Minutes – Executive Policy Committee – September 17, 2019

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – September 4, 2019

Item No. 3 Proposed Land Exchange between the City of Winnipeg and Manitoba Hydro – 4051 Pembina Highway (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, subject to approval of two-thirds of all Council members (pursuant to subsection 205(2) of The City of Winnipeg Charter), an easement over a portion of 4051 Pembina Highway, identified as "Subject City Property" on Misc. Plan No. 12239/6 be granted in favour of Manitoba Hydro in accordance with the terms attached as Schedule A.

2. That the proposed acquisition of land for civic use identified as "Proposed Acquisition" on Misc. Plan No. 12239/7 be approved in accordance with the terms attached as Schedule B.

3. That the City enter into a Purchase and Sale Agreement and Easement Agreement with Manitoba Hydro 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 the authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Purchase and Sale Agreement, Easement 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.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – September 4, 2019

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

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 September 4, 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:

- Delete Recommendation 3. in its entirety, and renumber the remaining recommendations accordingly,

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

ADMINISTRATIVE REPORT

Title: Proposed Land Exchange between the City of Winnipeg and Manitoba Hydro - 4051 Pembina Highway

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	B. D'Avignon, Acting Interim CFO	D. Wardrop, Acting Interim CAO

EXECUTIVE SUMMARY

The City-owned property located at 4051 Pembina Highway currently operates as a civic tree nursery under the jurisdiction of the Parks and Open Space Division of the Public Works Department.

Manitoba Hydro approached the City with requirements for a permanent easement over a portion of 4051 Pembina Highway, identified as "Subject City Property" on Misc. Plan No. 12239/6, for the installation of new transmission towers and lines as part of the Manitoba Minnesota Transmission Project (the "Project").

The Public Service identified a civic need for land currently owned by Manitoba Hydro, located directly adjacent to the north of 4051 Pembina Highway. The Manitoba Hydro property, identified as "Proposed Acquisition" on Misc. Plan No. 12239/7, is surplus to their needs and has been offered in exchange for the required Project easement.

External appraisals were completed and the negotiated difference in value between the Subject City Property and the Proposed Acquisition is $375,750.00 in favour of the City.

Council approval is required for an exchange of land. Further, approval by two-thirds of all Council members is required as the Subject City Property is used for park purposes. The net proceeds of the exchange will be credited to the Land Dedication Reserve Fund for civic nursery purposes.

RECOMMENDATIONS

1. That, subject to approval of two-thirds of all Council members (pursuant to subsection 205(2) of The City of Winnipeg Charter), an easement over a portion of 4051 Pembina Highway, identified as "Subject City Property" on Misc. Plan No. 12239/6 be granted in favour of Manitoba Hydro in accordance with the terms attached as Schedule A.

2. That the proposed acquisition of land for civic use identified as “Proposed Acquisition“ on Misc. Plan No. 12239/7 be approved in accordance with the terms attached as Schedule B.

3. That the net proceeds of $375,750.00 be deposited and held in the Land Dedication Reserve to be used for civic nursery purposes only, and for no other purpose without further approval by City Council.

4. That the City enter into a Purchase and Sale Agreement and Easement Agreement with Manitoba Hydro 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”).

5. That the authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Purchase and Sale Agreement, Easement 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.

6. 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

In accordance with subsection 205(2) of The City of Winnipeg Charter, all dispositions of property used or acquired for park or cemetery purposes require approval of at least 2/3 of all members of Council. The Subject City Property falls under Parks’ jurisdiction. The subject easement is a disposition of an interest in land and therefore falls under this subsection of The City of Winnipeg Charter.

The “Policy – Offers to Purchase City-owned Property”, adopted by Council on December 6, 2006, allows the Public Service to act on unsolicited offers for City-owned property that involves an exchange of land where privately owned land is required by a civic department.

IMPLICATIONS OF THE RECOMMENDATIONS

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

The proposed easement requirement will limit the City’s ability to use the Subject City Property. The acquisition of land will increase the City’s ability to expand the footprint of the civic tree nursery. The net proceeds of the exchange will be credited to the Land Dedication Reserve Fund for civic nursery purposes.

The City is a G.S.T. registrant and will self-assess G.S.T. on the acquisition value.

HISTORY/DISCUSSION

The City-Owned Property at 4051 Pembina Highway was acquired in 1995 for the Parks and Recreation Department and leased out as farmland until 2007. The Pembina property was identified as an ideal location for relocating the City's tree nursery from Henteleff Park on St. Mary's Road. The City-Owned Property was developed as a civic tree nursery, which remains in operation under Parks jurisdiction.

