Report - Standing Policy Committee on Property and Development - September 4, 2003

Item No. 23 Acquisition of vacant land at the southwest corner of Logan Avenue and Arlington Street for future intersection improvements File FI-2(34)

STANDING COMMITTEE RECOMMENDATION:

On September 17, 2003, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the acquisition of the "subject property" shown on Misc. Plan No. 10867/2 be approved at a price of $47,000.00, and in accordance with the terms and conditions outlined in Schedule "A" to the attached administrative report dated August 14, 2003.

2. 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 - September 4, 2003

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2003, 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 September 4, 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 of vacant land at the Southwest corner of Logan Avenue and Arlington Street for future intersection improvements**
Lord Selkirk - West Kildonan Community
Point Douglas Ward

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

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

Report date: August 14, 2003

Recommendation(s):

That the acquisition of the "SUBJECT PROPERTY" shown on the attached Misc. Plan No. 10867/2 be approved at a price of $47,000.00 and in accordance with the terms and conditions outlined in the attached Schedule "A".

REPORT SUMMARY

Key Issues:

- The property is required for future intersection improvements, which include the provision of a median, and eastbound and westbound left turn lanes on Logan Avenue at Arlington Street; a surplus portion will be available for exchange with other property owners from whom land will be required for this project.
- The property is vacant, and is currently being offered for sale publicly at a reasonable price within the estimated market value range.
- The negotiated acquisition of the property now, would eliminate the uncertainty of having this land available when construction is scheduled, and would avoid the expense of a possible future expropriation to acquire this property.

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):

- An Environmental Site Assessment prepared by Dillon Consultants in May of 2003, concludes that there are no concerns with regard to development of the site for commercial purposes in accordance with its existing zoning.

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):

- Sufficient funding for the proposed acquisition, including ancillary costs, is allocated in the Land Acquisition for Future Transportation Purposes Account, Certificate No. FT03-02 containing $64,200.00.

REASON FOR THE REPORT:

By this report, the Planning, Property and Development Department is advising as to the results of negotiations to acquire the subject property and is seeking the approval of Council as to the price, terms and conditions of acquisition.

HISTORY:

In the year 2000, a jointly funded Government Infrastructure Program was announced, as well as the normal Annual Regional Street Renewal/Five Year (2002 to 2006) Improvement Programs. Among the projects that were submitted for consideration was a requirement for a significant portion of the subject property.

In March of 2003 the Planning, Property and Development Department, upon observing that the entire property was available for sale privately at a substantial reduction to the previous listing prices, so advised the Public Works Department.

On May 13, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation of the Public Works Department that the Director of the Planning, Property and Development Department be authorized to negotiate for the acquisition of the subject property.

Particulars of the subject property are as follows:

Location:	Southwest corner of Logan Avenue and Arlington Street
Legal Description:	Lots 3, 4 and 5, Plan 31699
Certificates of Title:	1380717,1380718 & 1380719
Registered Owners:	Vicki Counanes, Helen Counanes, Paul Counanes &Bertha Counanes.
Zoning:	"C2" Commercial District
Realty Roll:	13-082658100
Assessed Value (2003):	$41,800.00
Current Taxes: (2002):	$2,592.21
Total Site Area:	1193.2sq. meters (12,843.9 sq. ft.)
Property Description:	The property is a generally level, rectangular vacant lot containing some older concrete slabs, asphalt and granular surfacing and is located opposite the most southerly approach to the Arlington Street Bridge on the west side. The site has been used in the past as an automotive service station with gas pumps, but all of those improvements were removed in 1974.

A series of negotiations resulted in the owners of the subject property agreeing to the sale on July 31, 2003, in accordance with the price, terms and conditions outlined in the attached Schedule "A".

