Minute No. 193
Report - Standing Policy Committee on Property and Development - February 5, 2004

Item No. 3 **Sale of Closed Public Lane - West of Mobile Street, Closed Wolf Avenue, north of Inkster Boulevard - Fort Garry Industries Ltd. File DAC 7/2003**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the subject property, shown on Misc. Plan No. 11878/1, be declared surplus to the City's needs.

2. That, subject to Council's enactment of a Closing By-law, the sale of the subject property, shown on Misc. Plan No.11878/1, to Fort Garry Industries Ltd. for the price of $3,000.00, in accordance with the terms and conditions of the Offer to Purchase, 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 - February 5, 2004

DECISION MAKING HISTORY:

Moved by Councillor Vandal,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On February 5, 2004, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: **Proposed Sale of Closed Public Lane – West of Mobile Street, Closed Wolf Avenue, North of Inkster Boulevard to Fort Garry Industries Ltd.**
Lord Selkirk– West Kildonan Community
Old Kildonan Ward

For submission to: **Standing Policy Committee on Property and Development**

Original report signed by: **Director of Planning, Property and Development**

Report date: January 29, 2004

Recommendation(s):

That the proposed sale of the subject property as shown on Misc. Plan No.11878/1 to Fort Garry Industries Ltd. for the price of $3,000.00 and in accordance with the terms and conditions of the attached Offer to Purchase, be approved, subject to:

(a) Council's declaring the subject property surplus to the City's needs;
(b) Council's adoption and enactment of the proposed lane closing By-Law;

REPORT SUMMARY

KEY ISSUES:

- On March 29 2003, Fort Garry Industries Ltd., (represented by Mr. Rocky Neufeld of Royal Lepage Stevenson Advisors) submitted an application to the Planning, Property and Development Department for the closing of the lane shown outlined as "Subject City Property" on Misc. Plan No. 11878/1. The Purchaser intends to consolidate the City's property with vacant property to the immediate east, for the purpose of outside storage.
- On June 10, 2003 the Lord Selkirk – West Kildonan Community Committee considered and approved an application (DAC 7/2003) to legally close: that portion of the Public Lane west of Mobile Street and Wolfe Avenue west of Mobile Street; north of Inkster Boulevard, shown as "Subject City Property" on Misc. Plan No. 11878/1.
- The Real Estate Division has determined there is no City requirement for the Subject City Property. There are no easement requirements for services or utilities.
- On October 14, 2003, the Lord Selkirk – West Kildonan Community Committee concurred with the administrative recommendation; namely, that the lands identified as "Subject City Property" be declared surplus and sold.
- The Department is now recommending the terms and conditions of sale for approval.

Implications of the Recommendation(s):

General implications:

X	**None**
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s):

-

Policy implications:

X	**No** (There are no policy implications if the report is asking for a one-time decision.)
	Yes (There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

-

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

-

REASON FOR THE REPORT:

The Planning, Property and Development Department is in receipt of an Offer to Purchase the Subject City Property shown as shaded on Misc. Plan No. 11878/1. By this report, the Department is recommending approval of the proposed terms and conditions of sale as set out in the attached Offer to Purchase.

HISTORY:

The subject City property shown as shaded on Misc. Plan 11878/1 attached, is a lane and portion of a street which has never been paved or used for traffic.

In March, 2003, Fort Garry Industries Ltd. submitted an application to the Planning, Property and Development Department to close and acquire the lane and street identified as "Subject City Property" on the attached Misc. Plan No. 11878/1. The Purchaser intends to consolidate the City's property with vacant property to the immediate east, for future industrial development.

On June 10, 2003, the Lord Selkirk – West Kildonan Community Committee considered and approved an application (DAC 7/03) to legally close that portion of the Public Lane West of Mobile Street and that portion of Wolf Avenue west of Mobile Street, shown as "Subject City Property" on the attached Misc. Plan No. 11878/1.

The Real Estate Division has determined that there is no City requirement for the Subject City Property and there are no easement requirements for services or utilities.

On October 14, 2003 the Lord Selkirk – West Kildonan Community Committee indicated that it concurred with the administrative recommendation, namely, that the lands identified as "Subject City Property" on Misc. Plan No. 11878/1 be declared surplus and sold.

