Agenda – Executive Policy Committee – June 11, 2019

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – May 27, 2019

Item No. 1 Proposed Sale of City-owned property located at 5014 Roblin Blvd., known as the Old Charleswood Library (Charleswood-Tuxedo-Westwood Ward)

STANDING COMMITTEE RECOMMENDATION:

On May 27, 2019, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service, as amended, and submitted the following to Council:

1. That, subject to the approval of Recommendation 2, the sale of the Subject City Property located at 5014 Roblin Boulevard, outlined in a black dashed line and identified as "Subject City Property" on Misc. Plan No. 4085/10 (attached as Schedule "A"), to Ke Lin (or a nominee approved by the Chief Administrative Officer) for a purchase price of $575,000.00 (less 2% realtor's commission - $11,500.00) be approved in accordance with the sale conditions outlined in Schedule B.

2. That $50,000.00 of the net proceeds of the sale be set aside for use at the discretion of the area Councillor for The Charleswood 55 Plus Active Living Centre, for recreation programming in the Charleswood-Tuxedo-Westwood Ward.

3. That the City enter into, execute and deliver an Offer to Purchase with Ke Lin, or nominee, and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements).

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Offer to Purchase and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

5. 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 – June 11, 2019

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – May 27, 2019

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On May 27, 2019, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service, with the following amendments:

- In Recommendation 1, add ", subject to the approval of Recommendation 2," immediately before "the sale of the Subject Property"

- Add the following new Recommendation 2, and renumber the remaining recommendations accordingly:

    "2. That $50,000.00 of the net proceeds of the sale be set aside for use at the discretion of the area Councillor for The Charleswood 55 Plus Active Living Centre, for recreation programming in the Charleswood-Tuxedo-Westwood Ward."

and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Proposed Sale of City-owned property located at 5014 Roblin Blvd., known as the Old Charleswood Library

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

AUTHORIZATION

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

EXECUTIVE SUMMARY

On January 19, 2015, the new Charleswood Library opened at 4910 Roblin Boulevard and the former library located at 5014 Roblin Boulevard (Subject City Property) was subsequently closed.

The Subject City Property, outlined in a black dashed line on Misc. Plan 4085/10, was circulated to City departments and no civic need was identified. The Subject City Property was declared surplus by Council on February 22, 2018 and marketed by the Public Service from January 11 to March 8, 2019.

The Public Service recommends the sale of the Subject City Property to Ke Lin for $575,000.00, less 2% realtor's commission of $11,500.00, subject to terms and conditions outlined in Appendix B to this Report.

It is important to note that on February 28, 2019, Council referred a motion to the Standing Policy Committee on Property and Development, Heritage and Downtown Development, directing the Public Service to not proceed with the sale and or subdivision of the Subject City Property until such time as a permanent location for The Charleswood 55 Plus Active Living Centre Inc. ("Charleswood 55 Plus") is identified. At the time of the submission of this report, Council has not adopted the February 28, 2019 motion therefore the Public Service continues to follow Council's direction from February 22, 2018.

RECOMMENDATIONS

1. That the sale of the Subject City Property located at 5014 Roblin Boulevard, outlined in a black dashed line and identified as "Subject City Property" on Misc. Plan No. 4085/10 (attached as Schedule "A"), to Ke Lin (or a nominee approved by the Chief Administrative Officer) for a purchase price of $575,000.00 (less 2% realtor's commission - $11,500.00) be approved in accordance with the sale conditions outlined in Schedule B.

2. That the City enter into, execute and deliver an Offer to Purchase with Ke Lin, or nominee, and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements).

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Offer to Purchase and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed 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

On January 28, 2009, Council authorized the Chief Administrative Officer ("CAO") to approve all sales of City-owned property that have been declared surplus where:

I. the sale price is $500,000 or less;
II. the sale price is at least:
    a. 95% of appraised value, or
    b. 100% of the Standing Policy Committee on Property and Development pre-approved price;
III. the property is being sold through a public offering and / or complies with the "Offers to Purchase City-owned Property policy";
IV. the offer is in the best interests of the City; and
V. prior to public offering, the sale has written concurrence from the Ward Councillor.

The proposed sale does not comply with condition I of the CAO's Delegation of Authority.

