Agenda – Council – May 287 2014

Report – Standing Policy Committee on Property and Development – May 13, 2014

Item No. 12 Sale of City-owned property – 547 Selkirk Avenue (Mynarski Ward)

STANDING COMMITTEE RECOMMENDATION:

On May 21, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the portion of the City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project, be waived in this instance.

2. That the sale of the City-owned property shown as "Subject City Property – 547 Selkirk Avenue" on Misc. Plan No. 10818/2 be approved in favour of Merchants Corner Inc. for the purchase price of $1.00 upon terms and conditions that the Director of Planning, Property and Development and the Director of Legal Services and City Solicitor consider necessary to protect the interests of the City.

3 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 – May 13, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 21, 2014, 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 May 13, 2014, 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: To Seek Council Approval to Waive that Portion of the City Policy Pertaining to the Sale or Lease of City Lands to Non-Profit Organizations

To Seek Standing Policy Committee on Property and Development Approval of the Proposed Sale of the City-owned property located at 547 Selkirk Avenue

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

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Zabudney	B. Thorgrimson	n/a	M. Jack A/COO

RECOMMENDATIONS

1. That Council in this instance waive that portion of the City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project.

2. That EPC approve the proposed sale of the City-owned property shown as "Subject City Property – 547 Selkirk Avenue" on the attached Misc. Plan No. 10818/2, in favour of Merchants Corner Inc., for the purchase price of $1.00, upon terms and conditions that the Director of the Planning, Property and Development Department and the Acting Director of Legal Services and City Solicitor consider necessary to protect the interests of the City.

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

REASON FOR THE REPORT

- Council approval is required to waive that portion of the City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project.
- Approval by the Standing Policy Committee on Property and Development is required for the sale of the subject City-owned property.

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-owned property is in accordance with the City's "Offers to Purchase City-owned Property Policy". In accordance with the Policy, the Department may accept for consideration unsolicited offers for City-owned property and will sell these properties at or below market value when mandated by Council approved policies or programs. The Municipal Aboriginal Pathways Strategy (MAPS), **the Affordable Housing Initiative (AHI)**, the Winnipeg Housing and Homelessness Initiative (WHHI), and the Economic Opportunity Framework are examples of these policies and programs.

HISTORY

The City acquired the subject City-owned property through the tax sale process on May 29, 2000.

Particulars of the subject property are as follows:

Location:	547 Selkirk Avenue
Legal Description:	Lots 34, Block 9, Plan 187 WLTO (W Div) in RL 36 Parish of St. John
Certificate of Title:	1721887
Zoning:	C1.5 Commercial Community
Size:	3,485 sq. ft.

In March of 2013, the University of Winnipeg Community Renewal Corporation asked that the City of Winnipeg hold the subject City property to be included in the Merchants Corner project at 547 Selkirk Avenue.
The Merchants Corner project consists of the conversion of the vacant former Merchants Hotel into 15,000 square feet of educational space and 13 affordable housing units on Selkirk Avenue and 17 housing units on Pritchard Avenue. Merchants Corner Inc. is a newly formed non-profit corporation created by the North End Community Renewal Corporation (NECRC) and the University of Winnipeg Community Renewal Corporation (UWCRC) which will own the Selkirk Avenue portion of the Merchants Corner project.

Conditions of sale of the subject City property will include provision that a building permit for the affordable housing project must be obtained and development must commence within 12 months after the date of closing, possession and adjustments (or such later date that is mutually acceptable to both parties) and that the subject City property must be consolidated with 541 and 543 Selkirk Avenue to create one parcel of land.

The Planning, Property and Development Department supports the proposed sale of the subject City-owned property to Merchants Corner Inc. for an innovative educational and student housing complex. This support is based on the parameters of the Council approved Affordable Housing Initiative (AHI) policy.

Under the present City Policy regarding sale at $1.00 to non-profit groups, the property is to return to the City at the end of its economic life. The project on the property at 541-547 Selkirk Avenue is being financed by MHRC to permit the establishment of the 13 rental units. Therefore, in this case the Department is requesting that Council waive that portion of the City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that

properties sold at less than market value revert back to the City at the conclusion of the economic life of the project.

The Planning, Property and Development Department is recommending the Department negotiate the sale of the subject City-owned property on Misc. Plan No. 10818/2 to Merchants Corner Inc. for the following reasons:

- The proposed sale of the subject City-owned property is in accordance with the City's "Offers to Purchase City-owned Property Policy". In accordance with the Policy, the Department may accept for consideration unsolicited offers for City-owned property and will sell these properties at or below market value when mandated by Council approved policies or programs. The Municipal Aboriginal Pathways Strategy (MAPS), the **Affordable Housing Initiative (AHI)**, the Winnipeg Housing and Homelessness Initiative (WHHI) are examples of these policies and programs.
- The Ward Councillor supports the sale.
- The Area Planner supports the sale.
- 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:** April 10, 2014

Project Name:

Approval of the Sale of the City-owned property located at 547 Selkirk Avenue

COMMENTS:

The recommendation in this report is that the City owned property at 547 Selkirk Avenue be sold to Merchants Corner Inc.for $1.00. Municipal property tax considerations are immaterial. As such, there are no financial implications associated with this recommendation.

