Minutes – Executive Policy Committee – July 8, 2015

Report – Standing Policy Committee on Property and Development – July 6, 2015

Item No. 4 Request to Rescind 2013 Council Approved Joint Venture between the City of Winnipeg and Terracon Development Ltd. – Prairie Industrial Park

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 Council decisions of January 30, 2013, being Minute No. 172, Recommendation No. 2 through 5, respecting the City entering into a Joint Venture Agreement with Terracon Development Ltd. for the servicing and ultimate sale of the City-owned property located south of the St. Boniface Industrial Park and that the Winnipeg Public Service report back to Council on the final disposition of the City–owned property, be rescinded.

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

Minutes – Executive Policy Committee – July 8, 2015

Report – Standing Policy Committee on Property and Development – July 6, 2015

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Orlikow,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On July 6, 2015, 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: **Request to Rescind 2013 Council Approved Joint Venture between the City of Winnipeg and Terracon Development Ltd. – Prairie Industrial Park**

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

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
J. Zabudney	M. McGinn (Acting Director)	M. Ruta	D. McNeil CAO

RECOMMENDATIONS

That Council rescind its decisions of January 30, 2013, being Minute No. 172, Recommendation No. 2 through 5, respecting the City entering into a Joint Venture Agreement with Terracon Development Ltd. for the servicing and ultimate sale of the City-owned property located south of the St. Boniface Industrial Park and that the Winnipeg Public Service report back to Council on the final disposition of the City–owned property

REASON FOR THE REPORT

Council approval is required to rescind and amend its previous decisions/instructions.

EXECUTIVE SUMMARY

Negotiations between the Winnipeg Public Service and Terracon Development Ltd. in regard to the Council approved Joint Venture Agreement have come to a stalemate and will not proceed.

The Winnipeg Public Service will report back to Council on the final disposition of the City–owned property.

IMPLICATIONS OF THE RECOMMENDATIONS

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

HISTORY

In September 2008, Terracon Development Ltd. ("Terracon") approached the Planning, Property and Development Department to consider a proposal to participate in the completion of the improvements of Mazenod Road to the southern limit of the aqueduct. The improvements would enable development to proceed within The Waters Business Park as well as provide for the servicing of the 237 acres of City owned land located south of the aqueduct. Terracon also suggested a Joint Venture partnership between Terracon and the City of Winnipeg to develop the City's 237 acres of industrially zoned lands south of the aqueduct. It was determined that potential development opportunities could result in industrial sites that could be sold at then market rates for a total of approximately $24M before municipal infrastructure improvements.

On February 18, 2009, Council authorized the Winnipeg Public Service to enter into an Agreement of Servicing with Terracon for enhancement/improvements within the Mazenod Road Right-of-Way that could potentially generate $24M (in 2009 dollars) in sales.

On July 1, 2009, the serviced Mazenod Road opened.

As Mazenod Road was now fully serviced, in 2010 Terracon approached the City to enter into a Joint Venture to service and sell the 237 acre parcel of industrial land within the City's boundary south of the Aqueduct in the St. Boniface Community. Terracon presented its Business Plan to the Winnipeg Public Service, which was supported in principle.

On January 30, 2013, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and approved that the City of Winnipeg enter into a *Joint Venture Agreement with Terracon Development Ltd. (Terracon) subject to terms and conditions deemed necessary by the Director of the Planning, Property and Development Department and the Director of Legal Services/City Solicitor, which will be consistent with other successful Council approved Joint Ventures previously negotiated and approved between developers and the City of Winnipeg in other areas of the City, be approved.*

The Winnipeg Public Service commenced with finalizing terms and conditions of the Joint Venture Agreement. During this same time, Terracon applied for a subdivision of the subject City-owned property under DAS 19/2013 (see Misc. Plan No. 14362/3, attached), which was approved by Council at its meeting of September 25, 2013.

Negotiations between the Winnipeg Public Service and Terracon Development Ltd. in regard to the Council approved Joint Venture Agreement have come to a stalemate and will not proceed.

The Winnipeg Public Service is therefore recommending that Council rescind its previous decisions in regard to the proposed Joint Venture with Terracon Development Ltd. and that the Winnipeg Public Service report back to Council on the final disposition of the City–owned property.

