

Minute No. 409

Report – Standing Policy Committee on Property and Development – May 8, 2012

**Item No. 6 Declaration of Surplus Land – adjacent to 453 Marion Street
(St. Boniface Ward)**

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That the subject City property adjacent to 453 Marion Street identified as Subject City Property on the Misc. Plan No. 13042/4 be declared surplus to the needs of the City.
2. That the sale of the Subject City Property, in favour of Rick and Wendy Stephanchew (the adjacent owners), for the purchase price of \$73,145.00, be approved in accordance with the terms and conditions of the Offer to Purchase dated March 29, 2012, and upon such additional 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.

Report - Standing Policy Committee on Property and Development – May 8, 2012**DECISION MAKING HISTORY:**

Moved by Councillor Browaty,

That the recommendation of the Standing Policy Committee on Property and Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 16, 2012, 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 May 8, 2012, 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.

On April 10, 2012, the Standing Policy Committee on Property and Development granted the Winnipeg Public Service an extension of time of sixty (60) days to report back on the Riel Community Committee recommendation, namely:

1. That the vacant parcel of land located next to 453 Marion Street be declared surplus to the City's needs and sold at market value to the adjacent property owner.

On February 14, 2012, the Standing Policy Committee on Property and Development referred the Riel Community Committee recommendation to the Winnipeg Public Service for report back in 60 days.

Report - Standing Policy Committee on Property and Development – May 8, 2012

DECISION MAKING HISTORY (continued):

COMMUNITY COMMITTEE RECOMMENDATION:

On January 9, 2012, the Riel Community Committee passed the following motion, namely:

WHEREAS the vacant, unimproved lot next to 453 Marion Street is City-owned and has been leased to the owners of 453 Marion for parking for the last several decades;

AND WHEREAS the current owner of 453 Marion Street wishes to purchase the adjacent lot to improve long term parking for the residents of his apartment block:

THEREFORE BE IT RESOLVED that the vacant parcel of land located next to 453 Marion Street be declared surplus to the City's needs and sold at market value to the adjacent property owner.

ADMINISTRATIVE REPORT

Title: **To Obtain Council Approval to Declare the Subject City Property adjacent to 453 Marion Street Surplus to the Needs of the City**

To Seek Standing Policy Committee on Property and Development Approval of the Sale of the Subject City Property adjacent to 453 Marion Street

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	D. Joshi, COO

RECOMMENDATIONS

1. That the subject City property adjacent to 453 Marion Street identified as Subject City Property on the attached Misc. Plan No. 13042/4 be declared surplus to the needs of the City.
2. That subject to the approval of Recommendation No. 1, that the sale of the Subject City Property, in favour of Rick and Wendy Stephanchew (the adjacent owners), for the purchase price of \$73,145.00, be approved in accordance with the terms and conditions of the attached Offer to Purchase dated March 29, 2012, and upon such additional 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 declare the Subject City Property surplus to the needs of the City. As the subject property is considered “Parks”, it will require two thirds majority Council to declare it surplus.
- Council approval is required as one of the conditions of sale is that the City acquire a portion of 453 Marion Street for the future widening of Marion Street.
- On February 14, 2012, the Standing Policy Committee on Property and Development referred the Riel Community Committee recommendation to the Winnipeg Public Service for report back in 60 days, namely that the vacant parcel of land located next to 453 Marion Street be declared surplus to the City's needs and sold at market value to the adjacent property owner.

IMPLICATIONS OF THE RECOMMENDATIONS

- There are no regulatory or human resource implications associated with the report.
- The City's standard terms and conditions of sale will include provisions to protect the City's interests in the event that environmental contamination is discovered.

HISTORY

The subject City property has been under lease as a parking lot to various adjacent owners since 1956. The subject property has been zoned, “Parks” for a number of years.

In 1988, the tenant at the time enquired about the possibility of purchasing the subject property. The Parks and Recreation Department advised that in accordance with the objectives contained within the Council approved Seine River Park Study, the subject property is not considered surplus to the City's requirements and is not available for sale, but they would not object to continuing with leasing the subject property.