Easement

Manitoba Hydro recently approached the City requesting a permanent easement over 4051 Pembina Highway to accommodate three transmission towers and lines for the Manitoba Minnesota Transmission Project (the "Project"). Manitoba Hydro received both federal and provincial regulatory approval to move forward with the 500-kV transmission line from the Winnipeg area to the U.S. border in southeastern Manitoba where it will connect to the Great Northern Transmission Line. Construction of the transmission line over the Subject City Property is anticipated to commence in 2019.

The permanent easement covers approximately 28.1 +/- acres of 4051 Pembina Highway. The proposed easement was circulated to all City departments and outside utilities. No objections were received and any conditions raised by City departments will be addressed in the easement agreement.

Acquisition

Manitoba Hydro recently approached the City to see if the Public Works Department (Parks and Open Space Division) or any other Department would be interested in acquiring the Proposed Acquisition for civic use. The Proposed Acquisition was purchased by Manitoba Hydro for the Project, but the alignment shifted and the land is now surplus to their needs. The Proposed Acquisition is undeveloped agricultural land located directly north of the civic nursery. The acquisition of land will increase the City's ability to expand the footprint of the civic tree nursery and offset any development restrictions from the proposed Project easement.
It is noted that the Real Estate Transaction Management Framework indicates that a Phase I Environmental Site Assessment should be completed on certain acquisitions. In this instance, the Parks and Open Spaces Division has advised that an environmental assessment is necessary.

External appraisals were completed and the negotiated difference in value between the Subject City Property and the Proposed Acquisition is $375,750.00, in favour of the City. The external appraisals considered the highest and best use of both the Subject City Property and the Proposed Acquisition to be agricultural based on zoning and surrounding land uses.
It is proposed that, subject to approval of Recommendation No. 3, the net proceeds of $375,750.00 be deposited and held in the Land Dedication Reserve to be used for civic nursery purposes only and for no other purpose without further approval by City Council. For clarity, the civic nursery is a site where trees, shrubs, native plants and other vegetation are propagated and grown to a certain age before being relocated to boulevards, parks and other civic locations. The funds will be used for maintenance, operation and any other purpose directly related to the civic nursery.

The Parks and Open Space Division, Public Works Department, was consulted and supports the proposed exchange of land. The Ward Councillor was also consulted and the Department shared its intentions. Should Council approve the exchange of land, it is anticipated that the transaction will close on or around September 30, 2019.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 8, 2019

Project Name:

Proposed Land Exchange between the City of Winnipeg and Manitoba Hydro - 4051 Pembina Highway

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	$ 256,500	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	632,250	-	-	-	-
Net Cost/(Benefit)	$ (375,750)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(375,750)	-	-	-	-
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 $375,750 will be credited to the Land Operating Reserves and Land Dedication Reserve Fund as per attached Schedule E.

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)
Public Works, Parks and Open Space Division

OURWINNIPEG POLICY ALIGNMENT

Under Parks, Places and Open Spaces in *Complete Communities*, Direction 3 states:

- Establishing an urban forest management plan, continue to preserve and expand our urban forest.
- 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.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Senior Negotiator, Kim Fox
Date: August 12, 2019
File No:

Attachments:

Schedule A – Easement Terms and Conditions
Schedule B – Acquisition Terms and Conditions
Schedule C – Misc. Plan No. 12239/6
Schedule D – Misc. Plan No. 12239/7
Schedule E – Financial Summary

