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

Item No. 9 **Acquisition - 433 Furby Street - Expansion of the Spence Neighbourhood "Kids Garden"**
(Daniel McIntyre Ward)
E-File FI-2(32)

STANDING COMMITTEE RECOMMENDATION:

On October 15, 2008, 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 acquisition of 433 Furby Street identified as "Subject Property" on Misc. Plan No. 12921/3 be approved at a purchase price of $26,000.00 and in accordance with the terms and conditions specified on Schedule "A" contained in the report dated September 15, 2008, from the Director of Planning, Property and Development.

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 - October 2, 2008

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 15, 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 October 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: PROPERTY ACQUISITION OF 433 FURBY STREET FOR THE PROPOSED EXPANSION OF THE SPENCE NEIGHBOURHOOD "KIDS GARDEN"
City Centre Community
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 15, 2008

RECOMMENDATION:

1. That the proposed acquisition of 433 Furby Street identified as "Subject Property" on the attached Misc. Plan No. 12921/3 be approved at a purchase price of $26,000.00 and in accordance with the terms and conditions specified on the attached Schedule "A".
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:

- On April 23, 2008, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and approved the acquisition of 433 Furby Street to expand the Spence Neighbourhood "Kids Garden" and that funding in the amount of $20,000 be allocated from the City Centre Land Dedication Reserve to assist with the cost.
- The Planning, Property and Development Department has negotiated the acquisition of the subject property at a purchase price of $26,000.00.
- This report seeks approval of the proposed acquisition in accordance with the terms and conditions specified on the attached Schedule "A".

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): No environmental issues are anticipated. However, as a precaution, the proposed transaction contains terms that protect the City's interests regarding environmental matters.

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): Funding to undertake this land acquisition will come from the City Centre Land Dedication Reserve in the amount of $20,000.00, account number 210-543010-638010-281 and the remainder from the Planning, Property and Development Department's Land Acquisition for General Unspecified Purposes capital - account number 003-181000-630621-6321100107.

Report

REASON FOR THE REPORT:

The property acquisition of 433 Furby Street requires further consideration by Council as the negotiation of the said acquisition has resulted in a variation of the price previously approved by Council at its meeting held on April 23, 2008.

HISTORY:

On December 18, 2007, the City received correspondence from Ms Karen Bell of 451 Furby Street, requesting the City purchase a property located within the 400 block of Furby Street shown hatched on Misc. Plan No. 12921/3 for use by the Spence Neighbourhood Association Inc. A residence had recently been destroyed by fire on the site.

The subject property located at 433 Furby Street is adjacent to City-owned property at 435 and 437 Furby Street (currently used for garden plot purposes) and the Magnus Eliason Recreation Center is located directly behind the site.

In consultation with the Spence Neighbourhood Association Inc., and with the support of the Ward Councillor, the Winnipeg Public Service determined that the subject property was worthwhile acquiring from a planning perspective, relative to the increasing need for green space in the Inner-City.

On February 26, 2008, the Ward Councillor brought forward a motion, which was concurred with by the City Centre Community Committee, namely:

> *"That funding to assist with the cost of the acquisition of 433 Furby Street to expand the Spence Neighbourhood "Kids Garden", in the amount of $20,000.00 be allocated from the City Centre Land Dedication Reserve."*

On March 25, 2008, the Standing Policy Committee on Property and Development concurred in the said recommendation with the following amendments:

1. *"That the City of Winnipeg's acquisition of 433 Furby be approved.*
2. *That funding to assist with the cost of the City of Winnipeg's acquisition of 433 Furby Street to expand the Spence Neighbourhood "Kids Garden", in the amount of $20,000.00 be allocated from the City Centre Land Dedication Reserve."*
3. *That the Winnipeg Public Service be requested to enter into a management and maintenance agreement with the Spence Neighbourhood Association Inc. for the subject property.*
4. *That the Property Officers of the City be authorized to do all things necessary to implement the intent of the foregoing."*

Executive Policy Committee and Council concurred in the amended recommendations on April 9, 2008 and April 23, 2008, respectively for the expansion of the Spence Neighbourhood “Kids Garden”.

DISCUSSION:

The subject property was concurrently listed for sale on the open market in April 2008. At that time, the Spence Neighbourhood Association Inc. submitted an Offer to Purchase, which was rejected by the owners. The property subsequently sold on the open market at a purchase price of $22,500.00.

