Agenda - Executive Policy Committee - July 16, 2003

Report - Standing Policy Committee on Property and Development - July 10, 2003

Item No. 3 Extension of Services in the St. Boniface Industrial Park
File FI-2.4.5

STANDING COMMITTEE RECOMMENDATION:

On July 10, 2003, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That the Director of Planning, Property and Development be authorized to extend the services in the St. Boniface Industrial Park as described in the attached administrative report dated June 23, 2003, with the costs thereof to be charged to the Land Operating Reserve Account.

2. 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 10, 2003

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On July 10, 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 Extension of Services in the St. Boniface Industrial Park
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 23, 2003

Recommendation(s):

That the Director of the Planning, Property and Development Department be authorized to extend the services in the St. Boniface Industrial Park as described herein with the costs thereof to be charged to the Land Operating Reserve Account.

REPORT SUMMARY

Key Issues:

- The supply of vacant serviced industrial land available for sale within the St. Boniface Industrial Park is at a point where it is time to service additional lands to meet the demand.
- Servicing costs to extend Camiel Sys Street to Plessis Road are estimated to be in the range of $3,062,000.00.
- The newly serviced lots are estimated to generate revenue in the amount of $6,475,000.00 at the current selling price. ($72,000.00 per acre without trackage and $76,000 per acre with trackage).

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 conducted environmental site assessments of these lands. Purchasers will have the ability to conduct these studies pursuant to the established terms and conditions 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:

Additional serviced industrial sites in the St. Boniface Industrial Park are needed to satisfy the current and anticipated demand for serviced industrial sites at this location. The Planning, Property and Development Department is seeking approval to proceed with the extension of services in this City-owned Industrial Park.

HISTORY:

The St. Boniface Industrial Park was developed and serviced by the City of Winnipeg in 1977 in response to the need for serviced industrial sites. The St. Boniface Industrial Park has experienced significant demand in recent years. There are only 27 acres of serviced land available at this time in the Park of which 9 of these acres are currently "reserved" leaving only 18 acres available for sale. On the basis of recent demand, this inventory could be sold out in approximately two years.

The Department is of the opinion that there will be a continuing demand for industrial land in the St. Boniface area. The recent relocation of the CN Intermodal Terminal from Kenaston Boulevard and Wilkes Avenue to the Symington Yards is also anticipated to increase the demand for these city-owned industrial sites.

The City made a strategic decision in 1977 to service only part of the Industrial Park lying to the north of the Greater Winnipeg Water District Railway and Acqueduct. The lands on Camiel Sys

Street and the De Baets Street cul-de-sac (lying to the south of Camiel Sys Street) were only serviced with water, sanitary and land drainage sewers. A decision was made to defer the construction of the balance of the services (i.e. pavement, trees, landscaping and street lighting) until such time as most of the serviced lands within the St. Boniface Industrial Park had been sold. The Department is of the opinion that it is now time for the balance of the services to be constructed.

DISCUSSION:

The attached Misc. Plan No. 3572/42 illustrates:

1. the industrial lands that have been sold;

2. the serviced lands that are currently available for sale;

3. the serviced lands that are currently reserved;

4. the partially serviced lands that require completion of servicing for sale purposes.

The following is a breakdown of the total estimated costs in the amount of $3,062,000.00 as prepared by Wardrop Engineering in the Fall of 2002 to extend the services along Camiel Sys Street to Plessis Road and to extend the services on De Baets Street to complete the cul-de-sac:

Work to be Performed	**Funding Estimate**	**Non recoverable G.S.T.**
Camiel Sys Street construction to Plessis	$1,982,000	$59,460
De Baets Street cul-de-sac construction	$ 559,000	$ 16,770
Total Construction Costs	$2,541,000	$ 76,230
Engineering @ 12%	$ 304,920	$ 9,148
General Contingencies @ 5%	$ 127,050	$ 3,812
Total Servicing Monies Required	$2,972,970	$ 89,190

Note: (The costs shown in the above chart include the installation of paving, concrete sidewalks, sodding, trees and street lighting, as well as an upgrade of the paving on the existing portion of Camiel Sys Street between De Baets Street and Plessis Road ($340,000), the completion of lighting on Beghin Avenue and Camiel Sys Street ($28,000) which the City is obligated to complete under the terms of a sales contract (lots

42 & 43 Block 6 Plan 13723). Projected costs in the amount of $150,000 have also been included for the rail crossing (the rail crossing costs may not be required).

Eighty nine (89) additional acres of land will be made available for sale as a result of the proposed servicing. The current selling price for industrial sites in the St. Boniface Industrial Park is $72,000 per acre (without trackage) and is $76,000.00 per acre (with trackage). It is estimated that the 89 additional acres of industrial sites will generate gross revenue in the amount of $6,475,000.00 (based on 2003 rates). The sale of these properties will result in subsequent development thereby further increasing the City's realty tax base.