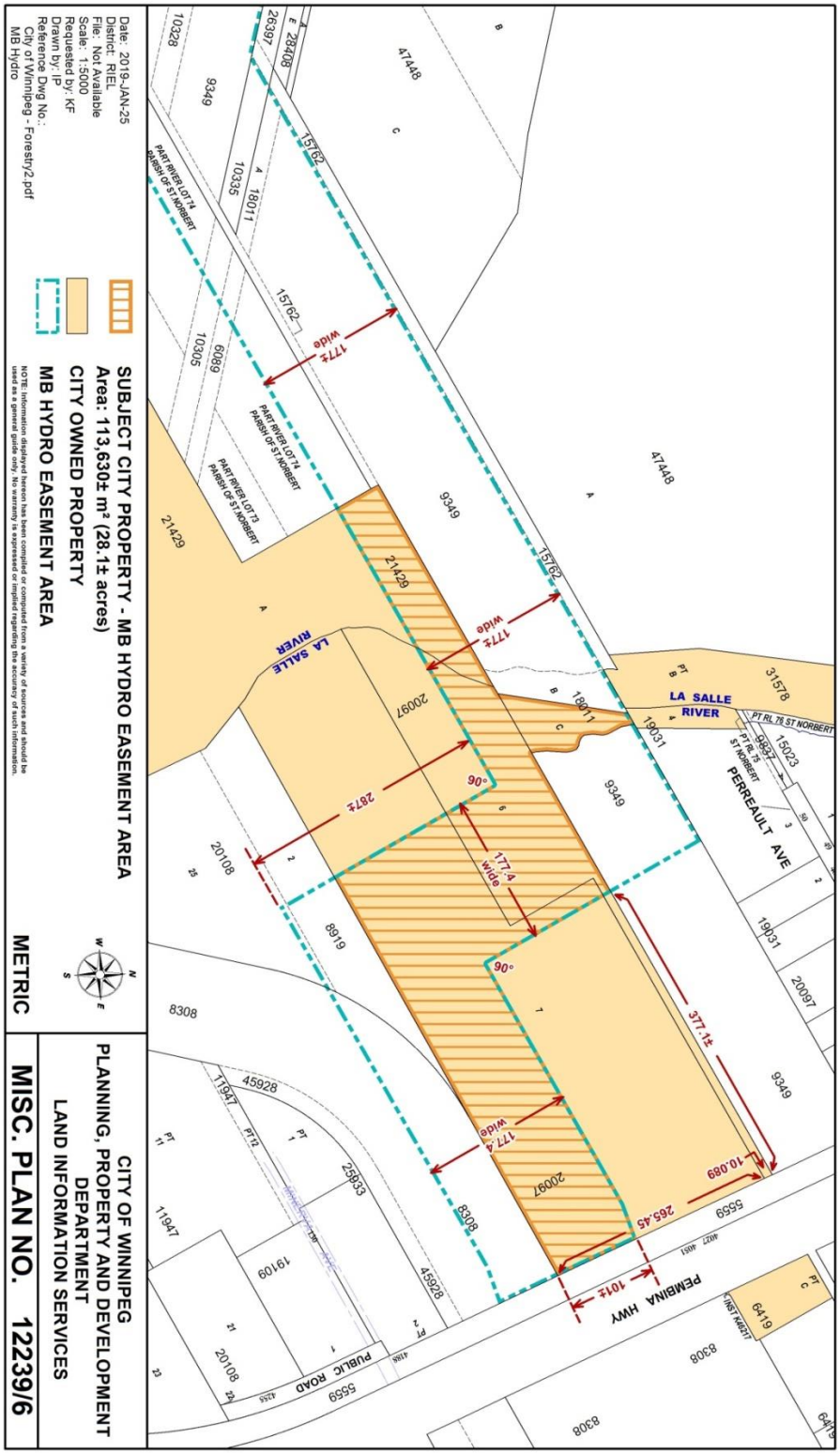
Schedule A – Easement Terms and Conditions

Grantor:	The City of Winnipeg
Grantee:	Manitoba Hydro
Easement Location:	“Subject City Property” on Misc. Plan 12239/6 (Schedule C)
Easement Price:	$632,250
Closing Date:	To Be Determined (anticipated around September 30, 2019)
Other Terms:	None, standard City easement terms to be applied

