Minute No. 418
Report - Standing Policy Committee on Property and Development - June 8, 2004

Item No. 37 **Land Exchange - Canada Safeway Limited northwest corner of River Road and Osborne Street**
File FI-2.4.4.1

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 a land exchange with Canada Safeway Limited be approved in accordance with the price, terms and conditions as outlined in Schedule "A" to the report from the Director of Planning, Property and Development dated June 1, 2004.

2. 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 LAND EXCHANGE – CANADA SAFEWAY LIMITED
NORTHWEST CORNER OF RIVER ROAD AND OSBORNE STREET
CITY CENTRE COMMUNITY
FORT ROUGE-EAST FORT GARRY WARD

For submission to: Standing Policy Committee on Property and Development

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

Report date: June 1, 2004

Recommendation(s):

1. That a proposed land exchange with Canada Safeway Limited be approved in accordance with the price, terms and conditions as outlined on the attached Schedule "A".

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:

Canada Safeway requires the "Proposed Closing" identified on the attached Misc. Plan No. 8768/3 for incorporation into its redevelopment at River Avenue and Osborne Street.
The City requires the "Land required for Street Opening" identified on the attached Misc. Plan No. 8768/3 to accommodate an island long enough to load two buses.
The Real Estate Division has negotiated the proposed land exchange and is recommending the price and associated terms of the exchange for the approval of Council.

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):
There are no environmental implications associated with this proposed land exchange.

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 has negotiated terms and conditions of a proposed land exchange with Canada Safeway Limited. Council's approval is required for land exchanges when Council has not previously determined the program.

HISTORY:

Sale

The Planning, Property and Development Department has received a request from Canada Safeway Limited (Safeway) to purchase the land comprising a public lane, identified as "Proposed Closing" on the attached Misc. Plan No. 8768/3. Safeway intends to incorporate the "Proposed Closing" into an application to subdivide and rezone the property under DASZ 1/2004.

The lane provides pedestrian and vehicular access to and from the existing Safeway site. This access will be maintained immediately south of the existing lane when the development of the new site addressed under DASZ 1/2004 is completed.

The proposal to close and sell the "Proposed Closing" to Safeway has been considered by all affected City departments and public utilities. There are no administrative objections to the closing; however, the following conditions are to be included in the sale:

The Transportation Division of the Public Work Department advises: "the sale is to be subject to the Developer providing an easement to permit City vehicles to travel over the Safeway parking lot to the private approaches to River Avenue to exit onto River Avenue. The pavement along the agreed upon route is to be constructed to a standard that will support these heavier vehicles". The Water and Waste Department requests that Safeway assume responsibility for the existing catch basin and lead located within the proposed closing.

Concurrence with the closing was obtained from the City Centre Community Committee at its meeting May 4, 2004.

Purchase

The Real Estate Division has received a request from the Public Works Department to acquire the "Land required for Street Opening", identified on the attached Misc. Plan No. 8768/3, in order to accommodate an island long enough to load two buses.

Negotiations for a proposed land exchange have been completed and Safeway has concurred with the terms and conditions contained within the attached Schedule "A".

DISCUSSION:

Safeway is proposing to redevelop the existing site at the northwest corner of Osborne Street and River Avenue with a comprehensive development proposal, which involves a rezoning and subdivision application (DASZ 1/04), a conditional use application (DCU 04-100472D), a variance application (DAV 04-110113D), and an application for a lane closure (DAC 5/04). Construction is scheduled to commence July 1, 2004 with the removal of the existing buildings. Safeway has requested that the proposed land exchange take place as quickly as possible as it is critical to the timing of this project.

The Real Estate Division initially proposed a land exchange whereby Safeway would owe to the City $91,500.00. This is the difference in market value between the "Proposed Closing" and the "Land required for Street Opening". Safeway advised that it was of the opinion that the difference in market value was $75,500.00. Based on an internal appraisal, the Real Estate Division counter-proposed a settlement at the mid-point, i.e. $83,500.00. Safeway has concurred with this proposal and has agreed to the terms and conditions contained within the attached Schedule "A".

The Real Estate Division is of the opinion that the proposed land exchange is reasonable and well supported and would, therefore, recommend that the City complete the transaction in accordance with the terms and conditions contained within the attached Schedule "A".

In accordance with past practice, the net sales proceeds will be credited to the Land Operating Reserve Account.

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

No consultation with other departments was required in the preparation of this report.

