Minute No. 273
Report - Executive Policy Committee - March 18, 2003

Item No. 22 Acquisition of Environmentally Sensitive Land Under Proposed Plan of Subdivision DASZ 19/2000 (Bois des Esprits) - Riel Community File DASZ 19/2000

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the funding to finance the City's $1M contribution to the acquisition of the Bois des Esprits be established as follows:

   A. an additional appropriation of $270,000;

   B. an approximate amount of $38,655 available in the Riel Community Land dedication Reserve Account be allocated towards the City's cost to acquire the tree stand lands;

   C. the projects and accounts funded by the Land Acquisition for General Unspecified Purposes Account be closed and/or cancelled and the surplus funds (estimated to be $366,976) be reallocated towards the City's cost to acquire the tree stand lands.

2. That the Chief Administrative Officer be delegated the authority:

   A. to finalize the acquisition of such lands as can be acquired within the proposed funding as identified in Recommendation 1;

   B. to declare as surplus to the City's needs those City-owned properties as are identified on Misc. Plan No. 11720 and lying to the south of Bishop Grandin Boulevard and to the west of Waverley Street, as is appropriate;

   C. to finalize a land exchange agreement with the Province of Manitoba to enable the transfer of the surplus lands as referenced in recommendation 2B;

   D. to finalize the acquisition of an Option to Purchase the remaining tree stand lands to coincide with the conclusion of the extended Save Our Seine River Environment Inc. fundraising campaign as recommended by the Standing Policy Committee on Property and Development on January 6, 2003 (approved by Council on January 29, 2003).

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COUNCIL DECISION (continued):

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

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DECISION MAKING HISTORY:

Moved by His Worship Mayor Murray,
That the recommendation of the Executive Policy Committee be adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 18, 2003, the Executive Policy Committee concurred in the administrative recommendation, and submitted the matter to Council.

Re: Proposed Acquisition of Environmentally Sensitive Land Under Proposed Plan of Subdivision DASZ 19/00 (Bois des Esprits)
Riel Community
St. Boniface Ward

For submission to: Executive Policy Committee

Original report signed by: Director of Planning, Property and Development

Report date: January 27, 2003

Recommendation(s):

1. That the funding to finance the City's $1M contribution to the acquisition of the Bois Des Esprits be established as follows:

a. an additional appropriation of $270,000;

b. an approximate amount of $38,655 available in the Riel Community Land dedication Reserve Account be allocated towards the City's cost to acquire the tree stand lands;

c. the projects and accounts as referenced in this report and which are funded by the Land Acquisition for General Unspecified Purposes Account be closed and/or cancelled and the surplus funds (estimated to be $366,976) be reallocated towards the City's cost to acquire the tree stand lands.

2. That the Chief Administrative Officer be delegated the authority:

a. to finalize the acquisition of such lands as can be acquired within the proposed funding as identified in recommendation 1;

b. to declare as surplus to the City's needs those City-owned properties as are identified on Misc. Plan No. 11720 and lying to the south of Bishop Grandin Blvd and to the west of Waverley St, as is appropriate;

c. to finalize a land exchange agreement with the Province to enable the transfer of the surplus lands as referenced in recommendation 2(b);

d. to finalize the acquisition of an Option to Purchase the remaining tree stand lands to coincide with the conclusion of the extended Save Our Seine fundraising campaign as recommended by the Standing Policy Committee on Property and Development at its meeting held on January 6, 2003.

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:

- Grandin Park Development Ltd, a company established by the Province of Manitoba and Ladco Company Limited for a joint venture, has made a residential subdivision and rezoning application (DASZ 19/00). The 305 acre parcel of land that constitutes this development application includes an 81.4 acre tree stand adjacent to the Seine River that is considered by both the City and the community to be environmentally sensitive and worthy of protection from development, at least to the extent that financing is available to compensate the developer.
- There is significant public pressure, i.e. the SOS Inc., to acquire the entire 81.4-acre "Bois des Esprits" tree stand.
- The entire 81.4 acre site has been graded "A" quality by the Administration because of its size and connectivity to the remainder of the Seine River corridor. The Council-approved Seine River waterway requirement accounts for 33 of these acres to be acquired with funds to be provided by the Water and Waste Department. The Administration has evaluated the relative quality of the remaining 48.4 acres; this land was divided into three (3) categories: 1 = 32 acres; 2 = 2.7 acres; and 3 = 13.7 acres. The developer is obliged to dedicate 7.5 acres of these remaining acres for $1.00. This leaves 24.5 acres of Category 1 land, 2.7 acres of Category 2 land (note this is also the location of the bridge that the developer proposes to connect at Southglen Blvd. and St. Anne's Rd.), and 13.7 acres of Category 3 land.
- The Administration and the developer have engaged in long and difficult discussions on this matter. The Administration's position, adopted by Council on June 19, 2002, is that the price to be paid for the portion of land above the Seine River waterway requirement should be based on a rate of $65,000 per acre. The developer has tacitly indicated acceptance of this position, subject to further discussion with its joint venture partner, the Province of Manitoba.
- Council, on June 19, 2002, considered a comprehensive administrative report on the matter and adopted the recommendations of the Executive Policy Committee contained therein. Accordingly, the City has indicated that it will, subject to further Council approval, commit $1M towards the acquisition of the tree stand, and in addition, will, again subject to further Council approval, match dollar for dollar such funds as the S.O.S. is able to raise by December 31, 2002, up to a maximum of $0.6M (City contribution).
- The SOS has advised that it has raised $14,000 from the general public and that "SOS is confident that we will raise the $1 Million shortfall needed to purchase the entire forest." Therefore, SOS requests an extension of the fundraising deadline to December 31, 2003.
- This report is recommending a funding strategy as well as identifying potential surplus lands for possible exchange with the Province of Manitoba.
- SOS has requested the City to grant a 1 year extension to the fundraising campaign. The developer is amenable to this request, but subject to conditions.
- On January 6, 2003, the Standing Policy Committee on Property and Development approved subdivision application DASZ19/00 for recommendation to Council. The Plan of Subdivision, if approved by Council, will establish the bridge crossing location at

