Report - Standing Policy Committee on Property and Development - March 4, 2004

Item No. 2 Land Exchange South of Robson Street, West of Plessis Road
File FI-2.4.4.1

STANDING COMMITTEE RECOMMENDATION:

On March 17, 2004, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the portion of Lot 2, Plan 19188, shown shaded and in broken outline on Misc. Plan No. 11886/2, be declared surplus to the requirements of the City.

2. That Part Lots 1 and 4, Block 4, Plan 17778, shown shaded on Misc. Plan No. 8618/3, which form part of Robson Park, be declared surplus to City parks and recreation requirements.

3. That the exchange of Part Lots 1 and 3, Plan 19188, owned by Darshan Thind and Kulvinder Singh for Part Lots 1 and 4, Block 4, Plan 17778 and Part Lot 2, Plan 19188, owned by the City, be approved subject to the following:

    A. That Darshan Thind and Kulvinder Singh pay to the City the difference in value of $22,225.00, subject to the City's standard terms and conditions as outlined in Schedule "A", and upon such additional terms and conditions that the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services consider necessary to protect the interest of the City and to achieve the intent of Council.

4. That the net proceeds of the sale of Part Lots 1 and 4, Block 4, Plan 17778 (the Robson Park Property) be credited to the East Kildonan-Transcona Community Committee Land Dedication Reserve Fund.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Pursuant to Section 205(2) of The City of Winnipeg Charter, land owned or acquired by the City for park or cemetery purposes requires approval by two-thirds of all Members of Council.

Report - Standing Policy Committee on Property and Development - March 4, 2004

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 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 March 4, 2004, the Standing Policy Committee on Property and Development concurred in the administrative recommendation with the addition of the following, namely:

- That the portion of Lot 2, Plan 19188, shown shaded and in broken outline on Misc. Plan No. 11886/2 be declared surplus to the requirements of the City.

- That Part Lots 1 and 4, Block 4, Plan 17778, shown shaded on Misc. Plan No. 8618/3, which form part of Robson Park, be declared surplus to City parks and recreation requirements.

- That the net proceeds of the sale of Part Lots 1 and 4, Block 4, Plan 17778 (the Robson Park Property) be credited to the East Kildonan-Transcona Community Committee Land Dedication Reserve Fund,

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

Re: Proposed Land Exchange South of Robson Street, West of Plessis Road
East Kildonan Transcona Community
Transcona Ward

For submission to: Standing Policy Committee on Property and Development

Original report signed by: Director of Planning, Property and Development

Report date: February 27, 2004

Recommendation(s):

1. That the exchange of part Lots 1 and 3, Plan 19188, owned by Mr. D. Thind and Mr. K. Singh for part Lots 1 and 4, Block 4, Plan 17778 and Part Lot 2, Plan 19188, owned by the City, be approved subject to the following: That Mr. Thind and Mr. Singh pay to the City the difference in value of $22,225.00, be approved subject to the City's standard terms and conditions as outlined in the attached Schedule "A", and upon such additional terms and conditions that the Director of Planning, Property and Development and the City Solicitor/Manager of Legal Services consider necessary to protect the interest of the City and to achieve the intent of the Standing Policy Committee on Property and Development.
2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

Lot 2, Plan 19188, appears to have been reserved for a future lane but was never legally opened as such.

Lots 1 and 4, Plan 17778, form part of Robson Park.

The appropriate Departments have declared the aforementioned properties surplus. The City received an offer to purchase the subject properties from Darshan Thind and Kulvinder Singh for inclusion in their proposed subdivision.

The Director is not able to accept this Offer, as it is not within his delegated authority. The Planning, Property and Development Department is advising that negotiations have been completed and is recommending a sale of the subject property in accordance with established precedents. The Department is of the view that acceptance of the Offer would be in the City's best interest.

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
- [ ] Yes

Comment(s):

Environmental implications:

- [X] No
- [ ] Yes

Comment(s):
The Real Estate Division has not carried out an Environmental Site Assessment of the subject property. Interested Purchasers would have the ability to conduct this investigation pursuant to the proposed terms of sale.