Financial Impact Statement

Date: June 23, 2003

Project Name:

Proposed Extension of Services in the St. Boniface Industrial Park

First Year of Program 2003

	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	3,153,860	-	-	-	-
Total Funding	$ 3,153,860	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 3,153,860	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 3,153,860	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	3,153,860	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The above-noted estimated costs are required to complete the servicing of the remaining industrial lands as shown on the attached Misc. Plan No. 3572/42. This expenditure will be charged to the Land Operating Reserve Account and carried as part of the land inventory total on the Reserve's balance sheet. These lands will be subsequently sold at an estimated total amount of $6.475M (based on 2003 rates). The sales, in addition to earning a return on investment to the City, will also result in subsequent development thereby further increasing the Realty Tax base. No forecasts of the timing of future sales have been made and it is therefore unknown, on a cash flow basis, as to whether sales proceeds in this five-year period will offset debt servicing charges.

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

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

No consultation was required.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 4225/10/B-1

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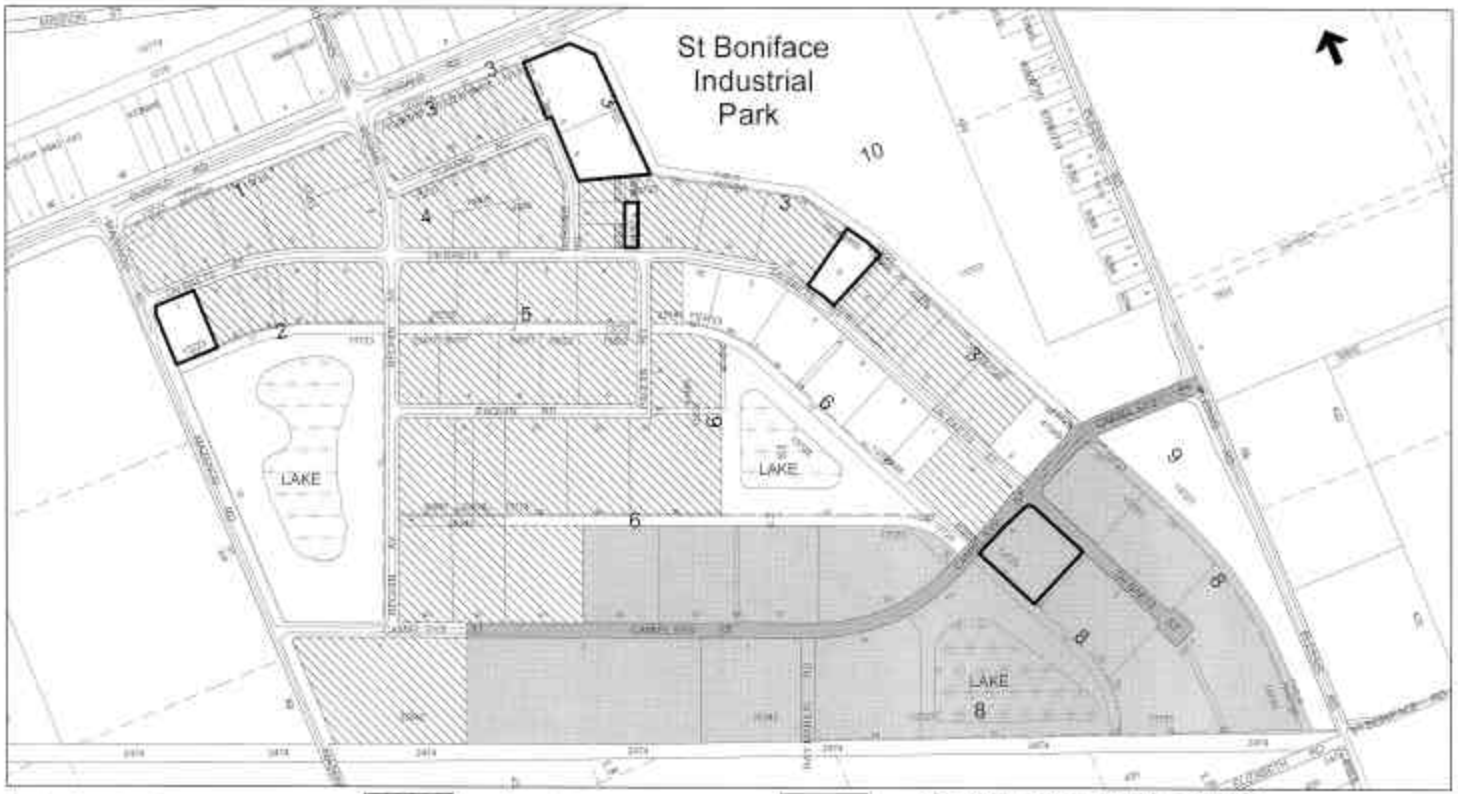
St Boniface
Industrial
Park
LAKE
LAKE
LAKE
Lands sold are shown thus
Lands reserved are shown thus
Unserviced
Proposed Extension of Services
MP-2 Zoning except Lots 1 & 10, Blk. 2, Plan 13723
SCALE 1:7500
JUNE 2003
Misc Plan 3572/42