Agenda – Council – March 24, 2010

Report – Standing Policy Committee on Property and Development – March 2, 2010

Item No. 5 Declaration of Surplus Land - Property South of Sargent Avenue and East of Ferry Road
(St. James – Brooklands Ward)
eFile FI-2(31)

STANDING COMMITTEE RECOMMENDATION:

On March 17, 2010, 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 vacant City property located south of Sargent Avenue and east of Ferry Road shown as "Subject City Property" on Misc. Plan No. 11377/3, be declared as surplus to the needs 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 – Standing Policy Committee on Property and Development – March 2, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2010, 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 March 2, 2010, the Standing Policy Committee on Property and Development concurred in Recommendation 1. of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

STANDING POLICY COMMITTEE DECISION:

On March 2, 2010, the Standing Policy Committee on Property and Development concurred in Recommendation 2. of the Winnipeg Public Service, namely:

2. That subject to Council declaring the lands as surplus to the needs of the City, the Standing Policy Committee on Property and Development approve that Parcel D as shown on Misc. Plan No. 11377/3 be offered to the adjoining owner, Bristol Aerospace Limited for $1.00.

ADMINISTRATIVE REPORT

ISSUE: **To Seek Council Approval to Declare the Subject City Property Located South of Sargent Avenue and East of Ferry Road as Surplus to the Needs of the City**

To Seek Standing Policy Committee on Property and Development Approval of the Sale of a portion of the Subject City Property to Bristol Aerospace Limited

Critical Path: **Standing Policy Committee on Property and Development**
Executive Policy Committee
Council

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Klassen	D. Joshi	M. Ruta	M. Ruta Acting CAO

RECOMMENDATIONS

1. That Council declare the vacant City property located south of Sargent Avenue and east of Ferry Road shown as "Subject City Property" on Misc. Plan No. 11377/3, as surplus to the needs of the City.

2. That, subject to Council declaring the lands as surplus to the needs of the City, the Standing Policy Committee on Property and Development approve that Parcel D as shown on Misc. Plan No. 11377/3 be offered to the adjoining owner, Bristol Aerospace Limited for $1.00.

IMPLICATIONS OF THE RECOMMENDATIONS

- Council approval is required to declare the City property surplus to the City's requirements.

- As the recommendation is for the City to sell Parcel D for $1.00, approval by the Standing Policy Committee on Property and Development is required.

HISTORY

Department records indicate that the former City of St. James owned the subject property prior to 1961. It appears that the property was used as a taxi-way by the adjoining businesses.

Particulars of the City property are as follows:

Location:	South of Sargent Avenue east of Ferry Road
Legal Description:	Lot 13, Plan 6097
Certificate of Title:	1476039
Assessed Value (2010)	$638,000
Roll No.:	07022899000
Zoning:	M2
Size:	±150,100 sq. ft. (Parcel D alone – 33,903 sq. ft.)

Recently, Bristol Aerospace Limited, the adjoining owner at the south east corner of the subject property contacted the Public Service and made a request to purchase a portion of the City property adjoining their holding (Parcel D, Misc. Plan 11377/3).

Bristol Aerospace Limited has advised that it is currently pursuing a significant opportunity to manufacture components for the Joint Strike Fighter (JSF) aircraft. Bristol has been awarded initial contracts, which can be satisfied within its current operations. Bristol is implementing a significant capital investment upgrade to its facilities and the resulting advanced composite manufacturing capability will support the ramp up in the production rate for the JSF Program as well as advanced composite manufacturing for the entire aerospace market. The preferred option to house this expansion is for Bristol to construct a new building on its existing site, as opposed to integrating it within their present buildings. The new building will be approximately 140,000 square feet in size (see attached drawing). Bristol is under extreme schedule pressure to have this facility up and running by the end of 2010 in order to support production requirements.

City Departments were canvassed to determine if they had any need or objection to declaring the property identified as “Subject City Property” on Misc. Plan No. 11377/3 as surplus to the City’s requirements. No civic need was identified. There are however, 13 caveats registered on title to the City property, 5 of the 13 caveats are registered to Bristol Aerospace (or their predecessors). Bristol has advised that they will acquire the property subject to these caveats in place. They will either have them discharged or, accept the subject property with the caveats in place. In addition, Bristol will do a plan of subdivision at their expense in order to separate the Subject City Property into parcels, as shown on the attached Misc. Plan No. 11377/3.