The adjacent apartment block located at 453 Marion Street has no other parking except for the use of the subject property as accessory parking. Therefore, the City has continued to lease the subject property to the adjacent owner of 453 Marion Street to accommodate their parking needs.

In September of 2009, the new owners (Rick and Wendy Stephanchew) of the adjacent property at 453 Marion Street contacted the City requesting to purchase the subject property. It is Mr. Stephanchew's intent to continue to use the subject property as a parking lot in conjunction with the adjacent apartment building at 453 Marion Street.

On January 9, 2012, a motion was made at the Riel Community Committee to declare the subject City property surplus to the City's needs and sold at market value to the adjacent

property owner. On February 14, 2012, the Standing Policy Committee on Property and Development referred the Riel Community Committee recommendation to the Winnipeg Public Service for report back in 60 days.

City Departments were canvassed to obtain their comments to the proposed sale.

The Parks, Waterways and Community Initiatives Division does not support the sale, but if sold, they identified a number of conditions which should be included in the Offer to Purchase.

The Public Works Department identified a need to allow for a future widening of Marion Street, identified on the attached Misc. Plan 13042/4. As part of the terms and conditions of sale, the proposed purchaser has agreed to allow a portion of 453 Marion Street to be reserved for the future widening of Marion Street; this is also identified on the attached Misc. Plan.

The Water and Waste Department identified some conditions of sale which form part of the Offer to Purchase.

The Winnipeg Public Service has completed its negotiations for the sale of the subject City property. The Purchaser requested to purchase 12 feet more than what's currently leased. The Public Service agreed to include this extra 12 feet in the Offer to Purchase.

The sale of the subject City property is conditional upon a successful subdivision and rezoning of the subject City property. The rezoning process will involve a public consultation.

The Department recommends approval of the proposed sale of the subject City property to the adjacent owners of 453 Marion Street, for the following reasons:

- The Ward Councillor is supportive of the proposed sale.
- The Offer to Purchase price is considered fair market value.
- The proposed purchaser has agreed to terms outlined in the Offer to Purchase.
- The rezoning process will require a public consultation.
- The property would be placed on the tax roll at the closing of the sale.
- The sale will eliminate the liability for the City associated with holding this property

FINANCIAL IMPACT**Financial Impact Statement****Date:** April 5, 2012**Project Name:****First Year of Program 2012**

Approval to Declare the Subject City Property adjacent to 453 Marion Street Surplus to the Needs of the City and the of the Sale of the Subject City Property adjacent to 453 Marion Street

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Capital					
Capital Expenditures Required	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Sources:					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
Current Expenditures/Revenues					
Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Incremental Revenue/Recovery	73,490	690	690	690	690
Net Cost/(Benefit)	<u>\$ (73,490)</u>	<u>\$ (690)</u>	<u>\$ (690)</u>	<u>\$ (690)</u>	<u>\$ (690)</u>
Less: Existing Budget Amounts	(73,490)	(690)	(690)	(690)	(690)
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: Incremental revenue consists of \$73,145 proceeds of disposition + \$345 in municipal property taxes. The latter amount is based on the assumptions that the assessed value equals the sale price and constant portioning and mill rates of 65% and 0.014506 respectively. The 2012 amount has been prorated for an assumed July 1 closing date. Revenues from 2013 onward represent municipal taxes for the full year. Proceeds of disposition of parkland are to be credited to the Land Dedication Reserve Fund.					

"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
Division Real Estate
Prepared by: Joedi Pruden
Date: April 10, 2012
File No. 5099/22 V.2

o:\reports directive\real estate\sales\jp)453 marion.doc

File No: 5099/22

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands:

Lot 21 and Lot 22, Block 3, Plan 1930 WLTO

SHOWN ON ATTACHED MISCELLANEOUS PLAN NO. 13042/4

(hereinafter called the "Lands")

for the sum of \$73,145.00 cash, and upon the following terms and conditions:

1. Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of \$10,971.75, and represents an amount equal to fifteen (15%) 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), herein after called the "Date of Approval". The Purchaser agrees to pay the balance of the purchase price on or before the date of possession.

