Agenda - Executive Policy Committee - September 17, 2008

Report - Standing Policy Committee on Property and Development - September 2, 2008

Item No. 20 Sale - 2424 Ferrier Street - 5226015 Manitoba Ltd.
(Old Kildonan Ward)
E-File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On September 2, 2008, 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 City-owned property shown in broken outline on Misc. Plan No. 13024/3, be declared surplus to the City's requirements.

2. That the sale of the City-owned property shown in as a dotted outline on Misc. Plan No. 13024/3, in favour of 5226015 Manitoba Ltd. for the purchase price of $3,750.00, be approved in accordance with the terms and conditions of the Offer to Purchase dated August 14, 2008.

3. 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 - September 17, 2008

Report - Standing Policy Committee on Property and Development - September 2, 2008

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 2, 2008, 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 City-owned Property located north of 2424 Ferrier Street – 5226015 Manitoba Ltd.**
Lord Selkirk/West Kildonan Community
Old Kildonan Ward

FOR SUBMISSION TO: Standing Policy Committee on Property and Development

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

REPORT DATE: August 20, 2008

RECOMMENDATION:

1. That Council declare the City-owned property shown in broken outline on Misc. Plan No. 13024/3, attached, surplus to the City's requirements.
2. That subject to the approval of Recommendation No. 1, the sale of the City-owned property shown in as a dotted outline on Misc. Plan No. 13024/3, attached, in favour of 5226015 Manitoba Ltd., for the purchase price of $3,750.00, be approved in accordance with the terms and conditions of the attached Offer to Purchase, dated August 14, 2008.
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 Planning, Property and Development Department is in receipt of an Offer to Purchase from 5226015 Manitoba Ltd.
- 5226015 Manitoba Ltd. intends to consolidate the subject City-owned property shown in broken outline on Misc. Plan No. 13024/3 with its adjacent holding. The City will retain a reversionary interest on the property shown as Parcels A and C on Misc. Plan 13024/3, for the future extension of McGregor Street.
- The Planning, Property and Development Department is recommending the terms and conditions of sale be approved.

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-owned property is in accordance with the City's *"Offer to Purchase City-owned Property Policy"*. Although the subject property has legal frontage along Ferrier Street, the property is not developable as a stand-alone site.

Regulatory Implications

(x) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(x) No

( ) Yes

Comment(s): The 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 City-owned property shown in broken outline on Misc. Plan No. 13024/3. Council approval is required to declare the subject property surplus to the City's requirements. Approval by the Standing Policy Committee on Property and Development is required for the proposed terms and conditions of sale.

HISTORY:

The subject City-owned property shown as a dotted outline on Misc. Plan No. 13024/3 was created as part of a street closing of Swailes Avenue in 1991 under DAC 9/91.

Details of the subject City property are as follows:

Location:	West side of Ferrier Street, North of 2424 Ferrier Street
Legal Description:	Parcel D, Plan 28,768
Certificate of Title:	1259996
Roll Number:	05000401900
Assessed Value:	$5,350.00
Zoning:	"RR2" – Rural Residential District
Size:	9322 square feet

The Planning, Property and Development Department has determined that at this time there is no City requirement for the subject City-owned property.

The Public Works Department has advised that in the future, it requires a portion of the subject property (identified as Parcels A) and a portion of the Purchaser's property (identified as Parcel C) on Misc. Plan No. 13024/3 for the extension of McGregor Street. For that purpose, the City will retain a reversionary interest in Parcels A and C by way of caveat on the Purchaser's title.

DISCUSSION:

The Planning, Property and Development Department has concluded its negotiations with 5226015 Manitoba Ltd. The purchaser advises that it intends to consolidate the subject property with its adjacent holding.

The Department supports the proposed sale of the subject City-owned property for the following reasons:

1. The property will be placed on the tax roll at the closing of the sale.
2. *The proposed purchase price of $3,750.00 is supported by an internal appraisal.*
3. *The Ward Councillor has no objections to the sale of the property.*
4. The sale will eliminate the liability for the City associated with holding this property.

