Agenda - Council – September 28, 2011

Report - Standing Policy Committee on Property and Development – September 13, 2011

Item No. 12 Sale of the City-owned Property - 840 Ravelston Avenue West (Transcona Ward)

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2011, 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 City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project, be waived in this instance.

2. That the sale of the City-owned property shown outlined on the Misc. Plan No. 10010/1 in favour of Winnipeg Housing Rehabilitation Corporation for the purchase price of $1.00, be approved upon terms and conditions that the Director of Planning, Property and Development and the Director of Legal Services and City Solicitor consider necessary to protect the interests 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 - Standing Policy Committee on Property and Development – September 13, 2011

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2011, 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 September 13, 2011, 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.

ADMINISTRATIVE REPORT

Title: **To Seek Council Approval to Amend that Portion of the City Policy Pertaining to the Sale or Lease of City Lands to Non-Profit Organizations**

To Seek Standing Policy Committee on Property and Development Approval of the Proposed Sale of the City-owned Property Located at 840 Ravelston Avenue West

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

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Zabudney	B. Thorgrimson	M Ruta Chief Financial Officer	D Joshi Chief Operating Officer

RECOMMENDATIONS

1. That Council in this instance amend and delete that portion of the City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project.

2. That the proposed sale of the City-owned property shown outlined on the attached Misc. Plan No. 10010/1 in favour of Winnipeg Housing Rehabilitation Corporation (WHRC), for the purchase price of $1.00, be approved upon terms and conditions that the Director of the Planning, Property and Development Department and the Director of Legal Services and City Solicitor consider necessary to protect the interests 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.

REASON FOR THE REPORT

- Council approval is required to waive that portion of the City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project.

- Approval by the Standing Policy Committee on Property and Development is required for the sale of subject City-owned property.

IMPLICATIONS OF THE RECOMMENDATIONS

- There are no regulatory or human resources implications associated with this report.

- 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.

- The recommended sale of the subject City-owned property is in accordance with the City's "Offers to Purchase City-owned Property Policy". In accordance with the Policy, the Department may accept for consideration unsolicited offers for City-owned property and will sell these properties at or below market value when mandated by Council approved policies or programs. The Municipal Aboriginal Pathways Strategy (MAPS), the Affordable Housing Initiative (AHI), the Winnipeg Housing and Homelessness Initiative (WHHI), and the Economic Opportunity Framework are examples of these policies and programs.

HISTORY

On February 15, 1978, Council approved the acquisition 1500 Plessis Road, which included the acquisition of the subject City-owned property. This acquisition was to facilitate a consolidated District No. 4 facility and to house major functions of the Works and Operations Department. The subject City property was used for a staff surface parking lot and a recycling depot.

Particulars of the subject property are as follows:

Location:	South east corner of Ravelston Avenue West and Chrislind Street – commonly known as 840 Ravelston Avenue West
Legal Description:	Lot 4, Plan 7532 and Lots 1, 3, 4 and 5, Plan 10539
Certificate of Title:	1877140
Zoning:	M1 Industrial
Size:	1.8562 acres or 80,856.07 sq. ft.

On June 28, 2006 Council declared the subject City-owned property surplus to the needs of the City. The subject property was to be made available for sale, but was to be limited to development for non-industrial uses.

On December 10, 2010 the Department received a request from the Winnipeg Housing Rehabilitation Corporation (WHRC) to acquire the subject City-owned property for a mixed income affordable housing project. They further advised that they believe the subject property lends itself to some unique opportunities for housing and as the City's vacancy rate is still extremely low, there is a definite need.

On July 20, 2011 Council adopted "OurWinnipeg" and on August 17, 2011 it came into effect. With the implementation of "OurWinnipeg" it now enables a multiple family development at the subject location. However, a rezoning is still required.

City Departments were canvassed to determine if they had a need or objection to the proposed sale of the subject City-owned property. No objections were received. However, the recycling depot that is currently located on the subject property will need to be relocated to another suitable location. The Water and Waste Department did advise that in order to service this site, the proposed purchaser would be required to extend a 300mm watermain and a 250mm wastewater sewer from their current termini in Chrislind Street north to service this site. The length of this extension would depend on how the site develops.

The Planning, Property and Development Department supports the proposed sale of the subject City-owned property to WHRC for a mixed income affordable housing project. This support is based on the parameters of the Council approved Affordable Housing Initiative (AHI) policy.

Under the present City Policy regarding sale at $1.00 to non-profit groups, the property is to return to the City at the end of its economic life. This requirement is placed as a first charge caveat on the title to the subject City property. Based on past instances in the sales to non-profit organizations, this caveat has caused significant problems when these organizations require mortgage financing. Therefore, in this instance the Department is requesting that Council waive that portion of the City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project.