Once the subdivision is complete, Parcels A to C could be offered to the other adjoining owners subject to consolidation with their adjoining holdings.

In view of the fact that no civic need has been identified for the Subject City Property, the Public Service is recommending that the property be declared surplus to the City’s requirements and that Parcel D be offered to Bristol Aerospace Limited for $1.00 to accommodate the construction of its new building at their present site. This proposed sale is subject to Bristol accepting the

subject City property as encumbered and that they undertake all of the survey works at their expense.

The Ward Councillor is supportive of the proposed sale.

The following statements from Plan Winnipeg support the recommendation to sell Parcel D for $1.00:

> *"2C-09 The City shall support established sectors of economic growth by promoting intergovernmental cooperation and public/private partnerships to identify and act upon opportunities associated with the development of the aerospace industries in terms of design, equipment services, planning and production development."*
>
> *"2C-02(ii) The City shall facilitate opportunities for business growth in Winnipeg by assisting business in meeting government requirements associated with new development and expansion, including streamlining procedures and regulations with the civic administration."*

This proposed sale constitutes an Economic Development Initiative supporting a major aerospace industry expansion which will result in significant incremental municipal tax dollars to the City by the construction of a new 140,000 square foot high tech facility. The proposed expansion, which is estimated to cost $15M, will accommodate retraining and the development of enhanced work force skills for approximately 100 employees in the aerospace industry. In addition, it will promote Winnipeg's position within the global aerospace industry.

FINANCIAL IMPACT

Financial Impact Statement **Date:** **February 17, 2010**

Project Name:

Sale of a portion of the Subject City Property to Bristol Aerospace Limited

COMMENTS:

The recommendations contained in this report include that Council declare the vacant City property located south of Sargent Avenue and east of Ferry Road shown as "Subject City Property" on the attached Misc. Plan No. 11377/3, as surplus to the needs of the City and that, subject to the approval of Recommendation No. 1, approval be given to offer Parcel D as shown on the attached Misc. Plan No. 11377/3 to the adjoining owner, Bristol Aerospace Limited for $1.00.

The opportunity cost to the City of Winnipeg of selling the portion of the subject property for a nominal $1 is estimated at approximately $145,000 (estimate based on prorated share of the total current - 2008 reference year - assessed value of the subject property). Incremental municipal property taxes to be generated from the proposed development by Bristol Aerospace cannot be reasonably projected at this time. However, given the estimated $15M cost of the expansion, it would not be unreasonable to assume that the assessed value of the property upon completion of the expansion would be such that the City's $145,000 "investment" would be recovered in a relatively short period of time.

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

CONSULTATION

In preparing this Report there was consultation with:

N/A

SUBMITTED BY

Department	Planning, Property and Development Department
Division	Real Estate
Prepared by:	Joedi Pruden, A/Land Enhancement Coordinator
Date:	February 18, 2010
File No.	7716/A