5. *The proposed terms and conditions of sale as recommended by the Department are in accordance with the City's standard terms and conditions and include special items required by the Department (i.e., the purchaser transferring to the City for $1.00, upon written notice, the property required for the future extension of McGregor Street, title to the subject property to be consolidated with the Purchaser's adjacent property).*

Financial Impact Statement

Date: August 14, 2008

Project Name: **First Year of Program** **2008**

Proposed Sale of City owned land north of 2424 Ferrier Street - 5226015 Manitoba Ltd.

	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	(3,750)	(62)	(62)	(62)	(62)
Net Cost/(Benefit)	$ 3,750	$ 62	$ 62	$ 62	$ 62
Less: Existing Budget Amounts	3,750	-	-	-	-
Net Budget Adjustment Required	$ -	$ 62	$ 62	$ 62	$ 62

Additional Comments: Revenues in 2008 consist of the estimated net proceeds of disposition of $3,750. Revenues from 2009 onward represent realty taxes based on assessed value, portioning rate and mill rate remaining constant. Sales proceeds will be credited to the Land Operating Reserve while tax revenues will be credited to the General Revenue Fund.

original signed by

Manager of Finance & Administration

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
Division	Real Estate
Prepared by:	Barry Lucyk
PPD File No.	7569

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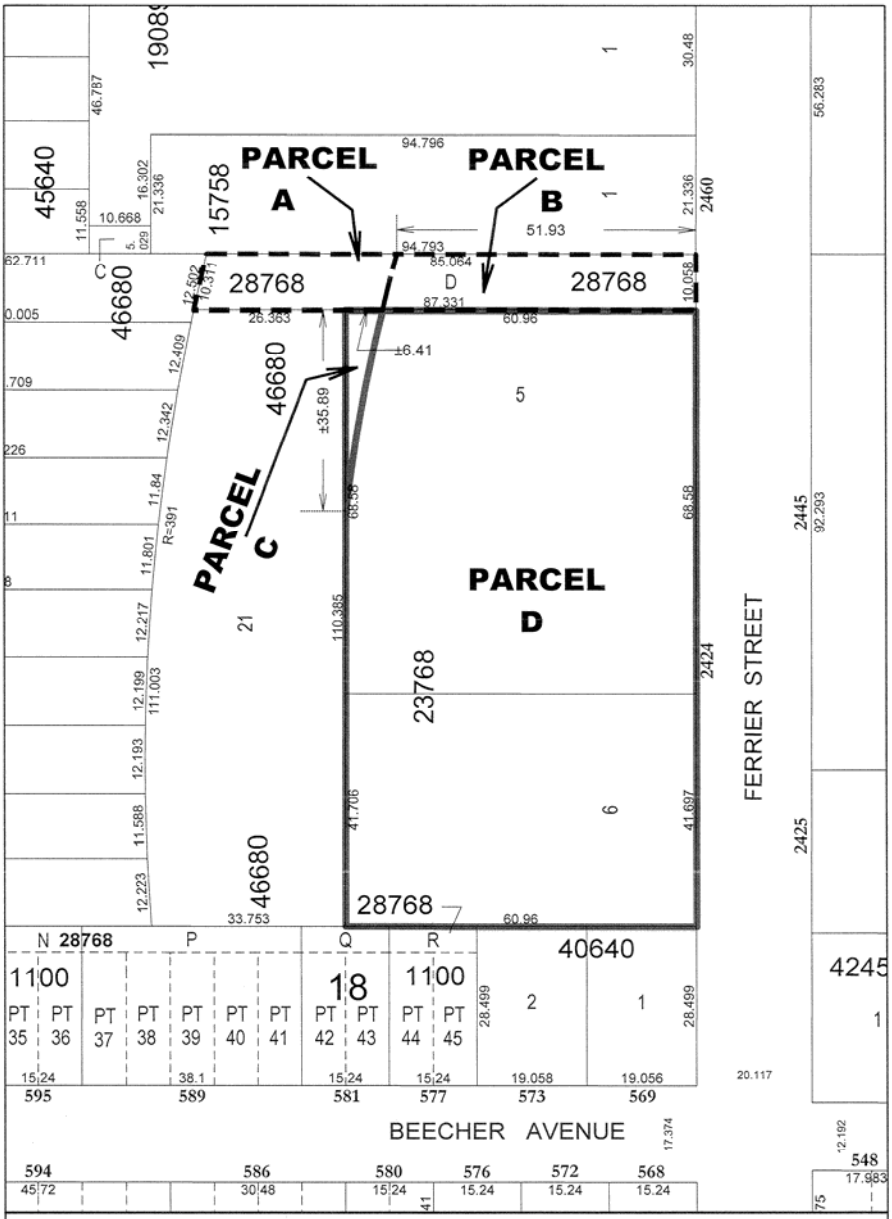