DISCUSSION:

The Public Works Department advises that currently the left turns from Logan Avenue onto Arlington Street (bridge) are prohibited during peak times due to capacity constraints. The widening of the right-of way and the installation of a median and left turn lanes will allow the turning restrictions to be removed, thus, the more efficient flow of vehicular traffic through the intersection. Some 1,593.3 square feet of Logan Avenue frontage (12.4% of the total property) has been previously identified as required for the proposed project. The remaining portion of the property not required for the widening project would be available either for sale or for compensating other property owners from whom land will be required for the project.

The subject property was listed for sale in 1999 on the Multiple Listing Service for $220,000 and included in the asking price at that time an adjacent parcel to the south with a small restaurant type building (the restaurant property eventually sold in July of 2003 for $38,000.00). In July of 2001, the subject property by itself was listed with an agent for sale at $85,000.00 but never sold. The subject property was re-listed with an agent in November of 2001 at $55,000.00, but again did not sell. In March of 2003, the owners placed a private "For Sale" sign on the property and advertised the property for sale at $40,000.00 on an "as is" basis. The owners advised that they generated a lot of interest in the site; however, most of the prospective purchasers expressed concerns over the possibility that the site could have environmental contamination problems. The owners subsequently decided to contract at their expense (some $7,000.00) a professional environmental assessment of the site. The results of the environmental site assessment prepared by Dillon Consultants in May of 2003, basically concluded that there were no environmental concerns with regards to the development of the site for commercial development in accordance with the existing zoning. The owners then advertised the property for sale privately at $50,000.00.

Acquisition of the property at the price, terms and conditions proposed are reasonable and well within the estimated market value range. The negotiated acquisition of the property now, would eliminate the uncertainty of having this land available when future construction is scheduled, and would avoid the expense of a possible future expropriation or negotiation to acquire a more expensive improved property from a subsequent owner. The Public Works Department and the Planning, Property and Development Department both consider the current opportunity to acquire the entire property by negotiation in accordance with the price, terms and conditions outlined on the attached Schedule "A" to be in the City's best interests.

Financial Impact Statement

Date: August 8, 2003

Project Name:

Proposed Acquisition of Vacant Land at the Southwest Corner of Logan Avenue and Arlington Street for Future Intersection Improvements

First Year of Program 2003

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ 50,346	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	50,346	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal		$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,762	$ 5,035	$ 5,035	$ 5,035	$ 5,035
Less: Incremental Revenue/Recovery	1,936	-	-	-	-
Net Cost/(Benefit)	$ (174)	$ 5,035	$ 5,035	$ 5,035	$ 5,035
Less: Existing Budget Amounts	(174)	5,035	5,035	5,035	5,035
Net Budget Adjustment Required	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)

Additional Comments:

The above noted capital costs include the negotiated purchase price plus GST, interest and admin charges.

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

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

THE PUBLIC WORKS DEPARTMENT

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Manuel Sousa
PPD File #: 8389

Document name: o:\reports directive\real estate\acquisition\(ms) sw logan arlington.doc


LOGAN AVE
TRINITY ST
ARLINGTON ST
SUBJECT PROPERTY
1193.2 SQ.M.
Date: 2003-APR-01
District: LSWK
File: 5400/338
Scale: 1:750
METRIC
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 10867/2

Winnipeg

Planning, Property & Development Department • Service de l'urbanisme, des biens et de l'aménagement

Real Estate Division • Division des biens immobiliers

In reply please refer to / Référence à rappeler :

Mr. M.Sousa
(204) 986-3711
Fax / Téléc. : (204) 944-8476

RECEIVED
CITY OF WINNIPEG
JUL 31 2003
PLANNING, PROPERTY & DEVELOPMENT DEPARTMENT

July 29, 2003

Mr. P Counanes
390 Rutland Street
Winnipeg, MB R3J 1Y1

Dear Sir:

RE: SOUTH-WEST CORNER OF LOGAN AVENUE AT ARLINGTON STREET
FILE 8369(PLEASE QUOTE WHEN REPLYING)

This letter is further to our previous discussions in this regard, the most recent one being on July 29, 2003.

