Agenda – Council – July 13, 2016

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

Item No. 22 Declaration of Surplus Land and Sale – Property Adjacent and to the North of 2525 Pembina Highway (South Winnipeg – St. Norbert Ward)

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 City-owned property located to the north of 2525 Pembina Highway, identified as "Subject City Property" on the attached Misc. Plan No. 6460/3, be declared surplus to the needs of the City.

2. Subject to the approval of Recommendation No. 1, that the City enter into an agreement for the sale of the "Subject City Property" identified on attached Misc. Plan No. 6460/3, to 2467136 Ontario Inc., the adjacent property owner at 2525 Pembina Hwy., for the price of $550,000.00 and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing.

3. That the Director of Planning, Property and Development be authorized to negotiate and approve the terms and conditions of the agreement of sale and such other agreements in accordance with this report and such other terms and conditions determined necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. 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, 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: **Declare the Property Adjacent and to the North of 2525 Pembina Highway Surplus to the City's needs and sold to the adjacent land owner at 2525 Pembina Highway**

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	John Kiernan	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That the City-owned property located to the north of 2525 Pembina Highway, identified as "Subject City Property" on the attached Misc. Plan No. 6460/3, be declared surplus to the needs of the City.

2. Subject to the approval of Recommendation No. 1, that the City enter into an agreement for the sale of the "Subject City Property" identified on attached Misc. Plan No. 6460/3, to 2467136 Ontario Inc., the adjacent property owner at 2525 Pembina Hwy., for the price of $550,000.00 and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing.

3. That the Director of Planning, Property and Development be authorized to negotiate and approve the terms and conditions of the agreement of sale and such other agreements in accordance with this report and such other terms and conditions determined necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

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

Council approval is required to declare City-owned property surplus to the needs of the City.

Approval by the Standing Policy Committee on Property and Development, Heritage and Downtown Development is required for the sale of City property over $500,000.00.

EXECUTIVE SUMMARY

The sale of the "Subject City Property" will allow the owners of 2525 Pembina Highway to consolidate their property with the City property for a proposed multi storey housing development.

The City plans to sell the City-owned property, shown as "Subject City Property" on the attached Misc. Plan No. 6460/3, to the owner of 2525 Pembina Highway, for consolidation with their current holdings.

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.

There are no direct financial implications associated with this recommendation.

The Department supports and recommends approval of the proposed sale to 2467136 Ontario Inc. for the price of $550,000.00 for the following reasons:

- The property is not developable on its own due to access issues.
- The property would be placed on the tax roll at the closing of the sale.
- The proposed sale price in the amount of $550,000.00 is reflective of an internal appraisal, in accordance with current Real Estate Framework Model/Audit and Departmental procedures.

HISTORY/DISCUSSION

In September 2014, a representative from Colliers International contacted the Real Estate Division in regards to his client's (2467136 Ontario Inc.) interest in acquiring the "Subject City Property", for consolidation with the adjacent property at 2525 Pembina Highway, to be developed into high-density residential student housing.

The proposed sale of the "Subject City Property" was circulated to all Civic Departments. No civic use was identified.

The District Planner recommended that the sale be conditional upon no private approaches to the "Subject City Property" on its own being allowed from either Bison Drive or Pembina Highway and that the "Subject City Property" be consolidated with the adjoining property to the south (2525 Pembina Highway). Public Works advised that the City is to retain the property shown as "City Owned Property Required for Street Right of Way Area: ±432.8 m^2 (±4,659 ft^2)" and to be opened as right-of-way, as part of the purchaser's development application.

The Ward Councillor was consulted and concurs with the intentions of the Department.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 17, 2016

Project Name:

First Year of Program **2016**

Approval to Declare the Property Adjacent and to the North of 2525 Pembina Highway Surplus to the City's needs and be sold to the adjacent land owner at 2525 Pembina Highway

	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	$ 22,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	552,282	4,655	4,748	4,843	4,940
Net Cost/(Benefit)	$ (530,282)	$ (4,655)	$ (4,748)	$ (4,843)	$ (4,940)
Less: Existing Budget Amounts	(530,282)	(4,655)	(4,748)	(4,843)	(4,940)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenue in 2016 consists of the proposed sale price of $550,000 + realty taxes of $2,282. The latter amount assumes the assessed value is equivalent to the sale price, 65% and 0.012766 portioning and mill rates respectively and that the property is added to to tax roll effective July 1. Revenues from 2017 forward represent realty taxes only include an assumed 2% inflation factor. Direct costs in 2016 represent the book value of the property to be sold.

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

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department as to legal issues
Public Works Department

OURWINNIPEG POLICY ALIGNMENT

This portion of the Fairfield Park neighbourhood is designated as an Area of Stability. Policies which are relevant to this application are as follows:

1) Support low to moderate change in low-density neighbourhoods through development and redevelopment that is complimentary to the existing scale, character, and built form.

2) Promote the form of buildings and spaces that are sensitive to the community context and address the transition between new and existing developments.

