Minutes – Executive Policy Committee – June 11, 2019

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

Item No. 12 Proposed Land Exchange Agreement between the City of Winnipeg and 10032862 Manitoba Limited, located at Normand Avenue and St. Mary's Road (St. Norbert – Seine River Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 disposition of that portion of the City property designated as Public Reserve identified in "Detail A" on Misc. Plan No. 15321/10 attached as Schedule C, be approved.

2. That, subject to approval of Recommendation No. 1 by two-thirds of all Council members pursuant to Subsection 205(2) of the City of Winnipeg Charter Act, the proposed land exchange of the City-owned lands, identified as "SUBJECT CITY PROPERTY" on Misc. Plan No. 15321/10, attached as Schedule C, for the lands identified as "PROPOSED ACQUISITION" on Misc. Plan No. 15321/10, in accordance with the terms and conditions, attached hereto as Schedule A, be approved, subject to the following condition:

    A. That $15,000.00 of the $155,000.00 net proceeds of the sale be redirected from the Land Operating Reserve to the St. Norbert - Seine River Ward Land Dedication Reserve Fund.

3. That the City enter into, execute and deliver a Land Exchange Agreement with 10032862 Manitoba Ltd. 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 Land Exchange Agreement 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.

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

5. 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 – May 27, 2019

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

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

Carried

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 amendment:

- In Recommendation 2, add the following wording immediately after "Schedule A, be approved":

  ", subject to the following condition:

  A. That $15,000.00 of the $155,000.00 net proceeds of the sale be redirected from the Land Operating Reserve to the St. Norbert - Seine River Ward Land Dedication Reserve Fund."

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

ADMINISTRATIVE REPORT

Title: Proposed Land Exchange Agreement between the City of Winnipeg and 10032862 Manitoba Limited, located at Normand Avenue and St. Mary's Road

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

On December 13, 2018, Council approved the closing of Normand Avenue under File DAC 1/2018 and the subdivision and rezoning of 1982 and 1984 St. Mary's Road and 2, 44, 66, 88, 108 Normand Avenue under File DASZ 6/2018.

In order to complete the DASZ and DAC, the City and the Developer, 10032862 Manitoba Ltd., (hereinafter called the "Purchaser") need to enter into a land exchange agreement. Under the agreement, the City will acquire a tract of land that will connect both sides of Henteleff Park, while the Purchaser will acquire land to the north of and part of Normand Avenue.

The difference in value between the City's property and the Purchaser's property is $155,000, in favour of the City.

Council approval is required for land exchanges. Further, approval by two-thirds of all Council members is required in this instance as a portion of the City property to be exchanged is designated as Public Reserve.

RECOMMENDATIONS

1. That Council approve the disposition of that portion of the City property designated as Public Reserve identified in "Detail A" on Misc. Plan No. 15321/10 attached as Schedule C.

2. That, subject to approval of Recommendation No. 1 by two-thirds of all Council members pursuant to Subsection 205(2) of the City of Winnipeg Charter Act, the proposed land exchange of the City-owned lands, identified as "SUBJECT CITY PROPERTY" on Misc. Plan No. 15321/10, attached as Schedule C, for the lands identified as "PROPOSED ACQUISITION" on Misc. Plan No. 15321/10, in accordance with the terms and conditions, attached hereto as Schedule A, be approved.

3. That the City enter into, execute and deliver a Land Exchange Agreement with 10032862 Manitoba Ltd. 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 Land Exchange Agreement 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.

REASON FOR THE REPORT

Council approval is required to enter into a Land Exchange Agreement.

Pursuant to Section 205(2) of the City of Winnipeg Charter, no land owned by the City and used for park or cemetery purposes may be disposed of without approval by a vote of 2/3 of all members of council. The City is selling a very small amount of Public Reserve, identified in "Detail A" on Misc. Plan 15321/10 (attached as Schedule C).

IMPLICATIONS OF THE RECOMMENDATIONS

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

The proposed acquisition and sale of lands is in accordance with the "Offer to Purchase City-owned Property Policy" where the Public Service may act on unsolicited Offers for City-owned property that involves an exchange of land, where the privately owned land is required by a City Department for public use or to facilitate a Council approved land acquisition program, subject to the City-owned land being declared surplus.

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 deposited in the Land Operating and Land Dedication Reserve Funds (see attached Schedule D). The City is a G.S.T. registrant and will self-assess G.S.T. on the acquisition price.

HISTORY/DISCUSSION

The City of Winnipeg is the owner of the land identified as "Subject City Property" on Misc. Plan 15321/10 (attached as Schedule C). The Subject City Property consists of a small lot acquired through tax sale, a portion of Normand Avenue and a small portion of a Public Reserve.

The “Purchaser” inquired about the availability of the Subject City Property, as the Purchaser was coordinating a development with the surrounding private property. On March 19, 2018, the Purchaser (through a different numbered company) submitted a proposal to acquire the Subject City Property for $1.00.

Subsequently, the Public Service circulated the Subject City Property and no civic needs were identified. On April 9, 2018, the Public Service authorized the inclusion of the Subject City Property within the Purchaser’s development application (DASZ 6/2018).

