Agenda – Council – July 13, 2016

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 5, 2016

Item No. 21 Completed Real Property Sale and Lease Transactions – 2015

STANDING COMMITTEE RECOMMENDATION:

On July 6, 2016, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That the report be received as information.

Agenda – Council – July 13, 2016

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 5, 2016

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 6, 2016, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 5, 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: Completed Real Property Sale & Lease Transactions - 2015

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

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Zabudney	J. Kiernan	M. Ruta	D. McNeil

RECOMMENDATIONS

That this report be received as information.

REASON FOR THE REPORT

The 2013 Non-Monetary Real Estate Grants Audit recommended "…that the Manager of Real Estate work with the Director of PP&D to prepare a report for the consideration of Council making delegated authority usage reporting for WHHI transactions an annual requirement, report the usage in the annual report of non-monetary real estate grants, and document the process in the Division's policies and procedures manual, conditional upon Council's reissuance of the delegated authority."

Although the Winnipeg Housing and Homelessness Initiative (WHHI) has been disbanded, the intent of the recommendation was to report annual usage of delegated authority. In order to comply with the audit recommendation and provide full disclosure to Council, the Planning, Property and Development Department (PP&D) has compiled all completed sales and leases (including monetary and non-monetary transactions) during 2015 along with their associated authority level.

EXECUTIVE SUMMARY

This report includes all sales and leases (including monetary and non-monetary) completed during 2015, along with the associated authority level. Upon receipt of this report, PP&D will have complied and implemented Recommendation No. 6 of the 2013 Non-Monetary Real Estate Grants Audit.

IMPLICATIONS OF THE RECOMMENDATIONS

n/a

HISTORY/DISCUSSION

PP&D will disclose all sale transactions and lease transactions which were completed during 2015 and include the associated authority level for each transaction.

It is important to note one key difference between the reporting of sales and leases.

- Completed sale transactions will be reported in the year in which the sale closes.
- Completed lease transactions will be reported in the year which the appropriate authority approves the transaction.

The difference in reporting between the two transaction types is due to the fact that approval of a sale transaction does not necessarily result in a closing, while the approval of a lease transaction typically results in tenant occupancy.

For clarity, lease transactions referred to in this report can include leases, encroachments and licenses.

Upon receipt of the following administrative report, PP&D will have complied and implemented Recommendation No. 6 of the 2013 Non-Monetary Real Estate Grants Audit.

A list of the relevant 2015 transactions is included in the appendix of this report as Appendix A (sale transactions) and Appendix B & C (lease transactions).

It is noted that in any case where a non-monetary grant is approved by the appropriate authority, the City of Winnipeg incurs a potential financial loss related to the fair market value of the rents the City would have otherwise recovered. In addition, decisions concerning potential sales of property occupied by non-monetary grant tenants are deferred until leases expire. This report has not identified any potential financial losses associated with non-monetary transactions. The analysis of potential financial losses should be completed when seeking approval of specific non-monetary transactions rather than the annual reporting of Completed Real Property Sale & Lease Transactions.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 31, 2016

Project Name:

Completed Real Property Sale & Lease Transactions - 2015

COMMENTS:

As this report is to be received for information only, there is no associated financial impact.

"Original Signed By"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

Legal Services as to Legal Issues

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property & Development
Division: Real Estate
Prepared by: Gordon Chappell, Senior Negotiator
Date: May 30, 2016
File: TBD

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Appendix A – Completed Sale Transactions

Appendix B – Completed Lease Transactions (City as Landlord)

Appendix C – Completed Lease Transactions (City as Tenant)