Southglen Boulevard and will eliminate the need to acquire all or most of the Category 2 tree stand lands. The Standing Policy Committee also recommended the SOS requested one year extension for approval.

- The Planning, Property and Development Department understands that the intention is to proceed to now acquire such tree stand lands as can be acquired within the committed funding with the balance of the lands to be subject to a one year Option to Purchase.
- This report is also recommending that the Chief Administrative Officer be delegated specified authorities to expedite the finalization of the several transactions.

IMPLICATIONS

General implications

	None
	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:

- Save Our Seine River Inc., (SOS) has expressed a strong view that the Bois des Esprits tree stand should be preserved in its entirety.

Policy implications

	No (*There are no policy implications if the report is asking for a one-time decision.)*
X	Yes *(There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)*

Comment: The Planning, Property and Development Department advises that this acquisition may be seen to establish a precedent for application in other future instances of a similar nature.

Financial implications

X	Within approved current and/or capital budget (re the $1 million up front commitment)
X	Current and/or capital budget adjustment required (re future cost sharing with SOS)
	No financial implications

Comment:

- The immediate funding requirements can be accommodated within the recommended funding strategy as identified herein.
- One year from now, there will be a need to identify additional funding in order to acquire all or part of the remaining tree stand lands if Council grants the 1 year extension to the SOS fund raising campaign as recommended by the Standing Policy Committee on Property and Development.

REPORT

RECOMMENDATION(S):

1. That the funding to finance the City's $1M contribution to the acquisition of the Bois Des Esprits be established as follows:

    a) an additional appropriation of $270,000;

    b) an approximate amount of $38,655 available in the Riel Community Land dedication Reserve Account be allocated towards the City's cost to acquire the tree stand lands;

    c) the projects and accounts as referenced in this report and which are funded by the Land Acquisition for General Unspecified Purposes Account be closed and/or cancelled and the surplus funds (estimated to be $366,976) be reallocated towards the City's cost to acquire the tree stand lands.

2. That the Chief Administrative Officer be delegated the authority:

    a) to finalize the acquisition of such lands as can be acquired within the proposed funding as identified in recommendation 1;

    b) to declare as surplus to the City's needs those City-owned properties as are identified on Misc. Plan No. 11720 and lying to the south of Bishop Grandin Blvd and to the west of Waverley St, as is appropriate;

    c) to finalize a land exchange agreement with the Province to enable the transfer of the surplus lands as referenced in recommendation 2(b);

    d) to finalize the acquisition of an Option to Purchase the remaining tree stand lands to coincide with the conclusion of the extended Save Our Seine fundraising campaign as recommended by the Standing Policy Committee on Property and Development at its meeting held on January 6, 2003.

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, at its meeting held on June 19, 2002, adopted the recommendations contained in the attached report of the same date of the Executive Policy Committee regarding the proposed acquisition of environmentally sensitive land under a proposed plan of subdivision (Bois des Esprits), which included a recommendation that the Director of the Planning, Property and

Development Department identify and report back as to the sources of funding and method of payment to use in acquiring the lands. By this report, the Planning, Property and Development Department is seeking Council's approval to a strategy to:

- assemble the required $1M in initial funding;
- enable the finalization of the acquisition of that part of the tree stand that can be acquired within the $1M budget;
- enable the finalization of the acquisition of an Option to Purchase the remaining tree stand.

HISTORY:

The attached Misc. Plan No. 11303/3 illustrates the lands that are the subject of this report. Ladco Company Limited, the managing partner of a Joint Venture between Ladco and the Province of Manitoba, contacted the Real Estate Division of the Planning, Property & Development Department on August 23, 1999 requesting that the City identify how much of an approximately 80-acre tree stand it wishes to acquire under a proposed 305 acre residential development application and to agree to the price before the developer proceeds further with its development application.