Through the DASZ circulation, the Public Service identified a need to acquire a portion of the Purchaser’s land along the Red River, over and above the land dedication requirement. The land dedication requirement and land acquisition are detailed in the Administrative Coordinating Group comments on July 6, 2018 (which forms part of the DASZ application). The “Proposed Acquisition” identified on Misc. Plan 15321/10 represents the final tract of land that connects both sides of Henteleff Park and is a highly desirable property for the City.

On December 13, 2018, Council approved DASZ 6/2018 and the related road closing on Normand Avenue under DAC 1/2018 (see the attached Schedule B). Recommendation No. 3 of DASZ 6/2018 declared the City-owned property, north of Normand Avenue, surplus to the City’s needs. The portion of Normand Avenue included in the Subject City Property was declared surplus by Council in DAC 1/2018.

The approval for DAC 1/2018 required the Purchaser to enter into a Purchase and Sale Agreement with the City. This is being processed as a Land Exchange Agreement rather than a Purchase and Sale Agreement. The Land Exchange Agreement will include all terms and conditions required by the Council approval and will be based on the proposed terms and conditions as set out in Schedule A of this report in which:

- 10032862 MB Ltd. will acquire from the City the lands identified as “SUBJECT CITY PROPERTY” on Misc. Plan No. 15321/10 (attached as Schedule C) for the purchase price of four hundred forty-one thousand dollars ($441,000.00) plus applicable G.S.T.
- The City will acquire from 10032862 MB Ltd. the lands identified as “PROPOSED ACQUISITION” on Misc. Plan No. 15321/10 (attached as Schedule “C”) for the purchase price of two hundred eighty-six thousand dollars ($286,000.00) plus applicable G.S.T.
- The expected closing date for the transaction is identified in Clause 7 in the attached Schedule A (a specific date cannot be identified at this time).

The land to be acquired from the Purchaser is located along the bank of the Red River and will be assigned as park-space with the sole intent of preserving the health and integrity of the riverbank environment.

The proposed sale/purchase prices were established by an external appraisal. The external appraisal considered the highest and best use of the Subject City Property to be residential based on its surrounding development and location, in addition to its support for a residential use. The highest and best use for the Proposed Acquisition is parkland based on the park connection it will provide and its location within the floodplain of the Red River (i.e. restricted development).

It is noted that an internal appraisal was completed for the land exchange which estimated a greater value for both the Subject City Property ($705,000) and the Proposed Acquisition ($750,000). The appraisal did not meet the reasonable appraiser test so an external appraisal was completed. The Public Service continued to negotiate with the Purchaser and an interim

offer was proposed ($555,000 for the Subject City Property and $390,000 for the Purchaser's land); the interim offer was amended once the external appraisal was complete. The land areas to be exchanged were also amended between the time of the internal and external appraisal.

An Environmental Site Assessment ("ESA") was not completed for the land exchange. The City will be acquiring green space from the Purchaser that has very limited development potential since it is located within the floodway regulations. A historical review of aerial photography of the Proposed Acquisition between 1927 and 1998 did not indicate any buildings on site. In this regard, an ESA is not deemed necessary for the transaction.
The Ward Councillor has been consulted and concurs with the land exchange as presented.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 1, 2019

Project Name:

First Year of Program **2019**

Proposed Land Exchange Agreement between the City of Winnipeg and 10032862 Manitoba Limited, located at Normand Avenue and St. Mary's Road

	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-Proceeds of Disposition-City Property	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 286,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	441,000	-	-	-	-
Net Cost/(Benefit)	$ (155,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(155,000)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent the appraised value of the land to be acquired by the City while incremental revenue represent the appraised value of the land to be disposed of. Net proceeds of $155,000 will be credited to the Land Operating and Land Dedication Reserve Funds as per attached Schedule D.

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

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues related to the transaction and development of the terms and conditions)
Public Works – Parks Division (as to content of the report and review of the terms and conditions)

OURWINNIPEG POLICY ALIGNMENT

The subject properties are in an area classified as "Community Mixed Use Corridor" under the Direction Strategy "***Complete Communities****".*

The Sale – The Key Direction policies include:

- Promote the highest levels of intensification at significant intersections. Between each centre, lower intensities of commercial, residential and mixed use development are appropriate.
- Support a range of housing opportunities in terms of type, tenure, unit size.
- Promote high-quality plazas, parks and streetscapes as focal points and networks that are connected to the greater community.
- Support development that is sensitive to conserving historically significant features and resources.
- Support development in accordance with Universal Design and Crime Prevention Through Environmental Design (CPTED) policies.