The Winnipeg Public Service entered into negotiations for the acquisition of the subject property with the new property owners offering an all inclusive monetary sum at fair market value or an exchange of land located within the Spence Neighbourhood. Negotiation resulted in a proposed purchase price of $26,000.00, which is supported by an internal appraisal. The proposed acquisition would be in accordance with the terms and conditions attached as Schedule “A”. The proposal also provides for reimbursement of the Vendor’s reasonable legal costs, subject to prior review by the City Solicitor. The Winnipeg Public Service recommends approval of these terms and conditions. The agreed upon terms and conditions are consistent with previous acquisitions of this nature.

In consultation with the Spence Neighbourhood Association Inc., the Winnipeg Public Service sought to obtain additional funding to support the acquisition. It has been determined that the funding shortfall for the acquisition of the property (i.e., funds over and above the approved $20,000.00) will obtained from the Department’s Land Acquisition for General Unspecified Purposes capital account.

Financial Impact Statement

Date: September 15, 2008

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

Property Acquisition of 433 Furby Street for the Proposed Expansion of the Spence Neighbourhood "Kids Garden"

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ 26,180	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	6,180	-	-	-	-
Additional Capital Budget Required	$ 20,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	20,000	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 20,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 20,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 525	$ 525	$ 525	$ 525
Less: Incremental Revenue/Recovery	180	-	-	-	-
Net Cost/(Benefit)	$ (180)	$ 525	$ 525	$ 525	$ 525
Less: Existing Budget Amounts	(180)	525	525	525	525
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the $26,000 purchase price + short-term financing and corporate admin fees of $180 on the $6,000 portion funded from the Land Acquisition for General Unspecified Purposes capital account. These latter two amounts are offset by recoveries in Corporate Finance. The remainder of the purchase price is funded from the Land Dedication Reserve Fund, to which these charges to not apply. The direct costs beginning in 2009 represent debt & finance charges on the 2008 capital expenditure and will be charged to the current budget of PP&D.

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

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Internal Services Department – Legal Services Division

External Consultation With:
N/A

THIS REPORT SUBMITTED BY:
Planning, Property & Development Department
Real Estate Division
Prepared by: Sara Cianflone
PPD File No.6268/A

