**Minute No. 510**
**Report – Standing Policy Committee on Property and Development – May 13, 2014**

**Item No. 11 Sale of City-owned property – 693 Sara Avenue (Fort Rouge – East Fort Garry Ward)**

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

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 shaded on Misc. Plan No. 11745/1 be approved in favour of Clubhouse of Winnipeg 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 / 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:

Moved by Councillor Browaty,

That the recommendation of the Standing Policy Committee on Property and Development be adopted by consent.

Carried

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 693 Sara 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<br>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 shaded on the attached Misc. Plan No. 11745/1, in favour of Clubhouse of Winnipeg Inc., for the purchase price of $1.00, upon terms and conditions that the Director of the Planning, Property and Development Department and the Director of Legal Services / 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 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 in December of 2002.

Particulars of the subject property are as follows:

| | |
|---|---|
| Location: | 693 Sara Avenue |
| Legal Description: | SP Lots 23 and 24 Plan 33935 WLTO subject to a Right of Way for all purposes and as appurtenant to SP Lots 21 and 22 as shown on said plan over and upon said Lot 23 in RL 79 Parish of St James |
| Certificate of Title: | 1915923/1 |
| Zoning: | C2 Commercial Community |
| Size: | 3,144 sq. ft. |

In January 2012, the Clubhouse of Winnipeg Inc. asked that the City of Winnipeg hold the subject City property to be included in their residential housing project at 184 Sherbrook Street, in order that they could make application for variance and rezoning that would be required for the project. If the rezoning was approved, the Clubhouse of Winnipeg Inc. advised that title to

184 Sherbrook Street would be transferred to Fountain Springs Inc., a not-for-profit corporation owned by Clubhouse of Winnipeg Inc.

On May 30, 2012, Council approved the Rezoning of 184 Sherbrook Street to an RMF-L Residential Multi-family District. Fountain Springs Inc. intends to construct a 6 storey, 31 unit multiple-family building on the property at 184 Sherbrook Street for an integrated and affordable housing development. Under a Parking Management Plan with the Clubhouse of Winnipeg Inc. (owners of 172 Sherbrook Street), Fountain Springs Inc. would use the 11 newly created parking spots on the subject City property for the residents of the assisted living complex.

Conditions of sale of the subject City property will include provision that a building permit for the assisted living 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 172 Sherbrook Street to create one parcel of land.

The Planning, Property and Development Department support the proposed sale of the subject City-owned property to Clubhouse of Winnipeg Inc. for a mixed income affordable housing project. 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 184 Sherbrook Street is being financed by MHRC. Under the rezoning agreement (DAZ 204/2012) for 184 Sherbrook Street, the City land is required to satisfy the parking requirement for that project. 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. 11745/1 to Clubhouse of Winnipeg 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 7, 2014

**Project Name:**

**Approval of the Sale of the City-owned property located at 693 Sara Avenue**

**COMMENTS:**

The recommendation in this report is that the City owned property at 693 Sara Avenue be sold to Clubhouse of Winnipeg 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 8, 2014 |
| File No. | 32/7405 |

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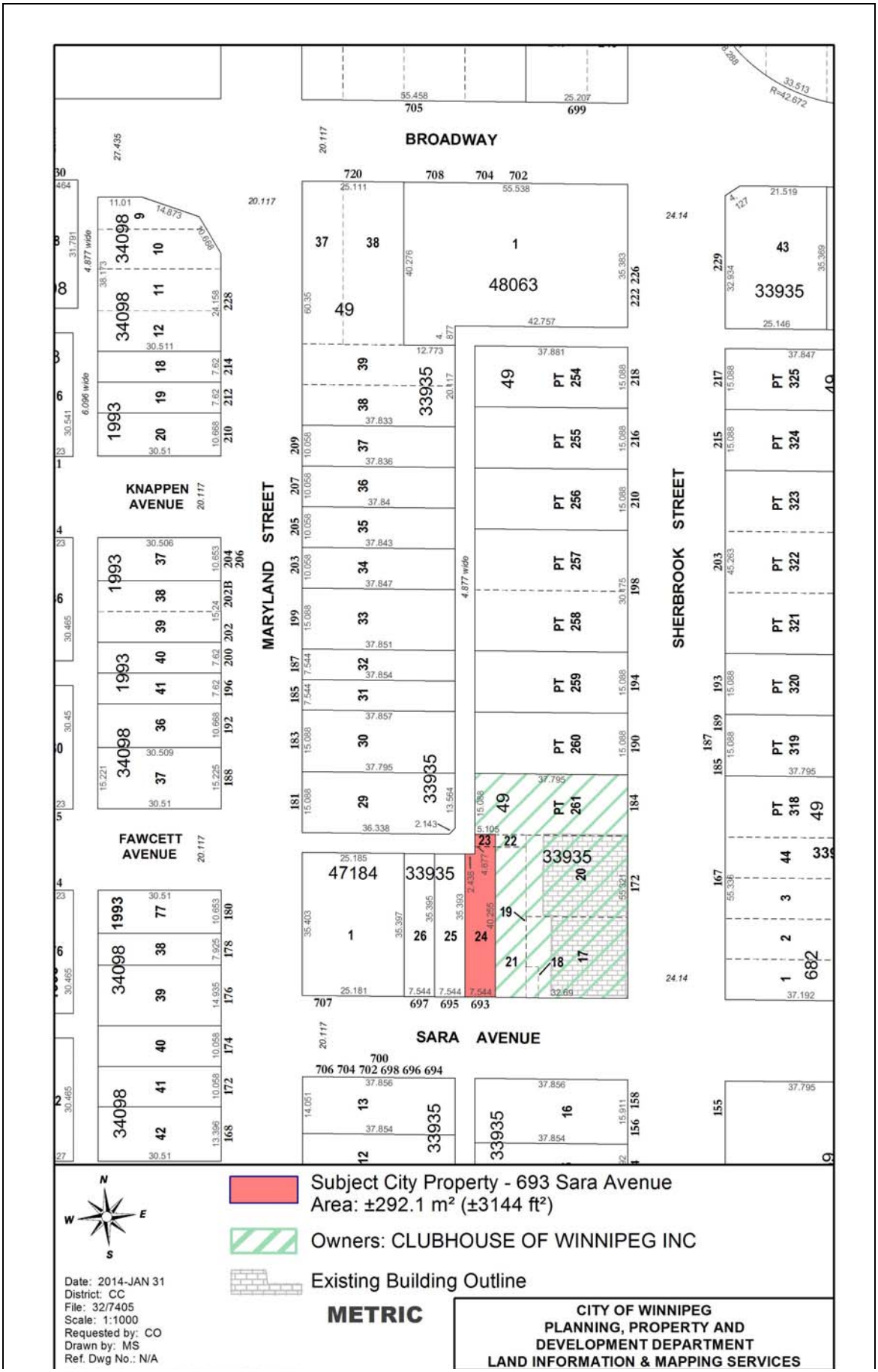
BROADWAY
MARYLAND STREET
SHERBROOK STREET
KNAPPEN AVENUE
FAWCETT AVENUE
SARA AVENUE
Subject City Property - 693 Sara Avenue
Area: ±292.1 m² (±3144 ft²)
Owners: CLUBHOUSE OF WINNIPEG INC
Existing Building Outline
METRIC
Date: 2014-JAN 31
District: CC
File: 32/7405
Scale: 1:1000
Requested by: CO
Drawn by: MS
Ref. Dwg No.: N/A
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES