**Agenda – Executive Policy Committee – April 20, 2016**

**Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – April 12, 2016**

**Item No. 6 Land Exchange of City-Owned lands adjacent to Springfield Road and Chief Peguis Trail with adjacent Palliser Furniture (Canada) Corporation-owned lands (North Kildonan Ward)**

STANDING COMMITTEE RECOMMENDATION:

On April 12, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the City-owned property, identified as "Subject City Property to be sold to Palliser – Total Area of Parcels A & B: +/-4,028.4 m2 (43,361 ft2)" on Misc. Plan No. 13595/10 (Parcels A and B) be declared surplus to the needs of the City.

2. That, subject to the approval of Recommendation #1, the sale of Parcels A and B to Palliser Furniture (Canada) Corporation (Palliser) for the price of $209,200.00 be approved in accordance with the terms and conditions outlined in Schedule A dated January 20, 2016, and upon such additional terms and conditions as may be acceptable to the Director of Legal Services and City Solicitor and the Director of the Planning, Property and Development Department.

3. That the acquisition of land from Palliser shown as "Lands to be Acquired from Palliser to align Proposed Right of Way – Total Area of Parcels C & D: +/-928.1 m2 (+/-9,990 ft2)" on Misc. Plan No. 13595/10 (Parcels C and D) at a purchase price of $50,000.00 be approved, in accordance with the terms and conditions outlined in Schedule A attached dated January 20, 2016, and upon such additional terms and conditions as may be acceptable to the Director of Legal Services and City Solicitor and the Director of the Planning, Property and Development Department.

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

**Agenda – Executive Policy Committee – April 20, 2016**

**Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – April 12, 2016**

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 12, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** **Land Exchange of City-Owned lands adjacent to Springfield Road and Chief Peguis Trail with adjacent Palliser Furniture (Canada) Corporation-owned lands.**

**Critical Path:** **Standing Policy Committee on Property and Development, Heritage and Downtown Development - Executive Policy Committee - Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO/COO |
|---|---|---|---|
| J. Zabudney | J. Kiernan | CFO | CAO |

## RECOMMENDATIONS

1. That the City-owned property, identified as “Subject City Property to be sold to Palliser – Total Area of Parcels A & B: +/-4,028.4 m2 (43,361 ft2)” on Misc. Plan No. 13595/10 (Parcels A and B) be declared surplus to the needs of the City.

2. That, subject to the approval of Recommendation #1, the sale of Parcels A and B to Palliser Furniture (Canada) Corporation (Palliser) for the price of $209,200.00 be approved in accordance with the terms and conditions outlined in Schedule A dated January 20, 2016, and upon such additional terms and conditions as may be acceptable to the Director of Legal Services and City Solicitor and the Director of the Planning, Property and Development Department.

3. That the acquisition of land from Palliser shown as “Lands to be Acquired from Palliser to align Proposed Right of Way – Total Area of Parcels C & D: +/-928.1 m2 (+/-9,990 ft2)” on Misc. Plan No. 13595/10 (Parcels C and D) at a purchase price of $50,000.00 be approved, in accordance with the terms and conditions outlined in Schedule A attached dated January 20, 2016, and upon such additional terms and conditions as may be acceptable to the Director of Legal Services and City Solicitor and the Director of the Planning, Property and Development Department.

4. 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

As per the Policy for the Sale, Acquisition, Rental, Leasing and Management of Properties (adopted July 18, 1979 and subsequently amended), Council approval is required to declare City property surplus. Also, as per the same policy, the Standing Policy Committee on Property and Development, Heritage and Downtown Development shall finalize the terms and conditions of land sales and acquisitions.

## EXECUTIVE SUMMARY

The proposed purchase of the adjacent owner's lands by the City is required for the Chief Peguis Trail project. The proposed sale of the City lands to the adjacent owner, Palliser, will be beneficial to the adjacent owner as part of its development of its adjacent property.

## IMPLICATIONS OF THE RECOMMENDATIONS

- There are no regulatory or human resource implications associated with the report.
- 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.

