Agenda - Executive Policy Committee - July 16, 2003

Report - Standing Policy Committee on Property and Development - July 3, 2003

Item No. 16 Sale of 161 Pritchard Avenue to Sukhjit Gill
File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On July 3, 2003, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That Council declare the subject City property at 161 Pritchard Avenue as shown on Misc. Plan No. 9304/1 to be surplus to the City's requirements.

2. That the sale of the subject City property at 161 Pritchard Avenue shown as "subject City property" on Misc. Plan No. 9304/1 to Sukhjit Gill be approved at a price of $105,000.00 and in accordance with the terms and conditions of the Offer to Purchase dated June 18, 2003, subject to:

    A. The purchaser installing a six (6) foot high solid fence at the rear of the property adjacent to the residential properties within a period of twelve (12) months from the date of closing of the sale.

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

Agenda - Executive Policy Committee - July 16, 2003

Report - Standing Policy Committee on Property and Development - July 3, 2003

DECISION MAKING HISTORY:

STANDNG COMMITTEE RECOMMENDATION:

On July 3, 2003, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to Executive Policy Committee and Council.

Re: Proposed Sale of 161 Pritchard Avenue to Sukhjit Gill
Lord Selkirk-West Kildonan Community
Mynarski Ward

For submission to: **The Standing Policy Committee on Property and Development**

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

Report date: June 20, 2003

Recommendation(s):

1. That Council declare the subject City property at 161 Pritchard Avenue as shown on Misc. Plan No. 9304/1 to be surplus to the City's requirements.

2. Subject to approval of Recommendation No. 1, that approval be given for sale of the subject City property at 161 Pritchard Avenue shown as "subject City property" on Misc. Plan No. 9304/1 to Sukhjit Gill at a price of $105,000.00 and in accordance with the terms and conditions of the attached Offer to Purchase dated June 18, 2003, subject to:

   A. the purchaser installing a six (6) foot high solid fence at the rear of the property adjacent to the residential properties within a period of 12 months from the date of closing of the sale.

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:

- On November 25, 2002, the Planning, Property and Development Department received from Mr. Sukhjit Singh Gill (Pritchard Auto Body) an unsolicited Offer to Purchase the City-owned 161 Pritchard Avenue.
- On February 4, 2003 The Lord Selkirk-West Kildonan Community Committee recommended that the Planning Property and Development Department offer the property at 161 Pritchard Avenue for sale to the adjacent owner, Pritchard Auto Body.
- The district planner for the area recommends that the purchaser be required to install a solid six (6) foot fence at the rear of the property in lieu of the existing chain link fence in order to protect the privacy of the residential properties backing up to the subject City property.

- The only other enquiry regarding the property in recent years was in September of 2002 from a real estate agent, but, the property, at that time, was still being used by the City.
- The Department, in accordance with the recommendation of the Lord Selkirk Community Committee, is recommending that the lands be declared surplus by Council for the purpose of sale, and sold to the adjacent property owner to facilitate his expansion of his existing business.

Implications of the Recommendation(s):

General implications:

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

Comment(s):

-

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

- The Real Estate Division has not carried out an Environmental Site Assessment of the subject property. The Purchaser will have the ability to conduct this investigation pursuant to the proposed terms of sale.

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

-

REASON FOR THE REPORT:

The Planning, Property and Development Department is by this Report advising as to the results of its negotiations to sell the subject city-owned property at 161 Pritchard Avenue to the adjacent property owner. As this property has yet to be declared surplus to the City's needs, Council consideration to this Report's recommendations is required.

HISTORY:

The subject City property at 161 Pritchard Avenue as shown on Misc. Plan No.9304/1 was acquired in 1948 for the use of the Street Cleaning Division of the former City of Winnipeg Engineering Department. The existing building was constructed on the site in 1949.

This property falls under the jurisdiction of the Planning, Property and Development Department and has previously been used as a public works yard and most recently, the Public Works Department has used the property as a maintenance facility to service parks equipment.

Sharon Home, to the North of and adjacent to the subject property, had been considering acquiring the property off and on since 1964 for the purposes of expanding their facility. On January 23rd, 2002, Sharon Home advised the Department that it had acquired land on McGillivray Blvd. for the construction of a new facility and that they were no longer interested in acquiring the subject City property.

On November 25, 2002, the Planning Property and Development Department received an unsolicited offer for the subject City property at 161 Pritchard Street from the owner of Pritchard Auto Body, the adjacent property to the West. The offer was in the name of Sukhjit Singh Gill and the price offered was $60,000.00.

In accordance with Department procedure the property was circularized to all departments and a letter was submitted to the Lord Selkirk-West Kildonan Community Committee. There was no civic need identified for the property.