Appendix A – Completed Sale Transactions

Location	Recognition Date	Revenue	Authority Level
Adjacent to 742 Kildonan	17-Sep-15	$500.00	Manager, R/E
Adjacent to 881 Lyon	30-Oct-15	$600.00	Manager, R/E
Adjacent/ Rear of 497 Tissot	28-Sep-15	$650.00	Manager, R/E
Rear of 474 Wellington Crescent	17-Sep-15	$1,500.00	Manager, R/E
Adjacent to 431 Haney	29-Sep-15	$12,000.00	Manager, R/E
Adjacent to 1485 Inkster	31-Dec-15	$28,000.00	Manager, R/E
669 Magnus	29-Sep-15	$36,000.00	Manager, R/E
742 Redwood	19-Nov-15	$51,000.00	Manager, R/E
1554 Alexander	24-Sep-15	$56,000.00	Manager, R/E
419 Martin West	28-Sep-15	$60,000.00	Manager, R/E
890 Pritchard	24-Sep-15	$62,390.50	Manager, R/E
505/507 Deniset	24-Sep-15	$133,333.00	Manager, R/E
Meadowcrest & Knotwood	28-Sep-15	$1.00	Director, PP&D
Rear of 528 & 532 Municipal	28-Sep-15	$500.00	Director, PP&D
Adjacent to 885 Lyon	30-Oct-15	$500.00	Director, PP&D
130 Arnold	7-Dec-15	$145,000.00	CAO
Carpenter and Public Lane	29-Sep-15	$160,000.00	Acting CAO
Adjacent to 66 Mansfield	29-Sep-15	$2,000.00	SPCPD
Adjacent to 3500 Beiko	29-Sep-15	$4,500.00	SPCPD
214 Berry (portion of 200 Berry)	24-Sep-15	$15,000.00	SPCPD
1710 Grosvenor	29-Sep-15	$410,000.00	SPCPD
265 Osborne	7-Dec-15	$424,435.00	SPCPD
Closing Public Road Plan 9280, West of Kenaston	7-Dec-15	$1.00	Council
516-526 Ferry	25-Sep-15	$325,000.00	Council
492-504 Ferry	25-Sep-15	$390,000.00	Council

Appendix B – Completed Lease Transactions (City as Landlord)

Location	Commencement	Term	Annual Rent	Authority
Part of 723 London	1-Jul-14	5 years	$1.00	Manager, M/A
Adj. to 268 Portage	1-Apr-15	Annually Continuing	$190.75	Manager, M/A
Adj. to 520 Portage	1-Apr-15	Annually Continuing	$318.50	Manager, M/A
Adj. to 2169 Portage	1-Oct-15	Annually Continuing	$693.00	Manager, M/A
Adj. to 625 Portage	1-Apr-15	Annually Continuing	$1,099.00	Manager, M/A
Adj. to 101 Day	1-Aug-15	Annually Continuing	$1,155.00	Manager, M/A
Adj. to 691 Corydon	1-Aug-15	Annually Continuing	$1,186.50	Manager, M/A
Adj. to 237 Mcdermot	1-Apr-15	Annually Continuing	$1,370.25	Manager, M/A
Adj. to 270 Waterfront	1-May-15	Annually Continuing	$1,604.75	Manager, M/A
Adj. to 179-A Bannatyne	1-Aug-15	Annually Continuing	$1,744.75	Manager, M/A
Adj. to 2609 Portage	1-Aug-15	Annually Continuing	$1,990.45	Manager, M/A
200 Warman	1-Sep-14	5 years	$42,000.00	Manager, M/A
Adjacent to 80 Wiebe's	1-Nov-15	5 Years	$1.00	Director, PP&D
Adj. to 12 Worthington	1-Feb-15	5 years	$1.00	Director, PP&D
Adj. to 956 Merriam	1-Nov-12	5 years	$1.00	Director, PP&D
Adj. to 924 John Bruce	1-Aug-15	5 years	$1.00	Director, PP&D
Adj. to 1950 Pacific	1-Aug-15	Annually Continuing	$1.00	SPCPDHDD
Sterling Lyon	1-Jun-15	2 Years, 7 Months	$1.00	SPCPDHDD
Windsor Park Golf Course	1-Nov-14	5 Years plus Renewal	$1.00	SPCPDHDD
669 St. Matthews	1-Jul-14	5 Years plus Renewal	$1.00	SPCPDHDD
759 Ross	4-Nov-14	5 Years plus Renewal	$1.00	SPCPDHDD
Part of 505 Ross	1-Jan-15	5 Years plus Renewal	$1.00	SPCPDHDD
659 Alverstone	15-Nov-12	5 Years plus Renewal	$1.00	SPCPDHDD
466 Gertrude	1-Jan-15	5 years	$1.00	SPCPDHDD
410 Desalaberry	1-Jan-15	20 Years	$1.00	SPCPDHDD
535 Oakdale	1-Jul-15	1 year	$1.00	SPCPDHDD
80 Allard	16-Aug-15	5 years	$1.00	Council
370 Southport	1-Aug-15	Annually continuing	$1.00	Council
Henteleff Park	1-Aug-15	15 Years	$1.00	Council
999 Sargent	1-May-15	5 Years	$1.00	Council
Adj. to 440 Don	1-Jan-15	Annually Continuing	$656.25	Council
Adj. to 1710 Grosvenor	1-Oct-15	Annually Continuing	$1,031.25	Council
Adj. to 1950 Pacific	1-Aug-15	Annually Continuing	$1,125.00	Council
Pritchard Park	1-Jan-15	Annually Continuing	$1,156.25	Council
Adj. to 422 Jarvis	1-Oct-15	Annually Continuing	$1,937.50	Council
Adj. to 607 Dawson N	1-Aug-15	Annually Continuing	$2,187.50	Council
Part of 517 Pandora E	1-Sep-15	5 Years plus Renewal	$10,000.00	Council
Part of 745 Kingsbury	1-Apr-15	10 Years plus Renewal	$14,826.00 to $24,528.00	Council
Part of 745 Kingsbury	1-Apr-15	5 Years plus Renewal	$48,480.49 to $55,551.74	Council