DISCUSSION:

The Purchaser, Fort Garry Industries Ltd., owns two parcels of land on both sides of the Subject City Property, including a 20.23 acre site to the west which houses their manufacturing/service facility.

The Purchaser's intention is to consolidate the Subject City Property with the Purchaser's 1.34 acre parcel to the immediate east. The Purchaser plans to rezone the land to industrial to be used for storage purposes.

At a future date, it is Fort Garry Industries Ltd.'s intention to create two titles: (1) a separate 2.5 acre parcel for development at the N/E corner of Inkster Boulevard and Inksbrook Drive and (2) the balance of the property which will include their manufacturing/service facility, the Subject City property and the 1.34 acre parcel west of Mobile Street.

Inclusion of the City Property would benefit the Purchaser by: increasing the utility of the Purchaser's easterly 1.26 acre parcel for use for storage purposes and providing the future opportunity to subdivide the westerly 2 ½ acres at Inksbrook Drive as a development site. The value of the property by an in-house appraisal has been estimated at $3,000.00. This appraisal takes into account a discount of 50% because the city-owned land is not developable on its own or saleable to anyone other than the adjoining owners. The requirement to consolidate Certificates of Titles would be at the Purchaser's expense.

CONCLUSION

The Department recommends that the subject property be declared surplus and that the proposed sale be approved for the following reasons:

a) The property is not developable on its own;
b) Due to its size and shape, this property is not marketable to anyone other than the adjoining owners;
c) The property would be on the tax roll at the closing of the sale;
d) The purchaser will be responsible for all costs related to closing and easement plans;
e) The proposed sale price is supported by an internal appraisal report;
f) The proposed terms and conditions of sale as are recommended by the Department are attached as Appendix "1" and are in accordance with the City's standard terms and conditions and include special terms as are required by the Department (i.e. The title to the subject property to be consolidated with the purchaser's adjacent property to the east). The Department has provided these terms to the purchaser and anticipates a response within the next few weeks.
g) The sale will eliminate the liability for the City associated with holding and maintaining this parcel of vacant land.

In summary, the Department is satisfied that the negotiated price and terms and conditions are fair and reasonable and recommends sale of the subject property for the reasons noted above.

Financial Impact Statement 26-Jan-04

Project Name: **First Year of Program** 2004

Proposed Sale of: Public Lane - West of Mobile Street, and Wolf Avenue - west of Mobile Street; north of Inkster Boulevard to Fort Garry Industries Ltd.

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	
Less: Incremental Revenue/Recovery	3,043	58	58	58	58
Net Cost/(Benefit)	$ (3,043)	$ (58)	$ (58)	$ (58)	$ (58)
Less: Existing Budget Amounts	(3,043)	(58)	(58)	(58)	(58)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

It is assumed that the closing of the sales transaction will not occur until the Spring of 2004. The assessed value of the subject lane/street is not known at this time and for the purposes of the FIS it is assumed that the purchase price and the assessed value will be consistant with each other. As such, proceeds of the sale in the 2004 program year includes municipal taxes based upon the 2003 Municipal Mill Rate. Recoveries of $58 in years 2005 thru 2007 represents municipal realty taxes the City will receive and assumes no increase in the assessed value of the property nor any change to the Municipal Mill Rate. Futthermore, the municipal realty tax estimates are based on land value onlyl, and any future development of the proeprty will certainly increase these recoveries.