The Acquisition -The key policies guiding the development in regards to Parks and Open Spaces include:

- Maintain our Ribbons of Green (riverbanks, urban street trees, green corridors) and provide a well-managed urban forest that contributes to air, water, environmental and aesthetic quality.
- Protect and enhance public access to our riverbank and forest environments and expand ecological networks and linkages.
- Provide safe and accessible park spaces and a continuous and integrated linear parkway network that connects neighbourhoods and communities to their parks and other major city attractions.
- Continue to develop and improve pedestrian and bicycle friendly environments by expanding and enhancing the citywide multi-use path network.
- Recognize and protect lands designated as Major Open Space for recreational uses and the preservation of natural habitats.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Clifford Bignall, Real Estate Officer
Date: May 6, 2019

Attachments:

Schedule A – Terms and Conditions
Schedule B – Misc. Plan No. 15321/8
Schedule C – Misc. Plan No. 15321/10
Schedule D – Financial Summary

SCHEDULE A

SCHEDULE "A"

Proposed Terms and Conditions – Land Exchange Misc. Plan No. 15321/10

1. In accordance with the provisions of *The City of Winnipeg Charter*, S.M. 2002 c. 39, possession and control of streets within the city of Winnipeg is vested in The City of Winnipeg (hereinafter called the "City"). The City has possession and control of the land shown hatched in brown and identified as **"SUBJECT CITY PROPERTY"** on Misc. Plan No.15321/10, attached hereto as Schedule "B", (hereinafter called the "the City Property").

2. 10032862 Manitoba Ltd. (hereinafter called "10032862 MB Ltd.") is the registered owner of the land shown cross-hatched in green and identified as **"PROPOSED ACQUISITION"** on the said Misc. Plan No.15321/10 (hereinafter called the "the Proposed Acquisition").

3. 10032862 MB Ltd. wishes to acquire the City Property from the City for the purchase price of four hundred forty-one thousand dollars ($441,000.00) plus applicable G.S.T.

4. The City wishes to acquire the Proposed Acquisition from 10032862 MB Ltd. for the purchase price of two hundred eighty-six thousand dollars ($286,000.00) plus applicable G.S.T.

5. The City is prepared to convey the City Property to 10032862 MB Ltd. for consolidation with its adjacent lands.

6. The City may register and maintain a caveat against the Proposed Acquisition to ensure the performance of the covenants on the part of 10032862 MB Ltd. herein set forth, and 10032862 MB Ltd. agrees to grant and do hereby grant to the City an interest in the Proposed Acquisition according to the tenor of the Land Exchange Agreement.

7. The date of closing, possession and adjustments (hereinafter called the "Closing Date") in respect of the City Property and the Proposed Acquisition shall be ninety (90) days after the later of:

    a. The date of final approval of this land exchange by the City's Council and/or its delegated authority (hereinafter the "Date of Approval"); or

    b. The date that the Due Diligence Period ends or is waived; or

    c. The date that the Plan of Closing and Plan of Subdivision referred to in Clause 8(a) has been completed and approved for registration by the Winnipeg Land Titles Office and the City; or

    d. The date that the conditions in Clause 8 have been satisfied;

    or such other date as mutually agreed upon by the parties and approved by the City's Director of Planning, Property and Development (hereinafter called the "Director").

8. 10032862 MB Ltd. acknowledges and agrees that the land exchange is subject to the following conditions:

    a. 10032862 MB Ltd. shall within ninety (90) days of the Date of Approval, at its sole cost, effort and expense, do all things as are necessary, including, but not limited to, cause to have prepared a Plan of Closing (to effect the closing as set

out in DAC 1/2018) and Plan of Subdivision (in accordance with DASZ 6/2018) so as to consolidate the City Property and the 10032862 MB Ltd.'s adjoining property and cause issuance of a single and indivisible title.

i. 10032862 MB Ltd. does hereby further acknowledge that in complying with this obligation, it may be required to arrange for the discharge and re-registration of existing encumbrances against its adjoining lands or, in the case of amending the description of the land described in the mortgage or encumbrance, to obtain the consent of all persons that have a claim or interest in priority or subject to the mortgage or encumbrance.

b. The City Property must be legally closed before it may be sold and incorporated into subdivision and rezoning application DASZ 6/2018. The closing plan mylars, closing By-law and any associated documents are to be released to 10032862 MB Ltd. along with the plan of subdivision mylars for DASZ 6/2018 and subsequently registered in series with and prior to the land transfer documents and the associated plan of subdivision at the Winnipeg Land Titles Office (along with any other required documentation) on or immediately following the Date of Closing, at the cost, effort and expense of 10032862 MB Ltd.

c. The City shall retain the southerly perpendicular 7.0m of the closing area as a utility corridor, with a west limit as outlined in a green dashed line and identified as "TO BE RETAINED AS PUBLIC RESERVE WITHIN DASZ 6/2018" on Misc. Plan No. 15321/10 to provide access to the existing wastewater sewer and Primary Line of Defense (PLD) for the City's flood protection system.

d. If 10032862 MB Ltd. requires a parking area within the utility corridor retained by the City, then 10032862 MB Ltd. shall be required to enter into a lease agreement with the City (form and content to be approved by the City's Director of Legal Services/City Solicitor) for the proposed parking area.

e. 10032862 MB Ltd. shall grant the City an access easement (form and content to be approved by the City's Director of Legal Services/City Solicitor) over the balance of the closing area beyond the 7.0m utility corridor, for accessing the utility corridor and PLD on lots south of the closing area. The registration of the easement shall be at the cost of 10032862 MB Ltd.