You have advised me that all the registered Owners of the property are now prepared to consider a purchase and sale proposal from the City without requiring a non-refundable purchase deposit but the offer must be for no less than $47,000.00.

In the interests of moving this matter along without undue delay, this Department is prepared to recommend to the various Standing Committees and City Council the acquisition of the referenced property in accordance with the proposed price and terms and conditions outlined in the attached Schedule "A".

Please note that the City would expect that you submit to the Manitoba Environment Department a final copy of the Dillon Consulting Environmental Report and obtain from the Manitoba Environment Department a "Letter of Closure" or other suitable document stating that the Manitoba Environment Department would not have any concerns with development of the subject lands for Commercial purposes.

We understand that there is an existing arrangement with a the Pattison sign company that allows for the existence of a large pylon sign on the property and that the agreement can be cancelled with 30 days notice. We would require a copy of that agreement on or before August 18, 2003.

We respectfully request that the registered Owners consider the attached purchase and sale proposal outlined on the attached Schedule "A" and if acceptable advise us in writing before 4 P.M. on July 31, 2003. Please note that the proposal herein outlined is subject to obtaining the approval of the various Standing Committees and City Council by September 25th, 2003.

I thank you for your assistance.

Yours truly,

M. Sousa

July 29, 2003

Schedule "A"

Proposed terms and conditions for the purchase and sale of the subject property at Southwest corner of Logan Avenue at Arlington Street, shown as **"SUBJECT PROPERTY"** on the attached Misc. Plan No.10867/2.

1. **THE PROPOSAL OUTLINED HEREIN IS CONDITIONAL UPON OBTAINING THE FINAL APPROVAL OF THE CITY OF WINNIPEG COUNCIL OR ITS DELEGATED AUTHORITY.**

2. An all-inclusive purchase price of **FORTY-SEVEN THOUSAND ($47,000.00) DOLLARS** for the subject property shown as **"SUBJECT PROPERTY"** on the attached Misc. Plan No.10867/2.

3. The subject property to be conveyed to the City free and clear of any liens, encumbrances or leasehold interests unless specifically noted herein.

4. The date for vacant possession – free of leasehold interest and adjustment of taxes, to be October 31, 2003.

5. The Vendor to supply on or before August 18, 2003 a **final copy** of the environmental report (subsurface investigation) prepared by Dillon Consulting earlier this year on the subject property.

6. Subject to the Vendors submitting a copy of the report referred to in item # 5, to Manitoba Environment and obtaining and providing from Manitoba Environment, on or before August 18, 2003, a Letter of Closure or other suitable document advising that Manitoba Environment has no concerns with the development of the subject property for Commercial purposes

7. The Vendor will permit the City at its discretion and expense, on or before September 2, 2003, to conduct or have conducted on its behalf an Environmental Site Assessment together with any soil testing and analysis required.

8. The Vendor declares that to the best of his/her/its knowledge and belief:

    a) the subject property complies with all applicable environmental laws, regulations and bylaws;
    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 disposal.

9. The Vendor further acknowledges and accepts that should the City determine that on or before September 23, 2003 that there are environmental concerns or contamination, it may elect to cancel the proposed purchase without penalty.

10. That any professional fees, including but not limited to; legal fees, disbursements, commissions, appraisal or consulting fees and all applicable G.S.T. charges incurred by the Vendor with respect to the sale of the subject property shall be the sole responsibility of the Vendor unless specifically noted otherwise herein.

11. The Vendor agrees to enter into an appropriate purchase and sale agreement with the City embodying the within terms and conditions and in a form satisfactory to the City Solicitor.

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

13. 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 to the Assessment Rolls of the City.

14. The Vendor agrees to declare whether or not he/she/it is a "Registrant" for the purposes of the "Goods and Services Tax" and if so, to provide his/her/its G.S.T. Registration number.

15. The City will self-assess any Goods and Services Tax that it may owe on this transaction. Its G.S.T. Registration No. is R121682967.

