Agenda – Council – March 22, 2018

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – March 2, 2018

Item No. 5 Declaration of Surplus Land and Sale of City-owned Property Adjacent to 44 Higgins Avenue

STANDING COMMITTEE RECOMMENDATION:

On March 14, 2018, 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 adjacent to 44 Higgins Avenue, identified as "Subject City Property" on the attached Misc. Plan No. 13700/2 (the "Subject City Property"), be declared surplus to the needs of the City.

2. That, subject to the approval of Recommendation No.1, the City enter into, execute and deliver an agreement for the sale of the Subject City Property with SMC Holdings Ltd. in accordance with the terms and conditions set out in Schedule "A" for the sale price of $5,225.00 plus G.S.T. and enter into, execute and deliver such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements") in order to sell land to SMC Holdings Ltd. required to eliminate a pre-existing fire code deficiency.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the agreement for the sale and any Ancillary 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.

Pursuant to Section 205(2) of The City of Winnipeg Charter, disposal of land owned or acquired by the City for park or cemetery purposes requires approval by two-thirds of all Members of Council.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – March 2, 2018

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 14, 2018, 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 March 2, 2018, 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 Surplus and Approve the Sale of City-owned Property Adjacent to 44 Higgins Avenue.

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	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The Planning, Property and Development Department ("Department") recommends that the City-owned property adjacent to 44 Higgins be declared surplus to the City's needs and sold to the adjoining property owner. Approval of the sale will enable the adjacent owner to acquire lands to eliminate a pre-existing fire code deficiency.

As the City-owned property was originally acquired for park purposes, and is designated as such, the sale will require approval of at least two-thirds of the members of Council.

The property was circulated to all City Departments and no civic need was identified.

RECOMMENDATIONS

1. That the City owned property adjacent to 44 Higgins Avenue, identified as "Subject City Property" on the attached Misc. Plan No. 13700/2 (the "Subject City Property"), be declared surplus to the needs of the City.

2. That, subject to the approval of Recommendation No.1, the City enter into, execute and deliver an agreement for the sale of the Subject City Property with SMC Holdings Ltd. in accordance with the terms and conditions set out in Schedule "A" for the sale price of $5,225.00 plus G.S.T. and enter into, execute and deliver such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements") in order to sell land to SMC Holdings Ltd. required to eliminate a pre-existing fire code deficiency.

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the agreement for the sale and any Ancillary 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

According to the “Policy for the Sale, Acquisition, Rental, Leasing and Management of Properties”, all sales of property designated or acquired for park purposes shall require approval of at least two-thirds of the members of Council, pursuant to Section 144(2) of The City of Winnipeg Act". It is noted that Section 144(2) of The City of Winnipeg Act has been replaced by Section 205(2) of The City of Winnipeg Charter, which requires approval by a vote of 2/3 of all members of Council.

The proposed transaction is a direct sale which is permitted by the “Policy - Offers to Purchase City-Owned Property”. The City may act on unsolicited offers for City-owned property from an adjacent owner when the property in question is not developable on its own.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory, human resource or other 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.

The net proceeds of the sale will be allocated to the Land Dedication Reserve Fund.

The Department has received an Offer to Purchase for the Subject City Property from SMC Holdings Ltd. (the adjoining owner), for consolidation with their holding. As a result of this sale, the Purchaser will be required to subdivide the City-owned property.

HISTORY/DISCUSSION

The Subject City Property was acquired by the City in 2010 as part of a larger parcel which is described as “City Property Acquired in 2010”, as shown on Misc. Plan No. 13700/2. The property was acquired with the intention of providing green space for the Point Douglas neighbourhood.

The adjoining owner at 44 Higgins Avenue (SMC Holdings Ltd.) recently expressed interest in acquiring the Subject City Property to eliminate a pre-existing fire code deficiency. The intention of the owner is to install emergency egress doors along the west side of the building at 44 Higgins Avenue, and the Subject City Property is required to correct the deficiency.
The Department supports and recommends approval of the proposed sale of the Subject City Property for the following reasons:

- The Subject City Property was circulated to all City Departments and no Civic need was identified. The Urban Planning Division does not object to the disposal of the Subject City Property, provided that the lands are utilized to eliminate a pre-existing fire code deficiency.
- The Ward Councillor was consulted and concurs with the intentions of the Department.

- As a condition of the sale, the Purchaser (SMC Holdings Ltd.) will construct a fence along the south and west limits of the Purchaser's Property, at no cost to the City.
- To date, the Purchaser has corrected outstanding issues identified during the departmental circulation by
    - removing an encroaching fence;
    - removing a 24' by 24' building built without a permit; and
    - restoring the adjacent riverbank.
- The proposed sale price of $5,225.00 is below the appraised value but within 95% of the appraised value of $5,500.00 to $6,500.00. The recommended sale price is consistent with the January 28, 2009 Council decision that delegates the authority to the CAO to approve sales if the purchase price is within 95% of the appraised value.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 30, 2018

Project Name:

First Year of Program 2018

Approval to Declare Surplus and Approve the Sale of City-owned Property Adjacent to 44 Higgins Avenue, shown as 'Subject City Property' on Misc. Plan No. 13700/2

	2018	2019	2020	2021	2022
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	5,225	-	-	-	-
Net Cost/(Benefit)	$ (5,225)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(5,225)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenues represent the proposed sale price of the subject City property. Incremental municipal taxes arising from this proposed sale are immaterial and have been excluded from this analysis.