"Original signed by"
Gord Courage, Manager
Support Services Division

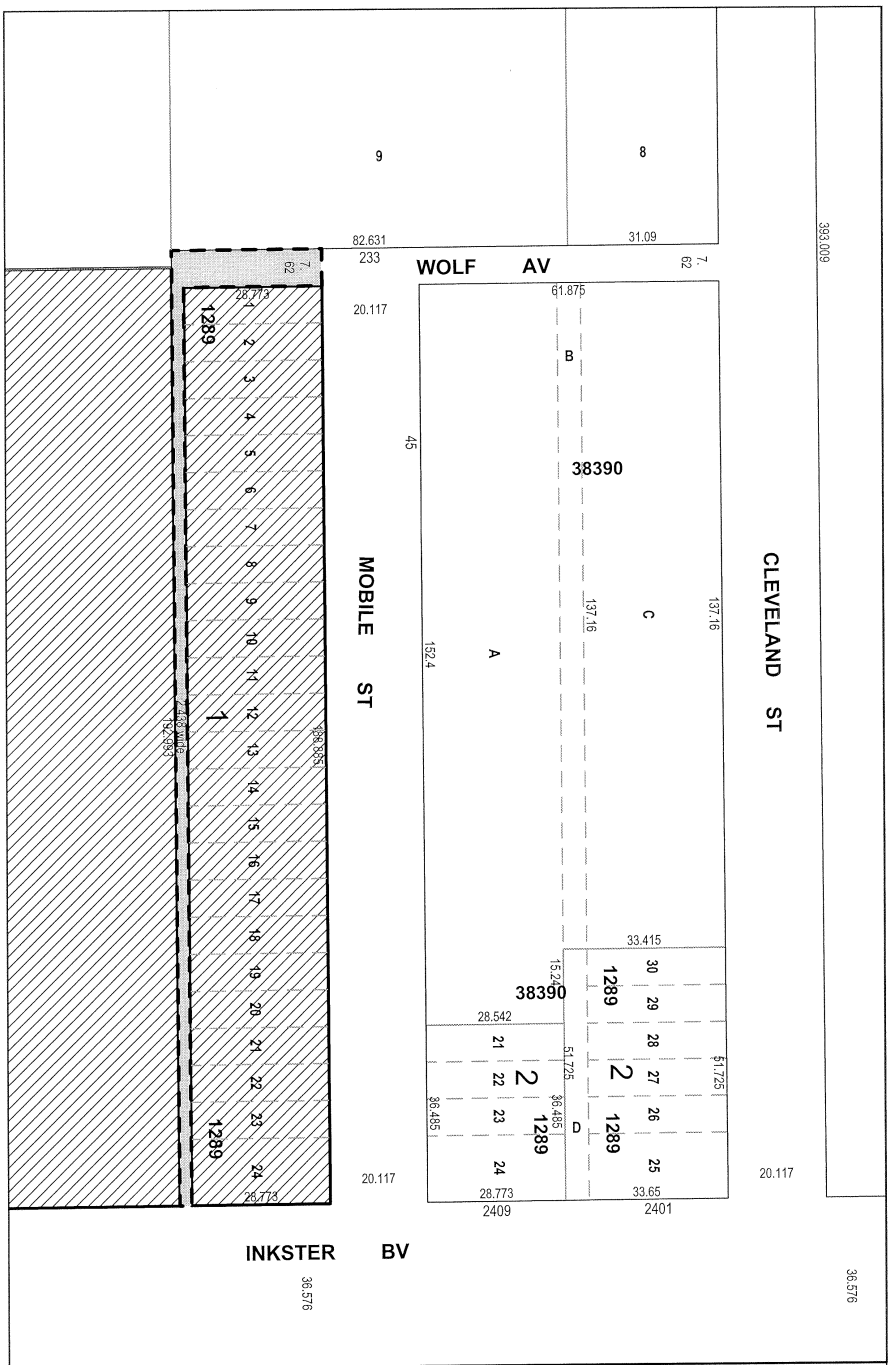
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

No consultation was required in preparing this report.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Barry Lucyk
PPD File #: 8415

Document name: o:\reports directive\real estate\sales\(bl)mobilewolf.doc


WOLF AV
MOBILE ST
CLEVELAND ST
INKSTER BV
38390
1289
2409
2401
Subject City Property
Area: ±698.3 m² (±7,516.8 ft²)
Applicant's Property
Date: 2003-JUL-09
District: LSWK
File: 8415
Scale: 1:1000
METRIC
NOTE:
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No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11878/1

File No: **8415**

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City"), subject to Council enactment of the necessary By-law to effect the legal closing of the following lands: -

Shown shaded as "Subject City Property" on Misc. Plan No. 11878/1 attached hereto:

(hereinafter called the "Lands")
for the sum of $3,000.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of $450.00, and represents an amount equal to fifteen (15%) of the purchase price which the Purchaser tenders by way of deposit, and which sum shall be applied to the purchase price if the sale is approved by the City's Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required), herein after called the "Date of Approval". The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing as in sub-clause (1) above provided, the City may, at its option, cancel the sale and retain the deposit as liquidated damages.

2. (1) The date of closing, possession and adjustments shall be one hundred and twenty (120) days following the Date of Approval or earlier as mutually agreed to.