Financial Impact Statement

Date: July 3, 2015

Project Name:

Proposed Joint Venture between the City of Winnipeg and Terracon Development Ltd. – Prairie Industrial Park

COMMENTS:

There are no financial implications associated with the recommendation contained in this report.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

Legal Services as to legal issues

Material Management

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department Planning, Property & Development
Division Real Estate
Prepared by: John S. Zabudney
Date: July 3, 2015
File No. 32/6123 43 V(III)

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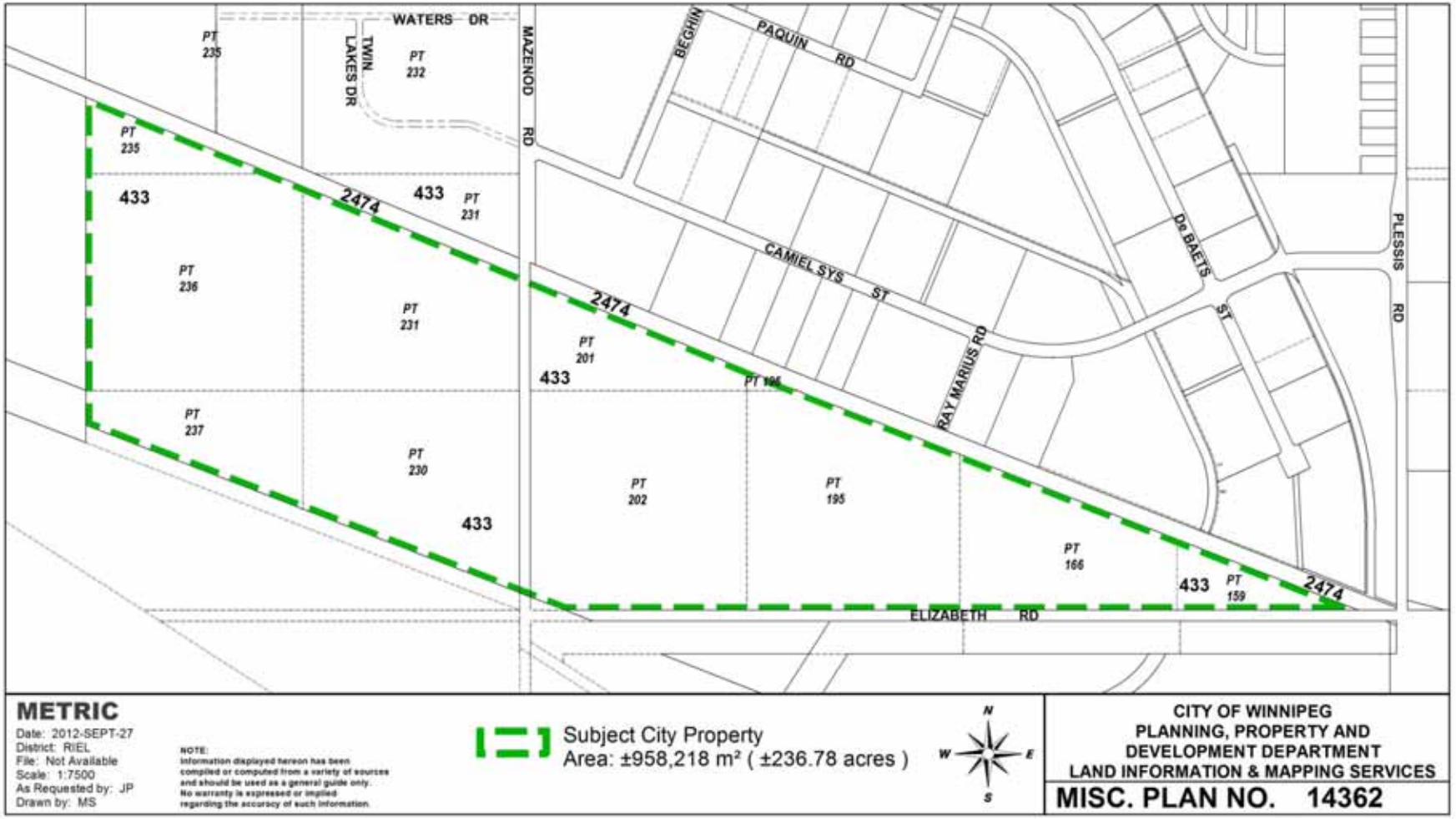
WATERS DR
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2474
433
PT 235
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PT 231
PT 236
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PT 230
PT 201
PT 202
PT 195
PT 166
PT 159
METRIC
Date: 2012-SEPT-27
District: RIEL
File: Not Available
Scale: 1:7500
As Requested by: JP
Drawn by: MS
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.
Subject City Property
Area: ±958,218 m² (±236.78 acres)
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 14362