The Standing Policy Committee on Property and Development, Heritage and Downtown Development has the authority to approve all sales in accordance with the "Policy for the Sale, Acquisition, Rental, Leasing and Management of Properties" adopted by Council on July 18, 1979.

IMPLICATIONS OF THE RECOMMENDATIONS

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

The proposed sale of the Subject City Property is in accordance with the City's "Offers to Purchase City-owned Property Policy". The Subject City Property was marketed through a public offering.

The City's standard terms and conditions of sale include provisions to protect the City's interests in the event that environmental contamination is discovered.

The net proceeds of the sale will be credited to the Land Operating Reserve Account and held for future investment in community facilities pursuant to the Recreation, Leisure, and Library Facilities Policy adopted by Council on May 18, 2005 which specifies that "any proceeds from property sales that may arise as a result of facility rationalization will be reinvested into City-run recreation, leisure, and library facilities."

The sale of the Subject City Property also complies with Section 2.5 of the above-noted policy, inasmuch as no new stand-alone senior, recreation, and leisure centre will be added to the City's inventory.

HISTORY/DISCUSSION

The building on the Subject City Property located at 5014 Roblin Boulevard was formerly the Charleswood Library. On January 19, 2015, the new Charleswood Library opened at 4910 Roblin Boulevard. Subsequently, the Public Service circulated the Subject City Property to City departments which resulted in objections from the Transit Department and the Winnipeg Fire and Paramedic Department. The boundaries of the Subject City Property were amended to the satisfaction of the affected City departments and no further civic need was identified. Council declared the Subject City Property surplus to the City's needs on February 22, 2018 on the premise that the property would be subdivided and publicly marketed for sale.

In order to market the property, an appraisal of the Subject City Property was completed. The appraiser established the market value at $515,000.00, assuming asbestos materials do not require abatement, the site is not contaminated and the property is subdivided. The appraisal's highest and best light commercial use considered the current condition of the building, the property's C2 zoning, and its proximity to a traffic artery which is developed with neighbourhood commercial uses.

Charleswood 55 Plus, who presently occupy approximately 6,000 square feet in the adjacent building located at 5006 Roblin Boulevard, were provided interim occupancy of the Subject City Property in 2015 while the Subject City Property was readied for sale. In the spring of 2018, the Public Service communicated to Charleswood 55 Plus that the interim occupancy would cease on June 30, 2018. Charleswood 55 Plus was provided with the option to lease the space after June 30, 2018 for $1.00 (plus operating costs in accordance with Council policy) until the property was sold but declined this option and vacated the Subject City Property.

The Subject City Property was offered for sale on the open market on January 11, 2019, with a closing date of March 8, 2019.

On February 28, 2019, Council referred a motion to the Standing Policy Committee on Property and Development, Heritage and Downtown Development (SPC on PDHDD), that the Winnipeg Public Service be directed to not proceed with the sale and or subdivision of the Subject City Property until such time as a permanent location for the Charleswood 55 Plus is identified. As previously noted, Charleswood 55 Plus occupy approximately 6,000 square feet in the adjacent City-owned building at 5006 Roblin Boulevard. On March 4, 2019, the SPC on PDHDD, concurred in the Council motion and submitted its recommendation to The Executive Policy Committee (EPC). On March 12, 2019, EPC laid over the matter to its meeting on April 9, 2019.

At the time of the submission of this report, Council has not adopted the February 28, 2019 motion therefore the Public Service continues to follow Council's direction from February 22, 2018. The Public Service is in receipt of one Offer to Purchase for the Subject City Property. The salient terms of the proposed sale are included in Schedule B.

The Purchaser provided a 13% deposit instead of the required 15% deposit. The non-compliance of the Purchaser is considered to be immaterial because the City will still receive the full purchase price at closing. In addition, there is no unfairness to other bidders in accepting this immaterial non-compliance as no other bidder was affected.

The Public Service supports the proposed sale of the Subject City Property for $575,000.00 (less 2% realtor's commission - $11,500.00) to Ke Lin for the following reasons:

- The offer is higher than the appraised value;
- The property will be placed on the tax roll at the closing of the sale;
- The sale will eliminate liability to the City associated with holding this property and the proceeds will be reinvested in recreational, leisure and/or library facilities in the future; and
- The sale of the property complies with previous Council direction and policy.

