Agenda – Council – December 12, 2012

Report – Standing Policy Committee on Property and Development – November 30, 2012

Item No. 6 Sale of the City-owned property - 227 Provencher Boulevard (St. Boniface Ward)

STANDING COMMITTEE RECOMMENDATION:

On December 5, 2012, 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 sale of the City-owned property shown outlined as Parcel B on Misc. Plan No. 12063/12, in favour of 6484442 Manitoba Ltd. for the purchase price of $680,000.00, be approved in accordance with the terms and conditions of the Offer to Purchase and Counter Offer, dated October 24, 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.

2. That $300,000 of the proceeds of the sale of 227 Provencher Boulevard (former St Boniface Police station) be utilized as follows:

   A. $200,000 for improvements of Provencher Park; and
   B. $100,000 for improvements to Boulevard Provencher.

3. That the Winnipeg Public Service work with the area Councillor, area residents and Business Improvement Zone to implement the improvements.

4. 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 Property and Development – November 30, 2012

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 5, 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 November 30, 2012, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service with the following amendments:

- Add the following new Recommendations as 2 and 3:

  "2. That $300,000 of the proceeds of the sale of 227 Provencher Boulevard (former St Boniface Police station) be utilized as follows:

     A. $200,000 for improvements of Provencher Park; and
     B. $100,000 for improvements to Boulevard Provencher.

  3. That the Winnipeg Public Service work with the area Councillor, area residents and Business Improvement Zone to implement the improvements."

- Renumber the remaining recommendation accordingly,

and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: To Seek Standing Policy Committee on Property and Development Approval of the Sale of the City-owned property located at 227 Provencher Boulevard

Critical Path: Standing Policy Committee on Property and Development

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Zabudney	B. Thorgrimson	M. Ruta	D. Joshi, COO

RECOMMENDATIONS

1. That the sale of the City-owned property shown outlined as Parcel B on the attached Misc. Plan No. 12063/12, in favour of 6484442 Manitoba Ltd. for the purchase price of $680,000.00, be approved in accordance with the terms and conditions of the Offer to Purchase and Counter Offer, dated October 24, 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.

2. 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

The Planning, Property and Development Department are in receipt of an Offer to Purchase the subject City-owned property located at 227 Provencher Boulevard for $680,000.00.

Approval by the Standing Policy Committee on Property and Development is required for the sale of City property over $500,000.00

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 property is in accordance with the City's *"Offers to Purchase City-owned Property Policy"*. The subject property was marketed for sale to the general public.

HISTORY

On October 27, 2007, Council declared 227 Provencher Boulevard surplus to the City's requirements. Item #2 in the recommendation advised that 227 Provencher Boulevard be held in abeyance until such time as decanting issues related to the recladding of the Public Safety Building had been resolved. The Winnipeg Police Service has advised that they had no future need for 227 Provencher Boulevard.

An Expression of Interest for the sale or lease for Residential Conversion or Redevelopment of 227 Provencher Boulevard was developed and advertised, which closed on February 19, 2010. No submissions were received to this Expression of Interest.

Her Majesty the Queen (Provincial Court) currently leases space in a portion of the building. In February of 2011, the City attempted to negotiate a long-term lease with the Province for the space at 227 Provencher Boulevard. However, the City could not fund the $1.2M required for the base building improvements, and therefore the lease negotiations were unsuccessful. The Province continues leasing the space on a month-to-month basis.

On May 10, 2011, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service that 227 Provencher Boulevard be marketed for sale by way of a public offering to the general public.

In May of 2012, the Real Estate Division marketed the subject property for multi-family development with a requirement that the building be demolished. The asking price at this time was $470,000.00.

There was a concern raised by the Community in regard to the multi-family designation and demolition of the building requirement. In July 2012, the subject property was re-marketed for $600,000.00 and the multi-family designation and demolition of the building was no longer a requirement. The asking price increased to $600,000.00 as the demolition cost was no longer a consideration.

Bids were to be received until September 28, 2012. The Winnipeg Public Service received 8 submissions.

After careful evaluation, the Department is recommending that the Offer received from 6484442 Manitoba Ltd.; Doctors Marc and Sharon Frechette for the purchase price of $680,000.00 be approved. This offer is considered to be the best offer and exceeds the asking price of $600,000.00.

The *Vision* in Drs. Mark and Sharon Frechette proposal is to become a leader in recruiting francophone physicians from all specialties of modern medicine to provide service to a severely underserviced population of francophone patients in St. Boniface. Their *mission* is to solve the problem of physician shortages in Winnipeg and more importantly to the residents of St. Boniface where there is a severe shortage of francophone physicians. Drs. Marc and Sharon Frechette intend to preserve the building without modifying the historic architecture that is the land and building at 227 Provencher Boulevard for the benefit and appreciation of the local residents of St. Boniface.

