Agenda - Executive Policy Committee - July 16, 2003

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

Item No. 17 Property Acquisition - 157 Kenny Street
File FI-2(35)

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 the proposed acquisition of the "subject property" shown on Misc. Plan No. 11214/2 be approved at a proposed purchase price of $55,000.00 and in accordance with the terms and conditions as specified on Schedule "A".

2. That the Director of Planning, Property and Development be authorized to demolish the structures at 157 Kenny Street.

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:

STANDING 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 Acquisition – 157 Kenny Street
Proposed Widening of St. Mary's Road
Riel Community
St. Boniface Ward

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

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

Report date: June 18, 2003

Recommendation(s):

1. That the proposed acquisition of the "subject property" shown on Misc. Plan No. 11214/2 be approved at a proposed purchase price of $55,000.00 and, and in accordance with the terms and conditions as specified on the attached Schedule "A".
2. That the Director of the Planning, Property and Development Department be authorized to demolish the structures at 157 Kenny Street.

REPORT SUMMARY

Key Issues:

- In a letter dated December 9, 2002, the registered owner offered the subject property at 157 Kenny Street for sale to the City at a proposed purchase price of $68,500.00.
- The City requires the subject property for the proposed 6-lane widening of St. Mary's Road between Vivian Avenue and the Norwood Bridge; i.e., the future property line passes through the existing structure at 157 Kenny Street.
- The widening of St. Mary's Road is not in the current Five-Year Capital Forecast. It is, however, identified in *Plan Winnipeg 2020 Vision* as a "Major Street Widening to 2020".
- At its meeting held on March 11, 2003, the Standing Policy Committee on Public Works considered the Public Works Department's report dated February 19, 2003 and authorized the Director of the Planning, Property and Development Department to negotiate for the acquisition of 157 Kenny Street.
- The City has already acquired several properties along St. Mary's Road for the proposed widening of St. Mary's Road. For example, the adjacent property at 177 St. Mary's Road was purchased in 2002.
- The Real Estate Division has completed its negotiations with the owner in respect of the proposed acquisition of the subject property and the results are recommended herein for approval.

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):

-

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):

- On February 11, 2003, the Public Works Department advised the Real Estate Division that the required funding has been committed for the aforementioned property acquisition from the Land Acquisition for Future Transportation Purposes Account.

REASON FOR THE REPORT:

The Real Estate Division of the Planning, Property and Development Department has completed its negotiations with the owner in respect of the proposed acquisition of the subject property by

the City. By this report, the Department is seeking the approval of Council to the proposed acquisition as negotiated.

HISTORY:

In a letter dated December 9, 2002, the registered owner offered to sell the subject property to the City at a proposed purchase price of $68,500.00.

At its meeting held on March 11, 2003, the Standing Policy Committee on Public Works ratified approval as to need for the property and funding requirements for its acquisition; and authorized the Director of the Planning, Property and Development Department to negotiate for the acquisition of the subject property.

Ensuing negotiations conducted by the Real Estate Division of the Planning, Property and Development Department have produced the owner's agreement to sell the subject property to the City. The particulars of the subject property and the negotiated settlement are as follows:

Location:	157 Kenny Street at St. Mary's Road
Legal Description:	Lot 5, Plan 4354 (as shown on Misc. Plan No. 11214/2, attached)
Registered Owner:	Glenn Owen Williams, 157 Kenny Street, Winnipeg, Manitoba, R2H 2E3
Zoning:	"C-1" Commercial District
Assessment:	Total Assmt: $79,500.00
Site Area:	±278.7 m2 (±3,000.4 square feet)
Property Description:	The property is improved with a 1905, 2 ½ storey, 143.54 m2 (1,545 square foot), 8 room residential building on full basement. The building is considered to be in fair condition for its age. There is also a single vehicle detached garage on site.

DISCUSSION:

The Real Estate Division has now successfully negotiated the acquisition of this property at a proposed purchase price of $55,000.00 and in accordance with the proposed terms and conditions as indicated on the attached Schedule "A".

The Real Estate Division considers the proposed acquisition of the subject property by the City in the amount of $55,000.00 and upon the proposed terms and conditions of purchase indicated in the attached Schedule "A", to be acceptable. The proposed purchase price is supported by an independent appraisal. The associated terms and conditions of acquisition are consistent with other prior acquisitions of a similar nature.

The Planning, Property and Development Department is supporting the acquisition of this property for the following reasons:

- This property is required for the proposed 6-lane widening of St. Mary's Road between Vivian Avenue and the Norwood Bridge.

- The City will be in possession of the subject property and will not have to concern itself either with potential purchasers acquiring the property for speculation purposes or with market conditions in future years which could potentially increase the acquisition cost.

