Agenda - Executive Policy Committee – March 18, 2015

Report - Standing Policy Committee on Property and Development – March 10, 2015

Item No. 18 Results of Expression of Interest 617-2014 and Approval of the Sale of 825 Tache Avenue (St. Boniface Ward)

STANDING COMMITTEE RECOMMENDATION:

On March 10, 2015, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the sale of the subject City-owned property, identified as "Subject Property" on the attached Misc. Plan No. 14209/5 to Sunstone Resort Communities LP be approved at a purchase price of $2,020,000 in accordance with the submission received by the City pursuant to EOI 617-2014.

2. That the Council decision of March 21, 2001, with respect to the Public Works/Water and Waste Facilities Master Plan (Minute 383), be amended to allocate 25% of the net sale value of the "Subject Property" to the Taché Promenade Project, subject to matching support from the Province of Manitoba.

3. Subject to the approval of Recommendation 1, that the authority be delegated to the Director of Planning, Property and Development to finalize the terms and conditions of sale in accordance with the City's standard terms and conditions of sale, the Expression of Interest and those additional conditions deemed necessary by the Director of Legal Services/City Solicitor considered necessary to protect the interests of the City.

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

Agenda - Executive Policy Committee – March 18, 2015

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 10, 2015, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service with the following amendment:

- Add the following as Recommendation 2 and renumber the remaining recommendations accordingly:

    2. That the Council decision of March 21, 2001, with respect to the Public Works/Water and Waste Facilities Master Plan (Minute 383), be amended to allocate 25% of the net sale value of the "Subject Property" to the Taché Promenade Project, subject to matching support from the Province of Manitoba.

and forwarded to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Results of Expression of Interest 617-2014 and To Seek Standing Policy Committee on Property and Development Approval of the Sale of 825 Tache Avenue**

Critical Path: **Standing Policy Committee on Property and Development**

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Zabudney	M. Pittet	M. Ruta	M. Jack A/CAO

RECOMMENDATIONS

1. That the sale of the subject City-owned property, identified as "Subject Property" on the attached Misc. Plan No. 14209/5 to Sunstone Resort Communities LP be approved at a purchase price of $2,020,000 in accordance with the submission received by the City pursuant to EOI 617-2014.

2. Subject to the approval of Recommendation 1, that the authority be delegated to the Director of Planning, Property and Development to finalize the terms and conditions of sale in accordance with the City's standard terms and conditions of sale, the Expression of Interest and those additional conditions deemed necessary by the Director of Legal Services/City Solicitor considered necessary to protect the interests of the City.

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

REASON FOR THE REPORT

- Standing Policy Committee on Property and Development approval is required to sell the subject City-owned Property.

IMPLICATIONS OF THE RECOMMENDATIONS

- The City's standard terms and conditions of sale will include provisions to protect the City's interests in the event that environmental contamination is discovered.

- There are no regulatory or human resources implications associated with this report.

HISTORY

On May 24, 2006, Council declared the subject City-owned property as surplus as part of the Public Works – Water and Waste Facilities Master Plan. The subject City-owned property was used as a Public Works Yard and was completely vacated in 2014.

An Expression of Interest (EOI) bid opportunity was issued to the public in August 2014. Sealed bids were received up until September 26, 2014. The Department received several submissions and one community response.

The submissions were evaluated on the basis of the offer price and conditions, proposed use, cultural component, and developer experience. Based on the rating analysis, the submission from Sunstone Resort Communities LP received the highest rating.

Sunstone's bid submission outlined a high density residential development with a multi-family building (maximum 7 storeys) to the rear of the site with a mix of underground and surface parking. The development would also include a small scale commercial and residential component fronting Tache Avenue.

The proposed development is in line with land use policies set out in the North St. Boniface District Plan. The Proponent intends to apply for a density bonus of up to 25% in order to get the maximum units (83) under The North St. Boniface District Plan.

