Minutes – Executive Policy Committee – November 7, 2012

Minute No. 23
Report – Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – November 5, 2012

Item No. 1 Sale of Property - South of Pacific Avenue and West of Paulin Street (Point Douglas Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management and submits the following to Council:

1. That all previous Council Decisions regarding the sale of the subject City property to Habitat for Humanity be rescinded.

2. That the Winnipeg Public Service be authorized to sell the subject City property to the Winnipeg Housing Rehabilitation Corporation (WHRC) for $1.00, based on terms and conditions that the Director of the Planning, Property and Development Department and the Director of Legal Services/City Solicitor consider necessary to protect the interests of the City and, subject to Winnipeg Housing Rehabilitation Corporation leasing the parking lot portion of the subject City property back to the City of Winnipeg for $1.00 until such time as the Winnipeg Police Service moves to its Graham Avenue location.

3. That the Proper Officer of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – November 5, 2012

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Pagtakhan,

That the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 5, 2012, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management 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 Standing Policy Committee on Downtown Development, Heritage and Riverbank Management Approval of the Sale of the Subject City-owned Property south of Pacific Avenue and West of Paulin Street shown on the attached Misc. Plan No. 14043/1

Critical Path: Standing Policy Committee on Downtown Development, Heritage and Riverbank Management
EPC
Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Zabudney	B. Thorgrimson	M. Ruta	P. Sheegl

RECOMMENDATIONS

1. That all previous Council Decisions regarding the sale of the subject City property to Habitat for Humanity be rescinded.

2. That the Winnipeg Public Service be authorized to sell the subject City property to the Winnipeg Housing Rehabilitation Corporation (WHRC) for $1.00, based on terms and conditions that the Director of the Planning, Property and Development Department and the Director of Legal Services/City Solicitor consider necessary to protect the interests of the City and, subject to Winnipeg Housing Rehabilitation Corporation leasing the parking lot portion of the subject City property back to the City of Winnipeg for $1.00 until such time as the Winnipeg Police Service moves to its Graham Avenue location.

3. That the Proper Officer of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

WHRC has expressed an interest to acquire the subject City property in order to facilitate a medium to high density, mixed income, mixed tenure housing project at this location. Standing Policy Committee on Downtown Development, Heritage and Riverbank Management approval is required to approve the sale to WHRC.

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 will include provisions to protect the City's interests in the event that environmental contamination is discovered.

HISTORY

At its meeting on January 28, 2009, Council directed that the Public Service sell the vacant land portion of the subject City property to Habitat for Humanity for the sum of $1.00.

In November 2009, Habitat for Humanity expressed an interest in also acquiring the parking lot portion of the subject City property.

On June 23, 2010, Council declared the parking lot portion of the subject City property surplus and concurred in the recommendation to sell the parking lot portion to Habitat for $1.00, subject to Habitat leasing the parking lot back to the City of Winnipeg for $1.00 until such time as the Winnipeg Police Service moved to its Graham Avenue location.

In June 2011, Habitat agreed to convey the subject property back to the City as for certain reasons it was not prepared to move forward with their intended development of the site.

On November 8, 2011, the Department received a letter from the WHRC advising that they were interested in acquiring the subject City property. WHRC advised that they endeavored to develop a mixed tenure, mixed income housing project on the subject City property as shown on Misc. Plan No. 14043/1. WHRC further advised that they were aware of a historic mineral rights caveat currently existing on title to the City property which may inhibit development over the area in which the mineral rights are registered. WHRC has sought legal advice regarding the caveat and it is believed that legal actions to remove the caveat are plausible. Should the rights have to remain on title, the design will accommodate the rights so that the building limits are contained outside of the mineral rights area and that area will become green space or designated residential parking.

A motion was made at the January 10, 2012, meeting of the Lord Selkirk – West Kildonan Community Committee that it supported in principle the transfer of land south of Pacific Avenue and west of Paulin Street, outlined on Misc. Plan No. 14043/1, to the Winnipeg Housing Rehabilitation Corporation. On March 5, 2012, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management received the disposition of the Lord Selkirk – West Kildonan Community Committee as information.

On June 1, 2012, WHRC submitted a Development Concept Proposal to the City. The proposal states the following:

> "WHRC is proposing to leverage funding to develop a medium to high density, mixed income housing project of approximately 100 units of which, half will be rental, half will be condo to encourage and increase homeownership in the Centennial neighbourhood on the land currently owned by the City between Ross and Pacific, West of Paulin Street. We submit at this time, a Development Concept Proposal to confirm Winnipeg Housing Rehabilitation Corporation's (WHRC) interest and plans to develop this land and as past practice, request acquisition of the land for $1.00 to facilitate the development of this much needed affordable housing".

The Department supports the proposed sale of the subject City property to WHRC for the following reasons:

- The Ward Councillor supports the sale.
- The Centennial Community Improvement Association has provided written support for the project.
- The site is currently zoned C – Character and is located in the Downtown Zoning District. The zoning district would allow for the proposed project with a density of approximately 100 residential units without the need for re-zoning. Conditional Use approval will be required if dwelling units are located at grade. The zoning district also allows a maximum building height of 8 storeys with

a floor area ratio of 8 which provides a great opportunity for a high density residential development.

