Minutes – Executive Policy Committee – July 6, 2016

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

Item No. 10 Sale/Exchange of City-owned property located east of Madison Street, for 1649 St. Matthews Avenue owned by Manitoba Hydro (St. James - Brooklands - Weston Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 enter into a land exchange agreement with Manitoba Hydro for the City's acquisition of title to the property shown shaded and identified as "Parcels F & G, Plan 57393, TO BE ACQUIRED from MB HYDRO" on Misc. Plan 14464/2 for the purpose of the realignment of St. Matthews Avenue, in exchange for the sale of the subject City-owned property shown in a dashed outline and identified as "CITY PROPERTY TO BE SOLD to MB HYDRO" on Misc. Plan No. 14464/2 and payment of $61,425 to Manitoba Hydro, in accordance with the terms and conditions attached as Schedule "A".

2. That the authority be delegated to the Director of Planning, Property and Development to negotiate and approve the final terms and conditions of the land exchange agreement and such other agreements as determined necessary by the Director of Legal Services and City Solicitor in order to implement the intent of the foregoing, in accordance with the terms and conditions in Schedule "A" and upon such additional terms and conditions as may be acceptable to the Director of Legal Services and City Solicitor and the Director of Planning, Property and Development Department.

3. 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 6, 2016

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

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, Heritage and Downtown Development be concurred in and forwarded to Council.

Carried

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: Proposed Sale/Exchange of City-owned property located east of Madison Street (a portion of the former St. Matthews Avenue Right-of–Way), for 1649 St. Matthews Avenue owned by Manitoba Hydro

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

AUTHORIZATION

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

RECOMMENDATIONS

1. That the City enter into a land exchange agreement with Manitoba Hydro for the City's acquisition of title to the property shown shaded and identified as "Parcels F & G, Plan 57393, TO BE ACQUIRED from MB HYDRO" on Misc. Plan 14464/2 for the purpose of the realignment of St. Matthews Avenue, in exchange for the sale of the subject City-owned property shown in a dashed outline and identified as "CITY PROPERTY TO BE SOLD to MB HYDRO" on Misc. Plan No. 14464/2 and payment of $61,425 to Manitoba Hydro, in accordance with the terms and conditions attached as Schedule "A".
2. That the authority be delegated to the Director of Planning, Property and Development to negotiate and approve the final terms and conditions of the land exchange agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services in order to implement the intent of the foregoing, in accordance with the terms and conditions in Schedule "A" and upon such additional terms and conditions as may be acceptable to the Director of Legal Services and City Solicitor and the Director of Planning, Property and Development Department.
3. That the Property Officers of the City of Winnipeg be authorized to do all things necessary to complete the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to enter into a Land Exchange Agreement.

EXECUTIVE SUMMARY

The Planning, Property and Development Department have negotiated a land exchange agreement with Manitoba Hydro as outlined on Misc. Plan No. 14464/2, as these lands are required for the realignment of St. Matthews Avenue. Council approval is required to enter into a Land Exchange Agreement.

The payment to Manitoba Hydro of $61,425 is based on a negotiated price which has relied upon appraised values. The negotiated price falls within the City's market value range and is a supported value.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory, environmental or human resource implications associated with this 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

At its January 29, 2013 meeting, Council approved the Public Works Department's 2013 Capital Budget and the 2014 to 2018 Five-Year Forecast, which included the Polo Park Infrastructure Improvements Project (the Project).

At its December 17, 2013 meeting, Council approved the 2014 Capital Budget, which included $10,000,000 in Provincial Funding for a total Project Budget of $40,000,000

In the spring of 2013, the Public Works Department retained the services of a private consultant to, among other things; confirm the land requirements for the Project.

In June 2013, the Planning, Property and Development Department (the Department) was provided with preliminary design sketches that identified sixteen private properties from which land interests were required and negotiations commenced.

The Public Works Department advised that the Project works would be performed in two stages:

> Stage 1 – all works on Ellice Avenue; all works on St. James Street between Maroons Road and St. Matthews Avenue; and all works on St. Matthews Avenue east of St. James Street to Empress Street were to be completed by September 2014, with the exception of the Ellice/St. James intersection work.
>
> Stage 2 - all works on St. James Street from St. Matthews Avenue to South of Yukon Avenue; and all works for the St. Matthews Avenue extension west of St. James Street to Century Street were to be completed in 2015.

Negotiations have been ongoing with Manitoba Hydro for the acquisition of the 1649 St. Matthews Avenue property.