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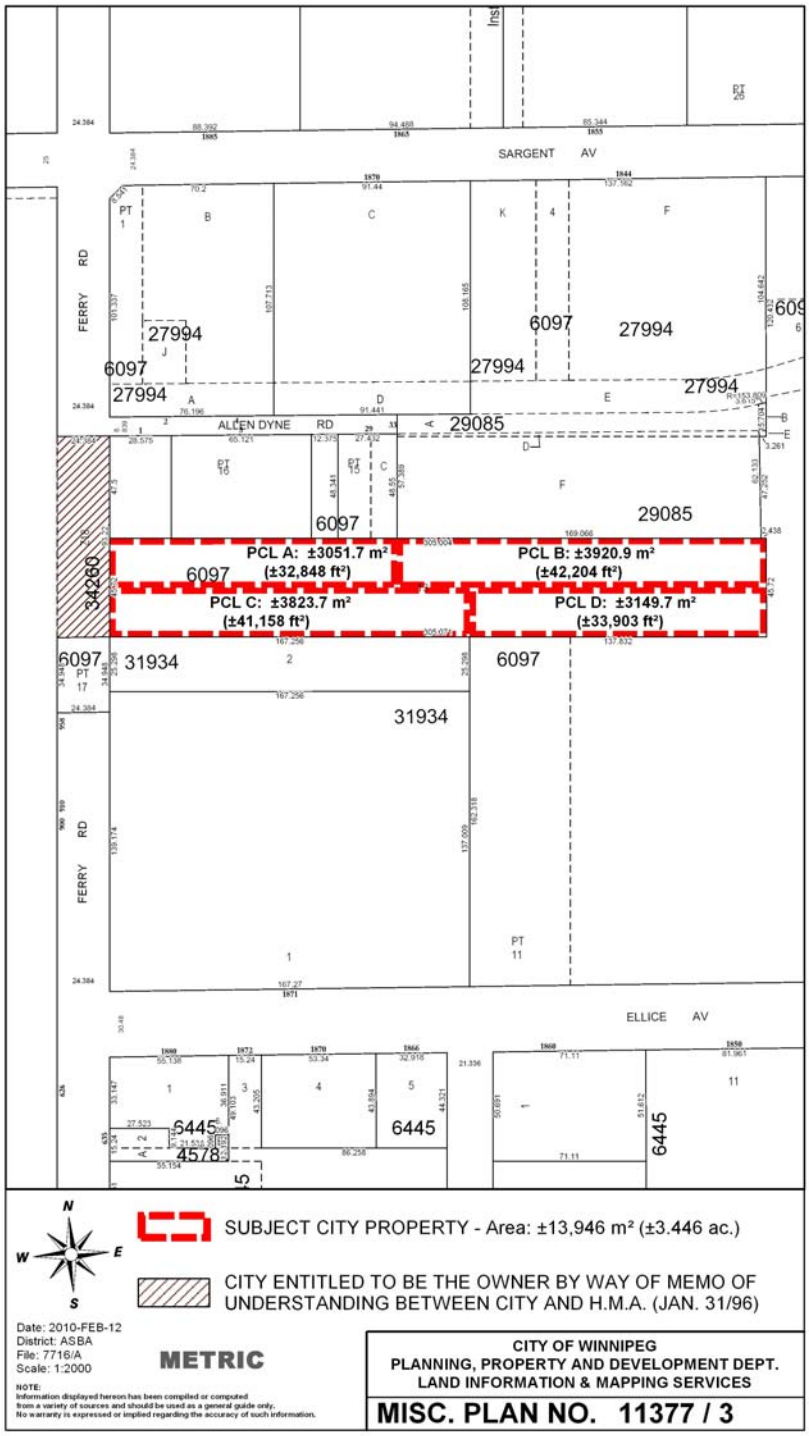
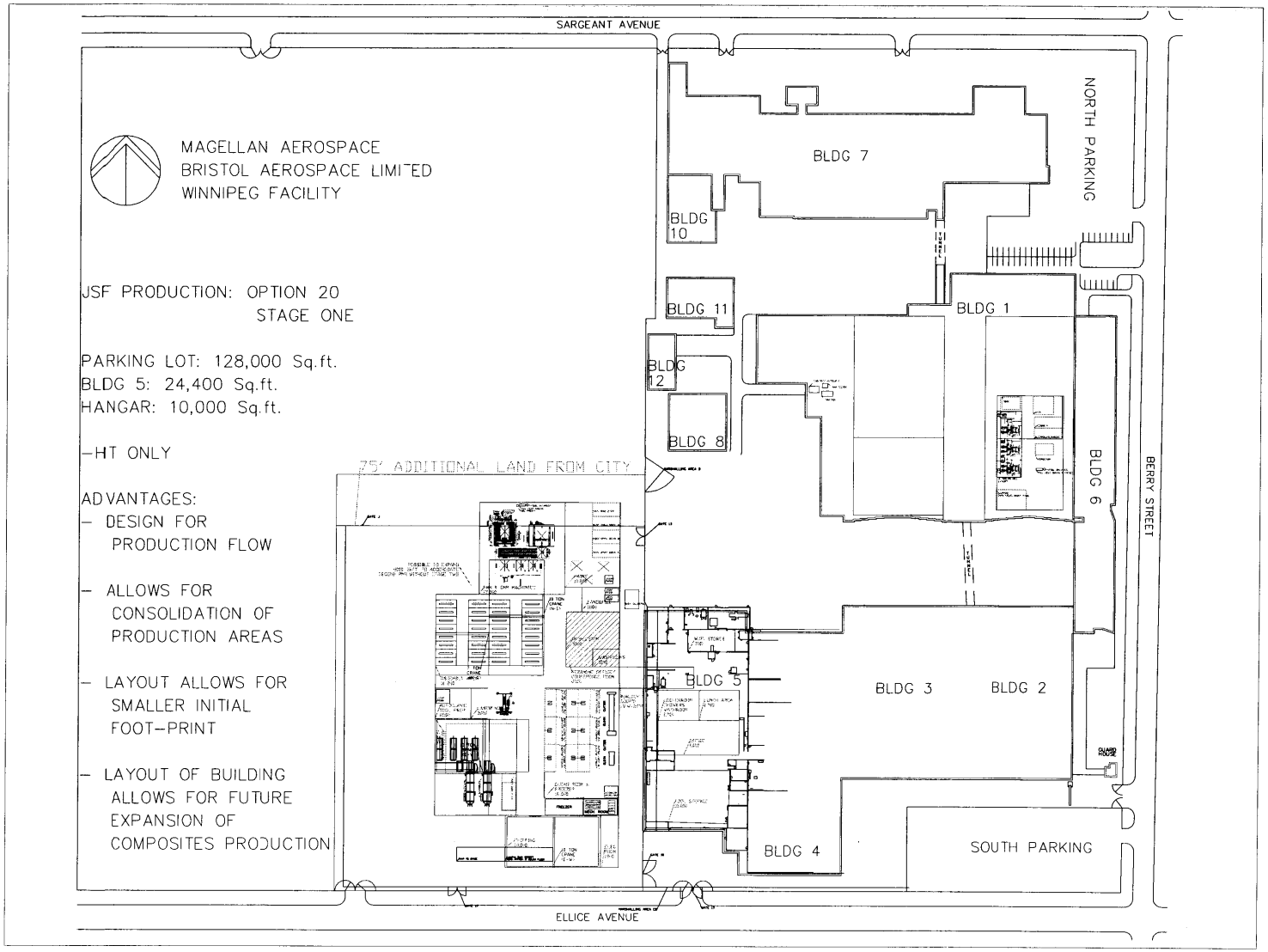