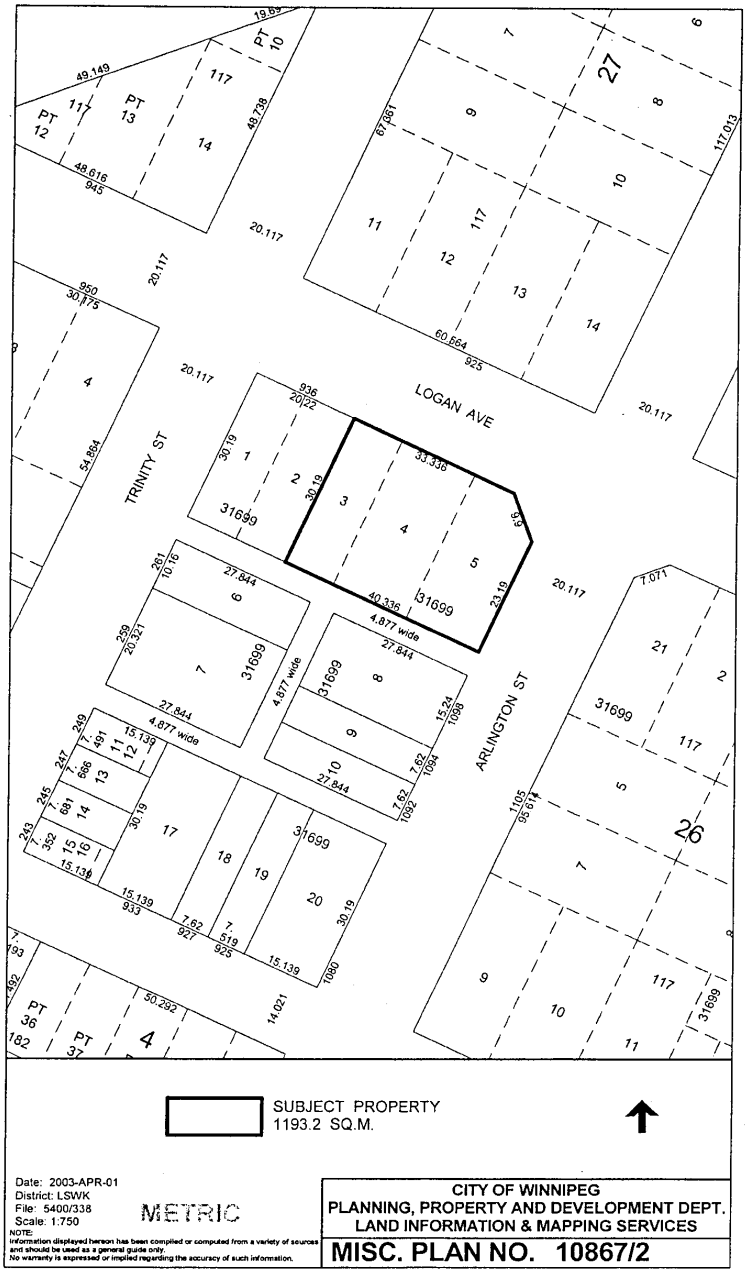
16. The Vendor shall not remove any topsoil or allow any dumping on the subject property.

17. This proposal is open for acceptance by the Vendors until 4 P.M. on July 31, 2003, after which time it will expire.

We, VICKI COUNANES, HELEN COUNANES, PAUL COUNANES and BERTHA COUNANES, the legally Registered Owners of the property shown on attached Misc. Plan No. 10867/2, hereby agree to the sale of the subject property in accordance with the price, terms and conditions outlined herein.

Dated at Winnipeg this 31 day of July, 2003, at 11 AM/PM.

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LOGAN AVE
TRINITY ST
ARLINGTON ST
SUBJECT PROPERTY
1193.2 SQ.M.
Date: 2003-APR-01
District: LSWK
File: 5400/338
Scale: 1:750
METRIC
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 10867/2