## HISTORY

In 2013, the Public Works Department identified the land owned by Palliser, Parcels C and D, as "Lands to be Acquired From Palliser to Align Proposed Right of Way" for the Chief Peguis Trail Project.

On February 19, 2013, the then Standing Policy Committee on Property and Development approved the acquisition of Parcel A, along with three other parcels of land, from the Canadian Pacific Railway Company as part of the Chief Peguis Trail Project. It was identified in the related administrative report that Parcel A was not required by Public Works and it was the City's intention to sell the land to the adjacent property owner, Palliser, at a future date.

Parcel B is City-owned land and is not required for the Chief Peguis Trail project.

Palliser has expressed interest in purchasing Parcels A and B to include them as part of the development of their lands at 90 Lexington Park.

The Department is seeking approval of the proposed Terms and Conditions of a land exchange as negotiated with Palliser in Schedule A, attached. The values of the land being purchased and being sold are in accordance with an internal appraisal.

The Ward Councillor was consulted and is in agreement with the sale of Parcels A and B.

**FINANCIAL IMPACT**

## Financial Impact Statement

**Date:** February 19, 2016

**Project Name:**

**First Year of Program** **2016**

Proposed Land Exchange of City Owned lands adjacent to Springfield Road and Chief Peguis Trail with adjacent Palliser Furniture (Canada) Corporation owned lands

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **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 | $ 196,000 | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | 209,200 | - | - | - | - |
| Net Cost/(Benefit) | $ (13,200) | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | (13,200) | - | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** Direct costs represent the book value of the +/- 4,028 m2 (Parcels A and B) sold to Palliser while revenues represent related proceeds of disposition. Net revenue of $13,200 will be credited to the Land Operating Reserve. In addition, the City will purchase from Palliser +/- 928 m2 (Parcels C and D) at a price of $50,000, which is to be recorded as Inventory within the Land Operating Reserve.

*"Original signed by"*
Mike McGinn, CPA, CA
Manager of Finance

## CONSULTATION

### In preparing this report there was consultation with:

Legal Services as to legal issues.

Public Works Department

Ward Councillor

## OURWINNIPEG POLICY ALIGNMENT

**01-1c Key Directions for Specific City Areas – Major Redevelopment Sites**

These land transfers will help facilitate the consolidation of land in the Palliser Lands Major Redevelopment Site, identified in *OurWinnipeg* and *Complete Communities*, and other land in the Chief Peguis Trail Right-of-Way.

## SUBMITTED BY

**Department: Planning, Property and Development**
**Division: Real Estate**
**Prepared by: Michelle Granger, RPA – Real Estate Officer**
**Date: February 23, 2016**
**File No. 6461/B (V3)**