SARGENT AV
FERRY RD
ALLEN DYNE RD
ELLICE AV
PCL A: ±3051.7 m²
(±32,848 ft²)
PCL B: ±3920.9 m²
(±42,204 ft²)
PCL C: ±3823.7 m²
(±41,158 ft²)
PCL D: ±3149.7 m²
(±33,903 ft²)
27994
6097
29085
31934
34280
6445
4578
N
W
E
S
SUBJECT CITY PROPERTY - Area: ±13,946 m² (±3.446 ac.)
CITY ENTITLED TO BE THE OWNER BY WAY OF MEMO OF UNDERSTANDING BETWEEN CITY AND H.M.A. (JAN. 31/96)
Date: 2010-FEB-12
District: ASBA
File: 7716/A
Scale: 1:2000
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 OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11377 / 3


SARGEANT AVENUE
MAGELLAN AEROSPACE
BRISTOL AEROSPACE LIMITED
WINNIPEG FACILITY
JSF PRODUCTION: OPTION 20
STAGE ONE
PARKING LOT: 128,000 Sq.ft.
BLDG 5: 24,400 Sq.ft.
HANGAR: 10,000 Sq.ft.
-HT ONLY
ADVANTAGES:
- DESIGN FOR PRODUCTION FLOW
- ALLOWS FOR CONSOLIDATION OF PRODUCTION AREAS
- LAYOUT ALLOWS FOR SMALLER INITIAL FOOT-PRINT
- LAYOUT OF BUILDING ALLOWS FOR FUTURE EXPANSION OF COMPOSITES PRODUCTION
75' ADDITIONAL LAND FROM CITY
BLDG 7
BLDG 10
BLDG 11
BLDG 12
BLDG 8
BLDG 1
BLDG 6
BLDG 5
BLDG 3
BLDG 2
BLDG 4
NORTH PARKING
SOUTH PARKING
BERRY STREET
GUARD HOUSE
ELLICE AVENUE