(2) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the Lands as though the Lands had been entered on the assessment rolls of the City as privately owned and subject to taxation, which adjustment shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(3) The Purchaser shall pay interest in lawful money of Canada on all monies remaining outstanding and payable to the City as of the date of adjustments, which interest shall be calculated at the rate per annum equivalent to the prime lending rate in force by the City's Banker at the date of adjustments plus one (1%) percent, computed from the date of adjustments to and including the date all such monies and interest as aforesaid have been fully paid to the City.

3. Goods and Services Tax

(1) The Purchaser agrees to pay to the City all Goods and Services Tax applicable on the sale of the Lands or, if the Purchaser is a registrant under the Goods

and Services legislation, the Purchaser shall advise the City in writing of its registration number. The Goods and Services Tax is to be paid, or the registration number provided, to the City on or before the date of closing or the date the balance of monies is paid to the City, whichever is the earlier.

(2) If the Purchaser fails to pay the Goods and Services Tax or fails to provide its registration number as prescribed in sub-clause (1) of this Clause, the Purchaser agrees that all of the Purchaser's rights and interests in respect of the Lands shall, at the City's sole discretion, be fully ended without notice or any formality and all monies paid to the City by the Purchaser shall be retained by the City free from every claim.

4. The Purchaser will obtain possession of the Lands at the Purchaser's own expense.

5. The Purchaser will accept Title to the Lands subject to all exceptions, reservations and encumbrances expressed or implied in the City's Title.

6. The sale of the Lands to the Purchaser shall be subject to the provisions of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore, the Purchaser acknowledges and understands that its proposed use and development of the Lands may require applications for re-zoning, variances or conditional uses, and amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

7. The Purchaser agrees that the City may register and maintain a caveat against the Lands to ensure the performance of the covenants on the part of the Purchaser herein set forth, and the Purchaser agrees to grant and does hereby grant to the City an interest in the Lands according to the tenor of this Offer.

8. Upon approval of the sale by the City, the Purchaser agrees to make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the Lands.

9. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment and/or soil testing of the Lands, it shall:

(1) ensure that all work done in connection with such Environmental Site Assessment and/or soil testing is completed no later than ninety (90) days from the Date of Approval, and

(2) maintain the Lands in safe condition at all times during the conduct of any work done in pursuance of this Clause 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; and

(4) indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such Environmental Site Assessment and/or soil testing; and

(5) provide copies of any such Environmental Site Assessment and/or Report concerning soil testing of the said lands to the City for its own use, at no cost to the City no later than ninety (90) days from the Date of Approval.

AND in the event it is determined as a result of said Environmental Site Assessment and/or soil testing, that contamination levels exceed Provincial Environmental Standards for the intended use of the Lands and documentation to that effect is produced to the City within ninety (90) days following the Date of Approval, but in any event, prior to closing, the City, at its sole option, shall be entitled to:

take remedial action to bring the contamination levels to within the Provincial Environmental Standards;

OR

cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date, PROVIDED that the Applicant shall have first satisfied all conditions of this Clause 9.

AND FURTHER if the City has not been advised of any non-compliance of the Lands to Provincial Environmental standards within ninety (90) days from the Date of Approval, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10. (1) The Purchaser acknowledges that the City is not providing any warranty as to the environmental condition of the Lands.

(2) The Purchaser agrees that it will rely solely upon its own investigations in determining the degree of contamination, if any, existing on and within the Lands and the extent of contamination, if any.

(3) The Purchaser shall indemnify and save harmless the City from and against all claims, costs and damages arising from or in any way connected with the existence of contaminants of any kind in or on the Lands.

(4) It is understood and agreed that the terms, conditions and covenants contained in this Clause 10 shall not merge but shall survive closing.

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

(1) The City has given no representations or warranties with respect to the Lands or with respect to the value thereof or with respect to the Purchaser's intended uses or development or redevelopment thereof or with respect to the environmental condition of the Lands;

(2) The Purchaser has inspected or investigated the Lands, the title thereto, the permitted encumbrances, any tenancies and all other matters material to the Purchase and the proposed use of the Lands and that it is relying solely upon its own independent

inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) The Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) Any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) The Lands are deemed to be taken by the Purchaser at the Purchaser's own risk with all faults and imperfections whatsoever. The Purchaser agrees with the City that the application of "Buyer Beware" shall apply to the offer in the strictest meaning.