The Planning, Property and Development Department is recommending the Department negotiate the sale of the subject property shown outlined on Misc. Plan No. 10010/1 to WHRC for the following reasons:

a) The proposed sale of the subject City-owned property is in accordance with the City's "Offers to Purchase City-owned Property Policy". In accordance with the Policy, the Department may accept for consideration unsolicited offers for City-owned property and will sell these properties at or below market value when mandated by Council approved policies or programs. The Municipal Aboriginal Pathways Strategy (MAPS), the **Affordable Housing Initiative (AHI)**, the Winnipeg Housing and Homelessness Initiative (WHHI)
b) WHRC has over 20 years of experience in delivering community-based housing. WHRC provides safe and comfortable homes to new immigrants, single mothers, couples, families, seniors, or anyone that may have difficulty finding affordable housing due to poverty and other social difficulties.
c) WHRC will be required to rezone the subject property from M1 to RMF-L. They will also be responsible for all administration costs and any costs associated with the development of the subject property i.e. servicing costs.
d) The Ward Councillor supports the sale of the subject property to WHRC and its proposed project.
e) The sale will eliminate the liability for the City associated with holding this property.
f) The property will generate realty tax upon closing of the sale.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 23, 2011

Project Name: **First Year of Program** **2011**

Approval of the Proposed Sale of the City-owned Property Located at 840 Ravelston Avenue West

	2011	2012	2013	2014	2015
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	1	3,380	3,380	3,380	3,380
Net Cost/(Benefit)	$ (1)	$ (3,380)	$ (3,380)	$ (3,380)	$ (3,380)
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (1)	$ (3,380)	$ (3,380)	$ (3,380)	$ (3,380)

Additional Comments: Incremental revenues in 2011 consist of proceeds of disposition of $1. Incremental revenues from 2012 onward represent realty taxes calculated using the current assessed value of $340,000, a 65% portioning rate (assumed to be rezoned by Jan.1/12) and the current mill rate of .015295.

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

CONSULTATION

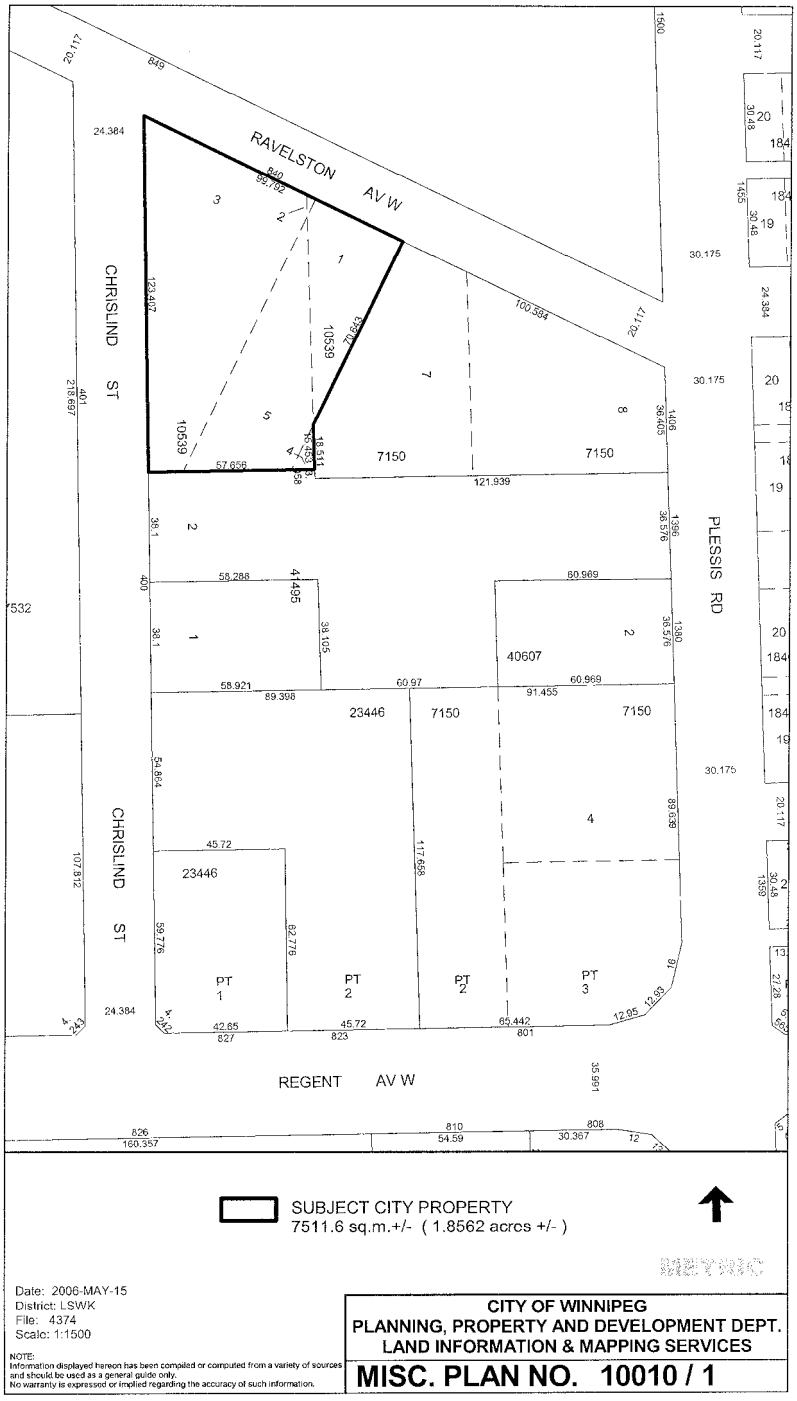
In preparing this report there was consultation with:

N/A

SUBMITTED BY

Department	Planning, Property and Development Department
Division	Real Estate Division
Prepared by:	Joedi Pruden
Date:	August 25, 2011
File No.	4374 V.2

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RAVELSTON AV W
CHRISLIND ST
CHRISLIND ST
PLESSIS RD
REGENT AV W
7150
7150
7150
23446
23446
40607
41495
PT 1
PT 2
PT 2
PT 3
SUBJECT CITY PROPERTY
7511.6 sq.m.+/- (1.8562 acres +/-)
Date: 2006-MAY-15
District: LSWK
File: 4374
Scale: 1:1500
NOTE:
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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. 10010 / 1