3) In order to meet the full life cycle of housing needs within the community, promote a mix of housing type and tenure, such as duplexes, low rise apartments, secondary suites, semi-detached homes, and townhouses.

4) Encourage intensification to occur at centres and along corridors.

The proposed land use and site plan is consistent with OurWinnipeg and the Communities Direction Strategy.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate
Prepared by: Real Estate Officer/Leah Furedi
Date: June 10, 2016
File No. 5857

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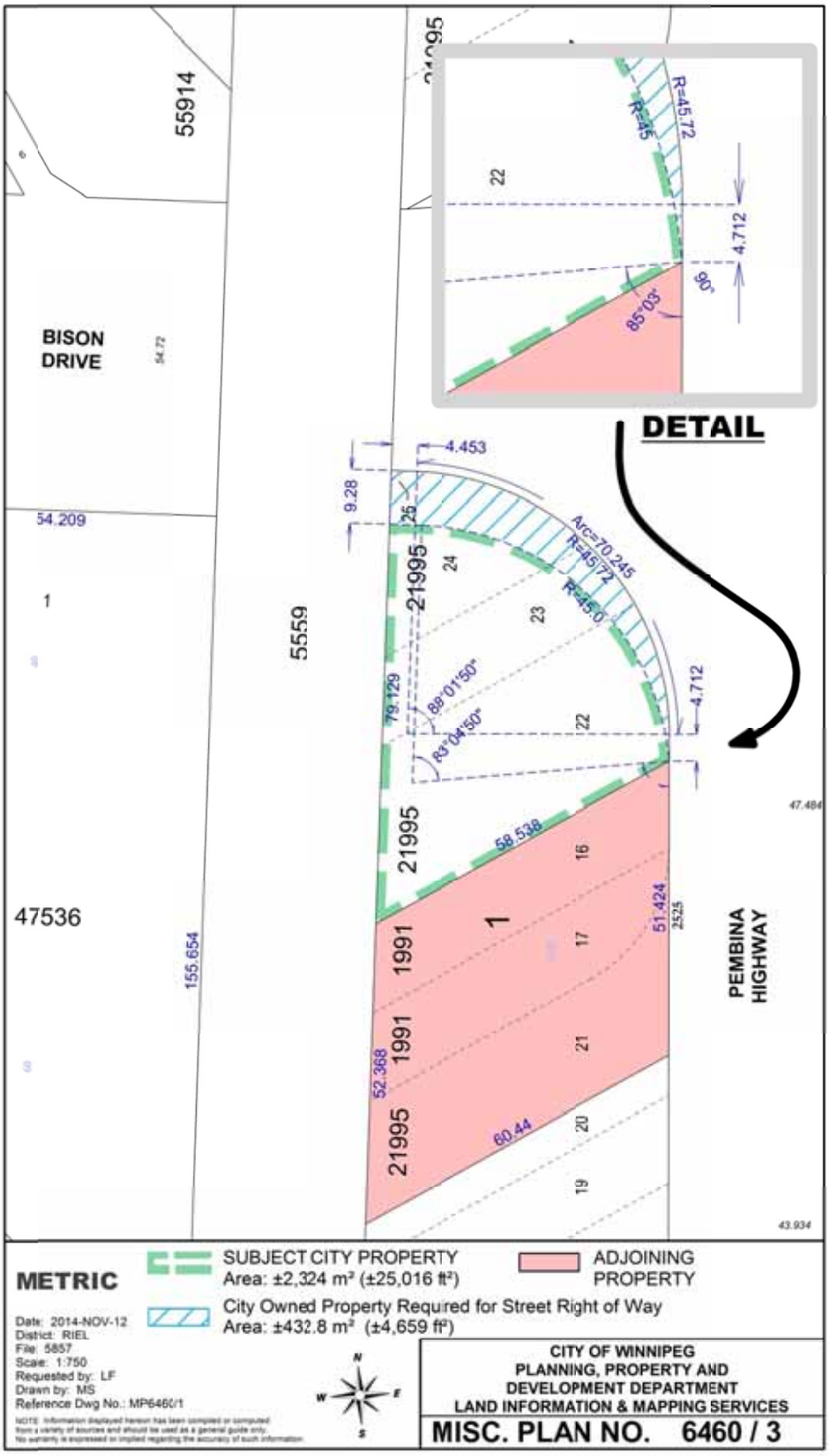

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83°04'50"
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2525
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47.484
43.934
PEMBINA HIGHWAY
DETAIL
R=45.72
R=45
85°03'
90°
METRIC
SUBJECT CITY PROPERTY
Area: ±2,324 m² (±25,016 ft²)
ADJOINING PROPERTY
City Owned Property Required for Street Right of Way
Area: ±432.8 m² (±4,659 ft²)
Date: 2014-NOV-12
District: RIEL
File: 5857
Scale: 1:750
Requested by: LF
Drawn by: MS
Reference Dwg No.: MP6460/1
CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 6460 / 3