After evaluating the submissions received, the submission by Sunstone Resort Communities LP for the purchase price of $2,020,000.00 is considered to be the best submission. As a result, the Public Service is recommending the submission pursuant to the Expression of Interest, received from Sunstone Resort Communities LP for $2,020,000 for a multi-family development with a commercial component, be approved and that the proposed terms and conditions of the sale be subject to:

A. The Purchaser having 270 days from the date of approval (the due diligence period) to complete the following project feasibility tasks and applications, the results of which are to be to the sole satisfaction of the Purchaser:
    i. To make application to legally close the area identified as "Proposed Closing" on Misc. Plan No. 14209/5;
    ii. To make application to subdivide and create separate Parcels for the land identified as "City Property to be retained for Riverbank" and "Proposed Rapid Transit Corridor" and to facilitate consolidation of the "Proposed Closing with the "Subject Property" as shown on Misc. Plan No. 14209/5;
    iii. To make application to rezone the "City Property to be retained for Riverbank" to Parks and to rezone the "Subject Property" to a multi-family residential use as shown on Misc. Plan No. 14209/5;
    iv. Any and all applications are at the sole cost, effort and expense of the Proponent;
    v. To initiate, conduct and satisfy itself as to the results of a riverbank stability study and any required riverbank infrastructure costs;
    vi. Any environmental impacts that are determined are to be acceptable; and
    vii. Costs to extend offsite waste and water service to the "Subject Property" and offsite road work costs are determined to be acceptable.

The Department supports and recommends approval of the proposed sale of the subject City-owned property to Sunstone Resort Communities LP for the following reasons:

- The proposed purchase price is consistent with an internal appraisal.
- 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.
- The Ward Councillor was consulted with the intentions of the Department.

On March 21, 2001, Council approved use of the sale proceeds from disposition for implementation of the Public Works/Water and Waste Facilities Master Plan.

On November 16, 2011, Council approved that the Land Operating Reserve be identified as a source of funding to off-set certain Local Improvement Charges in Pointe Hebert North St. Boniface, for owner occupied properties with residents that have lived in their residence for longer than six months, prior to November 16, 2011. The Local Improvement Charge was necessary for the servicing of properties in Pointe Hebert. On November 16, 2011, Council also approved the use of the incremental Municipal Realty Taxes generated from the sale and redevelopment of the subject City-owned property to be used to replenish the Land Operating Reserve.

Note: As at the date of this report, the number of affected property owners is such that the local improvement charges to be levied by by-law are considered to be immaterial. As such, this has been excluded from the analysis contained in the Financial Impact Statement.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 23, 2015

Project Name:

First Year of Program **2015**

Results of Expression of Interest 617-2014 and To Seek Standing Policy Committee on Property and Development Approval of the Sale of 825 Tache Avenue

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	2,020,000	17,557	17,557	17,557	17,557
Net Cost/(Benefit)	$ (2,020,000)	$ (17,557)	$ (17,557)	$ (17,557)	$ (17,557)
Less: Existing Budget Amounts	(2,020,000)	(17,557)	(17,557)	(17,557)	(17,557)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenue in 2015 represents the proposed purchase price. Of this amount, $101,000 will be allocated to each of the Enhanced Land Marketing Program and the Historical Buildings Program with the remaining $1,818,000 credited to unallocated equity in the Land Operating Reserve. Revenues beginning in 2016 represent muncipal realty taxes based on the assumptions that the property is added to the tax roll on January 1, 2016, the assessed value equal the sale price, portioning and mill rates of 65% and 0.013372 respectively and that these remain constant. Tax revenues will be credited to the General Revenue Fund.

"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: Kim Koszman
Date: February 23, 2015
File No. 5413 AA (V8)

