Agenda - Council - May 19, 2004

Report - Standing Policy Committee on Property and Development - April 27, 2004

Item No. 25 Sale of City Property - west side of Drake Boulevard, north of Berkshire Bay
File FI-2.4(35)

STANDING COMMITTEE RECOMMENDATION:

On May 12, 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 North Grassie Properties Inc.'s Offer to Purchase the Subject Property, shown on Misc. Plan No. 12012, be approved at a price of $12,044.00 in accordance with the "Offer to Purchase" 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.

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 - April 27, 2004

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 12, 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 April 27, 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 City Property on the West side of Drake Boulevard, North of Berkshire Bay
Riel Community
St. Boniface Ward

For submission to: Standing Policy Committee on Property and Development

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

Report date: April 16, 2004

Recommendation(s):

1. That North Grassie Properties Inc.'s Offer to Purchase the Subject Property, as shown on Misc. Plan No. 12012, be approved at a price of $12,044.00 and in accordance with the "Offer to Purchase" attached, 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:

The Planning, Property and Development Department has received an Offer to Purchase the Subject Property from North Grassie Properties Inc., who propose to incorporate the land into their subdivision (DASZ6/03) in order to create 11 residential lots. The Director is not able to accept this Offer as it is not within his delegated authority. The Department is, however, 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):
City's standard terms and conditions of sale include provisions to protect the City's interests in the event that environmental contamination is discovered

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 property sale. The Standing Policy Committee on Property and Development is authorized to approve sales on behalf of the City.

HISTORY:

The Subject Property shown shaded on Misc. Plan No. 12012, was created by the closing of Maginot Street under DAC 10/95 and retained by the City as a buffer to a proposed multiple-family development under DASZ 16/94 adjoining the Subject Property. The developer has subsequently re-designed the subdivision under DASZ 6/03, and the area proposed as multiple-family will now be single-family residential. Consequently, the buffer is no longer required and the developer, North Grassie Properties Inc., has made a request to purchase the Subject Property for $1.00 to facilitate their development. However, the Subject Property does not fall within the City policy regarding the transfer of streets and lanes to be closed within a subdivision and therefore is to be sold at market value.

The Subject Property was circulated within proposed subdivision DASZ 6/03 and it has been determined that no easements are required. The subdivision itself has received approval in principle from Council at its meeting held July 23, 2003.

Particulars of the property are, in brief, as follows:

Location:	West side of Drake Boulevard, North of Berkshire Bay
Legal Description:	Lot 17, Block 1, Plan 41026
Size:	19.8 m. x 47.85 m. (65 ft. x 157 ft.)
Zoning:	"PR" Public Reserve

Roll No.:	06092971200
Certificate of Title:	1908527
Assessed Value:	Not apportioned
Appraised Value:	$11,947.00
Price Offered:	$12,044.00
Applicant:	North Grassie Properties Inc. (John Wiebe) 318 Phoebe Court, Kelowna, B.C.
Terms:	$1,086.60, being 15% of the purchase price
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:	Addition to holding for inclusion in subdivision

The City's standard terms and conditions are as outlined in the attached Schedule "A".

DISCUSSION:

The Real Estate Division is in favour of the sale of this property for the following reasons:

The applicant has been the only expression of interest and only offer to date;
The property would be on the tax roll at the closing of the sale;
The proposed price falls within the appraised range of value;

d) Should this proposed sale not be approved, there is a high degree of probability that a purchaser other than the applicant will not be found. If an alternate purchaser were found, there is no guarantee that a price could be negotiated which would exceed the price which is currently offered;

e) The sale will eliminate the liability for the City associated with holding this parcel of vacant land.

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

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 File #: 7871

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

Financial Impact Statement

Date: March 12, 2004

Project Name:

Proposed Sale of City Property West of Drake Boulevard, North of Berkshire Bay

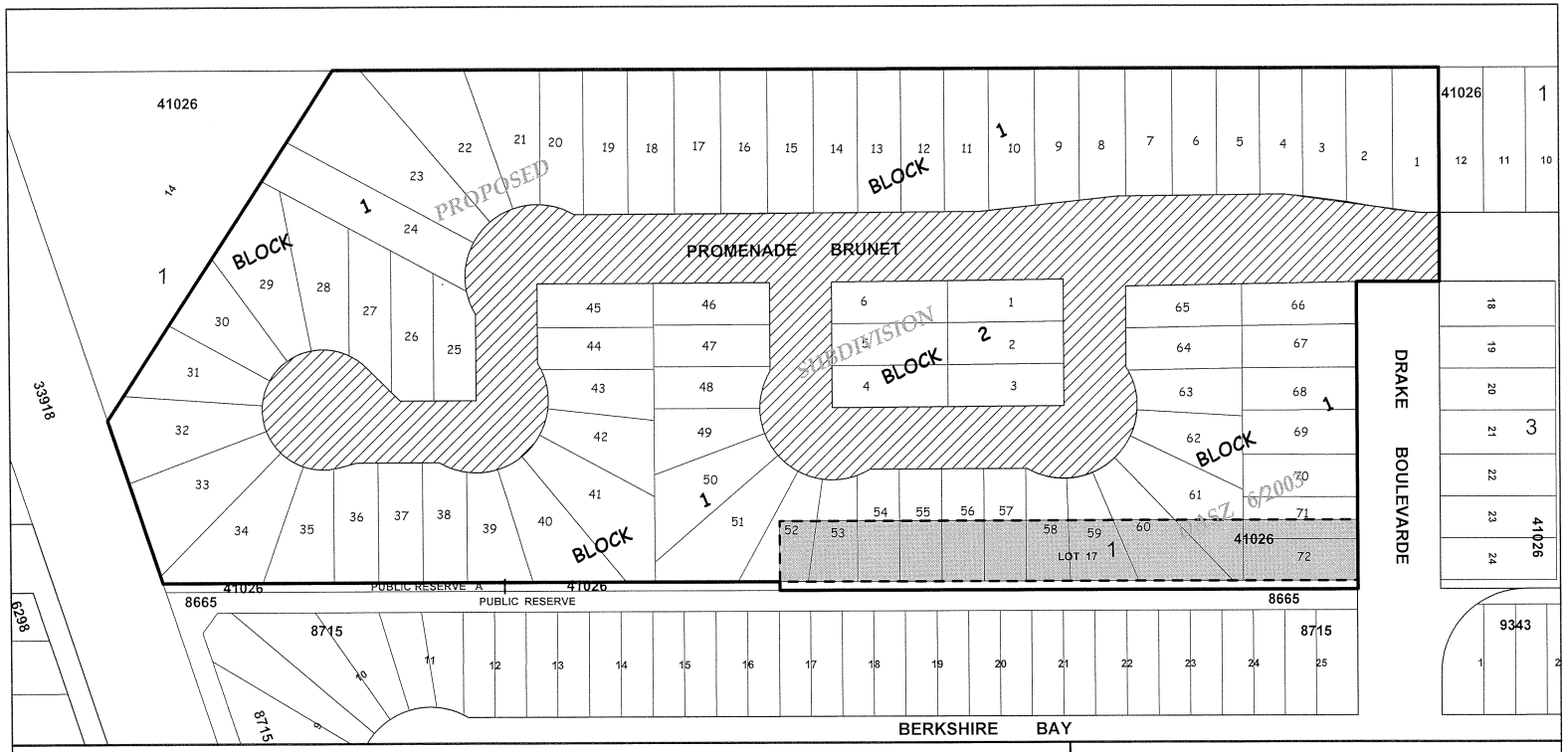
First Year of Program 2004

	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	12,124	160	160	160	160
Net Cost/(Benefit)	$ (12,124)	$ (160)	$ (160)	$ (160)	$ (160)
Less: Existing Budget Amounts	(12,124)	(160)	(160)	(160)	(160)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The figure of $12,124.00 in 2004 includes both the purchase price and the estimated municipal tax recovery in 2004. Based upon a projected closing date of May 31, 2004, $80.00 will be collected in 2004 in municipal realty taxes. Recoveries of $160.00 in years 2005 through 2008 represent municipal realty taxes the City will receive and assumes no increases in the assessed value of the subject property (which will increase when developed with residences) nor any change to the current Municipal Mill Rate. There are no other financial implications as all costs connected with the conveyance will be the responsibility of the Purchaser.

"Original signed by"
Karen Ayotte, Acting
Manager, Finance Division



Date: 2003-SEP-16
District: RIEL
File: 7871
Scale: 1:1400

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.

Proposed Right of Way Area: ±11,942.8 m² (±128,551.8 ft²)

Subject City Property, Area: ±2950.9 m² (±31,763.5 ft²)

Proposed Subdivision Boundary - DASZ 6/2003

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

MISC. PLAN NO. 12012

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: -

Lot 17, Block 1, Plan 41026 (hereinafter called the "lands")

for the sum of $12,044.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's certified cheque payable to "The City of Winnipeg" in the amount of $1,806.60, 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).

(2) 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.

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. 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.

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 (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 land within the Purchaser's proposed subdivision of adjoining lands referenced under Planning Department's files as DASZ 6/03.

(b) In the event that said subdivision of the lands under DASZ 6/03 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. No commission is payable by the City on the sale of the lands.

12. 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.

13. 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.

14. Upon approval of the sale by the City, the Purchaser agrees to 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.

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

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

17. 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.

18. 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: West side Drake Boulevard, North of Berkshire Bay
Size: 2,950.9 sq. m. (31,763.5 sq. ft.)+/-

Real Owner Application

To the City Assessor

Winnipeg Roll No. _____
(Name of Municipality)

1. I/We _____
(Print Full Name)

request that my/our name(s) appear in the Assessment Roll of The City of Winnipeg in respect to the following property, pursuant to Section 12(1) of "The Municipal Assessment Act", Cap. M 226 S.M.

2. Description of Properties: (Give description of all property in respect of which you wish your name to appear).

Part of Lot or Section	Lot or Section	Block or Township	Plan or Range	Interest In Property

3. Mailing Address _____

4. Place of Residence Winnipeg

5. Name and Address of Registered Owner City of Winnipeg
(Print)_

_____
(Print)

6. Description of building on property:

Dwellings None

Other Buildings None

7. Date of Purchase _____ 8. Purchase Price _____

Date: 2003 _____

6283

(Signature of Applicant)

Office of the City Assessor
The City of Winnipeg

_____
(Signature of Registered Owner - City)