f. Ownership of the land drainage sewer in Normand Avenue will be transferred to 10032862 MB Ltd. and it will become private infrastructure to be maintained at the sole cost and expense of 10032862 MB Ltd.

g. 10032862 MB Ltd. shall enter into a joint servicing agreement with the owner of 2000 St. Mary's Road for the pipes that jointly service a portion of the property located at 2000 St. Mary's Road and provide the City with a copy of the fully executed agreement.

h. 10032862 MB Ltd. shall enter into a Servicing Agreement with the City, the conditions of which are specifically outlined in subdivision and rezoning application DASZ 6/2018.

i. 10032862 MB Ltd. shall submit an application to the City's Public Works Department, pursuant to the *Private Access By-law No. 49/2008* to either remove the existing street turn-out(s) at St. Mary's Road and restore the curb, boulevard and sidewalk in that location or to retain the existing turn-out(s) as Private

Approach(es) where Normand Avenue is proposed to be closed at St. Mary's Road. New private approaches or modifications to existing private approaches also need to be submitted to the Public Works Department.

j. 10032862 MB Ltd. shall, at its sole cost and expense, decommission and remove four lights on wood poles on Normand Avenue, west of St. Mary's Road (three lights are 100W HPS SHRD and the fourth light is 60W HPS SHRD).

k. 10032862 MB Ltd. shall enter into easement agreements with Manitoba Hydro and Centra Gas Manitoba Inc. for their existing services located within the closing area. No permanent structures will be allowed within the easement areas.

l. 10032862 MB Ltd. shall enter into any required easement agreements with Shaw Cablesystems if it is determined that easements are required upon issuance of subdivision and rezoning application DASZ 6/2018.

m. Any removal or relocation of existing utilities facilities as a result of the proposed street closing will be at the expense of the 10032862 MB Ltd.

9. 10032862 MB Ltd. acknowledges and agrees that:

a. 10032862 MB Ltd. shall pay all costs necessary in order to convey the Proposed Acquisition, including but not limited to, subdivision costs, and Winnipeg Land Title costs;

b. 10032862 MB Ltd. shall obtain possession of the City Property at their sole cost, effort and expense, which includes, without limiting the generality of the foregoing, obtaining their own Surveyor's Building Location Certificates, Surveyor's Staking Certificates and Zoning Memorandum;

c. 10032862 MB Ltd. shall, at its sole cost and expense, ensure that all mortgage(s), lien(s), builders' lien(s) or judgment(s) is/are fully discharged from the Proposed Acquisition prior to the Closing Date or shall undertake to ensure that all mortgage(s), lien(s), builders' lien(s) or judgment(s) is/are fully discharged from the Proposed Acquisition after the Closing Date;

d. 10032862 MB Ltd. shall pay as an adjustment amount equal to the total of such taxes, rates and charges which would have been levied or charged against the City Property as though the City Property had been entered on the assessment rolls of the City as privately owned and subject to taxation, which adjustment shall be calculated from the Closing Date to and including the last day of the current taxation year;

e. 10032862 MB Ltd. shall pay all taxes, rates and charges levied against the Proposed Acquisition up to the Closing Date;

f. 10032862 MB Ltd. will not file any caveat or other encumbrance against the City Property before it is transferred to 10032862 MB Ltd.;

g. 10032862 MB Ltd. shall, on or before the Closing Date, provide the City with a Declaration as to Possession in the usual form. 10032862 MB Ltd. hereby acknowledge that the City does not provide Declarations as to Possession;

h. The City Property shall be conveyed by the City subject to the provisions of the By-laws of The City of Winnipeg and all amendments thereto. 10032862 MB

Ltd.'s proposed use and development of the Lands may require applications for re-zoning, variances or conditional uses, amendments to OurWinnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of 10032862 MB Ltd. Nothing in this Offer shall be construed as placing any duty or obligation upon the City to grant such rezoning, variance or conditional use orders and/or amendments to OurWinnipeg when the 10032862 MB Ltd.'s application for same is made to the City.

10. The City, with respect to the City's Property, and 10032862 MB Ltd., with respect to the Proposed Acquisition, acknowledge and agree that:

    a. The City and 10032862 MB Ltd. shall convey the City Property and/or the Proposed Acquisition, as the case may be, to the other, free and clear of any and all registered encumbrances and any and all leasehold interests, except any public utility caveats;

    b. To the best of their knowledge and belief:

        i. The City Property and the Proposed Acquisition, as the case may be, complies with all applicable environmental laws, regulations and by-laws;

        ii. There are no outstanding orders, notices or requests for information and there are no existing, pending or threatened actions of an environmental nature as regards to the City Property and the Proposed Acquisition, as the case may be, issued by any municipal, provincial or federal government or other authority having jurisdiction, and there are no matters under discussion with any such authorities relating to such orders, notices, requests or actions;