12. (1) The Purchaser agrees that the sale of the Lands shall be subject to any easement which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas, or The City of Winnipeg, for the maintenance of existing and future facilities together with the right to enter upon the Lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area any building or structure without the prior written consent of the public utility or The City of Winnipeg requiring such easement.

(2) The Purchaser to enter into agreements satisfactory to the said utilities or The City of Winnipeg.

(3) The Purchaser acknowledges that the City may grant the easements before the Transfer of Land issues.

13. In consideration of the sale of the Lands by the City to the Purchaser, the Purchaser covenants and agrees as follows:

(1) The Purchaser shall at the Purchaser's sole cost, effort and expense, do all things as are necessary, including but not limited to causing to be prepared a Plan of Survey to effect the legal closing of the Lands and Plans of Easement, suitable for registration at Winnipeg Land Titles Office, such documentation as may be required to ensure that the Lands to be conveyed by the City and the Purchaser's adjoining property legally described as: Lots 1 to 24, Block 1, Plan 1289 WLTO, (contained in certificate of title No. 1942437) are consolidated so as to constitute a single and indivisible parcel. The Purchaser does hereby acknowledge that in complying with this obligation it may be required to arrange for the discharge and re-registration of existing encumbrances against the Purchaser's adjoining property.

(2) This agreement shall run with the Lands and the Purchaser's adjoining property and shall bind the Purchaser, its successors and assigns and its successors in title.

(3) To pay the applicable Land Titles Office registration fees and Land Transfer Tax in respect thereto.

14. No commission is payable by the City on the sale of the Lands.

15. Time shall be of the essence of this Offer.

16. The Purchaser will not file any caveat or other encumbrance against the Lands before the transfer of the Lands to the Purchaser.

17. The word "Purchaser" shall have a plural meaning in the event that more than one party is making this offer, and the masculine shall mean the feminine or neuter as the case may be.

18. The Purchaser acknowledges and agrees that sale of the Lands by the City is subject to the approval of City Council or its delegated authority.

19. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety which are composed of Lacustrine Clays with Silt Intrusions. The Purchaser shall be responsible for any increased costs of development due to this random stratification.

20. The Purchaser is aware that the Lands are currently zoned as "A" Agricultural designation and that the Purchaser shall be responsible for any rezoning of the Lands and all of the related costs.

21. The full, true and correct name of the Purchaser is as follows: -

Fort Garry Industries Ltd. 2525 Inkster Boulevard, RR2 Stn. Main, Wpg. Man. R3C 2E6
Name (Please Print) Address