On February 4, 2003 the Lord Selkirk-West Kildonan Community Committee:

a) advised the Department that it had no objections to a proposed sale of the subject property at 161 Pritchard Avenue and;
b) recommended that the subject property be offered for sale to the adjacent property owner, Pritchard Auto Body.

The only other enquiry regarding the property in recent years was in September of 2002 from a real estate agent, but, the property, at that time, was still being used by the City.

Details of the subject property are as follows:

Location:	161 Pritchard Avenue North side of Pritchard Avenue - East of Main Street
Legal Description:	Lots 3 & 4 Plan 9142, RL 56 in the Parish of St John's
Certificates of Title:	A61966 & A71697
Realty Roll Number:	14-022902500
2003 Assessment:	$82,000.00
Zoning:	"M1" Industrial District
Site Size:	1,525.0 square metres (16,415 square feet)
Building Size:	339.1 square metres (3,650 square feet)

DISCUSSION:

Mr. Gill advised that this:

> *"facility will contribute to the neighbourhood and community needs, as I intend to expand and develop the existing body shop, build an additional compound and frame and mechanical shop. This facility will employ an additional six employees and will meet the demands of our growing business."*

The Purchaser has orally advised that he intends on closing this transaction as soon as is possible.

The Department appraised the property and determined that the offered price of $60,000.00 was unacceptable. The Department has now been successful in negotiating an increase in the price to be paid to $105,000.00. The increased price is supported by the Department's internal appraisal.

The revised terms and conditions of Mr. Gill's Offer dated June 18, 2003 are in accord with the City's standard terms and conditions for the sale of industrial/commercial properties.

The District Planner has now recommended that the purchaser be required to install a solid six (6) foot fence at the rear of the property in lieu of the existing chain link fence in order to protect the privacy of the residential properties backing up to the subject City property. On June 20, 2003, Mr. Gill orally advised that this additional requirement was acceptable to him.

Departmental Opinion:

The Department supports the sale of this property to the adjacent owner at a price of $105,000.00 subject to this owner agreeing to the additional condition that the Purchaser be required to install a six (6) foot high solid fence at the rear of the property adjacent to the residential properties within a period of 12 months from the date of closing of the sale of the subject City property.

The Department supports this proposed sale for the following reasons:

a) The property is surplus to the City's requirements;
b) The property would be put on the tax roll immediately.
c) The City would be relieved of continued liability and responsibility including costs of maintenance and security for the property;
d) The price offered is within the appraised range of value and the terms are in accord with the City's standard terms for these types of properties;
e) The Department anticipates that should this proposed sale not be approved that this property may be difficult to market;
f) The Department is also of the opinion that this proposed sale to the adjacent property owner, for the purpose of expanding his existing business, represents the best opportunity for the City to maximize its financial recovery arising out of the sale of the property. Other potential purchasers may not be as motivated as this purchaser.

The net proceeds of the proposed sale will be credited to the Land Operating Reserve Account. Sales commission will be payable to Re/Max Realty in the amount of $5,200.00 upon the closing of the sale.

Financial Impact Statement 20-Jun-03

Project Name: **First Year of Program** 2003

Proposed Sale of 161 Pritchard Avenue to Sukhjit Singh Gill

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 5,356	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	107,000	15,000	15,000	15,000	15,000
Net Cost/(Benefit)	$ (101,644)	$ (15,000)	$ (15,000)	$ (15,000)	$ (15,000)
Less: Existing Budget Amounts	(101,644)	(15,000)	(15,000)	(15,000)	(15,000)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Proceeds of the sale in the amount of $101,644 in the 2003 year includes prorated municipal realty taxes with the transaction closing 120 days after the date of approval and represents a net benefit to the City. Recoveries of $15,000 in years 2004 through 2007 represents municipal realty taxes the City will receive and assumes no increase in the assessed value of the property nor any change to the Municipal Mill Rate.