All of the above leases were approved in 2015. Commencement dates prior to 2015 imply the tenant was in an overholding position.

For clarity, lease transactions referred to in this report can include leases, encroachments and licenses.

Appendix C – Completed Lease Transactions (City as Tenant)

Address	Department	Commencement	Term	Annual Rent	Authority Level
231 Goulet	Winnipeg Transit	1-May-15	5 Years	$1.00	Manager, M/A
484 McPhillips	Winnipeg Transit	1-Sep-14	5 years	$1.00	Manager, M/A
2160 McPhillips	Winnipeg Transit	1-Sep-14	5 years	$1.00	Manager, M/A
St. Vital Centre	WPS	27-Mar-15	One Day	$1.00	Manager, M/A
560 Broadway	PPD	30-Sep-15	30 Years	$1.00	Manager, M/A
600 Sargent	PPD	1-May-15	30 Years	$1.00	Manager, M/A
288 Portage	Corporate Services Communications	1-Mar-15	5 Years	$13,500.00	Manager, M/A
55 Nassau	Corporate Services Communications	1-Jan-16	3 years	$17,200.00 to $20,000.00	Manager, M/A
St. Charles Rifle Range	WPS	19-Oct-15	2 weeks	$200 per day	Manager, M/A
969 St. Matthews	WPS	12-Nov-15	2 Days	$1,000 for two days	Manager, M/A
Brenda Leipsic Dog Park	Public Works	1-Oct-15	Month to Month	$1,832.50 per mo.	Manager, M/A
50 Myrtle	Archives	1-Apr-16	1 Years	$81,270.00	Manager, M/A
850 Empress	WPS	1-Aug-15	9 Months	$192,270.00	Manager, M/A
491 Portage	WPA	1-Apr-15	3 Years	$2,400.00	Manager, M/A
491 Portage	WPS	1-Nov-15	4 years, 5 Months	$4,224.00	Manager, M/A
Hangar 16-17 Wing	WPS	15-Oct-15	1 year	$49,863.45	Manager, M/A
50 Provencher	PPD	1-Jul-15	5 Years	5% Gross Sales May 1 – Sep 30	Manager, M/A
909 Cottonwood	Public Works	1-Sep-15	5 Years	Proportionate share of Property Taxes	Manager, M/A
414 Osborne	Transit	1-Mar-15	8 Years	$198,237.00	SPCPDHDD
3514 Pembina	PPD	30-Sep-15	30 Years	$1.00	Council
One Lombard	Corporate Services Communications	1-Mar-16	10 Years	$22,800.00	Council
251 Donald	Community Services	1-Sep-15	5 Years	$25,500.00	Council

All of the above leases were approved in 2015. Commencement dates prior to 2015 imply the City was in an overholding position.

For clarity, lease transactions referred to in this report can include leases, encroachments and licenses.