- This proposed settlement at this time will also eliminate the need for this property to be expropriated by the City in the future, together with a risk of a litigated award, plus costs such as legal fees, statutory interest, etc., all of which would be entitlements to the property owner under The Expropriation Act.

Once purchased, the subject building will be formally evaluated by the Real Estate Division for possible placement on the Planning, Property and Development Department's property management program until such time as the property is required for the proposed widening of St. Mary's Road, or alternatively, for demolition of the building situated thereon.

Thus, the Public Works Department and Planning, Property and Development Department are both of the opinion that it would be in the best interests of the City to settle this matter on the basis of the proposal as specified herein.

All costs of acquisition, and of demolition (if considered necessary by the Department) are to be charged to the Land Acquisition for Future Transportation Purposes Account.

Financial Impact Statement

Date: June 18, 2003

Project Name:

Proposed Acquisition - 157 Kenny Street - Proposed Widening of St. Mary's Road

First Year of Program 2003

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ 70,057	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs		-	-	-	-
Additional Capital Budget Required	$ 70,057	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ 70,057	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ 70,057	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required					
Total Additional Debt Required					
Current Expenditures/Revenues					
Direct Costs	$ 2,277	$ 6,655	$ 6,655	$ 6,655	$ 6,655
Less: Incremental Revenue/Recovery	2,695	-	-	-	-
Net Cost/(Benefit)	$ (418)	$ 6,655	$ 6,655	$ 6,655	$ 6,655
Less: Existing Budget Amounts	(418)	6,655	6,655	6,655	6,655
Net Budget Adjustment Required	$ (0)	$ -	$ -	$ -	$ -

Additional Comments:

On February 11, 2003, the Public Works Department advised the Real Estate Division that funding in the amount of $90,000 has been committed for the aforementioned property acquisition from the Land Acquisition for Future Transportation Purposes Account. A current capital cost estimate based on the known proposed purchase price and attendant costs necessary to complete this purchase would be $55,400 plus an estimated demolition cost of $10,000 plus net GST and Finance and Administration Charges. The total estimated expenditure will, thus, total a sum of $70,057 which is the cost anticipated now that the property has been appraised and negotiations with the property owner completed, subject to an actual demolition cost being determined, if required at this time.

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

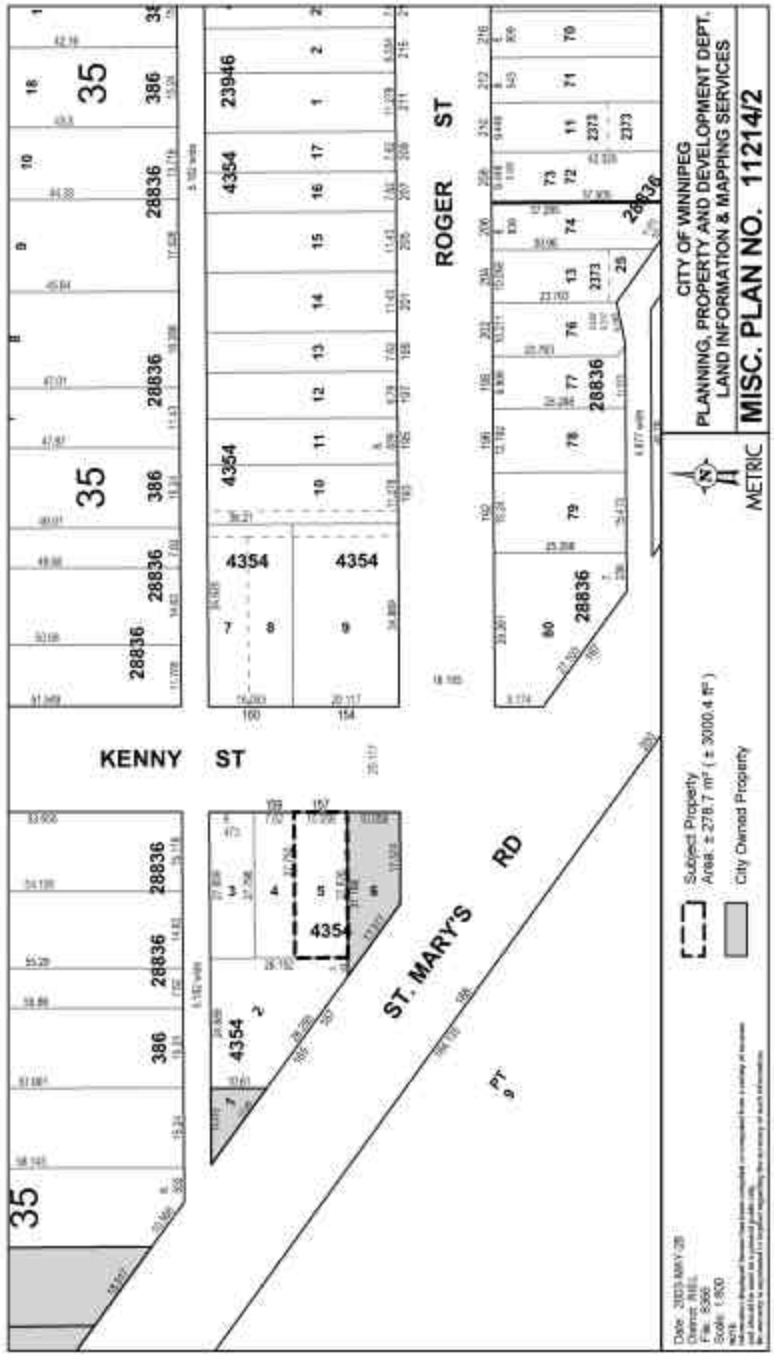
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY THE PUBLIC WORKS DEPARTMENT.