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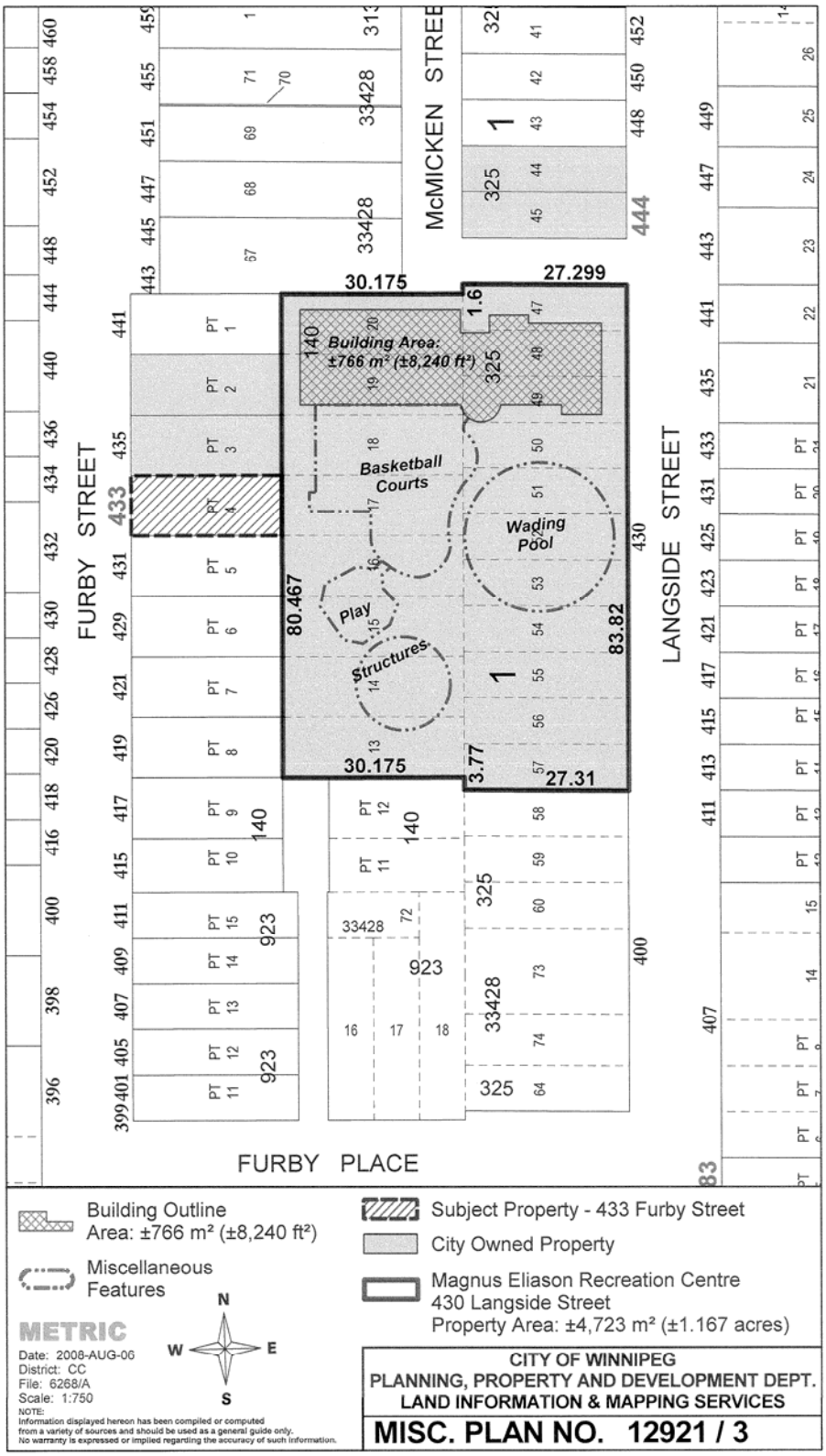
McMICKEN STREET
FURBY STREET
LANGSIDE STREET
FURBY PLACE
30.175
27.299
1.6
Building Area:
±766 m² (±8,240 ft²)
Basketball Courts
Wading Pool
Play Structures
80.467
83.82
30.175
3.77
27.31
Building Outline
Area: ±766 m² (±8,240 ft²)
Miscellaneous Features
Subject Property - 433 Furby Street
City Owned Property
Magnus Eliason Recreation Centre
430 Langside Street
Property Area: ±4,723 m² (±1.167 acres)
METRIC
Date: 2008-AUG-06
District: CC
File: 6268/A
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. 12921 / 3

Schedule "A"

Proposed Terms and Conditions
To Acquire Privately Owned Land Commonly Known As 433 Furby Street
Shown As "Subject Property" on the Attached Misc. Plan No. 12921/3

1. An all inclusive purchase price of *TWENTY SIX THOUSAND ($26,000.00) DOLLARS.*

2. The subject property to be conveyed to the City free and clear of any and all liens, encumbrances and leasehold interests, excepting any utility easement registered against title to the "Subject Property".

3. The date for vacant possession, payment of the purchase price and tax adjustments shall be arranged by mutual agreement, and shall not be later than (30) days after final approval by Winnipeg's City Council and/or its delegated authority to this proposed purchase.

4. The City shall reimburse the Vendor's reasonable legal costs, subject to the prior review and approval of statement of accounts by the City Solicitor that the Vendor will incur in providing clear Title to the City.

5. The Vendor covenants, warrants and represents to the City, and it is a condition of the agreement, that to the best of the Vendor's knowledge and belief:

    a. the subject property complies with all applicable environmental laws, regulations and bylaws and that there are no outstanding, pending or threatened actions, orders, notices or similar requirements relating to the land either issued by any environmental, fire, health, labour or police authorities or from any federal provincial, or municipal authority, nor are there matters under discussion with any such authorities relating to such orders, notices or similar requirements.

    b. further acknowledges and accepts that should the City determine that there are environmental concerns or contamination, it may elect to cancel the proposed purchase.

6. On or before closing, the Vendor shall provide the City with a Declaration of Possession in the usual form.

7. The Vendor will permit the City, at its discretion and expense, before the date of possession, to conduct or have conducted on its behalf an environmental assessment together with any soil testing and analysis required. The Vendor acknowledges and agrees that should the City determine that there are environmental concerns or contamination it may elect to cancel the proposed sale.

8. The Vendor shall not strip or remove nor permit the stripping or removal of the topsoil from the Subject Property area.