"Original signed by"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

Urban Planning Division
Parks, Waterways and Community Initiatives Division
Legal Services Department as to legal issues

OURWINNIPEG POLICY ALIGNMENT

The subject property is located within the South Point Douglas Major Redevelopment Site identified in the Complete Communities Direction Strategy.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate
Prepared by: Neil Gifford
Date: February 5, 2018
File No. V3 810

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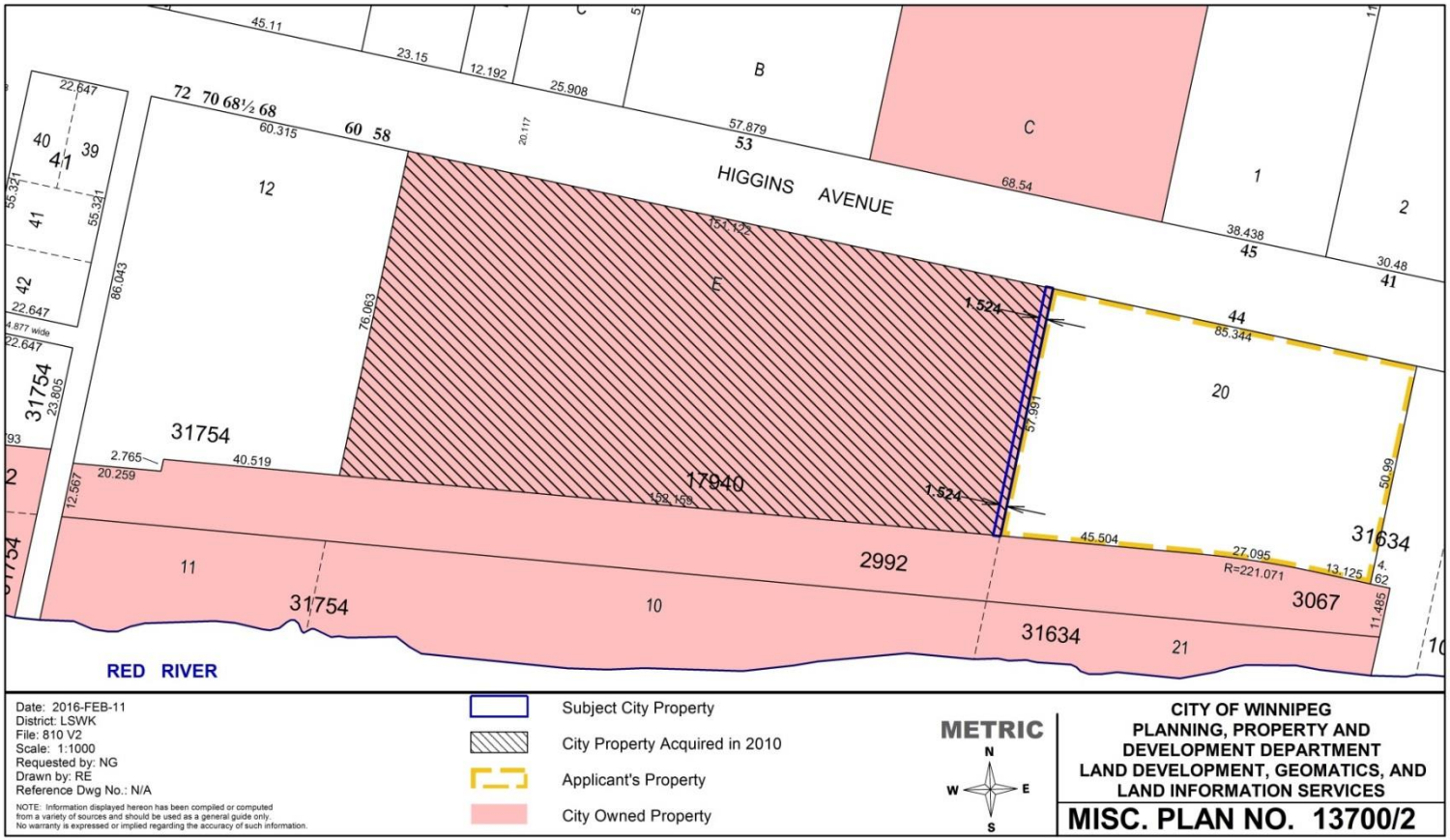
SCHEDULE "A"

Purchaser:	SMC Holdings Ltd.
Vendor:	The City of Winnipeg
Purchase Price:	$5,225.00 plus GST
Land to Be Purchased:	The lands shown as "Subject City Property" on Misc. Plan No. 13700/2
Closing Date:	60 days following the completion and approval by the Winnipeg Land Titles Office and the City of a Plan of Subdivision prepared by or on behalf of the Purchaser to facilitate the creation of the Subject City Property and the Purchaser's adjoining property as a single lot; satisfaction of all conditions required for the Development Application (DASSF); and the date of completion of the construction of a chain link fence at a minimum height of 6 feet along the south limit of the Subject City Property and the Purchaser's adjoining property and along the west limit of the Subject City Property, or a date to be mutually agreed to by the parties and to be approved by the City's Chief Administrative Officer.
Other Terms:	That the Purchaser apply for a Development Application (DASSF) to facilitate the subdivision of the lands shown as "City Property Acquired in 2010" on Misc. Plan No. 13700/2.


HIGGINS AVENUE
RED RIVER
31754
17940
2992
31634
3067
Date: 2016-FEB-11
District: LSWK
File: 810 V2
Scale: 1:1000
Requested by: NG
Drawn by: RE
Reference Dwg No.: N/A
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.
Subject City Property
City Property Acquired in 2010
Applicant's Property
City Owned Property
METRIC
N
W
E
S
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND DEVELOPMENT, GEOMATICS, AND LAND INFORMATION SERVICES
MISC. PLAN NO. 13700/2