"Original signed by"
Gord Courage, Manager
Support Services Division

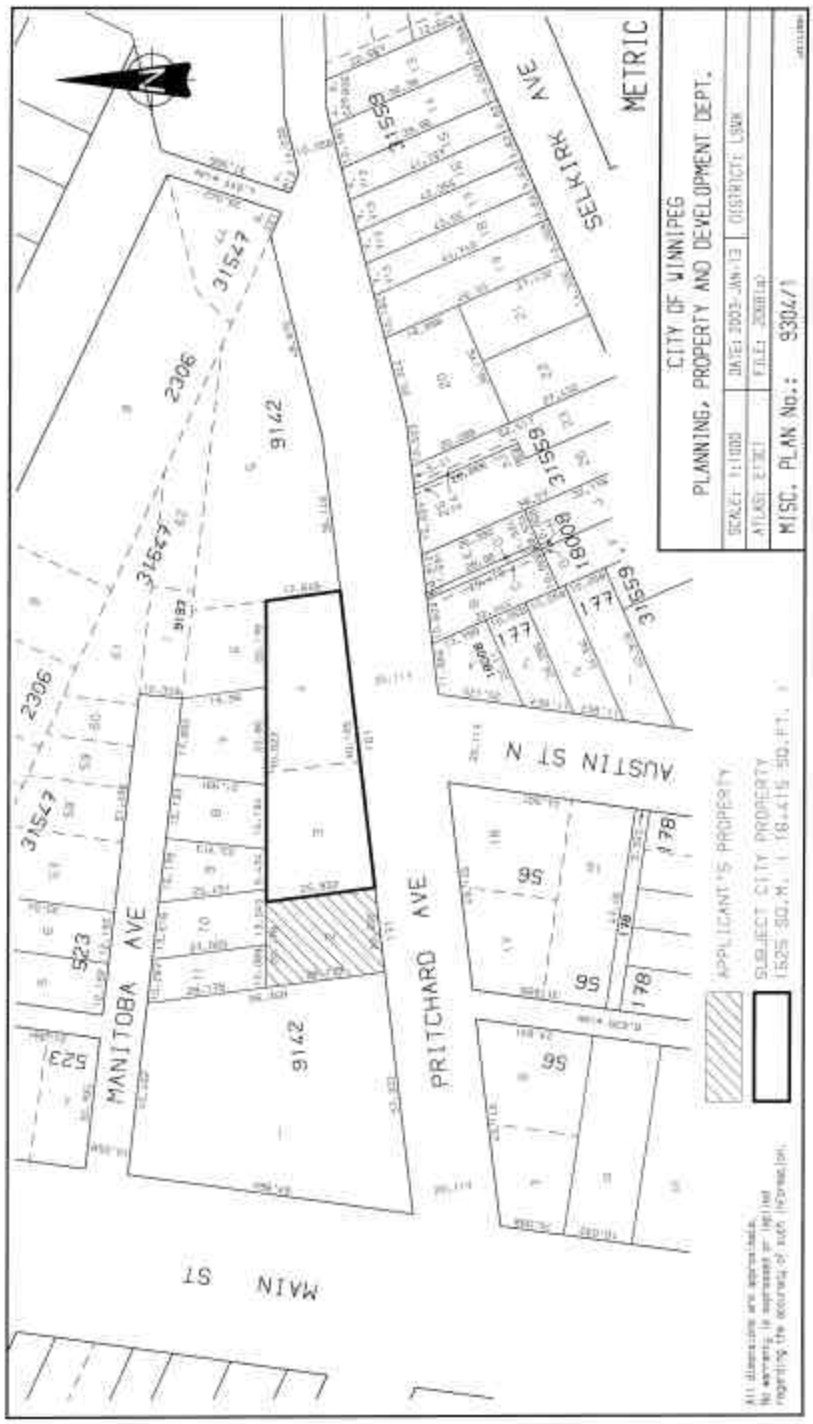
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

There was consultation with the District Planner in the Planning and Land Use Division.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 2068 (a)

Document name: o:\reports directive\real estate\sales\(ga)161pritchard.doc


CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
MISC. PLAN No.: 9304/1
METRIC
SELKIRK AVE
AUSTIN ST N
PRITCHARD AVE
MANITOBA AVE
MAIN ST
APPLICANT'S PROPERTY
SUBJECT CITY PROPERTY
31547
2306
9142
31559
18008
177
178
56
523

File No: 2068 (a)

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

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

Lots 3 and 4 plan 9142 shown as subject City property on Misc. Plan No. 9304/1 and building located at 161 Pritchard Avenue.

(hereinafter called the "lands")

for the sum of $105,000.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of $15,750.00, and represents an amount equal to fifteen (15%) percent 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). The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(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.

2. (1) The date of Closing, Possession and adjustments shall be on or before 120 days from the date of approval of the sale.

(2) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the Lands as though the Lands had been entered on the assessment rolls of the City as privately owned and subject to taxation, which adjustment shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(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 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 closing.

(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.

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.

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. Upon closing of the sale, the Purchaser agrees to make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the lands.

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

(1) ensure that all work done in connection with such Environmental Site Assessment 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 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; 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

(5) provide copies of any such Environmental Site Assessment of the said Lands to the City for its own use, at no cost to the City.

AND in the event it is determined as a result of said Environmental Site Assessment, 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, 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 9.

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

10 (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, Manitoba Telephone System, Centra Gas, 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.

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

(3) The Purchaser acknowledges that the City may grant the easements before the Transfer of Land issues.