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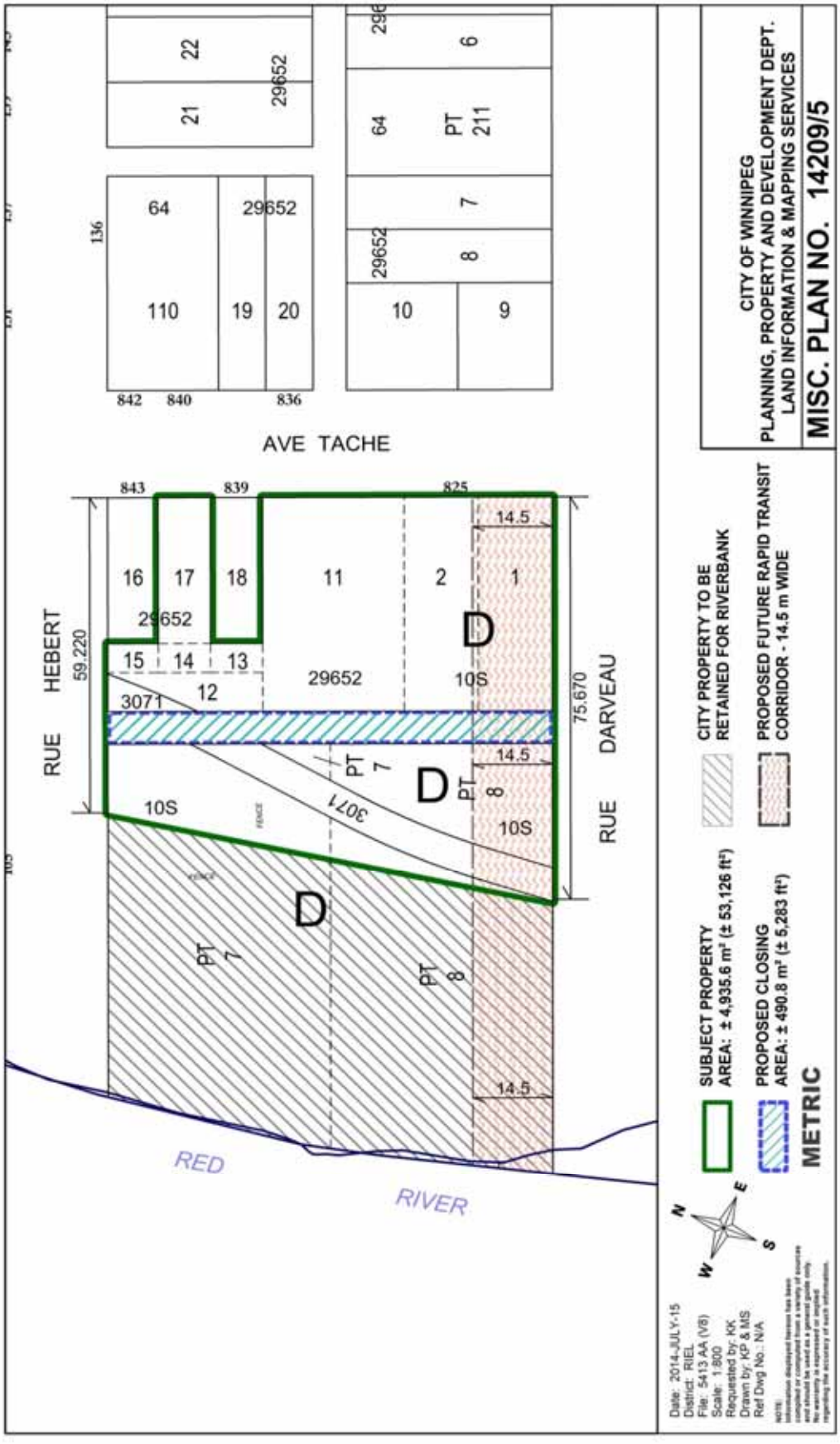

AVE TACHE
RUE HEBERT
RUE DARVEAU
RED RIVER
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14209/5
SUBJECT PROPERTY
AREA: ± 4,935.6 m² (± 53,126 ft²)
PROPOSED CLOSING
AREA: ± 490.8 m² (± 5,283 ft²)
CITY PROPERTY TO BE RETAINED FOR RIVERBANK
PROPOSED FUTURE RAPID TRANSIT CORRIDOR - 14.5 m WIDE
METRIC
Date: 2014-JULY-15
District: RIEL
File: 5413 AA (V8)
Scale: 1:800
Requested by: KK
Drawn by: KP & MS
Ref Dwg No.: N/A