The Department supports and recommends approval of the proposed sale of the subject City-owned property to Drs. Marc and Sharon Frechette for the following reasons:

- The Ward Councillor supports the sale.
- The price being offered by 6484442 Manitoba Ltd. as per Doctors Marc and Sharon Frechette far exceeds the asking price.
- The proposed sale is subject to a successful subdivision of the subject property.
- 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:

Sale of the City-owned property located at 227 Provencher Boulevard

First Year of Program 2013

	2013	2014	2015	2016	2017
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	686,213	6,337	6,464	6,593	6,725
Net Cost/(Benefit)	$ (686,213)	$ (6,337)	$ (6,464)	$ (6,593)	$ (6,725)
Less: Existing Budget Amounts	(686,213)	(6,337)	(6,464)	(6,593)	(6,725)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenues consist of the $680,000 purchase price + municipal property taxes of $6,213. The latter amount assumes the assessed value equals the sale price, a 65% portioning rate and a mill rate of 0.014056. The sale is assumed to close and the property added to the tax roll on Jan. 1/13. Revenues from 2014 onward represent municipal property taxes based on the same assumptions and increased by an annual inflation factor of 2%. No estimate of business taxes has been included in 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 30, 2012
File No.	5099/35 V.2

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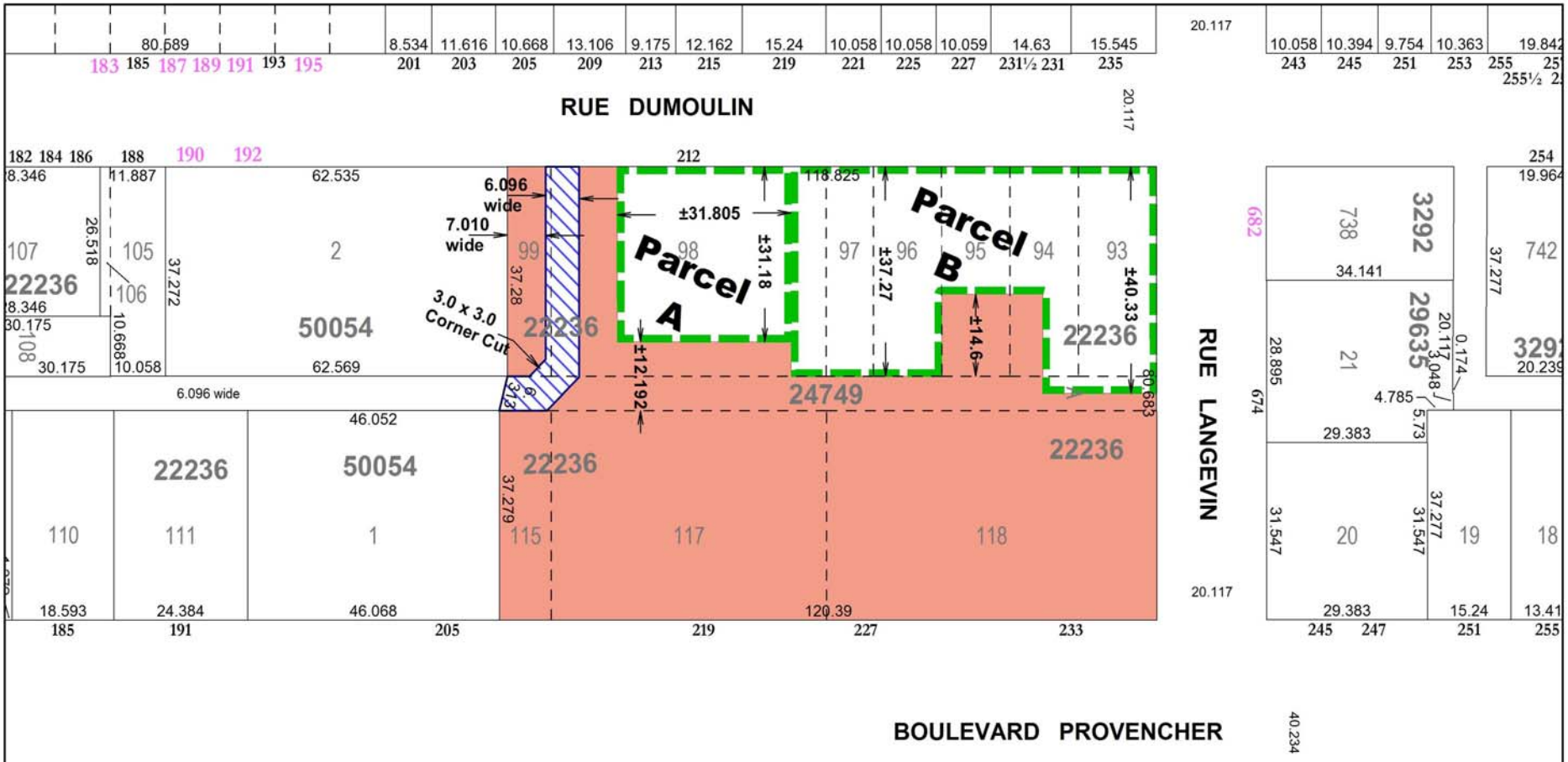

Date: 2011-JUNE-28
District: RIEL
File: 4904 & 5099/35
Scale: 1:850

NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.

SUBJECT PROPERTY - PARCEL A: ±991.5 m² (±10,672)
SUBJECT PROPERTY - PARCEL B: ±2284.1 m² (±24,586 ft²)
PROPOSED LANE OPENING: ±298.5 m² (±3,213 ft²)
PROPERTY to be RETAINED BY CITY

METRIC

CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 12063 / 12