No consultation was required.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Maria Haddock, Senior Negotiator
PPD File #: 8366

Document name: o:\Reports Directive\Real Estate\Acquisition\(mh)1685.doc


CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11214/2
METRIC
Subject Property
Area: ± 278.7 m² (± 3000.4 ft²)
City Owned Property
KENNY ST
ROGER ST
ST. MARY'S RD
35
28836
386
4354
23946
2373

SCHEDULE "A"

Proposed terms and conditions of Purchase and Sale between Glenn Owen Williams as the "Vendor" and the City of Winnipeg, the "City", as "Purchaser" of the subject property commonly known as 157 Kenny Street and legally described as Lot 5, Plan 4354 in Certificate of Title No. 1860766: -

1. An all-inclusive purchase price of FIFTY-FIVE THOUSAND ($55,000.00) DOLLARS, for the "Subject Property" as shown on the attached Misc. Plan No. 11214/2.

2. The subject property is to be conveyed to the City free and clear of any and all liens, charges, encumbrances and leasehold interests (excepting any utility easements registered against title to the subject property.

3. The date for vacant possession, payment of the purchase price and tax adjustments, etc., shall be arranged by mutual agreement following final approval of the City's Standing Policy Committee on Property and Development and/or City Council to this proposed purchase.

4. The purchase price is to include all fixtures on the premises including but not limited to fitted carpets, electrical light fixtures, heating, plumbing and ventilating equipment, fire and smoke detection equipment; all of which are represented by the Vendor to be free and clear of encumbrances or liens and in good working order as of the date of possession. The Vendor agrees to allow the City at its sole expense to undertake a pre-possession inspection of the fixtures or equipment to ensure they are in good working order.

5. The Vendor declares that to the best of his knowledge and belief:

   (a) The subject property complies with all applicable environmental laws, regulations and by-laws;
   (b) there are no outstanding governmental orders or requests for information;
   (c) there are no existing, pending or threatened actions of an environmental nature;
   (d) there are no waste disposal sites on the property, nor has the property ever been used as a landfill or waste disposal site, or for temporary storage of special wastes on an interim basis pending treatment or fill.
   (e) The Vendor further acknowledges and accepts that should the City determine that there are environmental concerns or contamination, it may elect to cancel the proposed purchase.

6. Commissions payable, if any, are to be sole responsibility of the Vendor.

7. Each party hereto shall be responsible for their own legal costs.

8. The property, until possession is delivered to the City, shall remain at the risk and responsibility of the Vendor. In the event of substantial damage to the property prior to possession being delivered, the City may elect to accept the proceeds of any insurance on the property and complete the purchase or alternatively, cancel the purchase.

9. The Vendor agrees to enter into an appropriate Purchase/Sale Agreement embodying the within terms and conditions in a form satisfactory to the City Solicitor/Manager of Legal Services.

10. The Vendor agrees that the subject property will not be conveyed, disposed of or encumbered in any manner whatsoever, except subject to this agreement.

11. The Vendor agrees to consent on a Real Owner Application Form to add The City of Winnipeg as the Real Owner of the subject property on the Assessment Rolls of the City of Winnipeg.

12. The Vendor agrees to declare whether or not he is a "Registrant" for the purposes of the "Goods and Services Tax" and if so, to identify his G.S.T. Registration Number in the space provided below as part of his acceptance of this proposal.

13. The City's (Goods and Services Tax Registrant No. R121682967) will self-assess any tax payable on this transaction.

14. This proposal is a recommendation only and is subject to final approval of the City's Standing Policy Committee on Property and Development and/or City Council.

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