PARCEL A
PARCEL B
PARCEL C
PARCEL D
28768
46680
15758
45640
23768
FERRIER STREET
BEECHER AVENUE
METRIC
CITY PROPERTY
PARCEL A: ±331.3 m² (±3566 ft²)
PARCEL B: ±535.2 m² (±5760 ft²)
5226015 MANITOBA LTD PROPERTY
PARCEL C: ±101.8 m² (±1095 ft²)
PARCEL D: ±6615.5 m² (±71,209 ft²)
Date: 2008-JULY-18
District: LSWK
File: 7569
Scale: 1:850
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. 13024 / 3

File No: 7569

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City"), subject to Council declaring the land as surplus, the following lands: -

Parcel D, Plan 28768, shown as "Parcel A and Parcel B" on Misc. Plan No. 13024/3 attached hereto,

(hereinafter called the "Lands")

for the sum of $3,750.00 cash.

The purchase price of the Lands is payable as follows:

(a) By payment of $3,750.00 in 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 $562.50, 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) hereinafter called the "Date of Approval". The Purchaser agrees to pay the balance of the purchase price, plus adjustments, on or before the date of closing, possession and adjustments, hereinafter called 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.

2. (1) The Date of Closing shall be thirty (30) days following the completion of the rezoning and subdivision contemplated in Clauses 21 and 22, or later as mutually agreed upon.

(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. (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.

(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, including the sewer line easement contemplated in Clause 20 herein.

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 its 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. 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.

It is understood and agreed that the terms, conditions and covenants contained in this Clause shall no merge but shall survive closing.

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, MTS Allstream Inc., 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 Purchaser 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. The Purchaser agrees to take title to the Lands subject to an easement for a sewer line, as provided for in Clause 20 herein.

(2) The Purchaser to enter into agreements referred to in Clause 10(1) in a form satisfactory to the said utilities or the City of Winnipeg.

4. 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.

(6) The cost for the preparation of any survey plans required to facilitate the transfer of the Lands from the City to the Purchaser shall be at the sole expense of the City.

12. In consideration of the sale of the Lands by the City to the Purchaser, the Purchaser covenants and agrees as follows:

(1) that the Lands to be conveyed by the City are to be consolidated by the Purchaser on closing so as to constitute a single and indivisible title with the

balance of the Purchaser's adjoining property legally described as Special Plot, Lots 5 and 6, Plan 23786 WLTO, hereinafter called the "Adjoining Lands". The Purchaser does hereby acknowledge that in complying with this obligation it may be required to arrange for the discharge and re-registration of existing encumbrances against the Adjoining Lands described herein.

(2) to pay the applicable Land Titles Office registration fees and Land Transfer Tax in respect thereto.

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

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

15. 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.

16. 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.

17. 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.

18. No commission is payable by the City on the sale of the Lands.

19. As a condition of this Agreement, the City shall have an option to purchase the property shown as Parcel A and Parcel C on the attached Misc. Plan No. 13024/3. This option shall be exercisable at a price of $1.00, upon 90 days notice in writing from the City to the Purchaser, advising of the City's intention to do so. The Purchaser agrees that no permanent structures shall be permitted on Parcel A and C or on either Parcel A or Parcel C. As a condition of closing herein, the City shall register its interest in Parcels A and C on the Purchaser's title by way of caveat. Parcels A and C shall be provided to the City free and clear of any and all encumbrances and any and all permanent structures. The City will assume the cost of preparation and registration in the Winnipeg Land Titles Office of any and all opening and other plans required to transfer Parcels A and C to the City. It is understood and agreed that the terms, conditions and covenants contained in this Clause shall not merge but shall survive closing and shall run with the Lands and the Adjoining Lands and shall bind the Purchaser, its successors and assigns and its successors in title.