- The development will be subject to Urban Design Review by the Urban Design Advisory Committee. The Downtown Urban Design Guidelines and key considerations under the Downtown Zoning By-law form the bases for Urban Design Review.
- WHRC is aware of a historic mineral rights caveat currently existing on title to the City property, which may inhibit development over the area in which the mineral rights are registered. WHRC has sought legal advice regarding the caveat and it is believed that legal actions to remove the caveat are plausible. Should the rights have to remain on title, the design will accommodate the rights so that the building limits are contained outside of the mineral rights area and that area will become green space or designated residential parking
- WHRC will lease the parking lot portion of the subject property back to the City for $1.00 until the Winnipeg Police Service moves to its new location on Graham Avenue.
- WHRC will pay all costs in association with a plan of subdivision (if required).
- 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:** October 29, 2012

Project Name: **First Year of Program** **2012**

Approval of the Sale of the Subject City-owned Property south of Pacific Avenue and West of Paulin Street shown on the attached Misc. Plan No. 14043/1

	2012	2013	2014	2015	2016
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	-	7,724	7,724	7,724	7,724
Net Cost/(Benefit)	$ -	$ (7,724)	$ (7,724)	$ (7,724)	$ (7,724)
Less: Existing Budget Amounts	-	(7,724)	(7,724)	(7,724)	(7,724)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenue from 2013 onward represents estimated muncipal property taxes on the subject property. This based on the current assessed value of $1.221 million, a 45% portioning rate and a constant mill rate of 0.014056. The sale is assumed to close and the property added to the tax roll on January 1, 2013. The nominal purchase price and lease back consideration have been excluded from this analysis.

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

CONSULTATION

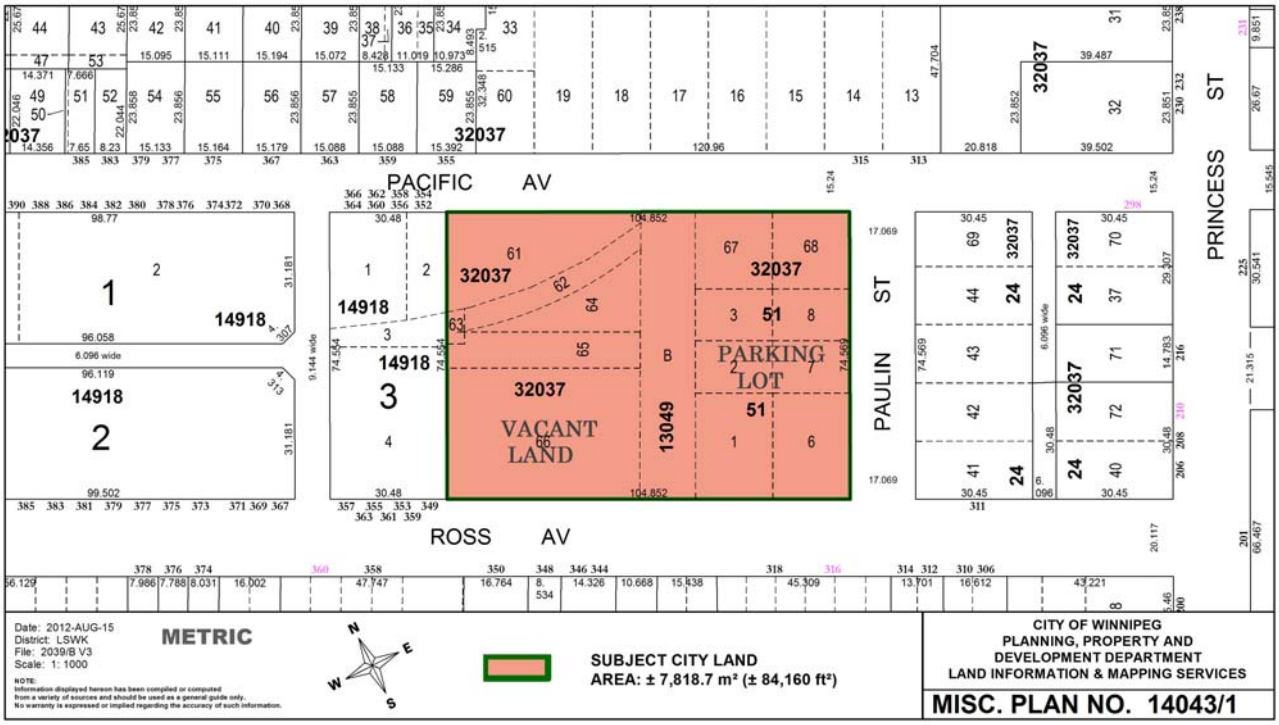
In preparing this report there was consultation with:

N/A

SUBMITTED BY

Department	Planning, Property and Development
Division	Real Estate
Prepared by:	Joedi Pruden
Date:	October 29, 2012
File No.	2039/B V.4

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PACIFIC AV
ROSS AV
PRINCESS ST
PAULIN ST
VACANT LAND
PARKING LOT
32037
14918
13049
METRIC
Date: 2012-AUG-15
District: LSWK
File: 2039/B V3
Scale: 1: 1000
SUBJECT CITY LAND
AREA: ± 7,818.7 m² (± 84,160 ft²)
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14043/1