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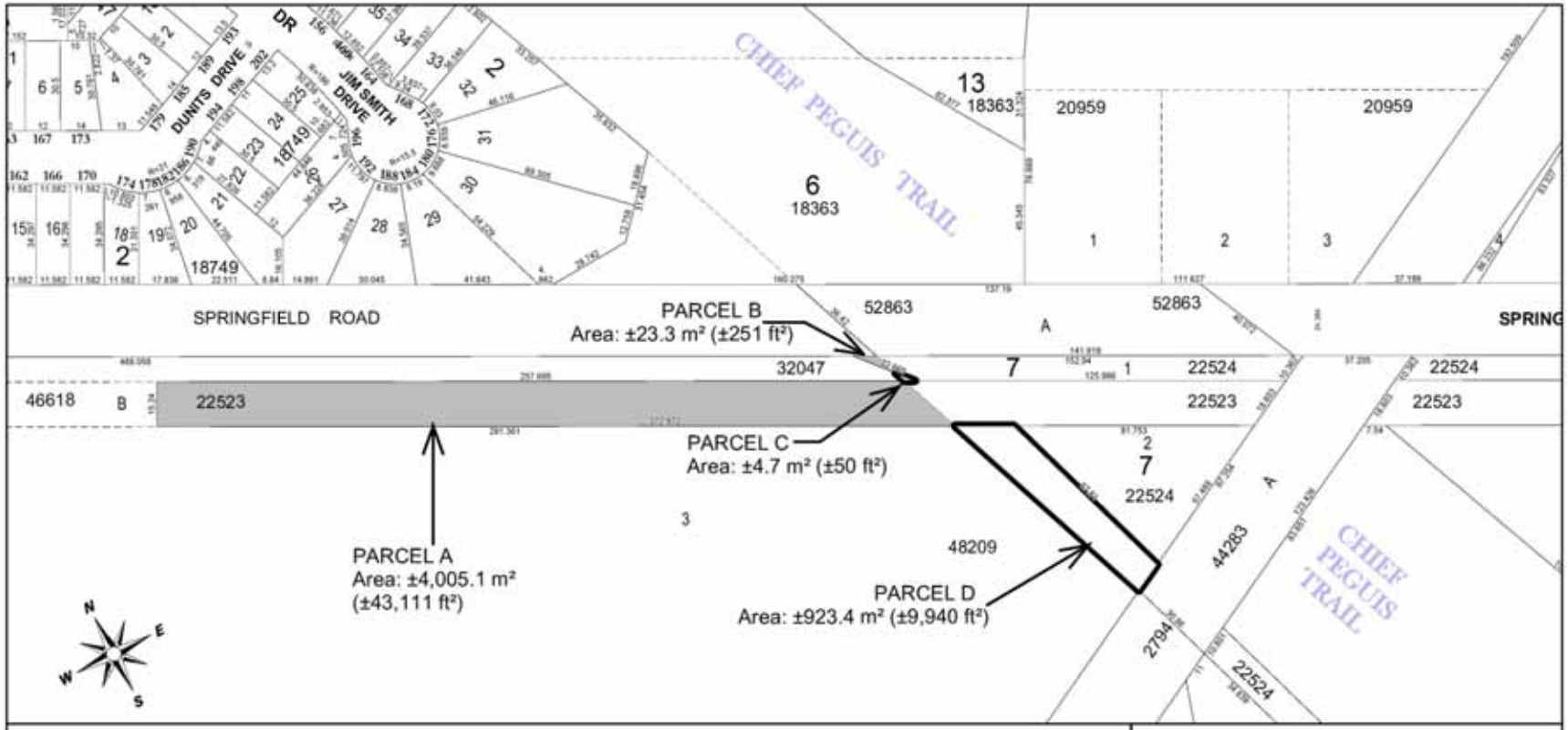


Date: 2013-MAR-26
District: EKT
File: 6461/B V-2
Scale: 1:1600
Requested by: MG
Drawn by: MS

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.

**METRIC**

SUBJECT CITY PROPERTY TO BE SOLD TO PALLISER
Total Area of PARCELS A & B: ±4,028.4m² (43,361 ft²)

LANDS TO BE ACQUIRED FROM PALLISER TO ALIGN PROPOSED RIGHT OF WAY
Total Area of PARCELS C & D: ±928.1 m² (±9,990 ft²)

**CITY OF WINNIPEG**
**PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT**
**LAND INFORMATION & MAPPING SERVICES**

# MISC. PLAN NO. 13595 / 10

Proposed Terms and Conditions
Land Exchange City Owned Lands and
Palliser Furniture (Canada) Corporation
Shown on the Attached Misc. Plan No. 13595/10

1. Whereas THE CITY OF WINNIPEG (hereinafter called the "City") is the registered owner of the land shown shaded in grey and identified as Parcels A & B – "Subject City Property to be sold to Palliser" (hereinafter called "Parcels A and B") on Misc. Plan No. 13595/10 and PALLISER FURNITURE (CANADA) CORPORATION (hereinafter called "Palliser") is the registered owner of the land shown outlined in black and identified as Parcels C & D "Lands to be Acquired from Palliser to Align Proposed Right of Way" (hereinafter called "Parcels C & D") on Misc. Plan No. 13595/10 attached hereto.

