Agenda – Executive Policy Committee – April 17, 2018

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – April 9, 2018

Item No. 11 The Annual Review of Part II Section 3 (Land Value) of the 2002 Development Agreement Parameters

STANDING COMMITTEE RECOMMENDATION:

On April 9, 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 following to Council:

1. That the annual market value for Part II Section 3 (Land Value) of the Development Agreement Parameters, estimated at $45,000.00 per acre for industrial only developments, be approved.

2. That the annual market value for Part II Section 3 (Land Value) of the Development Agreement Parameters, estimated at $90,000.00 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.

Agenda – Executive Policy Committee – April 17, 2018

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – April 9, 2018

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 9, 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: 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	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The Planning, Property and Development Department ("Department") is required to complete an annual review of Part II Section 3 (Land Value) of the Development Agreement Parameters. Based on a recent market analysis, the Department has concluded that a value of $90,000 per acre is representative of raw acreage with imminent development potential for 2018, an increase of $15,000 per acre from 2017.

In recent years, demand for residential land has been significantly stronger than industrial land. Consequently, a separate analysis was undertaken to determine the value for industrial lands. Based on a recent market analysis, the Department has concluded that a value of $45,000 per acre is representative of raw acreage with imminent industrial only development potential, an increase of $25,000 per acre from 2017.

These amounts are used in the acquisition of raw acreage by the City (or sale of City-owned raw acreage).

RECOMMENDATIONS

1. That the annual market value for Part II Section 3 (Land Value) of the Development Agreement Parameters, estimated at $45,000.00 per acre for industrial only developments, be approved.

2. That the annual market value for Part II Section 3 (Land Value) of the Development Agreement Parameters, estimated at $90,000.00 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 is to be determined annually by the City.

IMPLICATIONS OF THE RECOMMENDATIONS

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

For 2018, the City's cost to purchase land in accordance with Part II Section 3 (Land Value) of the Development Agreement Parameters will increase by $15,000 to $25,000 per acre from the 2017 rates.

HISTORY/DISCUSSION

On July 17, 2002, Council adopted the current Development Agreement Parameters. Part II Section 3 (Land Value) of the Parameters states that:

> "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) as opposed to immediate development.

The Land Value section of the Parameters is applied to several clauses within Part II Section 18 (Street Rights-of-Way).

Based on a recent market analysis, the Department has concluded that a value of $90,000 per acre is representative of raw acreage with imminent development potential for 2018, an increase of $15,000 per acre from 2017.

In recent years, demand for residential land has been significantly stronger than industrial land. Consequently a separate analysis was undertaken to determine the value for industrial lands. Based on a recent market analysis, the Department has concluded that a value of $45,000 per acre is representative of raw acreage with imminent industrial only development potential, an increase of $25,000 per acre from 2017.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 26, 2018

Project Name:

The Annual Review for 2018, of the Land Acreage Rate to be Applied in Connection with Paragraph (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

N/A

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property & Development
Division: Real Estate and Land Development
Prepared by: Marlene Haderer, Supervisor of Leasing and Appraisals
Date: March 1, 2018
File No: 5000/26 - B Vol. 4