        iii. There are no hazardous materials, wastes, pollutants or other substances as defined by current applicable laws and regulations and no other materials intended for use or generated at, in, on, under or upon the City Property and the Proposed Acquisition, as the case may be, which have been or are used, stored, treated or otherwise disposed of in violation of current applicable laws and regulations;

        iv. There are no waste disposal sites on the City Property and the Proposed Acquisition, as the case may be, nor has the City Property and the Proposed Acquisition ever been used as a landfill or waste disposal site or for temporary storage of special wastes on an interim basis pending treatment or disposal;

    c. The City Property shall remain at the sole risk and responsibility of the City until possession is delivered to 10032862 MB Ltd.;

    d. The Proposed Acquisition shall remain at the sole risk and responsibility of 10032862 MB Ltd. until possession is delivered to the City;

    e. Unless expressly set forth herein, the parties are providing no warranties or representations of any kind related to the condition of the City Property and the Proposed Acquisition, as the case may be, or the ability to develop such lands. Each party shall accept from the other the City Property and the Proposed Acquisition, as the case may be, in an "as is" condition. Each party must rely on their own personal inspections of the respective lands and must satisfy itself as

to the suitability of the land for its needs, independent of any representations made by or on behalf of the other party. Any error or discrepancy in the description or dimensions of the lands as contained herein shall not entitle either or both of the parties to any compensation in respect thereof, nor will it entitle either or both of the parties to cancellation of this transaction.

f. 10032862 MB Ltd. agrees to consent on a Real Owner Application form to add the City as the Real Owner of the Proposed Acquisition and the City shall consent on a Real Owner Application form to add 10032862 MB Ltd. as the Real Owner of the Proposed Acquisition on the Assessment Rolls of the City.

11. Environmental Site Assessment of the City Property and the Proposed Acquisition

a. The City and 10032862 MB Ltd. shall be entitled, within ninety (90) days of the Date of Approval (hereinafter called the "Due Diligence Period"), to, if warranted:

(i) Conduct or cause to be conducted an Environmental Site Assessment of the Proposed Acquisition or the City Property, as the case may be. Should the City or 10032862 MB Ltd. conduct such Environmental Site Assessment, the City or 10032862 MB Ltd. shall provide copies of such Environmental Site Assessment and/or Report(s) concerning soil testing to the other party for its own use, at no cost to the other party;

(ii) Inspect or investigate the Proposed Acquisition or the City Property, as the case may be, the title thereto, the permitted encumbrances, any tenancies and all other matters material to the proposed use of the Proposed Acquisition or the City Property, as the case may be, on the express understanding that it is relying solely upon its own independent inquires 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.

b. If it is determined as a result of such inspections and investigations that contamination levels exceed Provincial Environmental Standards for the City or 10032862 MB Ltd.'s intended use of the Proposed Acquisition or the City Property, as the case may be, and documentation to that effect is produced to the other party within the Due Diligence Period, the party who conducted such inspections and investigations shall, at its sole option, be entitled to cancel the land exchange;

c. In the event that the City or 10032862 MB Ltd. fails to provide such documentation as aforesaid, the City or 10032862 MB Ltd. shall complete the land exchange as herein contemplated and shall indemnify and save harmless the other party from and against any and all claims arising from or in any way attributable to the existence of contaminants of any kind whatsoever at, in or upon the Proposed Acquisition or the City Property, as the case may be.

d. During the Due Diligence Period, the City or 10032862 MB Ltd. shall indemnify and save harmless the other party from and against any and all expenses, costs, claims, demands, actions, causes of action, suits or other proceedings whatsoever, arising out of the work done in pursuance of the Environmental Site Assessment, by the City or 10032862 MB Ltd. or any person, firm or corporation whether to real or personal property, wheresoever situated, or by any member,

employee, agent, licensee, invitee, tenant or third party, whether claiming through or under the City or 10032862 MB Ltd. or otherwise, caused by reason of or in any way attributable to the City or 10032862 MB Ltd.'s use of the Proposed Acquisition or the City Property, as the case may be, except where there is or was any negligence on the part of the other party, its servants, employees, agents or otherwise. Without limiting the generality of the foregoing, such indemnity shall include any expenses, costs, claims, demands or actions arising out of injury or death to persons or animals who or which gain access to the Proposed Acquisition or the City Property, as the case may be, as a result of the said Environmental Site Assessment. Claims referred to herein shall include any awards made against the other party under any statute for the protection of workmen.

12. The City will self-assess any Goods and Services Tax payable on this proposed transaction. The City's GST Registrant Number is R121682967.

13. 10032862 MB Ltd. hereby discloses that it is acting as a bare trustee in this transaction on behalf of 6150749 Manitoba Ltd. 6150749 Manitoba Ltd., as the beneficiary/beneficial owner, will self-assess any Goods and Services Tax payable on this proposed transaction. 6150749 Manitoba Ltd.'s GST Registration Number is as follows 843925405 RT0001

14. The City and 10032862 MB Ltd. agree to enter into an appropriate Land Exchange Agreement that embodies the terms and conditions contained herein and any other such terms and conditions deemed necessary by the City's Director of Legal Services/City Solicitor.