Council, at its meeting held on June 19, 2002, adopted the recommendations contained in the attached report of the same date, of the Executive Policy Committee regarding the proposed acquisition of environmentally sensitive land under a proposed plan of subdivision (Bois des Esprits) as follows:

1. That the Director of the Planning, Property and Development Department be instructed to:

a) Advise the developer that the City's financial contribution for acquisition of such portions of the tree stand lands above the waterway requirement as total available funding will permit will be based on a price of $65,000 per acre; and,

b) Encourage the Save Our Seine River Inc. (SOS) to launch a "time-limited" fundraising campaign to December 31st, 2002, and to consider approaching various alternative sources of support such as the Evergreen Foundation, the developer, the Province of Manitoba and the community at large toward funding an acquisition of as much as possible of all three categories of the tree stand lands; and,

c) Advise the S.O.S. that the City, subject to Council approval, is prepared to commit $1M towards the acquisition of the tree stand and in addition, is prepared to match dollar for dollar all other alternative sources to a maximum of $0.6M (City contribution) for funding the said proposed acquisition, all based on a price of $65,000 per acre;

d) Identify and to report back as to the sources of funding and method of payment to use in acquiring the lands.

e) Obtain an independent assessment on the long-term traffic and environmental impacts of the three alternative bridge locations to access the proposed Royalwood Phase II residential development; and pending the opinion of this independent assessment, ensure that the lands now readily available for bridge construction be preserved accordingly.

2. That, subject to recommendation 1. e) above, an additional appropriation of $50,000 be provided in order to obtain the independent assessment.

DISCUSSION:

Approximately 81.4 acres of the 305 acres proposed for development has been given a Grade "A" designation by the Seine River Task Force. Of those, approximately 33 acres lie within the City's waterway requirement, which is typically purchased pursuant to the terms of a development agreement on the recommendation of the Water and Waste Department. This is pursuant to the authority granted by Council on January 19, 1983 when it adopted the recommendations of the Seine River Park Study report, which included an ongoing land acquisition program for all Seine River waterway lands. The developer could dedicate approximately 7.5 acres of the remaining 48.4 acres as part of the normal land dedication requirements, and the City could also acquire some at a negotiated price.

The Province of Manitoba advises that it is a 38% partner in the joint venture with Ladco Co.

Tree Stand Below Waterway Requirement Line:

The Council approved Seine River Greenway Study has established a policy that land within the flood basin of the Seine River be acquired for the purpose of flood protection and recreation. The waterway lands were originally delineated in 1980 and are required to accommodate flow along the Seine River from a 100-year summer storm. The waterway lands are typically purchased at the time of subdivision under the terms and conditions of the Development Agreement as approved by Council. Thirty-three acres of "Bois des Esprits" can be acquired in this manner for an approximate cost of $495,000.

Although adequate funding for this specific acquisition has not been identified, i.e. only approximately $137,000 is currently available for all future land acquisitions along the Seine River; however, the Five-Year Capital Forecast does include general funding of $150,000 per year for any and all future Seine River waterway land acquisitions.

Ladco had initially advised that it requires either all of this money to be paid when Ladco's Plan of Subdivision is registered in the Winnipeg Land Titles Office or, alternatively, that an initial $250,000.00 be paid at that time and with further annual payments attracting interest at an appropriate rate.

The Water and Waste Department advised that Ladco's initial expectation is not acceptable, i.e. no interest should be payable; also, the Land Development Branch has advised that Ladco's representative has since then orally indicated that the waterway land would be transferred initially to the City as Public Reserve, and that payment for the land could be made on a yearly basis over the life of the development or in conjunction with the staging of development (without interest). That Branch, through the Administrative Coordinating Group, will monitor this aspect of the matter.

By having Ladco designate this land to be acquired by the City as a Public Reserve within its Plan of Subdivision to be registered in the WLTO, any additional costs to the City such as land transfer tax and WLTO registration costs, etc. are avoided. Also, Ladco then avoids any further realty tax liability for this land once the assessment rolls are revised.

Tree Stand Above Waterway Requirement Line:

The City of Winnipeg's Naturalist, Forester, and Environmental Coordinator were all consulted in defining the quality of the tree stand. Their feedback is the basis for the following discussion.

This portion of the tree stand, together with the portion lying below the waterway requirement, represents the largest and highest quality unmanaged river bottom forest left in Winnipeg. There are three categories in terms of quality of habitat:

> ***Category One (1)*** *comprises approximately 32 acres of relatively healthy trees and understory woody shrubs. Mature bur oak dominates the upland. Construction would destroy virtually all the oaks even if some were left for landscaping purposes. These 32 acres (subject to final calculation based on a survey) are recommended for acquisition by the City. Because the developer under the terms to be established for DASZ 19/00 would dedicate 7.5 of these acres, 24.5 acres would need to be purchased at a price of $1.6M (rounded).*
>
> ***Category Two (2)*** *comprises 2.7 acres in the vicinity of the proposed bridge crossing opposite Southglen Boulevard. The bur oaks are not as old (large) as in Category One. Also, the soils are moister and so the trees show growing stress and many are in a state of decline (are dying back). This land calculated at a consistent rate would be priced at $175,500.00.*
>
> ***Category Three (3)*** *comprises 13.7 acres of primarily young to middle-aged aspens that are colonizing abandoned farmland. Within this category is a grouping of a unique clone of aspen unlike any other observed in Winnipeg. These should be preserved through vegetative propagation in a tree nursery, if they are not preserved as a small park. This land calculated at a consistent rate would be priced at $890,500.00.*

Basis of Price:

The Council adopted position is that $65,000 per acre should be the price for any of the land to be purchased, and with which position the developer has tacitly indicated concurrence.

