Minute No. 414
Report - Standing Policy Committee on Property and Development - June 8, 2004

Item No. 33 Sale of City-owned lands adjacent to 2537 Pembina Highway
File FI-2.4(35)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 "Subject City Property", as shown on Misc. Plan No. 12219, be declared surplus to the City's requirements.

2. That the sale of the Subject City Property, as shown on Misc. Plan No. 12219, to Frontier Management Inc. for the price of $18,000.00, be approved in accordance with the terms and conditions of the Offer to Purchase dated April 15, 2004.

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 - June 8, 2004

DECISION MAKING HISTORY:

Moved by Councillor Gerbasi,
That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On June 8, 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-owned Lands Adjacent to 2537 Pembina Highway
Riel Community
St. Norbert Ward

For submission to: Standing Policy Committee on Property and Development

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

Report date: May 24, 2004

Recommendation(s):

1. That Council declare the "Subject City Property" as shown on Misc. Plan No. 12219 to be surplus to the City's requirements.

2. Subject to Recommendation No. 1 above, that the sale of the Subject City Property, as shown on Misc. Plan No. 12219, to Frontier Management Inc. for the price of $18,000.00 be approved in accordance with the terms and conditions of the attached Offer to Purchase dated April 15, 2004.

REPORT SUMMARY

Key Issues:

The proposed purchaser has acquired the adjoining property at 2537 Pembina Highway and desires to acquire the Subject City Property to include in a development plan.
The City normally offers closed portions of public street to the adjacent owners on each side. Since the owner to the north has already purchased most of this former public street, it is not necessary to offer any further portions to the owner to the north.
The price offered is in accord with the appraised value of the Subject City Propety. The price per square foot is the same as recent sales of lands adjacent to 2583 and 2599 Pembina Highway.

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):

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 that requires Standing Policy Committee on Property and Development and Council consideration.

HISTORY:

The former Rural Municipality of Fort Garry closed that portion of Lee Boulevard between Pembina Highway and the C.N.R. right-of-way, and sold the northerly 60 feet in perpendicular width thereof to the owner of the adjoining property lying to the north.

The remaining 20 feet in width of the closed street (Subject City Property on Misc. Plan No. 12219) was retained by the City to protect the servicing of an eight-inch water main. Also remaining as part of the closed street and owned by the City was a triangular shaped piece of land approximately 570 square feet in area which formed the southwest corner rounding of the original Lee Boulevard, at its intersection with Pembina Highway. On April 18, 1973, Council adopted the recommendation of the Committee on Finance, thus approving the sale of this irregular parcel of land to Shell Canada Limited, the adjacent owner to the south.

The Planning, Property and Development Department is in receipt of an Offer to Purchase the Subject City Property as shown on Misc. Plan No. 12219.

Details are as follows:
Location: Adjacent to and north of 2537 Pembina Highway
Legal Description: Lot 20 Plan 21995 (as shown on Misc. Plan No. 12219)

Roll No.: 03061836100
Certificate of Title: A70168
Size: 368.8m″ (3969.3f″)
Zoning: C2 Commercial District
Assessment: $26,900.00 (2003)
Market Value: $18,000.00
Price Offered: $18,000.00
Proposed Purchaser: Frontier Management Inc.

DISCUSSION:

The following condition will apply in addition to the City's standard terms and conditions: The title to the Subject City Property is to be consolidated with the title to the applicant's adjacent property (Lot 19 Plan 21995).

The Water and Waste Department has recently advised that no easements are required for the Subject City Property, and specifically confirmed that an 8-inch watermain located on the Subject City Property has been abandoned and does not require an easement.

The City normally offers closed portions of public street to the adjacent owners on each side. Since the owner to the north has already purchased most of this former public street, it is not necessary to offer any further portion to that owner to the north.

The proposed purchaser has acquired the adjoining property at 2537 Pembina Highway and desires to acquire the Subject City Property to include in a development plan.

The price offered is in accord with the appraised value of the Subject City Property. The price per square foot is the same as recent sales of lands adjacent to 2583 and 2599 Pembina Highway.