15. None of the provisions of the agreement will merge with the conveyance of the lands referred herein.

16. This land exchange, including all terms and conditions contained herein, are subject to the approval of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and/or City Council (in the event that Council approval is required) and/or its delegated authority, and are not binding until such time as that approval is obtained.

10032862 Manitoba Ltd. hereby agrees to acquire the land shown hatched in brown and identified as "SUBJECT CITY PROPERTY" on Misc. Plan No.15321/10 and to convey the land shown cross-hatched in green and identified as "PROPOSED ACQUISITION" on the said Misc. Plan No.15321/10 through a Land Exchange in accordance with the proposed purchase price and terms and conditions specified herein.

April 30, 2019
DATE

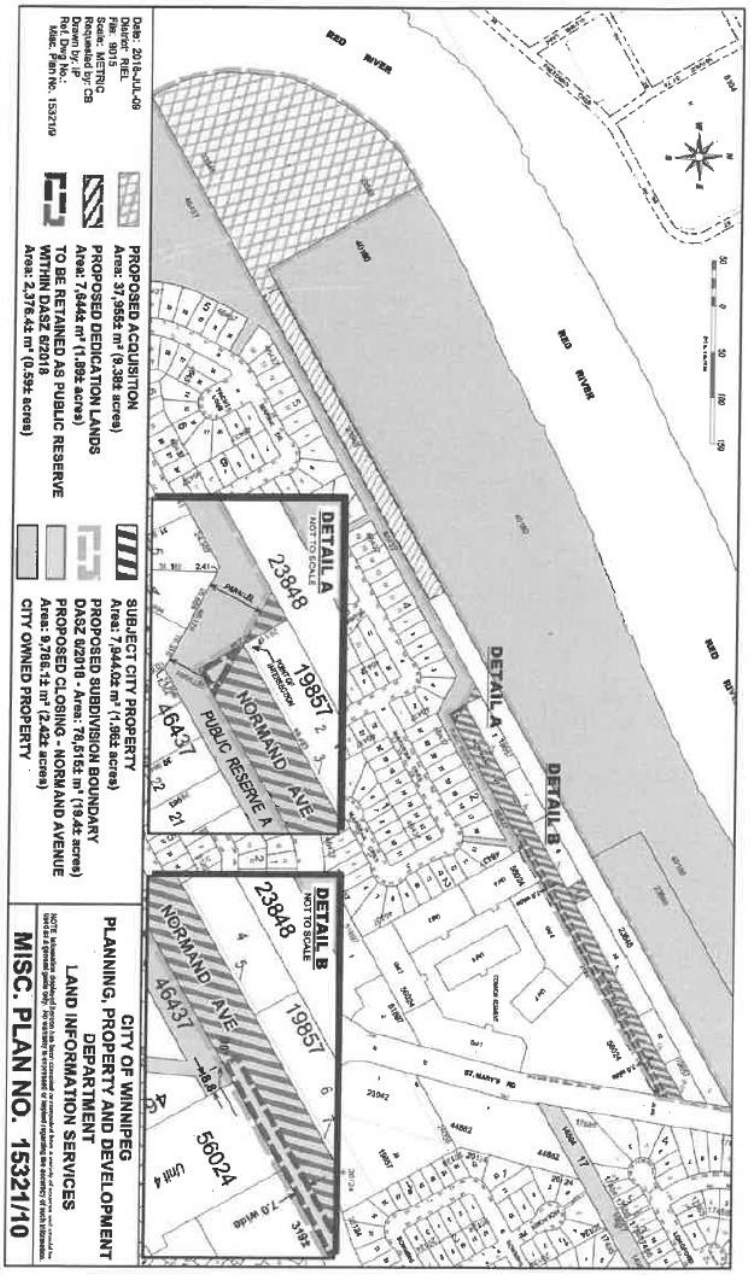
10032862 MANITOBA LTD.