After much discussion and consideration, the Administration had reached an initial conclusion that the City's position should be to acquire only the 24.5 acre Category One (1) lands based on a rate of $65,000 per acre, which equates to a price of approximately $1.6M (subject to survey), plus finance and closing costs. In addition to this, the right-of-way for the proposed Southglen Bridge crossing (through the Category Two land should it ultimately be determined that this is the optimum location for the bridge) would be dedicated by the developer and the City might perhaps be required to purchase the residual Category Two land.

The City's total investment in preserving 65 acres of this 81.4 acre tree stand (or 79.9%, which includes 7.5 acres to be dedicated) would then be:

A) Tree stand below waterway requirement line =	33 acres for	$ 495,000.00
B) Category One (1) lands =	24.5 acres for	1,600,000.00
C) Category One (1) lands to be dedicated =	7.5 acres for	nil
Totals	65 acres	$2,095,000.00

However, upon reflection, an alternate recommendation was conceived as indicated in the report considered by Council on June 19, 2002, i.e. to commit $1M towards the acquisition of the tree stand and in addition, to match dollar for dollar all other alternative funding sources to a maximum of $0.6M (City contribution) for funding the said proposed acquisition, all based on a price of $65,000.00 per acre. This approach encourages other interested parties to join with the City to try to acquire as much of the tree stand as possible.

Community Considerations:

The Save Our Seine River Environment Inc. (SOS) is a long-term stewardship advocacy group for the protection and preservation of the Seine River. SOS wants to preserve the entire 81.4 acres of tree stand land, which would include the aforesaid Categories Two and Three (2.7 and 13.7 acres, respectively). This would represent approximately 27% of the gross area of the subdivision. However, an additional 10.392-acre active recreational site (shown on Misc. Plan No. 11303/3) would form part of the dedication requirement, thus, approximately 30% of the gross area of the subdivision would be acquired for public use if the entire tree stand were preserved.

At a proposed price of $65,000 per acre, the 24.5-acre Category One land (32 acres minus 7.5 of which are to be dedicated) would cost in the neighbourhood of $1.6M, subject to legal land survey, plus finance charges and closing costs. Should Categories Two and Three be added (2.7 plus 13.7 acres), the cost would increase by an additional $1.1M, approximately.

The Administration has advised the SOS that the City, subject to further Council approval, is prepared to commit $1M towards the acquisition of the tree stand and in addition, is prepared to match dollar for dollar all other alternative sources to a maximum of $0.6M (City contribution) for funding the said proposed acquisition, all based on a price of $65,000 per acre.

The SOS has been encouraged to consider other alternatives for the acquisition of either some or all of the remaining tree stand lands, e.g. encouraging the SOS to undertake a fundraising campaign for completion before December 31, 2002. By letter dated November 26, 2002, the SOS advised that it has raised $14,000 from the general public and that it has not yet received

any contributions from foundations, corporations, the Provincial or Federal Government. Furthermore, "SOS is confident that we will raise the $1 Million shortfall needed to purchase the entire forest." Therefore, SOS requests an extension of the fundraising deadline to December 31, 2003.

Province of Manitoba Joint Venture Partnership Position

Bois des Esprits is located within an area owned by Grandin Park Development Ltd, a partnership between the Province of Manitoba (38%) and Ladco Company Ltd. (62%). The City and SOS have both approached the Province on several occasions in an effort to obtain a financial commitment to support preservation of the tree stand. Further negotiations with the Province are required. Also, it is important to note that in addition to the revenue and cost sharing between the partners, Ladco advises that it receives a management fee of 5% on the gross revenues. Therefore, cost-sharing arrangements for public land acquisition between the Province and the City will also need to reflect Ladco's management fee. The Administration believes that Ladco itself is approaching the Province to discuss this and other possible alternatives in terms of arriving at a final determination of the amounts and forms of compensation that the City could make to the respective partners in the joint venture.

Alternatives Considered

In certain circumstances a developer might be prepared to agree to dedicate appreciably more than the normal 10% standard for open space land dedication. This could occur if, for example, a developer recognized a direct benefit resulting from the additional dedication and/or if there were compensating considerations among the other terms and conditions of development approval. In this instance, the developer has indicated early in the negotiations that it anticipates no measurable benefits for dedicating additional land, i.e. beyond the 33 acres to be sold to the City for the Seine River waterway requirement plus the 7.5 acres of passive parkland to be dedicated.

The Real Estate Division had presented to Ladco for its consideration certain real estate assets within the Riel Community for a possible land exchange. Ladco does not want to accept land as partial payment for the tree stand land, but rather requires cash for the purchase price.