20. This Offer to Purchase is subject to the City and the property owner at 2460 Ferrier Street entering into an easement for a private sewer service in the area shown outlined as "Easement Area" on Misc. Plan No. 13024/2 attached. The easement is for a private sewer line connection from Ferrier Street to the building on the property at 2460 Ferrier Street and shall provide, among other things, that landscaping, fencing and paving are allowed in the Easement Area but no building structures. In the event that the City is not able to conclude the said Easement Agreement within 90 days from the Date of Approval, at the City's option, the City shall be entitled to cancel this Agreement and the deposit shall be returned in full without deduction for interest or penalty. The cost of registration of the sewer service easement set out in Clause 20 herein by the City in the Winnipeg Land Titles Office is the responsibility of the City.

21. Within 30 days of the satisfaction or waiving of Clause 20 herein, the Purchaser agrees to initiate and file a completed subdivision and rezoning application (DASZ) and/ or a Development Application Plan of Survey (DAPS), to rezone and subdivide the Lands and/or the Adjoining Lands, more particularly, Parcel B, to an M1 Industrial zoning. (Parcel A is to retain its RR2 zoning designation). If the Purchaser fails to initiate such rezoning and subdivision

applications during this time period, the deposit herein shall be forfeited to the City and the Offer to Purchase shall be null and void.

22. This Offer to Purchase is subject to the Purchaser receiving approval from the City to rezone Parcel B to M1 Industrial, no later than 210 days from the Date of Approval (unless extended in writing by the mutual consent of the Purchaser and the City), failing which the agreement resulting from the Offer to Purchaser shall be null and void and the deposit returned in full without deduction or penalty.

23. Each of the parties hereto agrees that it will promptly do, make, execute or deliver, or cause to be done, made executed or delivered, all such futher acts, documents and things as the other may reasonably require from time to time for the purpose of giving effect to the provisions of this Agreement and each party further agrees that it will take all reasonable efforts that may be reasonably necessary or desireable to implement to their full extent the provisions of this Agreement.

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

5226015 Manitoba Ltd. — 2424 Ferrier Street, Winnipeg, Manitoba R2V 4P6
Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) 813423878RT0001

IN WITNESS WHEREOF the Purchaser has signed this document in

Winnipeg, MB, this 14th day of August 2008

Witness — Authorized Signature

Owner
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., 2008

THE CITY OF WINNIPEG

Per:_____

DIRECTOR

Planning,Property and Development Department

Approved as to details:

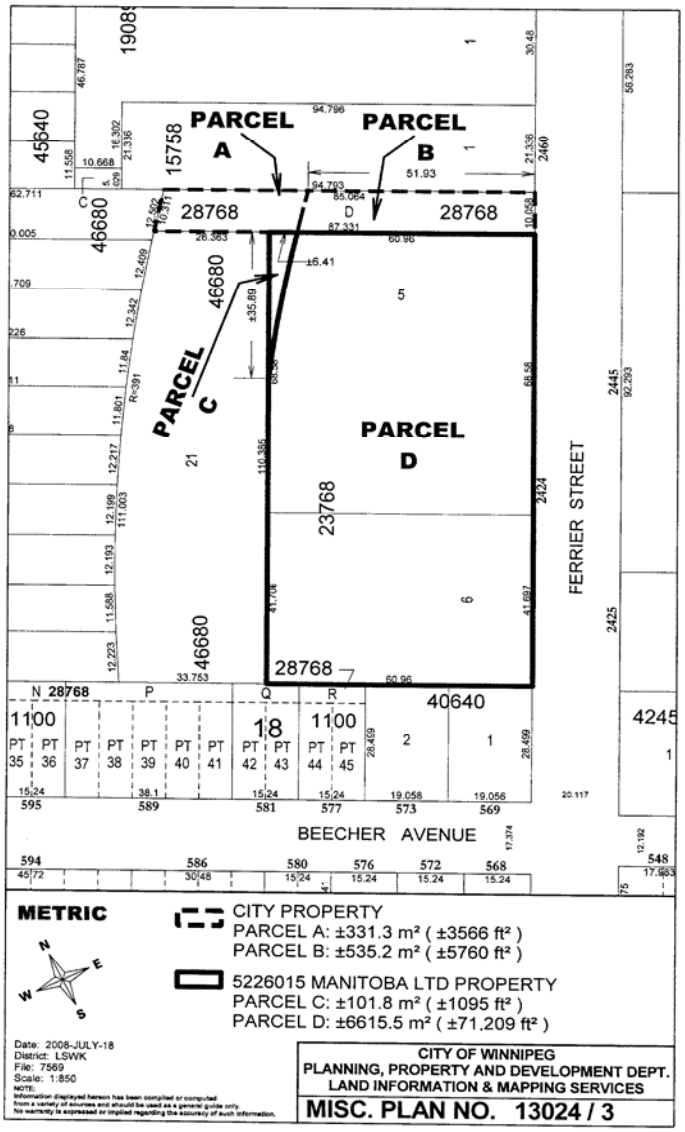
_____

Planning Property and Development Department

Approved as to form:

_____

for City Solicitor/Manager of Legal Services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PARCEL B
PARCEL C
PARCEL D
15758
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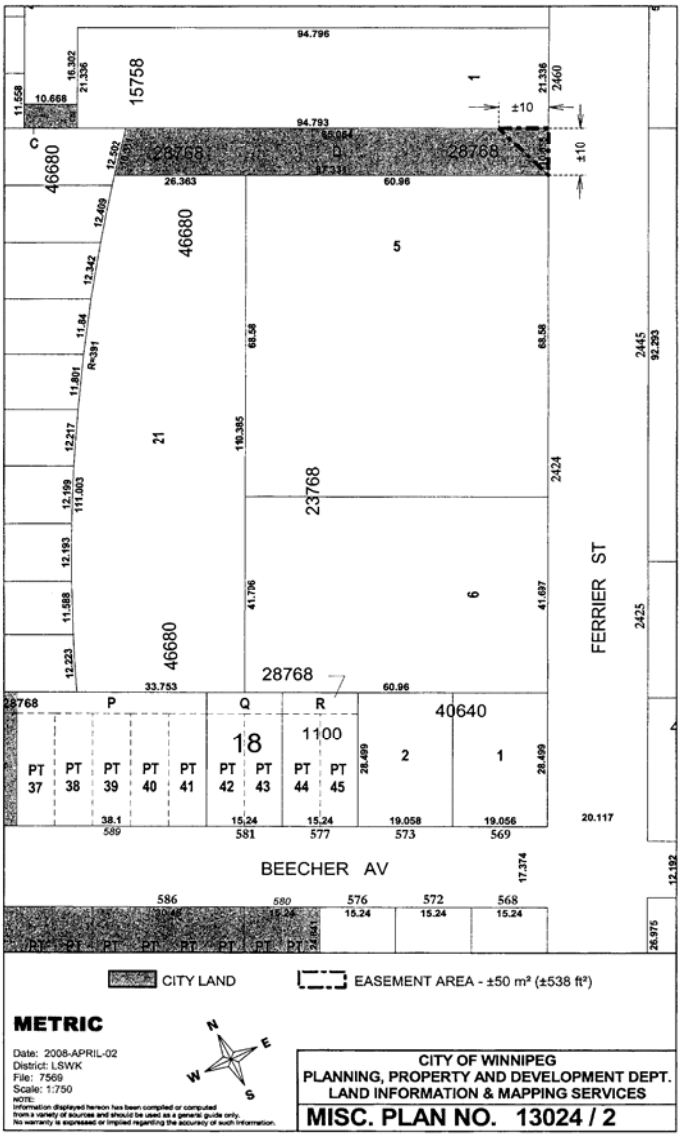
FERRIER STREET
BEECHER AVENUE
METRIC
CITY PROPERTY
PARCEL A: ±331.3 m² (±3566 ft²)
PARCEL B: ±535.2 m² (±5760 ft²)
5226015 MANITOBA LTD PROPERTY
PARCEL C: ±101.8 m² (±1095 ft²)
PARCEL D: ±6615.5 m² (±71,209 ft²)
Date: 2008-JULY-18
District: LSWK
File: 7569
Scale: 1:850
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 13024 / 3



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CITY LAND
EASEMENT AREA - ±50 m² (±538 ft²)
METRIC
Date: 2008-APRIL-02
District: LSWK
File: 7569
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.
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 13024 / 2

EXHIBIT "A"

Real Owner Application

To the City Assessor

(Name of Municipality) Roll No. _____

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)