Per: _____
Name: Geoff Milnes
Title: President

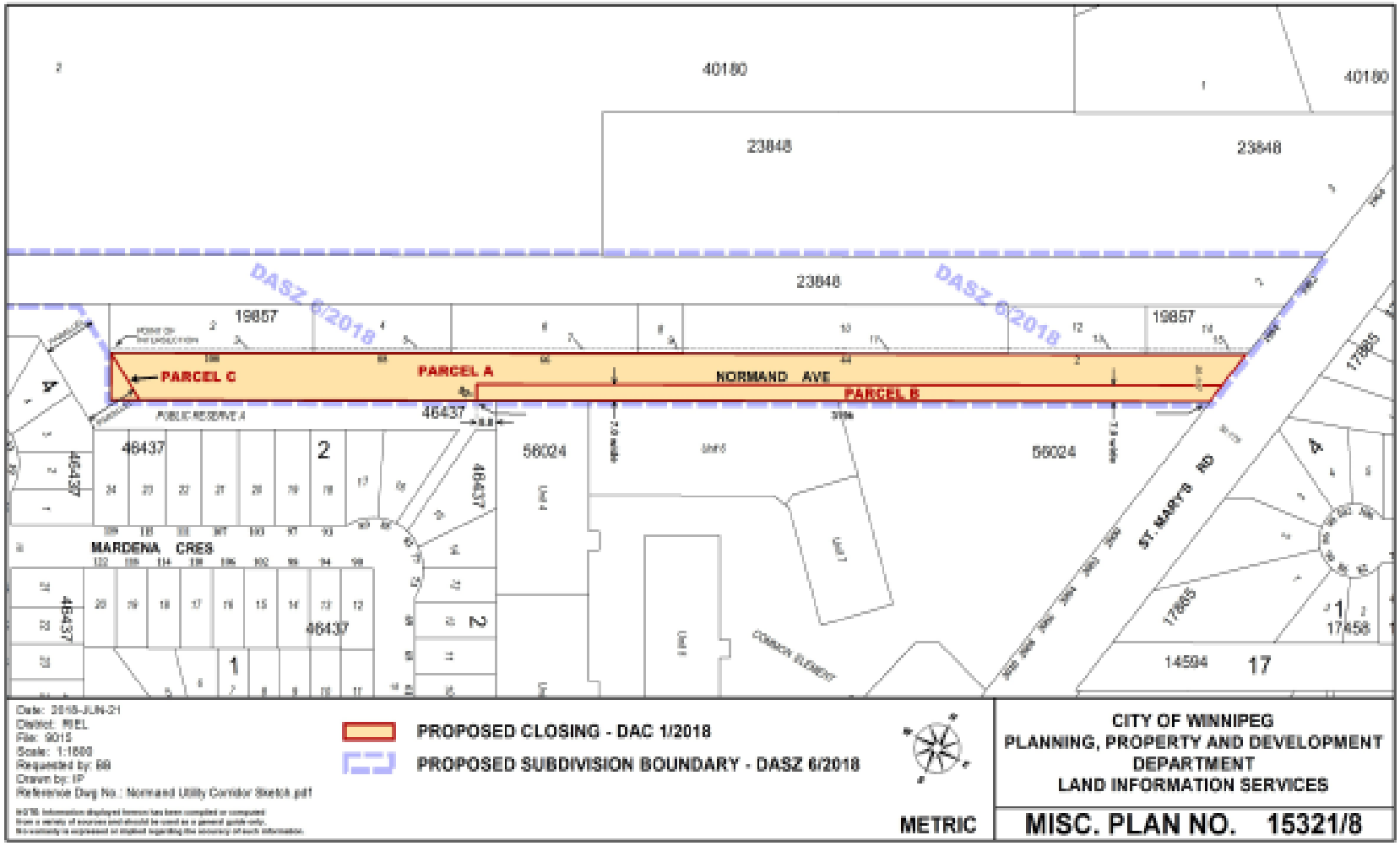
Per: _____
Name:
Title:

Gm

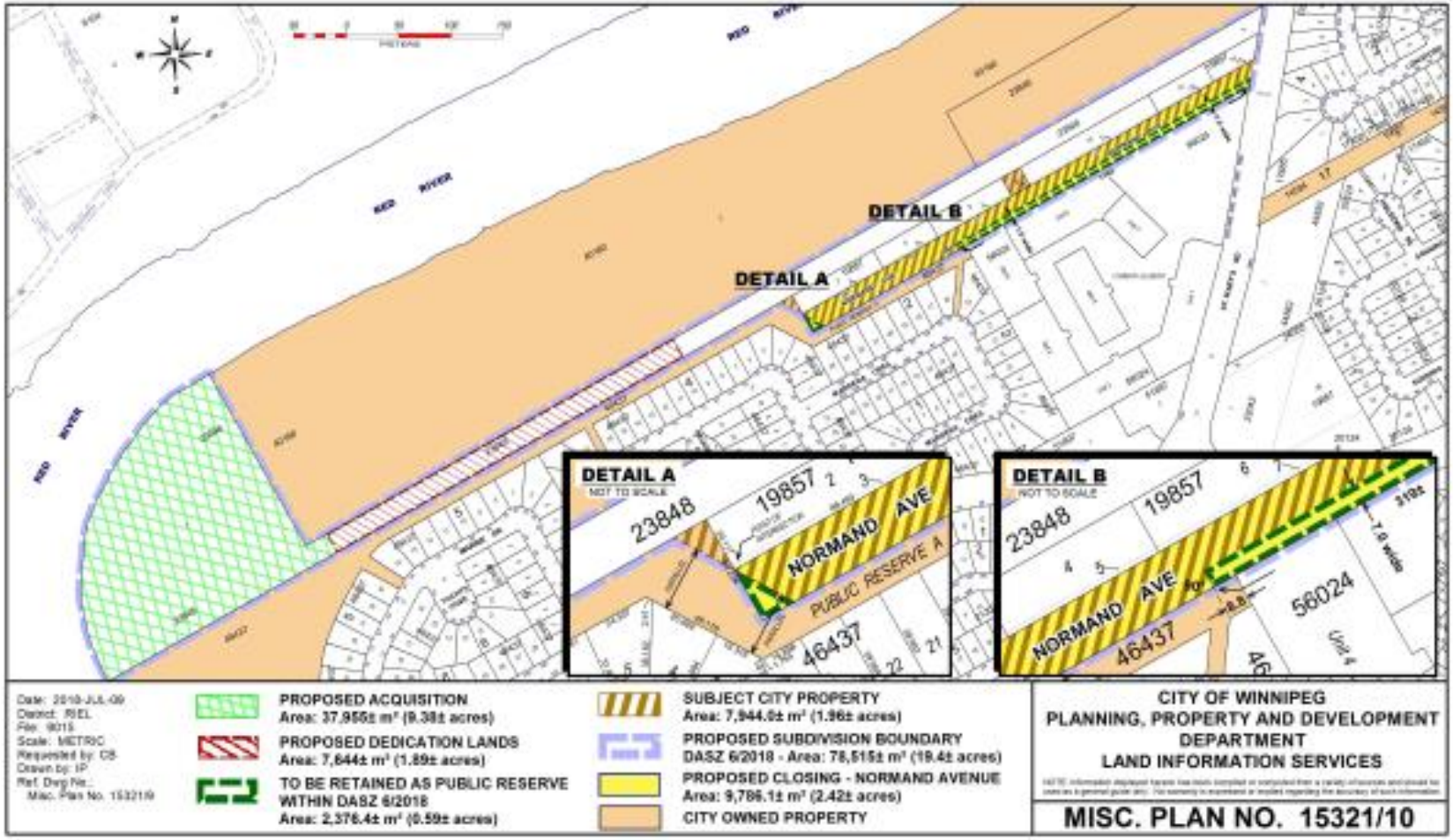
SCHEDULE "B"