Purchaser's Registration No. (G.S.T.)_____

IN WITNESS WHEREOF the Purchaser has signed this document in

_____, _____, this _____ day of _____20__

_____ _____
Witness Authorized Signature

_____
Name and Title of Authorized Signature (Please print)

_____ _____
Witness Authorized Signature

_____
Name and Title of Authorized Signature (Please print)

THE CITY OF WINNIPEG

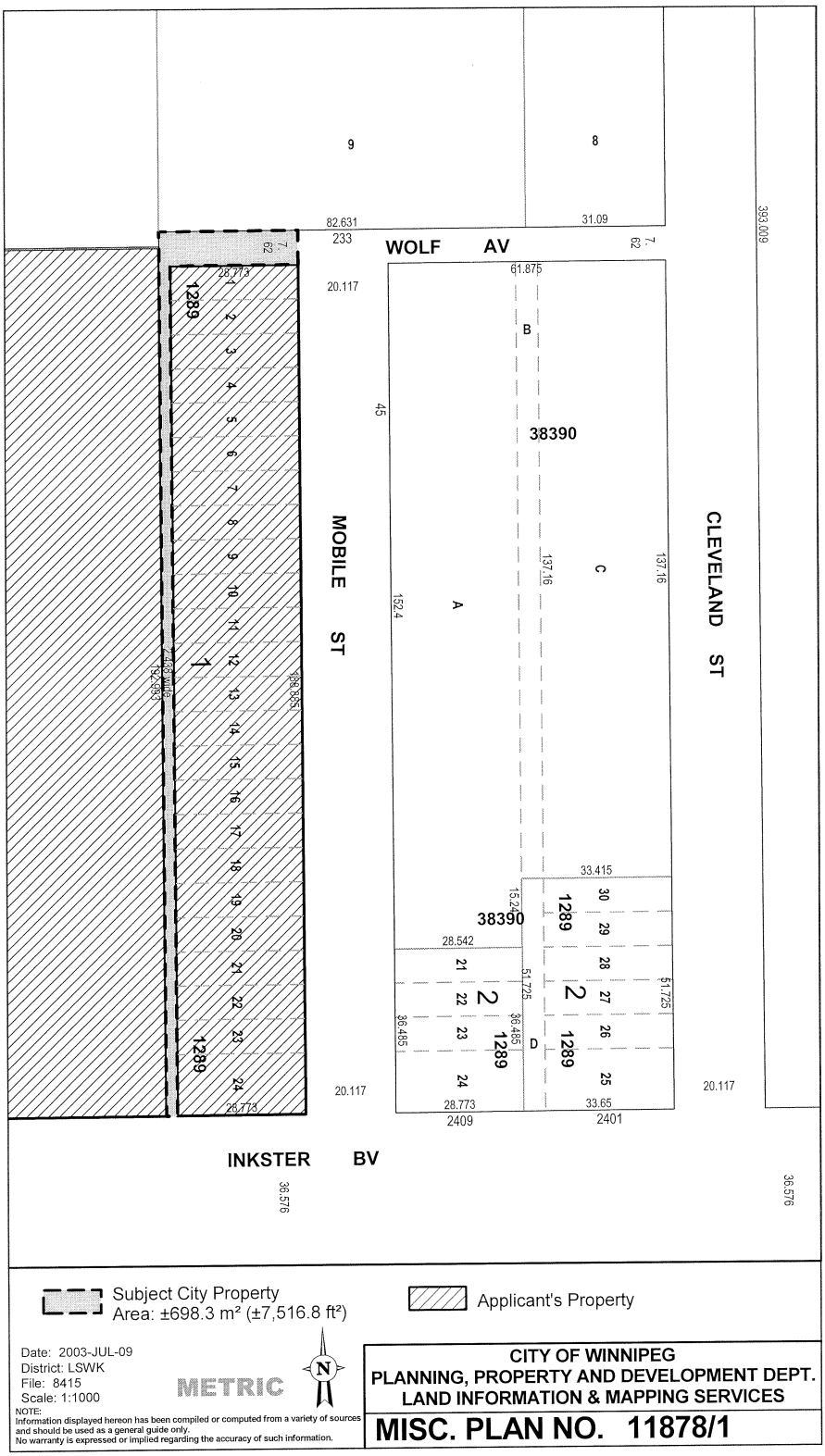
Per: _____
DIRECTOR of Planning, Property and Development

Approved as to details: Approved as to form:

_____
Planning, Property and Developmentfor City Solicitor/Manager of
Legal Services

Approved as to details:

_____
Public Works Department


WOLF AV
MOBILE ST
CLEVELAND ST
INKSTER BV
38390
1289
Subject City Property
Area: ±698.3 m² (±7,516.8 ft²)
Applicant's Property
Date: 2003-JUL-09
District: LSWK
File: 8415
Scale: 1:1000
METRIC
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.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11878/1

Industrial/ Commercial Offer to Purchase
EXHIBIT "A"

Real Owner Application

To the City Assessor

_____ Roll No. _____
(Name of Municipality)

1. I/We _____
(Print Full Name)
request that my/our name(s) appear in the Assessment Roll of the City of Winnipeg in respect to the following property, pursuant to Section 12(1) of "The Municipal Assessment Act", Cap. M 226 S.M..
2. Description of Properties: (Give description of all property in respect of which you wish your name to appear).

Part of Lot or Section	Lot or Section	Block or Township	Plan or Range	Interest in Property

3. Mailing Address _____
4. Place of Residence _____
5. Name and Address of Registered Owner _____
(Print)
_____
(Print)
6. Description of building on property:
Dwellings _____
Other Buildings _____
7. Date of Purchase _____ 8. Purchase Price _____

Date: _____ 20 ____ _____
(Signature of Applicant)

Office of the City Assessor _____
The City of Winnipeg (Signature of Registered Owner)