Agenda – Council – March 20, 2013

Report – Standing Policy Committee on Property and Development – March 12, 2013

Item No. 3 Assignment of Servicing Agreement AG 554/2010

STANDING COMMITTEE RECOMMENDATION:

On March 13, 2013, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, and submits the following to Council:

1. That the City consent to the assignment of Servicing Agreement AG 554/2010 from Albiani Construction Ltd. to CJ Construction Management Ltd. subject to the applicable Developer entity providing continuous Developer security coverage satisfactory to the City.

2. 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 – March 12, 2013

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 13, 2013, 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 March 12, 2013, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **ASSIGNMENT OF SERVICING AGREEMENT AG 554/2010**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Pittet	B. Thorgrimson	N/A	D. Joshi

RECOMMENDATIONS

1. That the City consent to the assignment of Servicing Agreement AG 554/2010 from Albiani Construction Ltd. to CJ Construction Management Ltd. subject to the applicable Developer entity providing continuous Developer security coverage satisfactory to the City.

2. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

REASON FOR THE REPORT

The assignment of a Servicing Agreement requires Council approval.

IMPLICATIONS OF THE RECOMMENDATIONS

Concurrence with this recommendation will enable CJ Construction Management Ltd. to complete the development of this property pursuant to the terms and conditions of Servicing Agreement AG 554/2010.

HISTORY

Albiani Construction Ltd. are seeking the City's consent to allow CJ Construction Management Ltd. to assume legal responsibility for Servicing Agreement AG 554/2010.

Albiani Construction Ltd. entered into Servicing Agreement AG 554/2010 with the City on December 6, 2010 to service 4 new building lots at 651 Coventry Road. The Planned Area is shown in Appendix "A". On-site servicing requirements are now complete, and Albiani Construction Ltd. have provided the City with a Letter of Credit in the amount of $7,000 to guarantee their remaining obligations of lot line connection warranties and development litter control and cleanup. The subject Letter of Credit expires on March 30, 2013.

The Winnipeg Public Service has no objection to this request subject to a replacement letter of credit or other suitable cash security in the amount of $7,000 being provided, as necessary to ensure continuous security coverage by the applicable Developer entity for all outstanding obligations.

Attached as Appendix "B" is a document, signed by both Albiani Construction Ltd. and CJ Construction Management Ltd. consenting to the assignment of Servicing Agreement AG 554/2010.

The Winnipeg Public Service has no objections to this request.

The City has consented to the assignment of Servicing Agreements in the past.

FINANCIAL IMPACT

Financial Impact Statement Date: February 12, 2013

Project Name:

ASSIGNMENT OF SERVICING AGREEMENT AG 554/2010

COMMENTS:

The recommendations contained in this report include that the City consent to the assignment of Servicing Agreement AG 554/2010 by Albiani Construction Ltd. to CJ Construction Management Ltd.

There are no financial implications associated with the recommendations.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this Report there was consultation with:

n/a

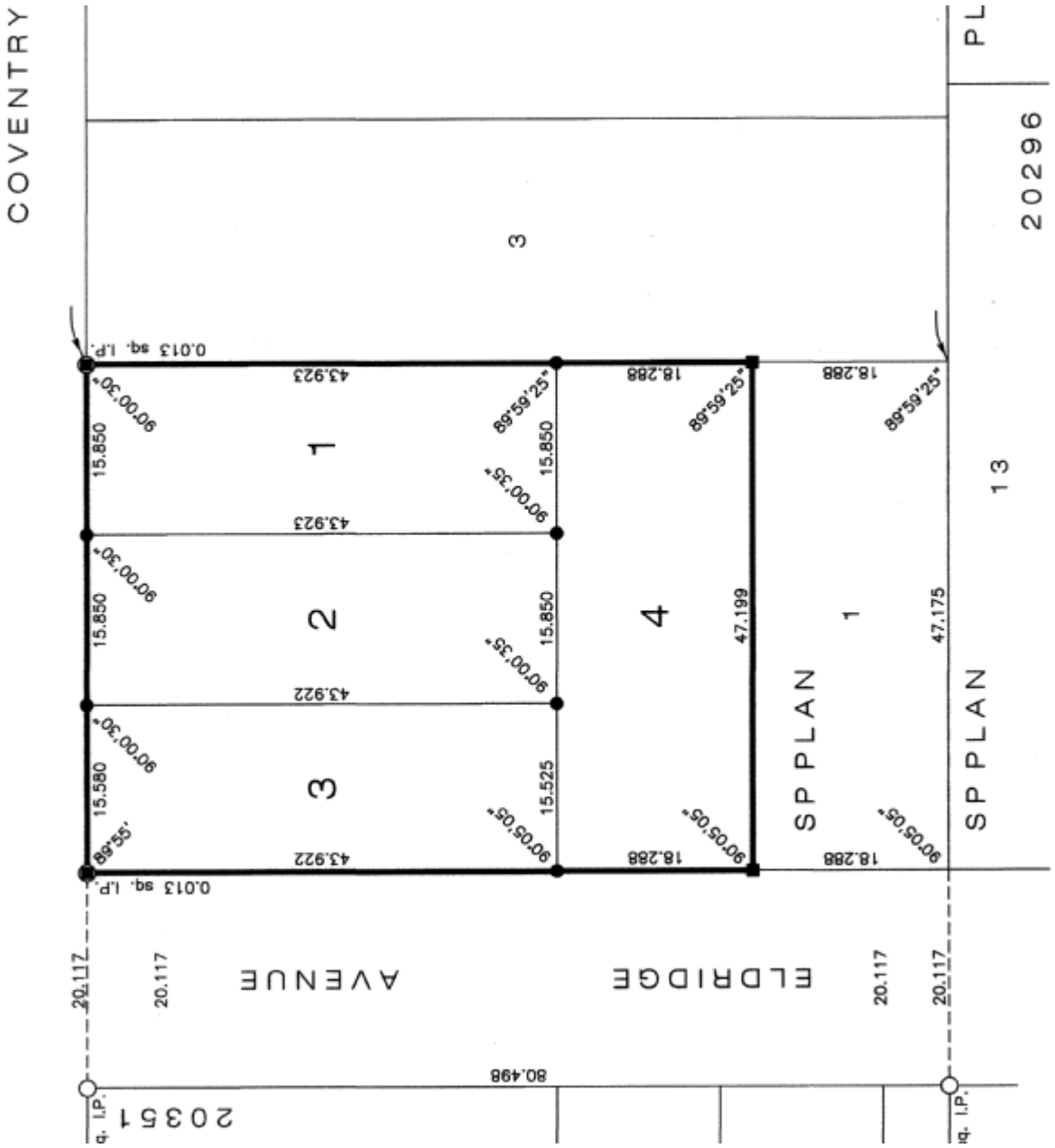
SUBMITTED BY

Department:	Planning, Property and Development
Division:	Land Development, Geomatics and Land Information Systems
Prepared by:	R.R. Deighton, P.Eng.
Date:	February 15, 2013
File No.	DASSF 554/2010 (AG 554/2010)

Appendix “A” – Sketch of Planned Area
Appendix “B” – Consent of Both Parties to Assignment

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APPENDIX "A"



Planned Area for DASSF 554/2010

APPENDIX "B"

ASSIGNMENT OF SERVICING AGREEMENT

IN CONSIDERATION of one dollar ($1.00) and other good and valuable consideration, ALBIANI CONSTRUCTION LTD. hereby assigns, transfers and conveys to CJ CONSTRUCTION MANAGEMENT LTD. all its entitlements and rights in the Servicing Agreement AG 554/10 made on December 6, 2010 in respect of 651 Coventry Road, Winnipeg, Manitoba between ALBIANI CONSTRUCTION LTD. and The City of Winnipeg.

DATED this 4th day of February, 2013.

ALBIANI CONSTRUCTION LTD.

PER: _____
Charles Albiani, President

PER _____
Judith Albiani, Secretary-Treasurer

I, Charles Albiani, President of CJ CONSTRUCTION MANAGEMENT LTD. hereby acknowledge and consent to the assignment to it by ALBIANI CONSTRUCTION LTD. of its entitlements and rights in that certain servicing agreement AG 554/10 made on December 6th, 2010 between ALBIANI CONSTRUCTION LD. and The City of Winnipeg in respect to the property situated at 651 Coventry Road, Winnipeg, Manitoba and further agrees to assume all obligations and to be bound by all obligations and all the terms and provisions of said servicing agreement AG 554/10.

DATED this 4th day of February, 2013.

CJ CONSTRUCTION MANAGEMENT LTD.

_____ PER: _____
Witness Charles Albiani, President