Manitoba Hydro advised the City of their interest to acquire "CITY PROPERTY TO BE SOLD to MB Hydro" as indicated on Misc. Plan 14464/2, in exchange for the Manitoba Hydro land required by the City for this Project. The subject City property was declared surplus by Council on October 28, 2015.

Based on the market range of the appraised values, the negotiations commenced with an offer of $24,105 for the land being acquired by Manitoba Hydro, while the land being purchased from Manitoba Hydro, "Parcels F & G, Plan 57393, To Be Acquired from MB Hydro" was valued at $57,020 (resulting in a difference of $32,915 owing to Manitoba Hydro). Manitoba Hydro countered with an appraised value of $85,530 on Parcels F & G which resulted in a difference owing to Manitoba Hydro of $61,425. The City accepted the Manitoba Hydro valuation on the basis that the price fell within the City's market value range and is a supported value.

While the City is compensating Manitoba Hydro within the appraised value range, there is an additional benefit of this settlement to the adjacent owner, Oxbow Holdings Ltd. as they were expropriated and require an easement on the property to be exchanged to Manitoba Hydro. This easement has already been negotiated and agreed to by both parties which helped to facilitate the settlement with Oxbow Holdings Ltd.

The compensation to be paid to Manitoba Hydro as part of the land exchange is further supported by the saving on the Oxbow Holdings Ltd. expropriation settlement.

The ward Councillor was consulted as to the intention of the Department.

The Public Works Department has advised that there is adequate funding for the land exchange and additional funds to be paid to Manitoba Hydro available in the Capital Budget, Account # 003-181000-180604-1803000213-PROPERTY.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 31, 2016

Project Name:

Proposed Sale/Exchange of City-owned property located east of Madison Street (a portion of the former St. Matthews Avenue Right-of–Way), for 1649 St. Matthews Avenue

First Year of Program **2016**

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ 63,422	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	63,422	-	-	-	-
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	1,997	-	-	-	-
Net Cost/(Benefit)	$ (1,997)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(1,997)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the $61,425 monetary amount required to facilittate the land exchange + short-term financing and corporate admin fees of $1,997. The latter amount is offset by an equal recovery in the current budget of the Corporate Finance Department.

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

CONSULTATION

In preparing this report there was consultation with:

Public Works Department
Legal Services as to legal issues

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg (p.26)

01-1 City Building

Connect and Expand Our Sustainable Transportation and Infrastructure Networks.

More than any other part of OurWinnipeg, City Building looks at our city – its neighbourhoods, transportation networks, and water and waste infrastructure – in a whole new light. This new approach, along with detailed steps towards achieving City Building objectives is fully described in three of OurWinnipeg's Direction Strategies:

- Complete Communities
- Sustainable Transportation
- Sustainable Water and Waste

Sustainable Transportation Direction Strategy (p.28)