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 Real Estate Division of the Planning, Property and Development Department has concluded negotiations for a proposed land exchange. The Standing Policy Committee on Property and Development is authorized to approve sales on behalf of the City.

HISTORY:

In April 2003, Mr. Kris Sidhu of Remax, acting on behalf Mr. D. Thind and Mr. K. Singh, applied to purchase Part Lot 2, Plan 19188, shown shaded and in broken outline on Misc. Plan No. 11886/2, for inclusion in a proposed subdivision. Mr. Sidhu again approached the City in May 2003, to purchase a portion of Robson Park, shown shaded on Misc. Plan No. 8618/3, also for inclusion within the said subdivision.

Particulars of the City properties are, in brief as follows:

1	Location:	South side Robson Street, South of Stewin Avenue
Legal Description:		Part Lots 1 and 4, Block 4, Plan 17778
Size:		Irregular: 5,859 sq. m. (63,066 sq. ft.)
Zoning:		"PR" Public Reserve
Roll No.:		09007132500
Certificates of Title:		1764156, 1764157
Appraised Value:		$28,947.00

2	Location:	West of Plessis Road, North of Dugald Road
Legal Description:		Part Lot 2, Plan 19188
Size:		Irregular: 763.7 sq. m. (8,220.3 sq. ft.)
Zoning:		"R1-3.5" Single-family residential
Roll No.:		09007042000
Certificate of Title:		441284
Assessed Value:		$4,060.00
Appraised Value:		$3,773.00

Price Offered: $22,225.00 being the difference in value between the lands to be sold and the lands to be acquired
Applicant: Darshan Thind and Kulvinder Singh
11772 Fern Way, Delta, BC and 79 Manorview Close
Terms: $3,333.75 being 15% of the purchase price, deposited
Balance Due: 30 days from date of approval of the Offer by the City
Adjustments: Date of approval of the Offer by the City
Purpose: Inclusion in subdivision

The City provided the applicants with permission to include the City properties within their Subdivision No. DASZ 12/2003.

Particulars of Mr. Thind and Mr. Singh's properties to be acquired for future right-of-way:

Location:	West of Plessis Road, North of Dugald Road
Legal Description:	Part Lots 1 and 3, Plan 19188
Size:	Irregular: 2,133.5 sq. m. (22,865 sq. ft.)
Zoning:	"R1-3.5" Single family Residential
Roll No.:	09007041000
Certificates of Title:	1318296, 1730581
Appraised Value:	$10,495.00 ($20,000.00/acre)

The proposed sales were circularized to the various City Departments and Utilities. The City's Lot 2, Plan 19188, appears to have been reserved for a future lane but was never legally opened as such. The Public Works Department has declared that portion of Lot 2 shown shaded and in broken outline on Misc. Plan No. 11886/2 as being surplus to its future right-of-way requirements.

The Planning and Land Use Division has declared that Lots 1 and 4, Plan 17778, shown shaded on Misc. Plan No.8618/3 is surplus to its requirements. No objections were received, but Manitoba Hydro identified a requirement for an easement to protect its services in Lot 2 and the City will require an easement in the part Lots 1 and 4, Plan 17778, for a 500mm watermain.

DISCUSSION:

The Planning Property and Development Division is in favour of the land exchange for the following reasons:

1. The purchase price of $22,225.00 falls within the valuation range of the City's internal appraisal
2. The properties will be on the tax roll upon the closing of the sale.
3. The City will acquire the necessary property for the future widening of Plessis Road.
4. The Purchaser will pay the cost of the necessary subdivision of the lands, including any utility easement, as well as completing the servicing and installing the service road, which will be addressed within the subdivision.
5. The sale will eliminate the liability for the City associated with holding these parcels of vacant land.

The net sale proceeds of the subject sale will be credited to the Land Operating Reserve Account.

Financial Impact Statement

Date: February 26, 2004

Project Name:

Land Exchange South of Robson, West of Plessis Road

First Year of Program 2004

	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	22,225				
Net Cost/(Benefit)	$ (22,225)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(22,225)				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The impact of municipal realty taxes has been ignored, as future tax revenues will be earned from the property sold but will be foregone on the properties acquired.