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

THE DEPARTMENT OF WATER AND WASTE

This report submitted by:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 4673

Document name: o:\reports directive\real estate\sales\(ga)2537 pembina.doc


CHANCELLOR MATHESON ROAD
BISON DRIVE
SHORE STREET
PEMBINA HIGHWAY
5559
38992
21995
1991
City Property
Applicant's Property
Subject City Property
Area: ±368.8 m² (±3969.3 ft²)
Date: 2004-MAR-31
District: RIEL
File: 4673
Scale: 1:1250
METRIC
N
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. 12219

Financial Impact Statement

May 21, 2004

Project Name: **First Year of Program** 2004

Sale of City Lands Adjacent to 2537 Pembina Highway

	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	18,045	540	540	540	540
Net Cost/(Benefit)	$ (18,045)	$ (540)	$ (540)	$ (540)	$ (540)
Less: Existing Budget Amounts	(18,045)	(540)	(540)	(540)	(540)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Net benefit, in 2004, is comprised of $18,000 in proceeds plus pro-rated share of realty taxes added to the tax roll. The amounts shown as revenue from 2005 to 2008 represent the municipal portion of property taxes related to the subject property assuming no change in assessed value, portioning percentage or mill rate.

"Original signed by"
Mike McGinn, CA
Manager of Finance

File No.:4673

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

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

Lot 20 Plan 21995 as shown on Misc. Plan No. 12219

(hereinafter called the "lands")

for the sum of $18,000.00 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 $2,700.00, 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). The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing 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 of Closing, Possession and adjustments shall be on or before 120 days from the date of approval of the sale.

(2) 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 adjustment shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(3) 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, which interest shall be calculated at the rate per annum equivalent to the prime lending rate in force by the City's Banker at 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. Goods and Services Tax

(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 on or before the date of closing.

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

6. The sale of the Lands to the Purchaser shall be subject to the provisions of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore the Purchaser acknowledges and understands that it's proposed use and development of the lands may require applications for rezoning, variances or conditional uses and/or

amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

7. 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.

8. Upon closing of the sale, 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.

9. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than ninety (90) days from the Date of Approval, and

(2) maintain the Lands in safe condition at all times during the conduct of any work done in pursuance of this Clause 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; and

(4) indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such Environmental Site Assessment; and

(5) provide copies of any such Environmental Site Assessment of the said Lands to the City for its own use, at no cost to the City no later than ninety (90) days from the date of approval.

AND in the event it is determined as a result of said Environmental Site Assessment, 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 ninety (90) days following the Date of Approval, the City, at its sole option, shall be entitled to:

take remedial action to bring the contamination levels to within the Provincial Environmental Standards;

OR

cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date, PROVIDED that the Applicant shall have first satisfied all conditions of this Clause 9.

AND FURTHER if the City has not been advised of any non-compliance of the lands to Provincial Environmental standards within 90 days from the Date of Approval, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10 (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, or The City of Winnipeg, for the maintenance of existing and future 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.

(2) The Purchaser to enter into agreements satisfactory to the said utilities or the City of Winnipeg.

(3) The Purchaser acknowledges that the City may grant the easements before the Transfer of Land issues.

(4) The Purchaser is aware that there is an easement for an eight inch watermain that encumbers the lands.

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

(1) the City has given no representations or warranties with respect to the Lands or with respect to the value thereof or with respect to the Purchaser's intended uses or development or redevelopment thereof or with respect to the environmental condition of the Lands;

(2) the Purchaser has inspected or investigated the Lands, the title thereto, the Permitted Encumbrances, any tenancies and all other matters material to the Purchase and the proposed use of the Lands and that it is relying solely upon its own independent inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) the Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the Lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) the Lands are deemed to be taken by the Purchaser at the Purchaser's own risk with all faults and imperfections whatsoever. The Purchaser agrees with the City that the application of "Buyer Beware" shall apply to the offer in the strictest meaning.

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

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 19 Plan 21995 (herein 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.

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

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

15. 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.

16. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety which are composed of Lacustrine Clays with Silt Intrusions. The Purchaser shall be responsible for any increased costs of development due to this random stratification.

17. The Purchaser acknowledges and agrees that sale of the Lands by the City is subject to the approval of City Council or its delegated authority.