Province of Manitoba Participation

There are certain City-owned properties lying to the south of Bishop Grandin Blvd. and west of Waverley St. having an accumulated site area of approximately 56.1 acres (shown on the attached Misc. Plan No. 11720) with a combined 2002 property assessment of $316,300. These are interspersed among vast acreage owned by the Province (registered to MHRC). Negotiations with the Province are required in order to determine whether the Province would accept title to these lands and to credit an amount equal to the realty assessments towards the City's purchase price of the tree stand land. This would also require a leaseback of a site located on the north side of Cadboro Rd. used as a Police training facility for a nominal $1.00 until the land is ready to be developed by the Province or its nominee (or the site is no longer required by the City).

This possibility has not yet been formally discussed with the Province.

The properties contemplated for transfer to the Province have not yet been circulated amongst the City's Departments to confirm that they are surplus to the City's needs. The Planning, Property and Development Department is recommending that, in order to expedite dealing with the finalization of a land exchange with the Province, that the Chief Administrative Officer be delegated the authority to declare the referenced lands as surplus to the City's needs subject to the results of the circularization.

S.O.S. Fundraising Campaign

By letter dated November 26, 2002, the Save Our Seine River Environment Inc. (SOS) advised that it has raised $14,000 from the general public and that it has not yet received any contributions from foundations, corporations, the Provincial or Federal Government. Furthermore, "SOS is confident that we will raise the $1 Million shortfall needed to purchase the entire forest." Therefore, SOS requests an extension of the fundraising deadline to December 31, 2003.

The Riel Community Committee, at its December 17, 2002, meeting considered a report of the Planning and Land Use Division respecting subdivision application DASZ 19/2000. The Committee agreed with the Division's comments and recommended them to the Standing Policy Committee on Property and Development. The Community Committee also recommended that Council be requested to reconsider its decision of June 19, 2002, as follows:

> *"That the Director of Planning, Property and Development be instructed to advise the Save Our Seine River Inc. (SOS) that the 'time-limited' fundraising campaign has been extended to December 31, 2003, subject to the owner's (Ladco Development Company) consent."*

Ladco, on December 17, 2002, advised that it has 4 conditions before it is prepared to agree to SOS's request for a 1 year extension:

1. Zone the 13.5 acres of Category III land "RM2" in case the SOS is unsuccessful.
2. Add interest to the unpaid portion of the purchase price at the rate of 5.75% p.a.
3. Reimbursement of property taxes during the extended fundraising campaign.
4. Assurance that the forested area will not be developed, except for limited pathways, for 15 years.

Ladco has also advised that it is preparing detailed subdivision design with its land surveyor and which will slightly change the land areas/sizes used to date. Upon receipt of the detailed plan of subdivision and mathematical calculations, together with other financial details to be ascertained (e.g. Ladco's requirement for property tax reimbursement referred to in 3. above, etc.), the financial estimates associated with proposed land acquisition can be refined.

Standing Policy Committee on Property and Development Decision of January 6, 2003

On January 6, 2003, the Standing Policy Committee on Property and Development considered the report of the Riel Community Committee dated December 24, 2002 and concurred in those recommendations as amended. The Standing Policy Committee also concurred in the Community Committee's recommendation to extend the "time limited" fund raising campaign to December 31, 2003. The Standing Policy Committee's recommendations have now been forwarded to Council.

The proposed Plan of Subdivision as recommended for approval by Council establishes the bridge crossing at Southglen Boulevard and would utilize the Category 2 tree stand lands for public right of way purposes. If this Plan is adopted by Council, then all or a majority of this category 2 land would be acquired by dedication for public right-of-way purposes.

Should Council adopt the recommendations of the Standing Policy Committee on Property and Development, then it will be necessary for the City to proceed to finalize the acquisition of such lands as can be acquired within a budget of $1M. It will be necessary for the City to communicate with the developer with the intent of confirming actual dimensions and site areas in order to determine the actual property to be acquired.

The decision as to quantity of the remaining land to be acquired would be deferred to after December 31, 2003 at which time the results of the SOS fundraising campaign will be known. In the meantime, it will be necessary for the City to enter into an Option to Purchase Agreement with this Developer to enable the City to acquire all or part of the balance of the Category 1, 2 and 3 lands. In view of Ladco's stated preconditions to the proposed extension of the SOS fundraising campaign, it will be necessary to negotiate the terms and conditions of the Option to Purchase. In order to expedite dealing with this issue, the Department suggests that the Chief Administrative Officer be delegated the authority to finalize the terms of the suggested Option to Purchase.