"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 the preparation of this report.

This report submitted by:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Pat Henry
PPD Files #: 5010, 5021

Document name: o:\reports directive\real estate\sales\(dph)robson.doc

Schedule “A”
OFFER TO PURCHASE

The Undersigned (hereinafter called “the Purchaser”) hereby offers to purchase from The City of Winnipeg (the “City”) the following lands: -

Part Lots 1 and 4, Block 4, Plan 17778, shown as subject City Property on Misc. Plan No. 8618/3, and Part Lot 2, Plan 19188 shown as subject City Property on Misc. Plan No. 11886/2 (all hereinafter called the “lands”) and containing 6,622.7 sq.m. (71,286.3 sq. ft.)

The Purchaser is the owner of that portion of Lot 1, and Lot 3, Plan 19188 shown as Subject Acquisition on said Misc. Plan No. 11886/2 (hereinafter called Parcel “B”) and containing 2,133.5 sq. m. (22,865 sq. ft.).

1. In consideration of the City selling to the Purchaser the said lands, the Purchaser agrees as follows:

(1) The Purchaser to transfer or deed to the City free of all costs, charges and encumbrances said Parcel “B”.

(2) The Purchaser to pay to the City the sum of $22,225.00 plus GST, being the difference in valuation of the lands to be sold to the Purchaser and the lands to be acquired by the City, payable as follows:

Attached to this Offer is the Purchaser’s certified cheque payable to “The City of Winnipeg” in the amount of $3,333.75, and represents an amount equal to fifteen (15%) percent of the purchase price which the Purchaser tenders by way of deposit, and which sum shall be applied to the purchase price if the sale is approved by the City’s Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required) and/or its delegated authority. The Purchaser agrees to pay the balance of the purchase price, interest and adjustments within a period of thirty (30) days from date of the approval of the sale by the City’s Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required) and/or its delegated authority (the Date of Approval).
(4) If the Purchaser fails to pay the balance of the purchase monies and adjustments within thirty (30) days as in sub-clause (1) above provided, the City may, at its option, cancel the sale and retain the deposit as liquidated damages.

2. (1) The date for adjustments shall be the Date of Approval.

(2) Date of closing shall be sixty-one (61) days following the date of adjustments.

(3) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the lands as though the lands had been entered on the assessment rolls of the City as privately-owned and subject to taxation, which adjustments shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(4) The Purchaser shall pay interest in lawful money of Canada on all monies remaining outstanding and payable to the City as of the date of adjustments plus one (1%) percent, computed from the date of adjustments to and including the date all such monies and interest as aforesaid have been fully paid to the City.

3. (1) The Purchaser agrees to pay to the City all Goods and Services Tax applicable on the sale of the lands or, if the Purchaser is a registrant under the Goods and Services legislation, the Purchaser shall advise the City in writing of its registration number. The Goods and Services Tax is to be paid, or the registration number provided, to the City within ten (10) days from date of notice of the approval of the sale by the City.

(2) If the Purchaser fails to pay the Goods and Services Tax or fails to provide its registration number as prescribed in sub-clause (1) of this Clause, the Purchaser agrees that all of the Purchaser's rights and interests in respect of the lands shall, at the City's sole discretion, be fully ended without notice or any formality and all monies paid to the City by the Purchaser shall be retained by the City free from every claim.

(3) The City will self-assess any Goods and Services Tax applicable in respect of the conveyance of Parcel "B" to it.

4. The Purchaser will obtain possession of the lands at the Purchaser's own expense.

5. All improvements in or on the said lands shall remain as part of the freehold.

6. The Purchaser will accept Title to the lands subject to all exceptions, reservations and encumbrances expressed or implied in the City's Title.

7. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment of the lands and it is determined as a result thereof that contamination levels exceed Provincial Environmental Standards for the intended use of the lands, and documentation to that effect is produced to the City within sixty (60) days following the Date of

Approval, but in any event, prior to closing, the City, at its sole option, shall be entitled to:

(1) take remedial action to bring the contamination levels within the Provincial Environmental Standards, or,

(2) cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date.

