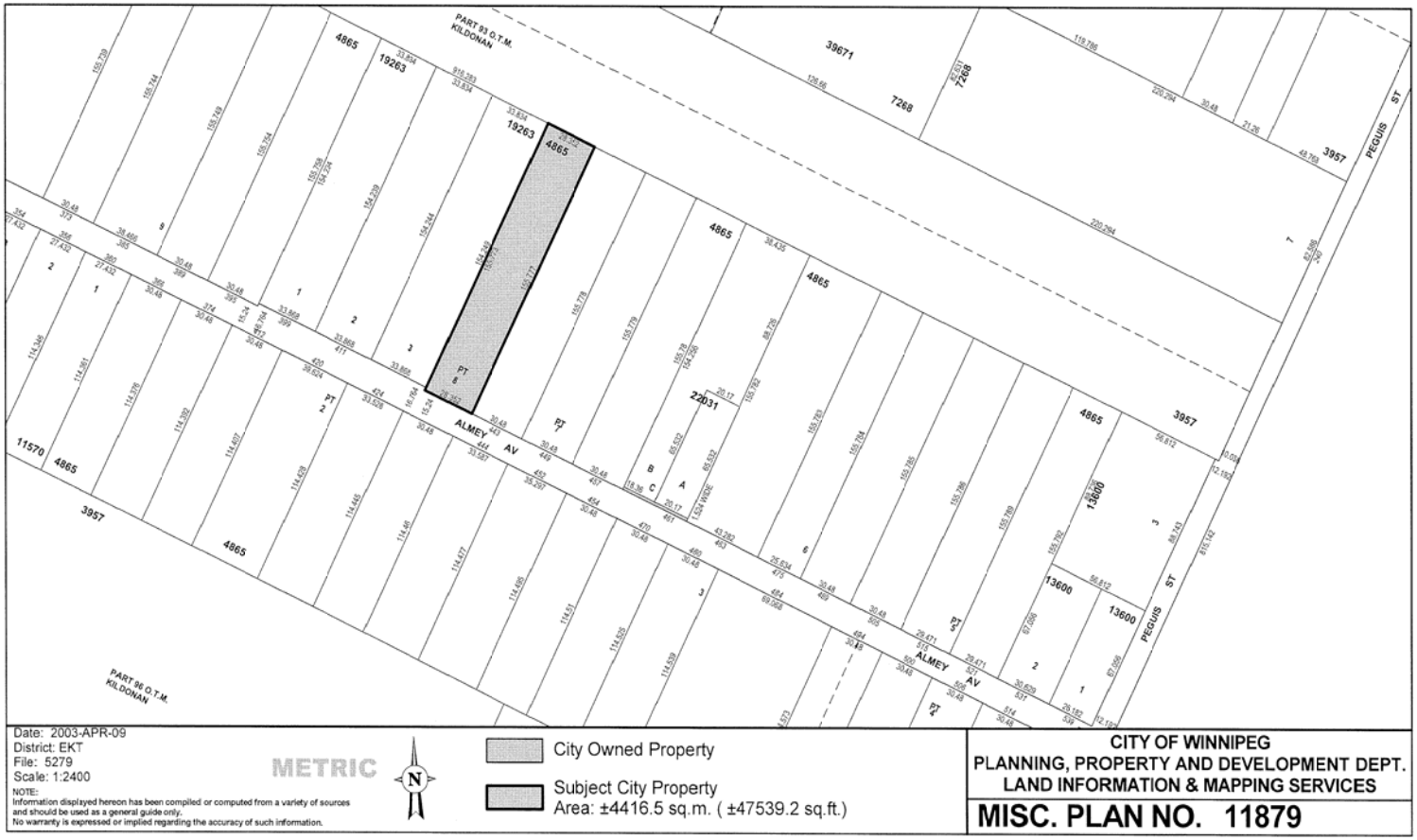
N/A

External Consultation With:

N/A

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development
Division: Real Estate
Prepared by: Joedi Pruden
PPD File No.: 5279/4


PART 93 O.T.M. KILDONAN
PART 96 O.T.M. KILDONAN
ALMEY AV
PEGUIS ST
4865
19263
39671
7268
3957
22031
13600
11570
Date: 2003-APR-09
District: EKT
File: 5279
Scale: 1:2400
METRIC
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 Owned Property
Subject City Property
Area: ±4416.5 sq.m. (±47539.2 sq.ft.)
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11879

File: 5279/2

OFFER TO PURCHASE

VACANT LAND – ALMEY AVENUE

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

Easterly 93.02 feet Lot 8, Plan 4865

(hereinafter called the "Lands")

for the sum of $ 151,200.00 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 $ 22,680.00, 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, including local improvement levies if any, 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 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, which includes, without limiting the generality of the foregoing, obtaining their 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) There are no sewer and water lot-line connections from the services in the street to the Lands. 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.

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 its 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.

The Purchaser agrees that this clause 10 shall survive the closing of this transaction of purchase and sale.

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 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 utility or The City of Winnipeg requiring such easement.

(2) Any removal or relocation of a public utility will be at the expense of the developer and/or customer.

(3) The Purchaser to enter into agreements satisfactory to the said utilities or The City of Winnipeg.

(4) 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 Vendor 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 its 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.

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. None of the provisions of this agreement will merge with the conveyance of the Lands.

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

GRANT ZACHARIAS
Name (Please Print) Address

Phone Number

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

IN WITNESS WHEREOF the Purchaser has signed this document in

WINNIPEG, MANITOBA, this 30 day of MAY 2008

Paul A. Grom
Witness

Purchaser

Witness

Purchaser