Minute No. 223
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 to Fort Garry Industries Ltd. File DAC 7/2003**

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

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.

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DECISION MAKING HISTORY:

Moved by Councillor Vandal,

That the recommendation of the Standing Policy Committee on Property and Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 18, 2004, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

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

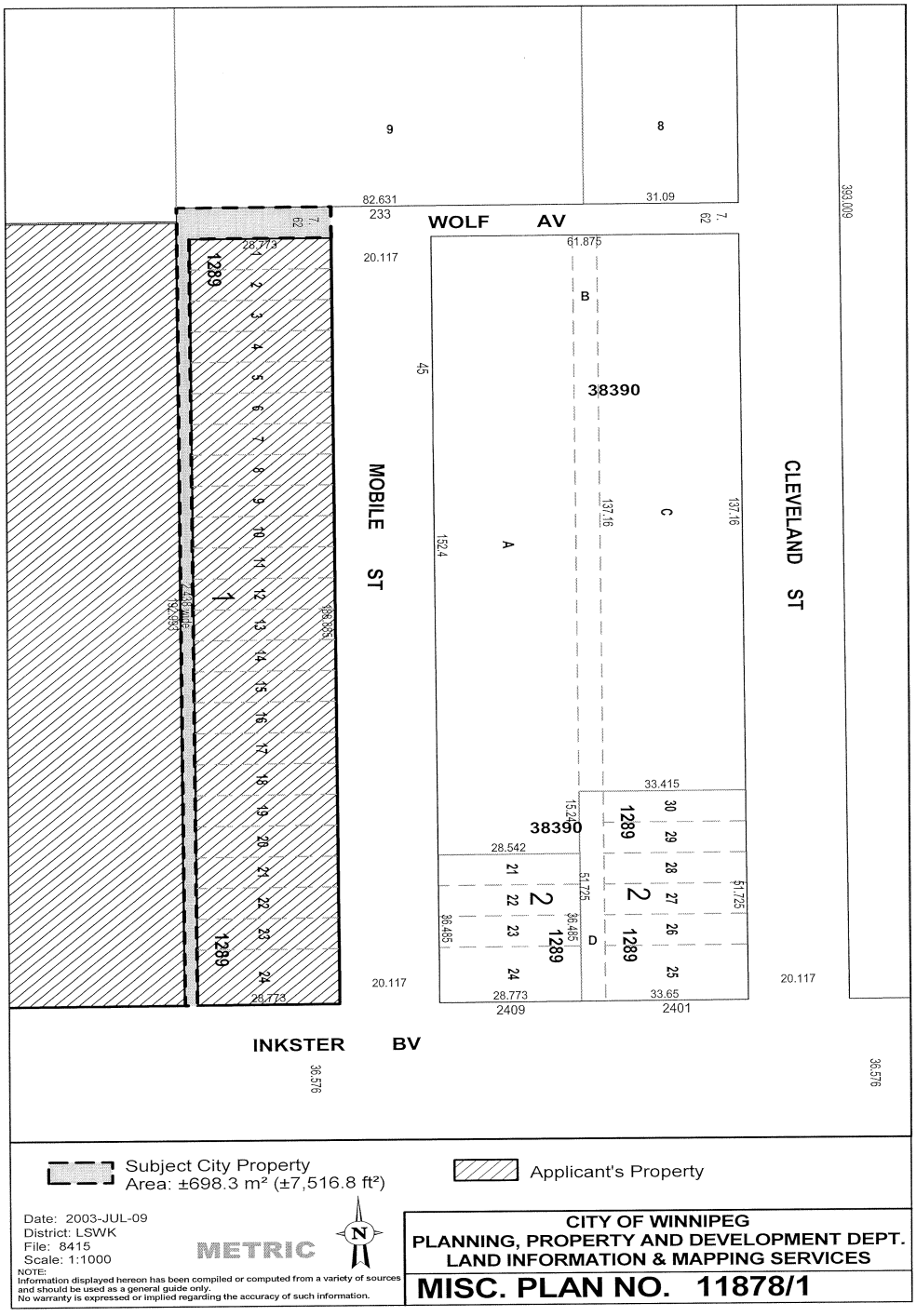
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

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
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