(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.

(3) In the event that the purchase is not completed by reason of a default of the Purchaser, the deposit and any interest earned thereon shall be forfeited immediately to the City may exercise whatever other remedies are available to the City at law.

2. (1) The date of possession shall be sixty (60) days following Council approval of the rezoning as contemplated in Clause 12 herein, or such other date as mutually agreed to.

(2) The Lands are presently owned by the City of Winnipeg and are therefore tax-exempt. The Lands will no longer be tax-exempt on and after the date of possession or the transfer of title, whichever is the earlier. The Purchaser is responsible for payment of the Property Taxes applicable to the Lands on and after the date of possession or transfer of title, whichever is the earlier, and will be sent a statement of, and demand payment of, Property Taxes in accordance with the provisions of *the Municipal Assessment Act* and *The City of Winnipeg Charter*. No adjustments for Property Taxes will be made on the Statement of Adjustments.

(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. Goods and Services Tax

(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 possession or the date the balance of monies is paid to the City, whichever is the earlier.

(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, which includes, without limiting the generality of the foregoing, obtaining its own Surveyor's Building Location Certificates (is applicable), Surveyor's Staking Certificates and Zoning Memorandum and in connection therewith acknowledges and is aware that the City does not provide Declarations of Possession.

5. The Purchaser will accept Title to the Lands subject to all exceptions, reservations and encumbrances expressed or implied in the City's Title.

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 re-zoning, variances or conditional uses, 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. Nothing in this Offer shall be construed as placing any duty or obligation upon the City to grant such rezoning, variance or conditional use orders and/or amendments to Plan Winnipeg when the Purchaser's application for same is made to the City.

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. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment and/or soil testing of the Lands, it shall:

(1) ensure that all work done in connection with such Environmental Site Assessment and/or soil testing 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 8; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 8; 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/or soil testing; and

(5) provide copies of any such Environmental Site Assessment and/or Report concerning soil testing 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 and/or soil testing, 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, but in any event, prior to closing, 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 8.

AND FURTHER if the City has not been advised of any non-compliance of the Lands to Provincial Environmental standards within ninety (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.

9. (1) The Purchaser acknowledges that the City is not providing any warranties as to

(2) The Purchaser agrees that it will rely solely upon its own investigations in determining the degree of contamination, if any, existing on and within the Lands and the extent of contamination, if any.

(3) The Purchaser shall indemnify and save harmless the City from and against all claims, costs and damages arising from or in any way connected with the existence of contaminants of any kind in or on the Lands.

(4) It is understood and agreed that the terms, conditions and covenants contained in this Clause 9 shall not merge but shall survive closing.

10. 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.

11 (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 Manitoba Inc., Shaw Cable, 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 owner 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. Without limiting the generality of the foregoing, the sale of the Lands shall be subject to the following easements:

(2) in favour of the Manitoba Hydro and MTS Allstream Inc. for the maintenance of their service which are located within the Lands.

(3) The Purchaser to enter into agreements satisfactory to the said utilities or The City of Winnipeg.

(4) Any removal or relocation of a public utility as a result of a proposed subdivision will be at the expense of the Purchaser. Information on electrical and gas service to new subdivisions can be obtained from the local Manitoba Hydro District Office.

(5) The Purchaser at its own expense shall be responsible to provide any Easement Plan that may be required to effect registration of the Easement Agreement in the Winnipeg Land Titles Office.

(6) The Purchaser acknowledges that the City may grant the easements before

12. Within 30 days of the Date of Approval, the Purchaser(s) agrees to initiate a fully completed rezoning and subdivision application, at his expense. The Purchaser shall prepare or cause to be prepared, at the Purchaser's sole cost and expense, all necessary plans that may be required by the Winnipeg Land Titles Office to facilitate the transfer of the subject lands, including the plan of subdivision, and all plans of easement required to grant any utility rights. If the Purchaser fails to initiate such completed rezoning and subdivision application during this time period, the deposit herein shall be forfeited to the City and the Offer shall become null and void.