RED RIVER
DETAIL A
NOT TO SCALE
DETAIL B
NOT TO SCALE
NORMAND AVE
PUBLIC RESERVE A
ST. MARY'S RD
23848
19857
46437
56024
PROPOSED ACQUISITION
Area: 37,955± m² (9.38± acres)
PROPOSED DEDICATION LANDS
Area: 7,844± m² (1.89± acres)
TO BE RETAINED AS PUBLIC RESERVE
WITHIN DASZ 6/2018
Area: 2,376.4± m² (0.59± acres)
SUBJECT CITY PROPERTY
Area: 7,944.0± m² (1.963± acres)
PROPOSED SUBDIVISION BOUNDARY
DASZ 6/2018 - Area: 78,515± m² (19.4± acres)
PROPOSED CLOSING - NORMAND AVENUE
Area: 9,786.1± m² (2.42± acres)
CITY OWNED PROPERTY
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT
DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 15321/10

SCHEDULE B


40180
23848
DASZ 6/2018
19857
PARCEL C
PARCEL A
NORMAND AVE
PARCEL B
46437
56024
MARDENA CRES
ST. MARYS RD
17865
17858
14594
17
PROPOSED CLOSING - DAC 1/2018
PROPOSED SUBDIVISION BOUNDARY - DASZ 6/2018
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT
DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 15321/8

SCHEDULE C


DETAIL A
DETAIL B
RED RIVER
DETAIL A
NOT TO SCALE
23848
19857
NORMAND AVE
PUBLIC RESERVE A
46437
DETAIL B
NOT TO SCALE
23848
19857
NORMAND AVE
46437
56024
Date: 2018-JUL-09
District: RIEL
File: 9015
Scale: METRIC
Requested by: CB
Drawn by: IP
Ref. Dwg No.:
Misc. Plan No. 15321/9
PROPOSED ACQUISITION
Area: 37,955± m² (9.38± acres)
PROPOSED DEDICATION LANDS
Area: 7,644± m² (1.89± acres)
TO BE RETAINED AS PUBLIC RESERVE WITHIN DASZ 6/2018
Area: 2,376.4± m² (0.59± acres)
SUBJECT CITY PROPERTY
Area: 7,944.0± m² (1.96± acres)
PROPOSED SUBDIVISION BOUNDARY
DASZ 6/2018 - Area: 78,515± m² (19.4± acres)
PROPOSED CLOSING - NORMAND AVENUE
Area: 9,786.1± m² (2.42± acres)
CITY OWNED PROPERTY
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT
DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 15321/10

SCHEDULE D

Sale Price of Subject City Property		$441,000
Less:		
Gail Parvin Hammerquist Fund - 5%	$(22,050)	
Enhanced Land Marketing Program - 5%	(22,050)	(44,100)
Net Proceeds Available for Proposed Acquisition		396,900
Less:		
Proposed Acquisition Cost		(286,000)
Net Proceeds to be Distributed to Funds		110,900
Less:		
Transfer to Land Dedication Reserve - Riel Community		
Square Footage of Public Reserve Lands	1,400	
Total Square Footage of Subject City Property	85,365	
Proportion of Subject City Property that is Public Reserve	1.64%	
Net Proceeds to be Distributed to Funds x 1.64%		(1,820)
Net Proceeds Credited to the Land Operating Reserve		$109,080