Recommended Funding Strategy

Credit equal to land development administration fees:

The report considered by Council on June 16, 2002, addressed a funding requirement of $1.6M (plus financing and real estate transaction closing costs). That report also stated that $366,000 could be in the form of waiving the subdivision administration fees. However, the developer argues that it would not be equitable to pay these fees on the additional land that the City may purchase; additionally, because these fees are often paid in installments, it is the present value of these fees that should form part of the purchase price. Since then, the Administration has indicated to Ladco that it would agree to recommend that these fees would not be applicable to the lands above the waterway requirement that are being purchased by the City. Furthermore, that because it is customary for the developer to pay these fees in phases as the lots are developed, the sum of these payments should be discounted to a present value. Consequently, these fees amount to between $269,650 (if 24.5 acres purchased, i.e. remainder of Category 1) to $256,475 (if 38.2 acres purchased, i.e. including Category 3) that can be credited towards the City's purchase price of the lands.

However, the Administration is of the view that rather than impact the Department's operating budget (which would occur if the aforesaid subdivision administration fees were, in effect, waived), that an additional appropriation of $270,000 be made to provide for the City's initial $1M commitment towards acquisition of the tree stand.

The Riel Community Land Dedication Account:

Currently, $38,655 could potentially be encumbered for this land acquisition; however, the Community Committee has yet to consider a request from the Planning and Land Use Division to encumber these funds for the tree stand lands.

The Land Acquisition For General Unspecified Purposes Account:

The following surplus funds, totaling $366,976, could potentially be reallocated to Bois des Esprits:

Acquisition of Nos. 108.5, 110, 112 and 114 Niakwa Rd. – This Account had been encumbered in the amount of $450,000 (GU 95-07) but much of that has already been reallocated. There are $91,531 in remaining funds. The Urban Planning Branch recommends that this proposed acquisition be cancelled.

Acquisition of 390 Nairn Ave. – This Account had been encumbered (GU 2001-04) in the amount of $70,000. The owner has decided not to sell this property so the Urban Planning Branch recommends this project be cancelled.

Acquisition of 733 Tache Ave. – This acquisition has now been finalized. Account No. 6497010705 has $27,008.71 remaining. The lot has been developed into a park and the demolition of the building has been paid. The Urban Planning Branch recommends this project be closed.

Acquisition of Property from Canadian Tire - McDermot Ave/Harriet St. – These acquisitions were not completed. There is $118,000 remaining in this Account (GU 96-02) and the Urban Planning Branch recommends this project be cancelled.

Acquisition of Former Transfer Track - This acquisition has now been finalized. Account No. 6498010708 has $11,749.22 remaining. The Urban Planning Branch recommends this project be closed.

Acquisition of 248 Bonner Ave. – This acquisition has now been finalized. Account No. 6498010702 has $4,814.00 remaining. The account can be closed and the remaining funds reallocated.

Acquisition of Property for the Expansion of Charleswood Place - This acquisition has now been finalized. Account No. 6498010709 has $9,479 remaining. The Account can be closed and the remaining funds reallocated.

Acquisition of 1296 Rutland St. – The acquisition has now been finalized. Account No. 6498010710 has $1,394 remaining. This Account can be closed and the remaining funds reallocated.

Acquisition of 72, 74, 76 Inkster Blvd. – These acquisitions are now being finalized. It is anticipated that Account No. 6498010715 will have approximately $33,000 in remaining funds after final payment and demolitions. The Account can then be closed and the remaining funds reallocated.

Approved Additional Appropriations:

The Standing Committee on Fiscal Issues, at its meeting held on December 10, 2002, approved a number of additional appropriations, including $500,000 for the Bois des Esprits land acquisition, "from the projected 2002 year-end surplus and any actual 2002 year-end surplus that might arise."

Funding Summary:

An estimate of the likely potential available funding identified to date is:

$ 38,655 – allocation of funds from the Riel Land Dedication Reserve Account
$ 366,976 – reallocation of remaining funds in the General Unspecified Purposes Account
$ 500,000 – approved additional appropriation from 2002 projected year end surplus
$ 270,000 – an additional appropriation to be approved
$ 1,175,631 – total

This accumulation of potential funding will satisfy the initial $1M committed by Council on June 19, 2002, including an adequate contingency allowance. However, at the price of $65,000 per acre, only approximately 18 acres could be acquired and, in fact, less than that due to the usual 3% finance administration charge and any other out-of-pocket and/or related costs that might be incurred.

The purchase price for the lands to be acquired within the accumulated funding would be split between Ladco and the Province on the basis of its partnership shares (62% Ladco and 38% Province). Ladco would receive a cash payment and the Province would receive a cash equivalent in the form of the potential land exchange.

Financial Impact Statement

Date: January 20, 2003

Project Name:

First Year of Program 2003

Proposed Acquisition of Environmentally Sensitive Land Under Proposed Plan of Subdivision DASZ 19/00 (Bois des Esprits)

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ 393,105	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	393,105	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ 366,976	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 366,976	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 671,929	$ 37,345	$ 37,345	$ 37,345	$ 37,345
Less: Incremental Revenue/Recovery	15,120	-	-	-	-
Net Cost/(Benefit)	$ 656,809	$ 37,345	$ 37,345	$ 37,345	$ 37,345
Less: Existing Budget Amounts	656,809	37,345	37,345	37,345	37,345
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Direct costs of $671,929 for 2003 consist of front-end debt financing, admin charges and GST of $26,129, annual debt service charges of $12,776, and the portion of the $1 million requirement financed from current sources (i.e. $1,000,000 - $366,796 = $633,024). Direct costs for 2004 to 2007 consist of annual debt servicing charges of $37,345.