AND FURTHER, in the event the Purchaser fails to provide such documentation as aforesaid, the Purchaser hereby agrees to complete the purchase as herein contemplated and to indemnify and save harmless the City 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 said lands.

8. (1) The Purchaser agrees that the sale of the lands shall be subject to any easement, which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas Manitoba Inc. or The City of Winnipeg, for the construction and/or maintenance of facilities together with the right to enter upon the lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area, any building or structure, without the prior written consent of the public utility or the City of Winnipeg, requiring such easement.

Without limiting the generality of the foregoing, the sale of the lands shall be subject to the following easement, if necessary, namely:

i) in favour of the City for the construction and maintenance of a 500mm watermain in the lands (Part Lots 1 and 4, Plan 17778), and
ii) in favour of Manitoba Hydro for the construction and maintenance of its services in the lands (Part Lot 2, Plan 19188), and
iii) the Purchaser to enter into agreements satisfactory to the said utilities or The City of Winnipeg, and
iv) the Purchaser acknowledges that the City may grant the easements before the Transfer of Land issues.

9. In consideration of the sale of the lands by the City to the Purchaser, the Purchaser covenants and agrees as follows:

(1) The Purchaser shall at its sole cost, effort and expense, do all things as are necessary, including but not limited to causing to be prepared and registered at the Winnipeg Land Titles Office, such documentation as may

be required to ensure that the lands to be conveyed by the City and the Purchaser's adjoining property legally described as Lot 1, Plan 19188 (hereinafter called the "Purchaser's adjoining property") are consolidated so as to constitute a single and indivisible parcel. The Purchaser does hereby acknowledge that in complying with this obligation it may be required to arrange for the discharge and re-registration of existing encumbrances against the Purchaser's adjoining property.

(2) This agreement shall run with the lands and the Purchaser's adjoining property and shall bind the Purchaser, its successors and assigns and its successors in title.

To pay the applicable Land Titles Office registration fees and Land Transfer Tax in respect thereto.

10. (a) The Purchaser shall include the lands within the Purchaser's proposed subdivision of adjoining lands referenced under Planning Department's files as DASZ 12/03.

In the event that said subdivision of the lands under DASZ 12/03 is disapproved by the City, sale of the lands shall become null and void and all monies paid by the Purchaser to the City on account of the purchase price shall be refunded without interest.

11. The Purchaser agrees not to petition against the widening of the adjoining rights-of-way and agrees not to claim any damages as a result of the widening of the said rights-of-way.

12. No commission is payable by the City on the sale of the lands.

13. The sale of the lands to the Purchaser shall be subject to the provision of the By-laws of the City of Winnipeg and all amendments thereto.

14. The Purchaser agrees that the City may register and maintain a caveat against the lands to ensure the performance of the covenants on the part of the Purchaser herein set forth, and the Purchaser agrees to grant and does hereby grant to the City an interest in the lands according to the tenor of this Offer.

15. Upon approval of the sale by the City, the Purchaser agrees to
(1) make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the lands.
(2) execute a Real Owner Application as "Registered Owner" in respect of Parcel "B" (in form set out in Exhibit "B" attached.

16. Time shall be of the essence of this Offer.

17. The Purchaser will not file any caveat or other encumbrance against the lands before the transfer of the lands to the Purchaser.

18. The word “Purchaser” shall have a plural meaning in the event that more than one party is making this offer, and the masculine shall mean the feminine or neuter as the case may be.