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

FRONTIER Management INC. 2654 Portage Ave
Name (Please Print) Address

Purchaser's Registration No. (G.S.T.) 873471999RT0001

IN WITNESS WHEREOF the Purchaser has signed this document in

Winnipeg, Manitoba, this 15 day of April 2004

Witness Authorized Signature

Marcel Thompson President
Name and Title of Authorized Signature (Please print)

Witness Authorized Signature

Name and Title of Authorized Signature (Please print)

ACCEPTED this _____day of _____, A.D., 2004

THE CITY OF WINNIPEG

Per:_____

DIRECTOR

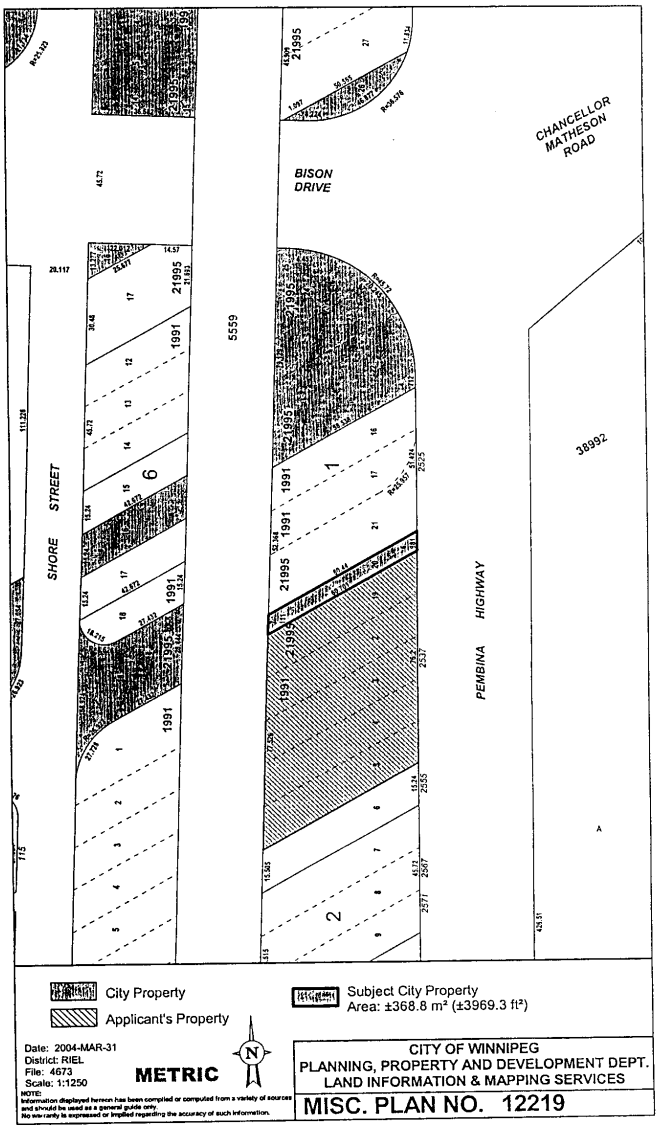
Planning,Property and Development Department

Approved:

Planning Property and Development Department

Certified as to form:

for City Solicitor/Manager of Legal Services


BISON DRIVE
CHANCELLOR MATHESON ROAD
SHORE STREET
PEMBINA HIGHWAY
5559
38992
City Property
Applicant's Property
Subject City Property
Area: ±368.8 m² (±3969.3 ft²)
Date: 2004-MAR-31
District: RIEL
File: 4673
Scale: 1:1250
METRIC
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12219

EXHIBIT "A"

Real Owner Application

To the City Assessor

(Name of Municipality) Roll No. _____

1. I/We FRONTIER MANAGEMENT INC.
(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	Range	Interest in Property

DRAFT

3. Mailing Address 2654 Pembroke Highway
4. Place of Residence Winnipeg
5. Name and Address of Registered Owner _____
(Print)

_____
(Print)

6. Description of building on property:

Dwellings none

Other Buildings _____

7. Date of Purchase _____ 8. Purchase Price _____

Date: _____ 200__

(Signature of Applicant)

Office of the City Assessor
The City of Winnipeg

_____
(Signature of Registered Owner)