2. Palliser wishes to acquire from the City, the approximate area identified as "Parcels A & B" on the attached Misc. Plan No. 13595/10 attached hereto, at a price of $209,200.00.

3. The City wishes to acquire "Parcels C and D" from Palliser, the approximate area identified as "Parcels C and D" on the attached Misc. Plan No. 13595/10 attached hereto, at a price of $50,000.00.

4. The City is prepared to convey said "Parcels A & B" to Palliser for consolidation with its adjacent holdings.

5. Each party agrees to convey "Parcels A & B" or "Parcels C & D", as the case may be, to the other, free and clear of any and all liens, encumbrances and leasehold interests, excepting any utility easement registered against title.

6. The City may register and maintain a caveat against "Parcels C & D" to ensure the performance of the covenants on the part of Palliser herein set forth, and Palliser agrees to grant and does hereby grant to the City an interest in "Parcels C & D" according to the tenor of this agreement. Palliser will not file any caveat or other encumbrance against "Parcels A & B" before the transfer of "Parcels A & B" to Palliser.

7. The date for vacant possession (free of leasehold interest), payment of the purchase price and tax adjustments shall be sixty (60) days following approval by the City's Council of the Proposed Terms and Conditions or such other date as the parties may agree.

8. Palliser shall pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against "Parcels A & B" as though "Parcels A & B" had been entered on the assessment rolls of the City as City-owned, which adjustment shall be calculated from the closing date to and including the last day of the current taxation year.

9. The parties are providing no warranty or representation of any kind related to the condition of "Parcels A & B" or "Parcels C & D" or the ability to develop such lands. Each party shall accept from the other "Parcels A & B" or "Parcels C & D", as the case may be, in an "as is" condition, and must rely upon its own investigations and must satisfy itself as to the suitability of the subject lands for its needs. Any error or discrepancy in the description or dimensions of the lands as contained herein shall not entitle the party to



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any compensation in respect thereof, nor will it entitle the parties (or either of them) to cancellation of this transaction.

10. The sale of "Parcels A & B" to Palliser shall be subject to the provisions of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore, Palliser acknowledges and understands that any proposed use and development of the Lands may require applications for subdivision, rezoning, variances or conditional uses, amendments to Plan Winnipeg, which applications, resulting land dedication charges (if any) are to be at the sole cost and responsibility of Palliser. Nothing in this agreement shall be construed as placing any duty or obligation upon the City to grant such subdivisions, rezonings, variances or conditional use orders and/or amendments to Plan Winnipeg when Palliser's application for same is made to the City.

11. On or before closing, Palliser shall provide the City with a Declaration as to Possession in the usual form.

12. No real estate commissions are payable in respect of these transactions.

13. The parties hereto agree, each with the other as follows:

    a. The exact boundaries and area of "Parcels A & B" and "Parcels C & D" shall be fixed and set by a plan which the City hereby covenants and agrees to, at its sole cost, effort and expense, cause to be prepared and registered at the Winnipeg Land Titles Office to consolidate "Parcels C & D" with the residual portion of the City-owned lands after conveyance of "Parcels C & D" to the City; and to consolidate "Parcels A & B" with the adjoining Lands of Palliser after conveyance of "Parcels A & B" to Palliser.

    b. Palliser will obtain possession of "Parcels A & B" at its sole cost, effort and expense, which includes, without limiting the generality of the foregoing, obtaining their own Surveyor's Building Location Certificates, Surveyor's Staking Certificates and Zoning Memorandum and in connection therewith acknowledges and is aware that the City does not provide Declarations as to Possession.