Should the Standing Policy Committee on Property and Development, Heritage and Downtown Development concur in the Public Service's recommendation, the sale may conclude as early as July 2019.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 18, 2019

Project Name:

Proposed Sale of City-owned property located at 5014 Roblin Blvd., commonly known as the Old Charleswood Library

First Year of Program 2019

	2019	2020	2021	2022	2023
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	$ 25,327	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	575,000	-	-	-	-
Net Cost/(Benefit)	$ (549,673)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(549,673)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Revenues consist of the proposed $575,000 purchase price while direct costs consist of the book value of the property, advertising costs and sales commission. Net proceeds of $549,673 will be credited to the Land Operating Reserve and held for future reinvestment in recreation, leisure and/or library facilities in accordacne with the Council-approved RLALF policy.

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

CONSULTATION

This Report has been prepared in consultation with:

Legal Services Department (review of the administrative report and terms and conditions of the sale)

The Subject City Property is presently managed by the Planning, Property and Development Department and as a result, no other consultations with City Departments were required for this report.

OURWINNIPEG POLICY ALIGNMENT

04-2 – Recent Communities

"Recent Communities are areas that were planned after 1950. They are primarily residential areas and contain a mix of low and medium density housing with nearby retail amenities.

Within Recent Communities, intense and diverse development will be encouraged in Centres and Corridors."

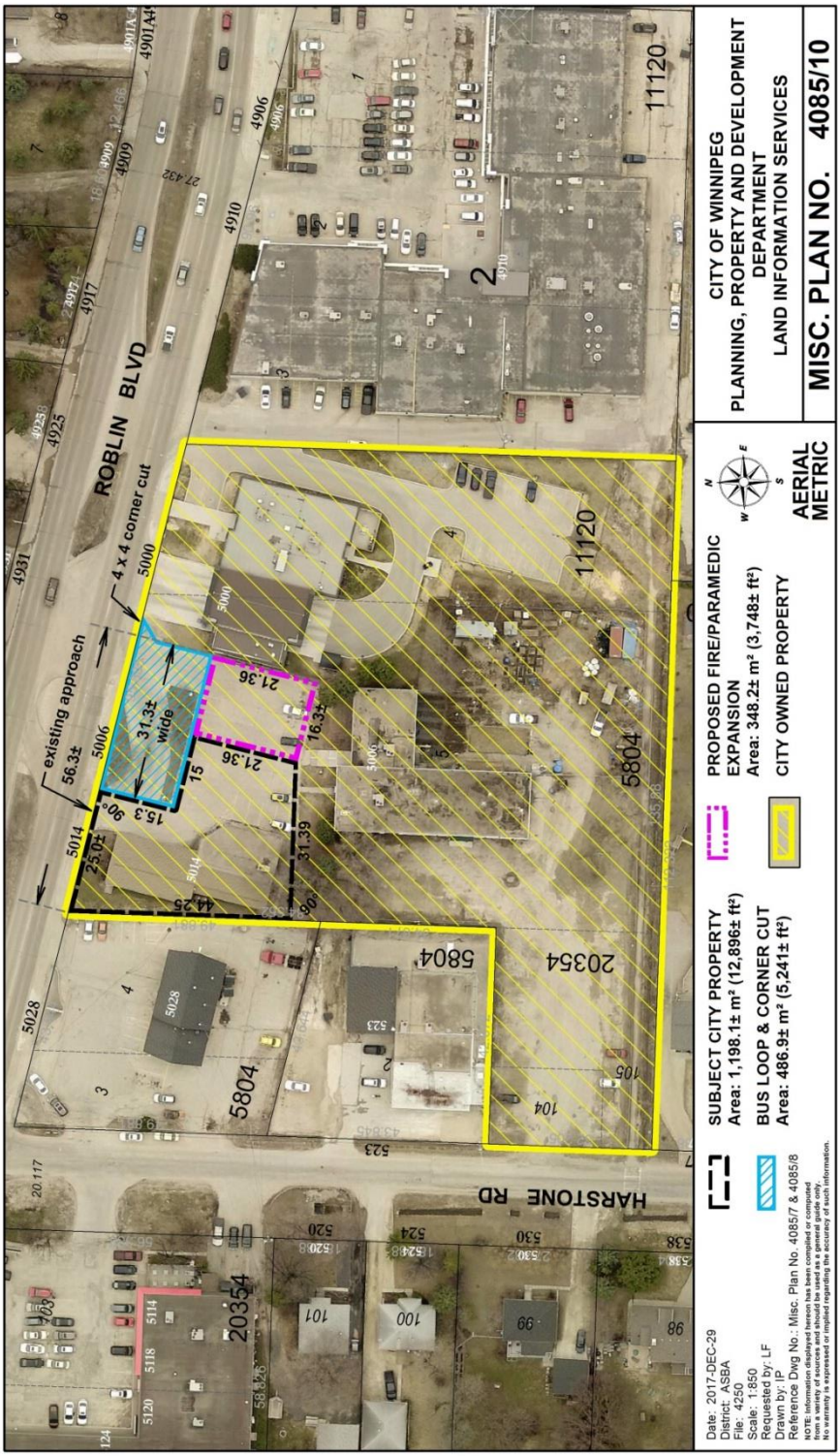
SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Leah Furedi, Senior Negotiator
Date: March 25, 2019
File No:

Attachments:

Schedule A – Misc. Plan No. 4085/10
Schedule B – Terms and Conditions

Schedule A



ROBLIN BLVD
HARSTONE RD
existing approach
4 x 4 corner cut
56.3±
31.3± wide
15.3
90°
25.0±
44.25
21.36
16.3±
31.39
11120
5804
20354
SUBJECT CITY PROPERTY
Area: 1,198.1± m² (12,896± ft²)
BUS LOOP & CORNER CUT
Area: 486.9± m² (5,241± ft²)
PROPOSED FIRE/PARAMEDIC EXPANSION
Area: 348.2± m² (3,748± ft²)
CITY OWNED PROPERTY
AERIAL METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 4085/10
Date: 2017-DEC-29
District: ASBA
File: 4250
Scale: 1:850
Requested by: LF
Drawn by: IP
Reference Dwg No.: Misc. Plan No. 4085/7 & 4085/8

Schedule B

Owner/Vendor:	The City of Winnipeg (the "City");
Purchaser:	Ke Lin (or nominee approved by the City's Chief Administrative Officer)
Purchase Price:	$575,000.00
Lands to be Purchased:	Shown outlined in a black dashed line and identified as "Subject City Property" on Misc. Plan No. 4085/10
Closing Date:	Sixty (60) days following the later of: - The date of approval of the sale by City Council or its delegated authority; or - The date that all conditions for the Plan of Subdivision and Development Application Variance have been satisfied, completed and approved for registration by the Winnipeg Land Titles Office; or - The date of satisfaction of easement requirements, waste water pipe accommodation and cross-access requirements; and - The date of satisfaction of or waiving of environmental clauses contained in the Offer to Purchase.
Vendor Conditions:	The City to complete a subdivision of the Subject City Property at the City's cost; The Purchaser may elect to conduct an Environmental Site Assessment of the Subject City Property; The Purchaser to enter into an easement agreement for existing facilities with Centra Gas (Manitoba) Inc. The City is responsible for the costs and preparation of any easement plan required. The Purchaser to either enter into an easement agreement with the City for a waste water sewer line that crosses the Subject City Property to service the adjacent property located at 5006 Roblin Boulevard or relocate that waste water sewer line at the Purchaser's sole cost and expense; The Purchaser to enter into a cross access agreement with the City to allow the City continued use of the bus loop from the existing approach on the Subject City Property; With respect to the existing approach on the Subject City Property, the Purchaser shall either receive approval from the City's Public Works Department and Standing Policy Committee on Infrastructure Renewal and Public Works for a non-conforming approach, or shall reconstruct/modify the approach to be conforming as per direction from the City's Public Works Department.

Purchaser Conditions	2% commission payable to the Broker representing the Purchaser (to be deducted from the Purchase Price); 40 Days to arrange financing; Due diligence period until June 8, 2019; Purchaser has the right to assign the sale to a nominee.