Agenda – Council – February 27, 2020

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – February 3, 2020

Item No. 4 Declaration of Surplus City-owned Property located at 604 St. Mary's Road (St. Vital Ward)

STANDING COMMITTEE RECOMMENDATION:

On February 11, 2020, 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 City-owned property located at 604 St. Mary's Road, identified as "Subject City Property" on Misc. Plan No. 12558/12, attached hereto as Schedule A, be declared surplus to the needs of the City.

2. That the Request for Proposals (RFP) for 604 St. Mary's Road remain open for nine months to allow relevant stakeholders the opportunity to make proposals.

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, Heritage and Downtown Development – February 3, 2020

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 11, 2020, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On February 3, 2020, 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:

- Add the following new Recommendation 2 and renumber the remaining recommendation accordingly

    "2. That the Request for Proposals (RFP) for 604 St. Mary's Road remain open for nine months to allow relevant stakeholders the opportunity to make proposals."

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

Walter Kleinschmit, on behalf of Héritage Saint-Boniface, submitted a communication dated February 3, 2020 with respect to the matter.

ADMINISTRATIVE REPORT

Title: Declaration of Surplus City-owned Property located at 604 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	N/A	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The Public Service recommends that the City-owned property located at 604 St. Mary's Road and identified as "Subject City Property" on Misc. Plan No. 12558/12, attached as Schedule A, be declared surplus to the needs of the City. If declared surplus by Council, it is the intention of the Public Service to publicly market the Subject City Property.

RECOMMENDATIONS

1. That the City-owned property located at 604 St. Mary's Road, identified as "Subject City Property" on Misc. Plan No. 12558/12, attached hereto as Schedule A, be declared surplus to the needs of the City.

2. 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

The Policy for the Sale, Acquisition, Rental, Leasing and Management of Properties, adopted by Council on July 19, 1979 requires Council approval to declare land surplus to the City's requirements.

IMPLICATIONS OF THE RECOMMENDATIONS

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

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

The Public Service intends to sell the Subject City Property on the open market and in accordance with standard City policies.

HISTORY/DISCUSSION

The City owns the Subject City Property located at 604 St. Mary's Road, which was constructed in 1959 and originally functioned as the St. Vital Municipal Office and Hall.

There have been various occupants of this building since its use as the St. Vital Municipal Office and Hall concluded. Occupants included the Winnipeg Fire Paramedic Service, the City of Winnipeg Retiree's Association, the St. Vital BIZ, McElhoes and Duffy Insurance, and Sunova Financial Services Inc. ("Sunova").

Most recently, a portion of the building was leased to Sunova for use as a commercial insurance office. Sunova terminated their lease agreement and vacated the Subject City Property on September 30, 2017. The Subject City Property has been vacant since this date.

The building has a unique floor plate which includes a south wing and a north wing, with a lobby and vestibule in the centre. It was determined that in order to have multiple tenants, a fire-rated demising wall is required to meet current code requirements. In addition, the building requires numerous building system replacements/upgrades. The Public Service determined that the cost to continue leasing the building was prohibitive.

Should the recommendations contained in this report be approved, a subdivision of the Subject City Property will be required to establish a saleable lot. The specifications and boundaries for this subdivision have proven to be complicated given the river frontage, adjacent Water & Waste pumping station and other City property, and rear laneway access. Extensive consultation with respective City Departments has been undertaken over the last number of months in order to establish saleable land boundaries for the Subject City Property.

The Subject City Property was circulated to all City Departments and no civic need was identified.

The Public Service has received sale inquiries regarding the Subject City Property and publicly marketing the land is expected to generate interest should Council declare the land surplus to the City's needs.

If the recommendations contained in this report are approved, the Subject City Property will be marketed publically by way of Request for Proposal ("RFP").

The Ward Councillor was consulted with the intentions of the Department and does not support the recommendation.

FINANCIAL IMPACT

Financial Impact Statement Date: January 13, 2020

Project Name:

Declaration of Surplus City-owned Property located at 604 St. Mary's Road

COMMENTS:

There are no direct financial implications associated with declaring a property surplus to the City's needs.

"Original Signed By"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Legal Services Department (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

03-2 Vitality – Direction 1: Strive to Eliminate Derelict Buildings.

The recommendations of this report are in alignment with this section of the OurWinnipeg Policy. Although this is not currently considered a derelict building, the condition of the building could easily and quickly deteriorate given that it is currently vacant and that there is no civic use for the structure.

Areas of Stability – Mature Communities: Support a Mix of Uses Within Buildings Located on Commercial Streets.

The recommendations of this report are in alignment with this section of the OurWinnipeg Policy. The Subject City Property is currently suitable as a commercial office type use. Although currently vacant, a proposed sale is likely to spur occupancy and support a mix of uses within this mature neighbourhood.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #4 – Land Use

Explore opportunities for the City of Winnipeg to take a more direct role in advancing mixed use development that may include developing City-owned lands, assembling land for resale, partnering on development, or using City funds to leverage private investment.

The recommendations of this report are in alignment with this section of the Winnipeg Climate Action Plan. A proposed sale of the Subject City Property is likely to result in a redevelopment of the Subject City Property as a whole, or investment into the existing building to make suitable for occupancy.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Julian Roberts, Senior Negotiator
Date: January 17, 2020

Attachments:

Schedule A – Misc. Plan No. 12558/12

Schedule A


RED RIVER
EDGE OF CURB
EDGE OF PARKING LOT
ST. MARY'S RD
MAGER DR E
MAGER DR
MARY'S RD
SUBJECT CITY PROPERTY - Area: 2,615± m² (28,150± ft²)
Date: 2020-JAN-07
District: RIEL
File: Not Available
Scale: 1:1100
Requested by: JR
Drawn by: IP
Reference Dwg No.: Misc. Plan No. 12558/9
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.
AERIAL (2018) METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 12558/12