    c. Palliser hereby acknowledges and agrees that it shall, at its sole cost, effort and expense, if "Parcels C & D" or either Parcel "C" or Parcel "D", at closing, are or is subject to any existing mortgage(s), lien(s), builders' lien(s), judgment(s) or any other encumbrance(s) excepting any utility easements, provide to the City at no charge to the City, all registerable discharges and any other required documentation together with payment of the cost to register same in the Winnipeg Land Titles Office, to fully discharge all such mortgage(s), lien(s), builders' lien(s), judgments(s) or any other encumbrance(s) excepting any utility easements on title to "Parcels C & D" prior to conveyance to the City. It is a condition precedent to this Agreement that on or before closing, Palliser, after making all reasonable efforts, is in receipt of partial discharges from The Manitoba Public Insurance Corporation for Caveat Nos. 3723057, 3723058, 3723059 and 3723060.

    d. Palliser shall at its sole cost, effort and expense do all things as are necessary including but not limited to causing to be prepared and registered at the Winnipeg Land Titles Office such documentation as may be required to ensure



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that "Parcels A & B" and the residual portion of the adjacent Palliser lands known as 90 Lexington Park are consolidated so as to form a single and indivisible parcel. Palliser hereby acknowledges that in complying with this obligation, it may be required to arrange for the discharge and re-registration of existing encumbrances against the Palliser property known as 90 Lexington Park or the registration of an amending agreement for the existing encumbrances.

14. (a) Palliser will permit the City, at the City's discretion and expense, before the date of possession, to conduct or have conducted on its behalf an environmental assessment together with any soil testing and analysis required of "Parcels C & D". Palliser acknowledges and agrees that should the City determine that there are environmental concerns or contamination, the City may elect to cancel the proposed sale of "Parcels A & B" and the Agreement contemplated herein. The City agrees to provide Palliser with copies of any environmental assessments, together with any soil testing analysis conducted in connection with "Parcels C & D". The City represents and warrants that it does not have in its possession, and has not conducted any environmental assessment or soil testing in respect of Parcels A and B.

    (b) The City will permit Palliser, at Palliser's discretion and expense, before the date of possession, to conduct or have conducted on its behalf an environmental assessment together with any soil testing and analysis required of "Parcels A & B". The City acknowledges and agrees that should Palliser determine that there are environmental concerns or contamination, Palliser may elect to cancel the proposed sale of "Parcels C & D" and the Agreement contemplated herein. Palliser agrees to provide the City with copies of any environmental assessments, together with any soil testing analysis conducted in connection with "Parcels A & B". Palliser represents and warrants that it does not have in its possession, and has not conducted any environmental assessment or soil testing in respect of Parcels C and D.

15. The parties agree to enter into an appropriate Purchase/Sales Agreement, if required, that embodies the terms and conditions contained herein and any other such terms and conditions deemed necessary by the City Solicitor and Palliser's Counsel.

16. Palliser agrees to declare whether or not it is a "Registrant" for the purposes of the Goods and Services Tax and if so, to provide its G.S.T. Registration Number. If Palliser has a G.S.T. Registration Number, then Palliser will self-assess any G.S.T. payable by Palliser on this transaction and provide the City with an indemnity with respect to any G.S.T. payable by Palliser on this transaction. If Palliser does not have a G.S.T. Registration Number, Palliser shall pay any G.S.T. payable on this transaction on or before the date for vacant possession.

17. The City (Goods and Services Tax Registrant No. R121682967) will self-assess any G.S.T. payable by it on this transaction. The City will provide Palliser with an indemnity with respect to any G.S.T. payable by the City on this transaction.

18. None of the provisions of this agreement will merge with the conveyance of the lands referred to herein.

19. This proposal is a recommendation only and is subject to the final approval of City Council and/or its delegated authority. Final approval shall be obtained on or before March 31, 2016.



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Palliser, being the duly registered owner of 90 Lexington Park, hereby agrees to acquire "Parcels A & B" from the City of Winnipeg subject to the conveyance of "Parcels C & D" to the City of Winnipeg as identified on the attached Misc. Plan No. 13595/10 and terms and conditions as specified herein.

