Agenda – Council – October 25, 2017

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 10, 2017

Item No. 5 The Annual Review of Part II Section 3 (Land Value) of the 2002 Development Agreement Parameters

STANDING COMMITTEE RECOMMENDATION:

On October 18, 2017, 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 appraised market value applicable to Part II Section 3 (Land Value) of the Development Agreement Parameters for 2017 of $20,000.00 per acre for industrial only developments, be approved.

2. That the appraised market value applicable to Part II Section 3 (Land Value) of the Development Agreement Parameters for 2017 of $75,000.00 per acre for all other developments, be approved.

3. 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 – October 10, 2017

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 18, 2017, 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 October 10, 2017, 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: The Annual Review of Part II Section 3 (Land Value) of the 2002 Development Agreement Parameters

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

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Pittet	J. Kiernan	B. D'Avignon A/CFO	M. Jack A/CAO

EXECUTIVE SUMMARY

Based on recent market analysis, the Planning, Property and Development Department has concluded that a land value rate of $75,000 per acre is representative of the average value of raw acreage with imminent development potential for 2017. The recommended land value rate represents no increase per acre from 2016.

In recent years, demand for residential land has been significantly stronger than for industrial land, consequently a separate analysis was undertaken to determine a land value rate for industrial lands. Based on this analysis, the Department has recently concluded that the land value rate of $20,000 per acre remains representative of the market value of raw acreage with imminent industrial only development potential, and therefore unchanged from 2016.

RECOMMENDATIONS

1. That the appraised market value applicable to Part II Section 3 (Land Value) of the Development Agreement Parameters for 2017 of $20,000.00 per acre for industrial only developments, be approved.

2. That the appraised market value applicable to Part II Section 3 (Land Value) of the Development Agreement Parameters for 2017 of $75,000.00 per acre for all other developments, be approved.

3. 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

Pursuant to Part II Section 3 (Land Value) of the Development Agreement Parameters adopted by Council on July 17, 2002, the cost or value of land acquired by the City under a Development Agreement (the “land value rate”) is to be determined annually by City Council.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory, environmental, operational or human resource implications of this report.

For 2017, the land value rate for the City’s acquisition of land for rights-of-way and water impoundments will remain unchanged from the 2016 rate.

HISTORY/DISCUSSION

On July 17, 2002, Council adopted the current Development Agreement Parameters (the “Parameters”) that allows the City to acquire lands from developers for street rights-of-way and water impoundments under development agreements required as a condition of approval for a proposed plan of subdivision.

Part II Section 3 (Land Value) of the Parameters stipulates the following for all such acquisitions:

“The cost or value of land will be determined by the City annually upon the appraised market value of raw acreage that has imminent development potential.”

The interpretation of the phrase “imminent development” is considered to be those lands recently purchased with an apparent expectation of development in the reasonably foreseeable future (approximately one to three years).

FINANCIAL IMPACT

Financial Impact Statement Date: September 25, 2017

Project Name:

The Annual Review of Part II Section 3 (Land Value) of the 2002 Development Agreement Parameters

COMMENTS:

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

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

CONSULTATION

This Report has been prepared in consultation with:

Urban Planning Division and City Planning

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate
Prepared by: Lydia Schroeder-Hart, Acting Senior Appraiser
Date: September 25, 2017
File No: 5000/26 – B Vol. 4
O:\Reports Directive\Real Estate\Appraisal\Annual Review of Land Value.doc