"original signed by"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Legal Services as to legal issues

SUBMITTED BY

Department	Planning, Property and Development
Division	Real Estate
Prepared by:	Christine Osborne
Date:	April 11, 2014
File No.	32/7223

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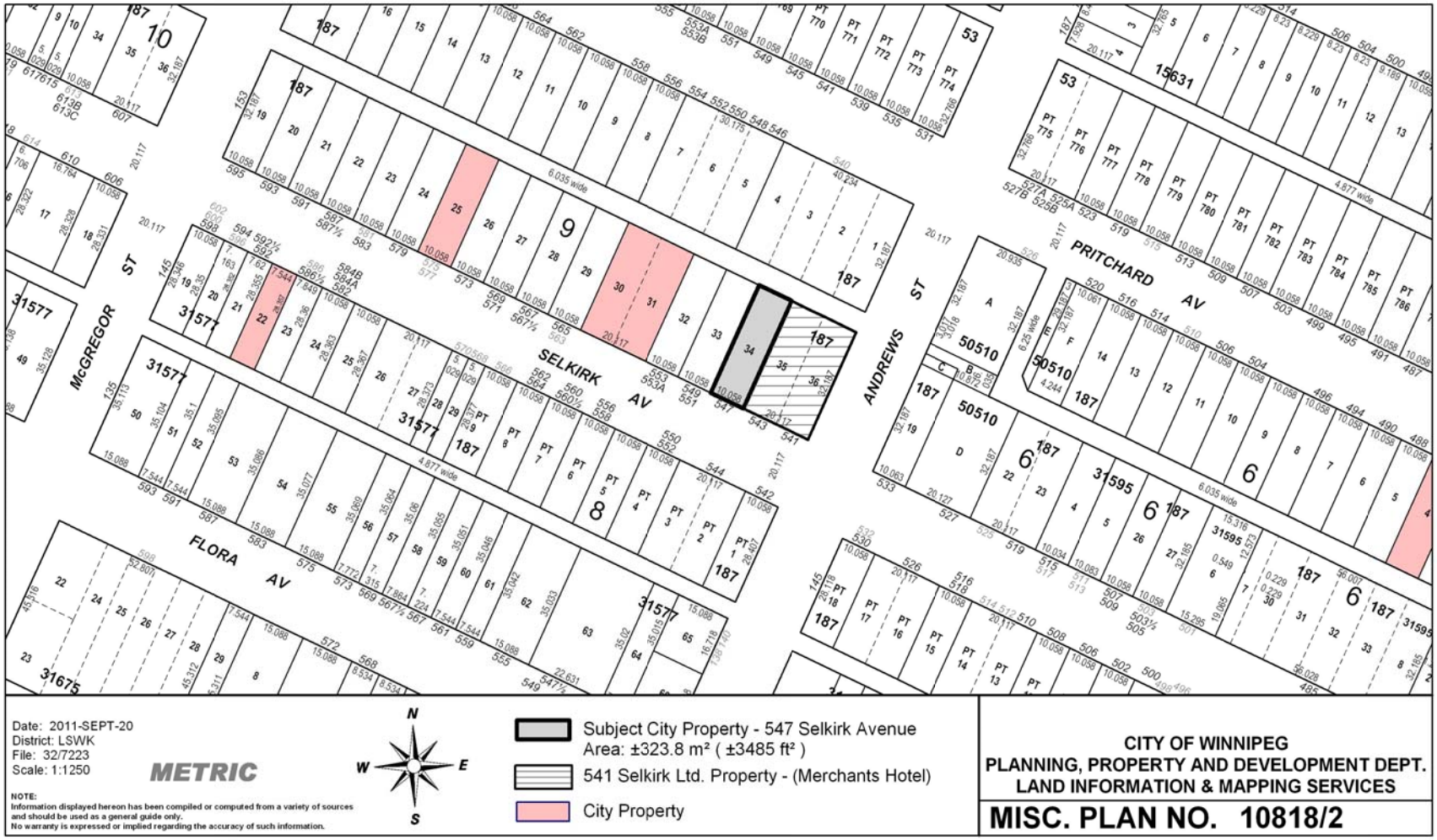
SELKIRK AV
McGREGOR ST
ANDREWS ST
PRITCHARD AV
FLORA AV
Date: 2011-SEPT-20
District: LSWK
File: 32/7223
Scale: 1:1250
METRIC
NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only.
No warranty is expressed or implied regarding the accuracy of such information.
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Subject City Property - 547 Selkirk Avenue
Area: ±323.8 m² (±3485 ft²)
541 Selkirk Ltd. Property - (Merchants Hotel)
City Property
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 10818/2