PALLISER FURNITURE (CANADA) CORPORATION

Per: _____

Name:
Office:

84882 2029 RT0001
GST Registrant Number

Date: January 20, 2016



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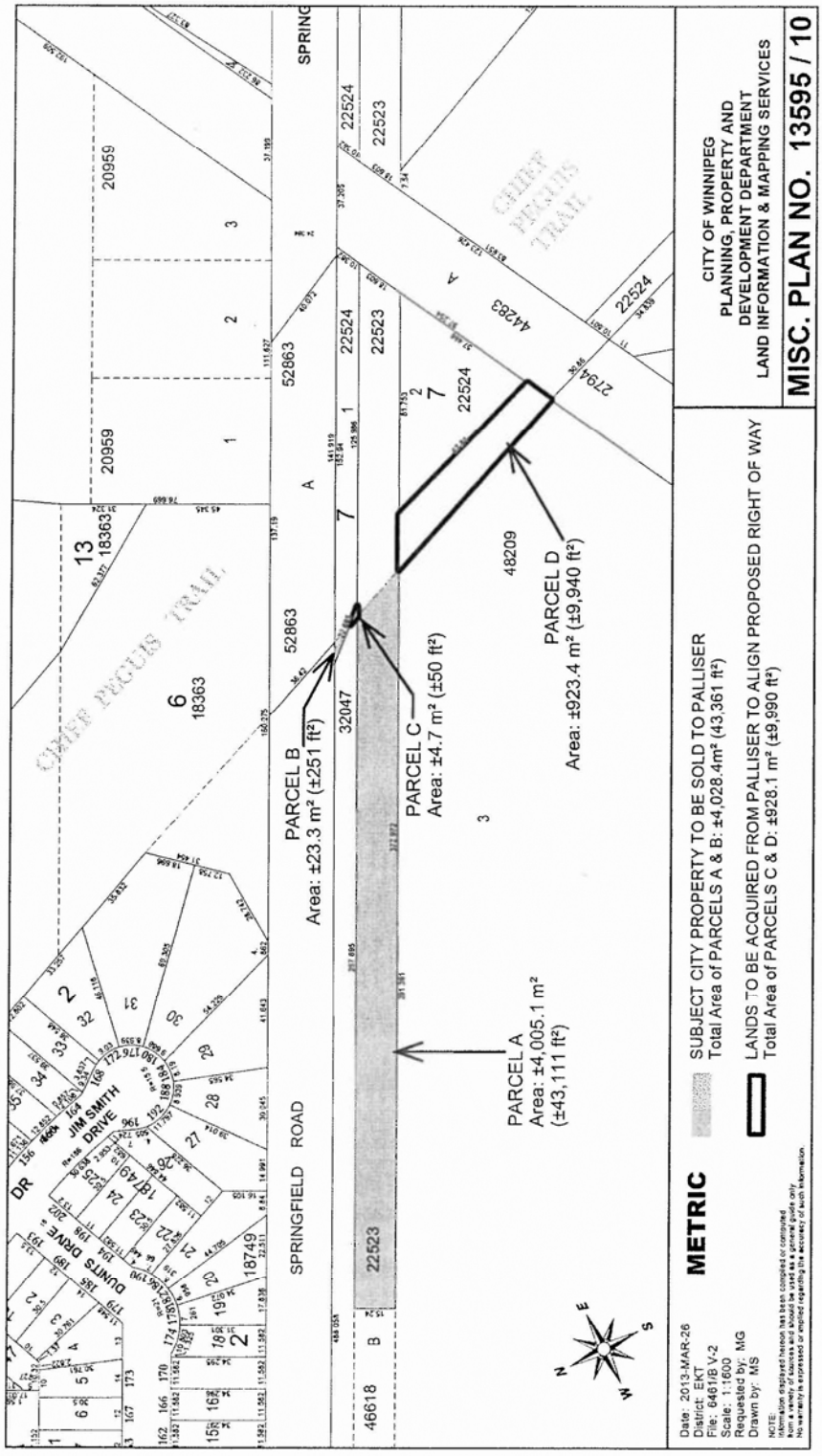
Schedule "A"

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