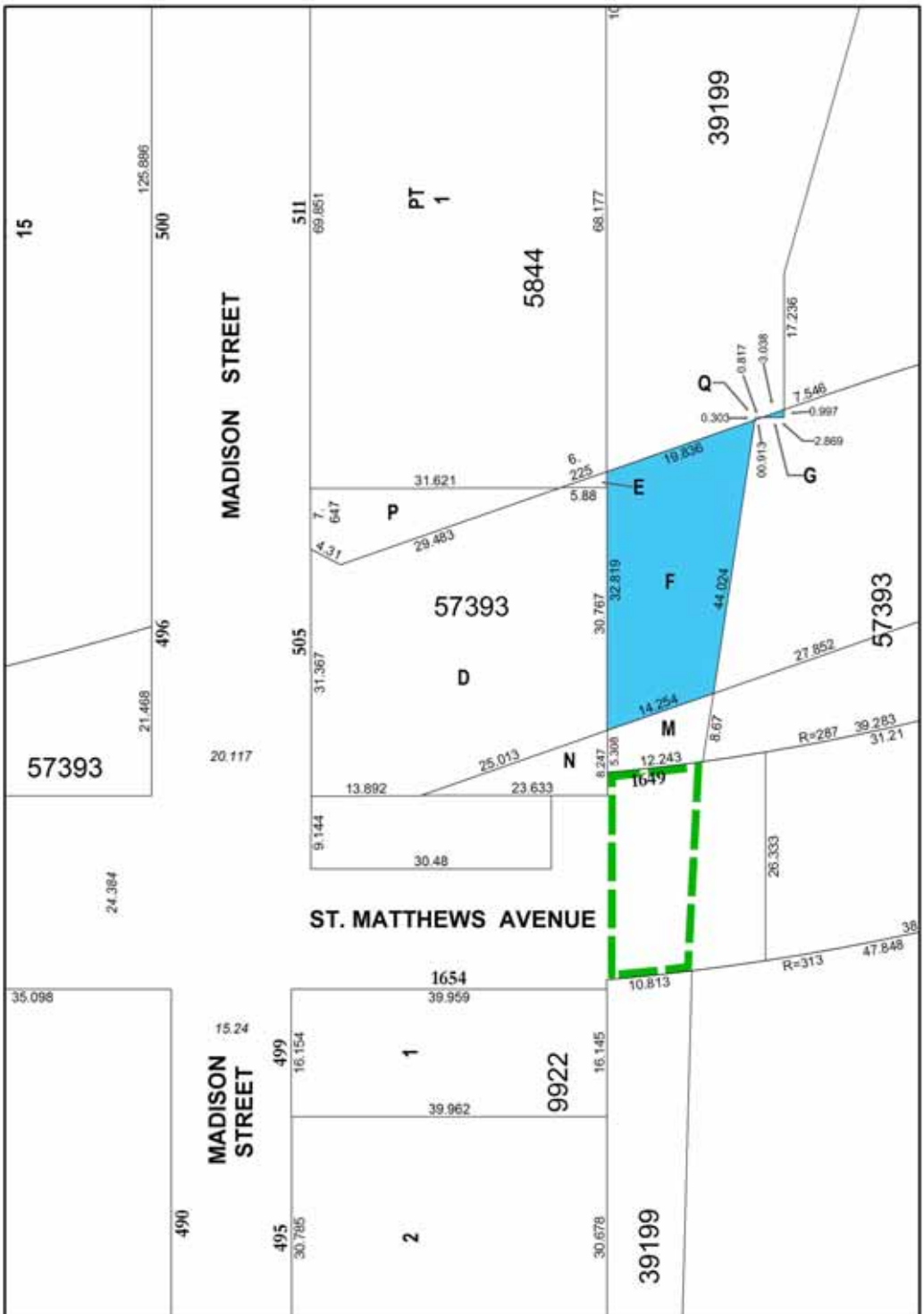
05-2c Strategic Street Network Improvements

- Strategies to achieve the major Street network goals:
    - Identify and prioritize major street and highway system improvements.
    - Develop a plan to implement corridor improvements in a systematic and efficient manner.
    - Continue support for an asset management program to identify and prioritize key areas of short, medium and long term maintenance.
    - Accommodate all modes and reduce both delay and emissions by investing in selected capacity improvements to existing major street network operations.
    - Recommend improvements to assist the movement of goods into and out of the city, maintaining the integrity of residential neighbourhoods.
    - Implement measures to protect and conserve a strategic goods network for roads, rail and air facilities.

SUBMITTED BY

Department Planning, Property & Development
Division Real Estate
Prepared by: Marlene Haderer
Date: June 24, 2016
File No. 5346

v:\marlene haderer\polo park ii\5346 - 1649 st. matthews\(mh) 1649 st matthews hydro land exchange june 242016(2).doc



Parcels F & G, Plan 57393,TO BE ACQUIRED from MB HYDRO
Area: 529.7 ± m² (5,702 ± ft²), 0.131 acres

CITY PROPERTY TO BE SOLD to MB HYDRO
Area: 298.6 ± m² (3,214 ± ft²), 0.074 acres

METRIC

Date: 2015-APRIL-27
District: ASBA
File: 5346 (V3)
Scale: 1:600
Requested by: MH
Drawn by: MS
Reference Dwg No.: As Requested

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.

N W E S

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

MISC. PLAN NO. 14464 / 2

Schedule A

The terms and conditions of the proposed Land Exchange Agreement agreed to by Manitoba Hydro-Electric Board are as follows:

Exchange	City of Winnipeg owned Parcel "C", Plan (Deposit No. 1408/2015) _____ WLTO In RL 39, 40 and 41, Parish of Saint James in exchange for: Manitoba Hydro owned Parcels F and G Works Plan 57393 WLTO IN RL 39 to 41 Parish of St. James
Additional Consideration	The City of Winnipeg shall pay to Manitoba Hydro, SIXTY-ONE THOUSAND FOUR HUNDRED AND TWENTY-FIVE DOLLARS ($61,425.00), plus applicable Goods and Services Tax.
Date Of Vacant Possession	October 31, 2016 or such earlier date as may be mutually agreed to by the parties