Gord Courage, Manager
Support Services Division

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Water and Waste Department

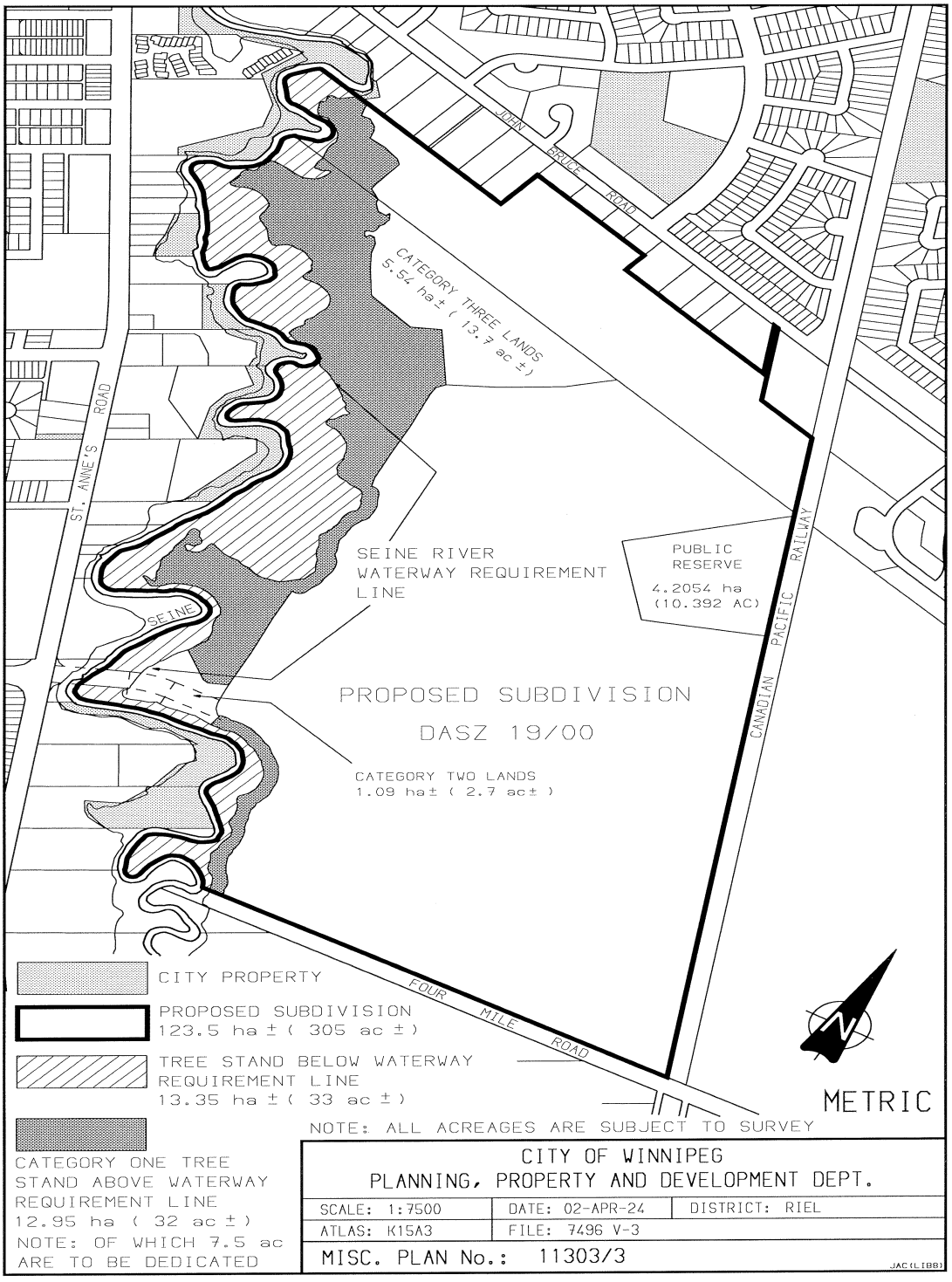
Planning and Land Use Division

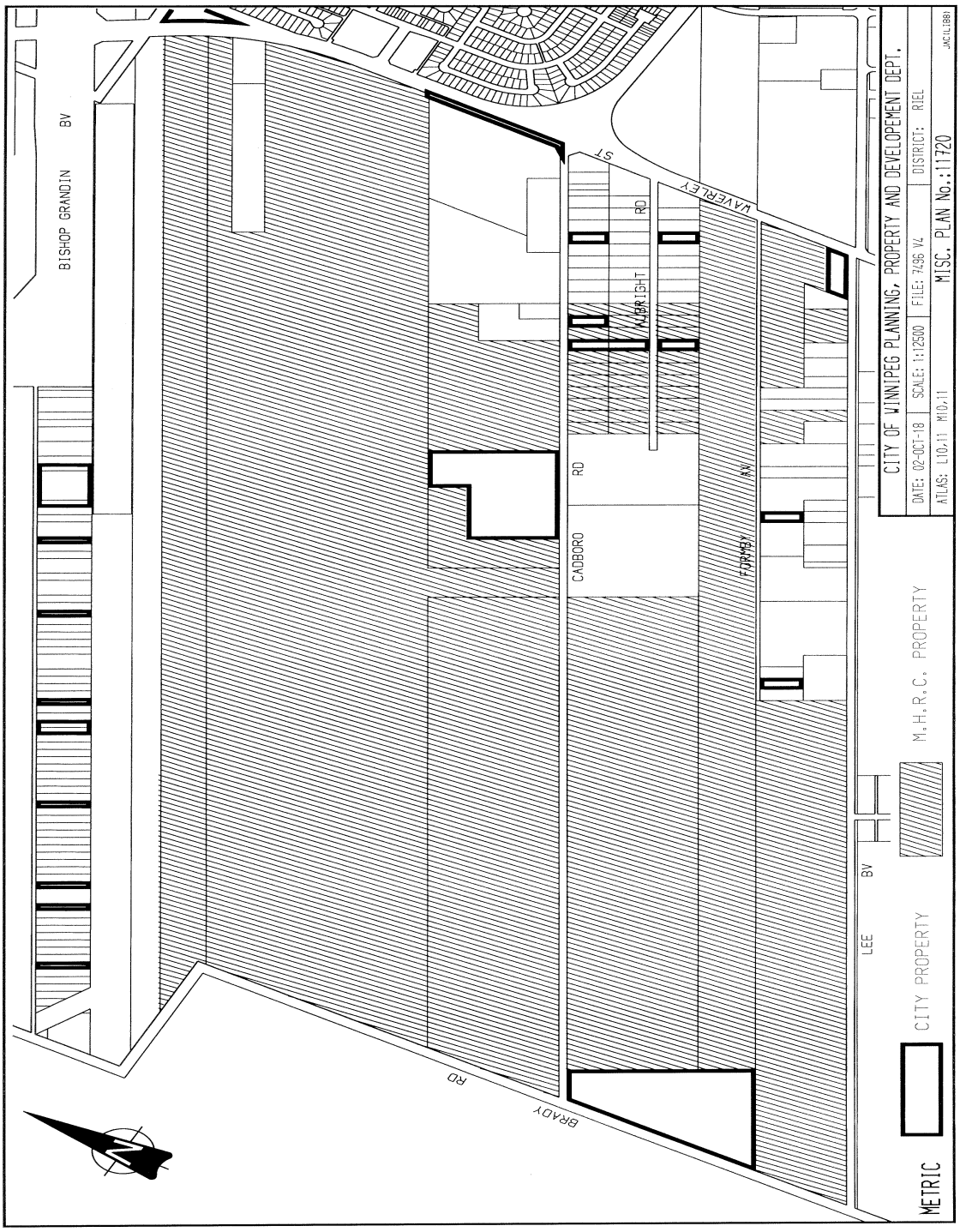
Land Development Branch

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Vic Mikolayenko/Joe Rogowski
PPD File #: 7496 (IV)

Document name: O:\ReportsDirective\realestate\acquisition\(vm)boisdesesprits – jan102003


JOHN BRUCE ROAD
CATEGORY THREE LANDS
5.54 ha ± (13.7 ac ±)
ST. ANNE'S ROAD
SEINE
SEINE RIVER
WATERWAY REQUIREMENT
LINE
PUBLIC
RESERVE
4.2054 ha
(10.392 AC)
CANADIAN PACIFIC RAILWAY
PROPOSED SUBDIVISION
DASZ 19/00
CATEGORY TWO LANDS
1.09 ha± (2.7 ac±)
FOUR MILE ROAD
CITY PROPERTY
PROPOSED SUBDIVISION
123.5 ha ± (305 ac ±)
TREE STAND BELOW WATERWAY
REQUIREMENT LINE
13.35 ha ± (33 ac ±)
CATEGORY ONE TREE
STAND ABOVE WATERWAY
REQUIREMENT LINE
12.95 ha (32 ac ±)
NOTE: OF WHICH 7.5 ac
ARE TO BE DEDICATED
METRIC
NOTE: ALL ACREAGES ARE SUBJECT TO SURVEY
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:7500
DATE: 02-APR-24
DISTRICT: RIEL
ATLAS: K15A3
FILE: 7496 V-3
MISC. PLAN No.: 11303/3
JAC(LIBB)


CITY OF WINNIPEG PLANNING, PROPERTY AND DEVELOPMENT DEPT.
DATE: 02-OCT-18
SCALE: 1:12500
FILE: 7436 V4
DISTRICT: RIEL
ATLAS: L10.11 M10.11
MISC. PLAN No.:111720
BISHOP GRANDIN BV
WAVERLEY ST
KILBRIGHT RD
CADBORO RD
FORMBY AV
LEE BV
BRADY RD
M.H.R.C. PROPERTY
CITY PROPERTY
METRIC