19. The full, true and correct name of the Purchaser is as follows:

_____
Name (Please Print) Address

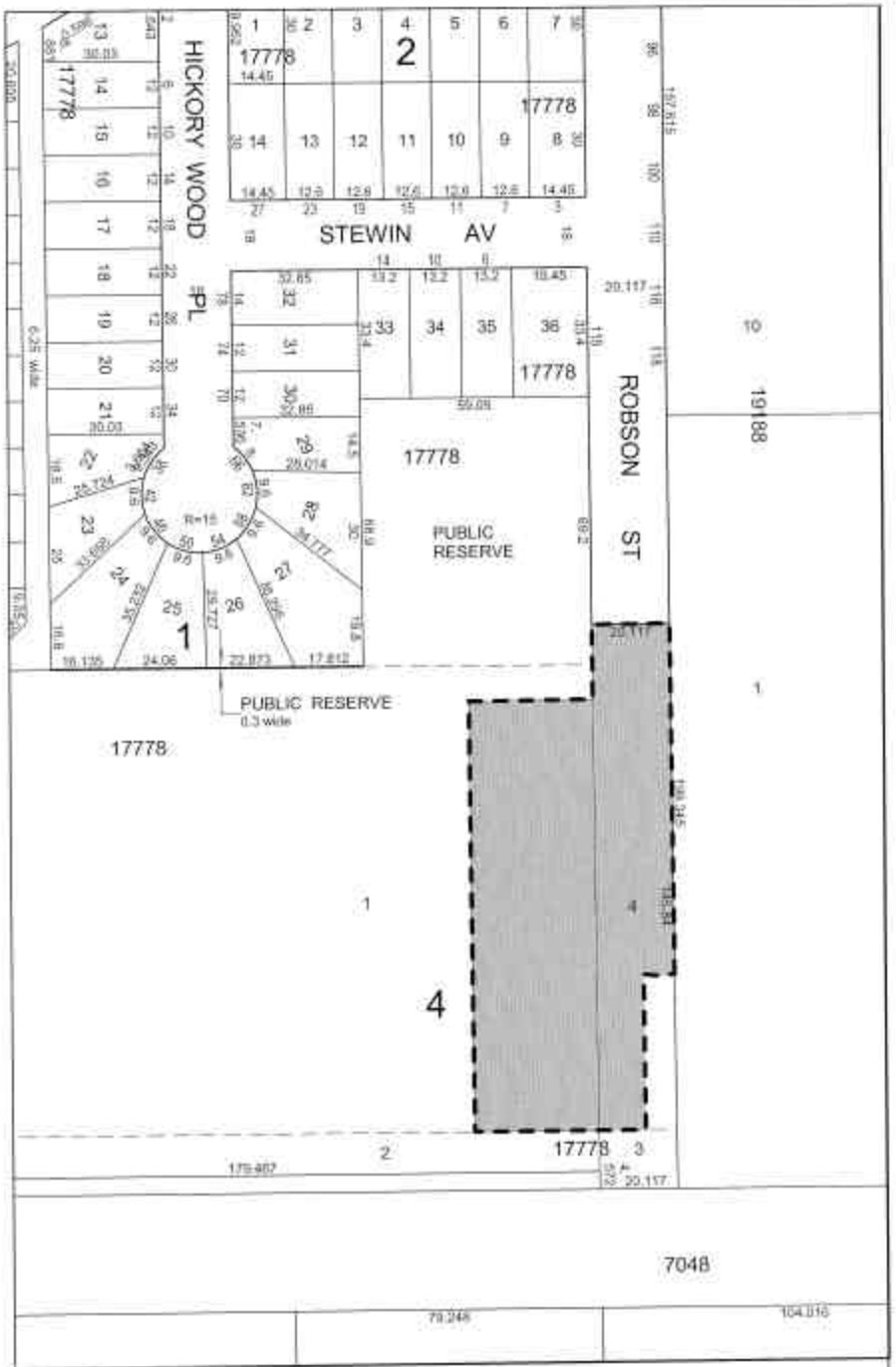
Purchaser’s Registration No. (G.S.T.) _____

IN WITNESS WHEREOF the Purchaser has signed this document in

_____, _____, this _____ day of _____200_

_____ _____
Witness Purchaser

_____ _____
Witness Purchaser
Location: North of Dugald Road, West of Plessis Road
Size: Irregular: 6,622.7 sq. m. (71,286.3 sq. ft.)+/-



Date: 2004-FEB-24
District: EKT
File: 5021
Scale: 1:1250

METRIC

CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 8618 / 3