9. Commissions related to the sale of the Subject Property, if any, will be the sole responsibility of the Vendor.

10. The parties hereto, agree to enter into an appropriate Purchase/Sales Agreement that embodies the terms and conditions contained herein and any other such terms and conditions deemed necessary by the City Solicitor.

11. The Vendor agrees to consent on a Real Owner Application form to add the City of Winnipeg as the Real Owner of the Subject Property on the Assessment Rolls of the City of Winnipeg.

12. The Vendor agrees to declare whether or not they are "Registrants" for the purposes of the "Goods and Services Tax" and if so, to provide their G.S.T.Registration Number.

13. The City (Goods and Services Tax Registrant No. R121682967) will self-assess any tax payable on this transaction.

14. This proposal is a recommendation only and is subject to the final approval of City Council and/or its delegated authority.

We, Bal and Meena Sharma, being the duly registered owners of 433 Furby Street hereby consent to the sale of the land situated at 433 Furby Street shown as "Subject Property" on the attached Misc. Plan No. 12921/3 to the City of Winnipeg in accordance with the proposed all-inclusive purchase price, terms and conditions as specified herein.

Bal Sharma

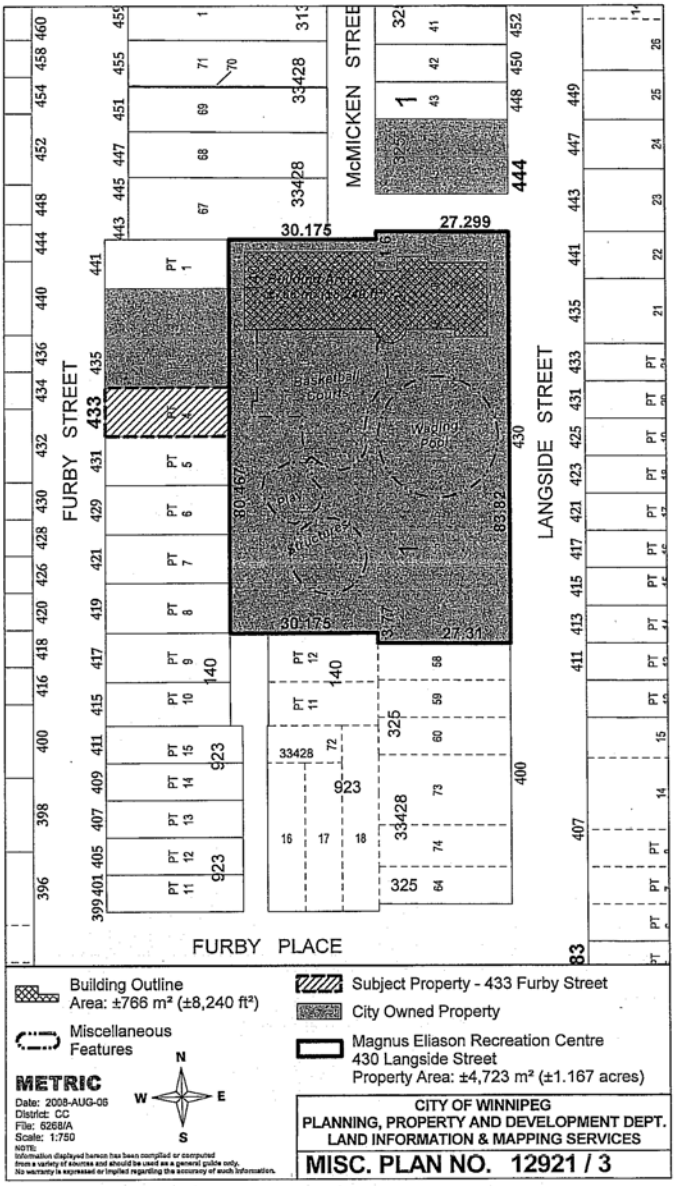
August 13/2008
Date

Meena Sharma

Aug. 13/2008.
Date

GST Registrant Number

SC
August 13, 2008


FURBY STREET
LANGSIDE STREET
McMICKEN STREET
FURBY PLACE
Building Area
Basketball Courts
Wading Pool
Play Structures
30.175
27.299
27.31
433
444
Building Outline
Area: ±766 m² (±8,240 ft²)
Miscellaneous Features
Subject Property - 433 Furby Street
City Owned Property
Magnus Eliason Recreation Centre
430 Langside Street
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12921 / 3