13. This Offer is subject to the Purchaser receiving approval from Council, to rezone and subdivide the Lands no later than 8 months 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 Purchase shall be null and void and the deposit returned in full without deduction or penalty

14. The Purchaser acknowledges and agrees that lot grading must meet the requirements of the City of Winnipeg Lot Grading By-law 7294/98. The Purchaser is advised to consult with the Water and Waste Department at 986-3322 to confirm the lot grading requirements for the Purchaser's intended development. In addition, if the Lands fall within the flooding zone, any development would require the raising of the Lands to flood proof it and a detailed lot grading plan showing such would be required to be submitted for review by Water and Waste's Land Drainage and Flood Protection Branch.

15. The Purchaser will be required to install a fence along the east property line within the Purchaser's property limits prior to the transfer of title. Maintenance of the said fence shall be the Purchaser's cost and responsibility.

16. The Purchaser to remove the gravel that was installed on the City property that lie outside of the area of the Lands to the satisfaction of the Parks Services Branch. The Purchaser also agrees to remove any encroachments within the City property which lie outside the area of the Lands.

17. The Purchaser shall be required to supply and install a 2.4m wide crushed limestone path connecting Marion Street to the back lane. Works to comply with City standard and subject to all permits, review and approval of plans and construction to the satisfaction of the Director of the Public Works Department.

18. No trees shall be removed or damaged during works associated with the expansion of 453 Marion Street including during the fencing and clean up process and path construction, unless previously approved by the City Forester. If damage does occur, then compensation shall be provided as directed by the City Forester. Tree Protection Guidelines shall be adhered to.

19. It is a condition of sale that the Purchaser pay the lease rate established by the City's Property Management Branch to lease the Lands, (for the year commencing January 1, 2012, for \$3,500 per annum net.), until title of the Lands transfer into the name of the Purchaser.

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

(1) The Purchaser shall at the Purchaser's sole cost, effort and expense, do all things as are necessary, including but not limited to causing to be prepared a **Plan of Subdivision**, suitable for registration at the Winnipeg Land Titles Office together with such other documentation as may be required, to create one (1) indivisible lot consolidating their property, Lots 19 and 20, Block 3, Plan 1930 WLTO, contained in Certificate of Title No. 2324227/1, hereinafter called the "Purchaser's Adjoining Lands", with the "Subject City Property" shown on Misc. Plan No. 13042/4. In addition, the Plan of Subdivision is to open and dedicate the land identified as "Proposed Widening" on said Misc. Plan No. 13042/4 as Marion Street. The Purchaser also acknowledges that Plans of Easement may be required and will be at the sole cost, effort and expense of the Purchaser. The Purchaser does hereby acknowledge and agree that in complying with this obligation the Purchaser may be required to arrange for the discharge and re-registration of existing encumbrances against the Purchaser's property described herein or in the case of amending the description of the land

(2) This agreement shall run with the Lands and the Purchaser's Adjoining Lands and shall bind the Purchaser, its successors and assigns and its successors in title.

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

21. No current legal survey was made of the property to determine the nature and extent of any structure thereon or to determine if there are any encroachments from adjoining lands.

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

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

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

25. 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.

26. 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.

27. 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.

28. None of the provisions of this agreement will merge with the conveyance of the Lands.

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

Richard Rodney Stephanchew/120 Sweetwater Bay
Name (Please Print) Address
Winnipeg, MB R2S 3G5

Wendy Ann Stephanchew/120 Sweetwater Bay
Name Address
Winnipeg, MB R2S 3G5

Purchaser's Registration No. (G.S.T.) _____

IN WITNESS WHEREOF the Purchaser has signed this document in

Winnipeg, Manitoba, this 29th day of March 2012

[Signature]
Witness
A. Degner
Name and Title of Authorized Signature

Rich Stephanchew
Authorized Signature
Wendy Stephanchew
Richard Stephanchew
Wendy Stephanchew
(Please print)

ACCEPTED this _____ day of _____, A.D., 20__

Per: _____
DIRECTOR of Planning, Property and Development

Approved as to details:

Planning, Property and Development

Approved as to form:

for A/Director of Legal Services/
City Solicitor