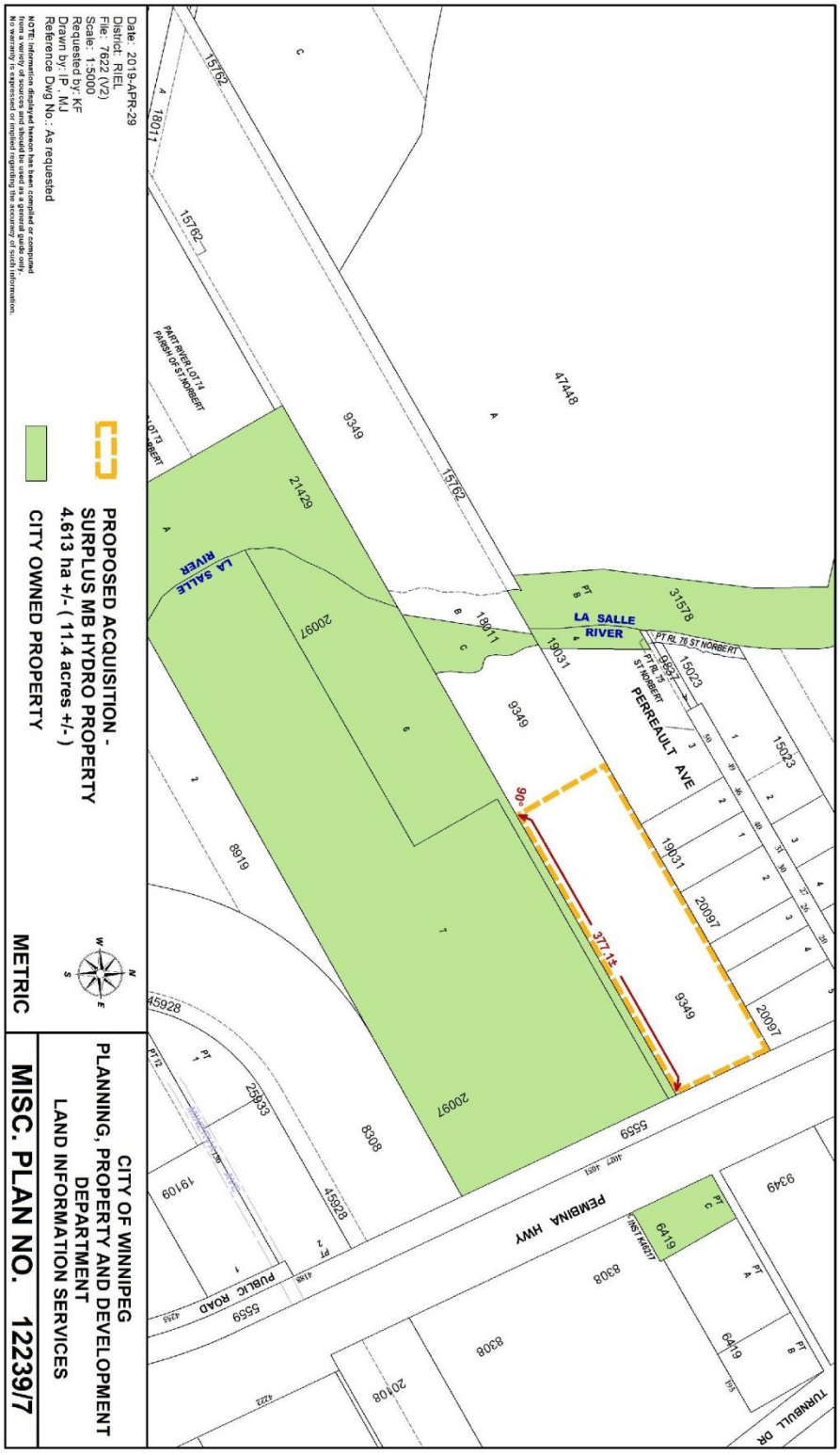
Schedule B – Acquisition Terms and Conditions

Vendor:	Manitoba Hydro
Purchaser:	City of Winnipeg
Acquisition Location:	“Proposed Acquisition” on Misc. Plan 12239/7 (Schedule D)
Purchase Price:	$256,500
Closing Date:	To Be Determined (anticipated around September 30, 2019)
Other Terms:	Standard City acquisition terms to be applied Subject to an acceptable Environmental Site Assessment

Schedule C


SUBJECT CITY PROPERTY - MB HYDRO EASEMENT AREA
Area: 113,630± m² (28.1± acres)
CITY OWNED PROPERTY
MB HYDRO EASEMENT AREA
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.
Date: 2019-JAN-25
District: RIEL
File: Not Available
Scale: 1:5000
Requested by: KF
Drawn by: IP
Reference Dwg No.:
City of Winnipeg - Forestry2.pdf
MB Hydro
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT
DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 12239/6
LA SALLE RIVER
PERREAULT AVE
PEMBINA HWY
PUBLIC ROAD
PART RIVER LOT 74 PARISH OF ST NORBERT
PART RIVER LOT 73 PARISH OF ST NORBERT
PT RL 76 ST NORBERT
177± wide
287±
90°
177.4 wide
377.1±
10.089
265.45
101±

Schedule D



Date: 2019-APR-29
District: RIEL
File: 7622 (V2)
Scale: 1:5000
Requested by: KF
Drawn by: IP , MJ
Reference Dwg No.: As requested
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.
PROPOSED ACQUISITION - SURPLUS MB HYDRO PROPERTY
4.613 ha +/- (11.4 acres +/-)
CITY OWNED PROPERTY
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 12239/7
LA SALLE RIVER
PERREAULT AVE
PEMBINA HWY
PUBLIC ROAD
TURNBULL DR
PART RIVER LOT 74 PARISH OF ST NORBERT
PT RL 76 ST NORBERT
377.1±
90°

Schedule E

Sale Price of Subject City Property		**632,250**
Less		
Gail Parvin Hammerquist Fund - 5%	**(31,613)**	
Enhanced Land Marketing Program - 5%	**(31,613)**	**(63,226)**
Net Proceeds Available for Proposed Acquisition		**569,024**
Less		
Proposed Acquisition Costs		**(256,500)**
Net Proceeds Transferred to Land Dedication Reserve - Riel Community		**$312,524**