11. 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.

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

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

14. 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.

15. 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.

16. 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.

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

SUKHJIT GILL 95 DOERING CL

Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) 131293433

IN WITNESS WHEREOF the Purchaser has signed this document in

WPG, MB, this 18 day of JUNE 2003

Witness Authorized Signature

Name and Title of Authorized Signature (Please print)

Witness

Authorized Signature

Name and Title of Authorized Signature (Please print)

ACCEPTED this _____day of _____, A.D., 2003

THE CITY OF WINNIPEG

Per:_____

DIRECTOR

Planning,Property and Development Department

Approved:

Planning Property and Development Department

Certified as to form:

for City Solicitor/Manager of Legal Services

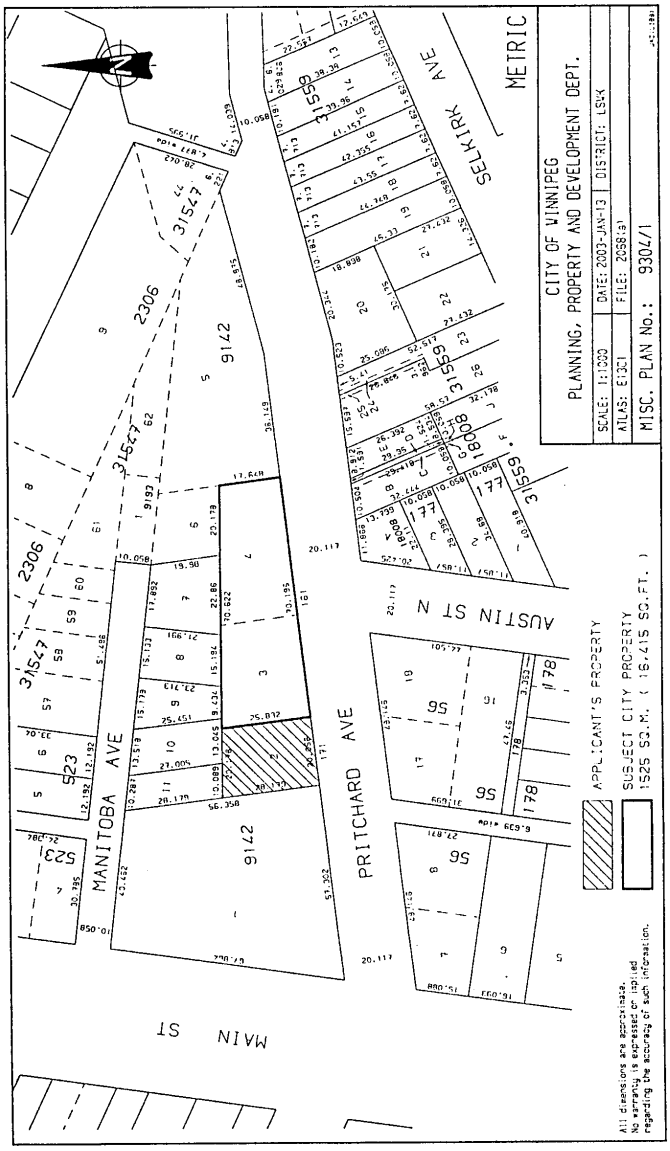

CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:1000
DATE: 2003-JAN-13
DISTRICT: LSWK
ATLAS: E13C1
FILE: 2058(a)
MISC. PLAN No.: 9304/1
METRIC
SELKIRK AVE
AUSTIN ST N
PRITCHARD AVE
MANITOBA AVE
MAIN ST
APPLICANT'S PROPERTY
SUBJECT CITY PROPERTY
1525 SQ.M. (16,415 SQ.FT.)
All dimensions are approximate.
No warranty is expressed or implied
regarding the accuracy of such information.

EXHIBIT "A"

Real Owner Application

To the City Assessor

_____ Roll No. _____
(Name of Municipality)

1. I/We_____
(Print Full Name)

request that my/our name(s) appear in the Assessment Roll of the City of Winnipeg in respect to the following property, pursuant to Section 12(1) of "The Municipal Assessment Act", Cap. M 226 S.M..

2. Description of Properties: (Give description of all property in respect of which you wish your name to appear).

Part of Lot or Section	Lot or Section	Block or Township	Range	Interest in Property

DRAFT

3. Mailing Address_____

4. Place of Residence_____

5. Name and Address of Registered Owner_____
(Print)

_____
(Print)

6. Description of building on property:

Dwellings _____

Other Buildings _____

7. Date of Purchase _____ 8. Purchase Price_____

Date: _____ 19 ___ _____
(Signature of Applicant)

Office of the City Assessor
The City of Winnipeg _____
(Signature of Registered Owner)