This report submitted by:

Planning, Property and Development Department
Division: Real Estate Division
Prepared by: Karen Cann
PPD File #: BA 18-6 & 8188

Document name: o:\reports directive\real estate\acquisition\(kc)safeway.doc

Financial Impact Statement

Date: May 31, 2004

Project Name:

PROPOSED LAND EXCHANGE – CANADA SAFEWAY LIMITED NORTHWEST CORNER OF RIVER ROAD AND OSBORNE STREET

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	83,500	-	-	-	-
Net Cost/(Benefit)	$ (83,500)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(83,500)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The proceeds of the above proposed transaction will be credited to the Land Operating Reserve Fund in accordance with Council policy. There is no financial impact on the current or capital budget with this proposed transaction.

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

May 31, 2004

SCHEDULE "A"

1. Canada Safeway Limited to convey to the City of Winnipeg (City) the “Land Required for Street Opening” identified on the attached Misc. Plan No. 8768/3.

2. The City of Winnipeg to convey to Canada Safeway Limited (Owner) the “Proposed Closing” identified on the attached Misc. Plan No. 8768/3.

3. The Owner to pay to the City of Winnipeg EIGHTY-THREE THOUSAND, FIVE HUNDRED ($83,500.00) DOLLARS, that being the difference in value between the two parcels identified in Clauses 1 and 2 above.

4. Both properties to be conveyed to each party hereto, free and clear of any liens and/or encumbrances except as specifically noted herein.

5. The Owner to provide an easement to permit City vehicles, particularly snow removal equipment, street sweeping equipment and refuse vehicles to travel over the Safeway parking lot to the private approaches to River Avenue to exit onto River Avenue. The pavement along the agreed upon route is to be constructed to a standard that will support these heavier vehicles. Terms and conditions of the easement to be mutually determined and to the satisfaction of the Director of Public Works.

6. The Owner to assume responsibility for the existing catch basin and lead contained within the “Proposed Closing”.

7. The date for vacant possession - free of leasehold interest and adjustment of taxes, to be the date that a Caveat is filed by the City of Winnipeg in the Winnipeg Land Titles Office respecting a duly executed Purchase/Sale Agreement to be prepared by the City Solicitor regarding this transaction or by mutual agreement.

8. The Owner, upon 48 hours notice, consents to allow the City or its contractor to enter and construct upon the “Land required for Street Opening” at any time hereafter.

9. The Owner declares that the “Land required for Street Opening” complies with all applicable environmental laws, regulations and by-laws and further acknowledges and accepts that should the City determine that there are environmental concerns or contamination, it may elect to cancel the proposed purchase.

10. The Owner shall supply copies of any environmental studies undertaken on the subject property.

11. Any real estate commissions or appraisal fees payable on this transaction are the responsibility of the Owner.

12. The Owner shall pay to the City upon request, all costs and expenses which the City will incur in connection with the closing of that portion of the "Proposed Closing" to create a transferable title for the land to be conveyed to the Owner, and without limiting the generality of the foregoing, the Owner will pay the sum of Three Hundred ($300.00) Dollars plus applicable goods and services tax toward the By-law preparation costs.

13. The Owner to be responsible for the cost and preparation of all necessary plans that may be required by the Winnipeg Land Titles Office to facilitate the transfer of the "Land required for Street Opening" and the "Proposed Closing".

14. Each party hereto shall be responsible for their own legal costs.

15. If it is determined that there are any of the Owner's improvements within the "Land required for Street Opening", the City will at its discretion, either:

    a) Leave the improvements where they are presently located and formalize an agreement allowing them to remain or;

    b) Reimburse the Owner for the cost of relocating the improvements; said costs to be the lowest of at least three quotations to be obtained by the Owner for this work and to be submitted to the City for approval prior to commencement of the work.

16. The Owner agrees to enter into an appropriate Purchase/Sale Agreement with the City embodying the within terms and conditions and in a form satisfactory to the City Solicitor; it is further acknowledged that the Purchase/Sale Agreement will be filed as a Caveat against the Owner's Title pending registration of the necessary street opening plan by the City.

17. The Owner agrees that the "Land required for Street Opening" will not be conveyed, disposed of or encumbered in any manner whatsoever, except subject to this agreement.

18. The Owner agrees to consent on a Real Owner Application form to add The City of Winnipeg as the Real Owner of the "Land required for Street Opening" to the Assessment Rolls of the City.

19. The City agrees to consent on a Real Owner Application form to add Safeway as the Real Owner of the "Proposed Closing" to the Assessment Rolls of the City.

20. The Owner agrees to declare whether or not they are "Registrants" for the purposes of the "Goods and Services Tax" and if so, to provide their G.S.T. Registration number.

21. The City will self-assess any Goods and Services Tax owing on this transaction. Its GST Registration No. is R121682967.

22. This proposal is subject to the successful enactment of the street closing By-law for the "Proposed Closing" property.

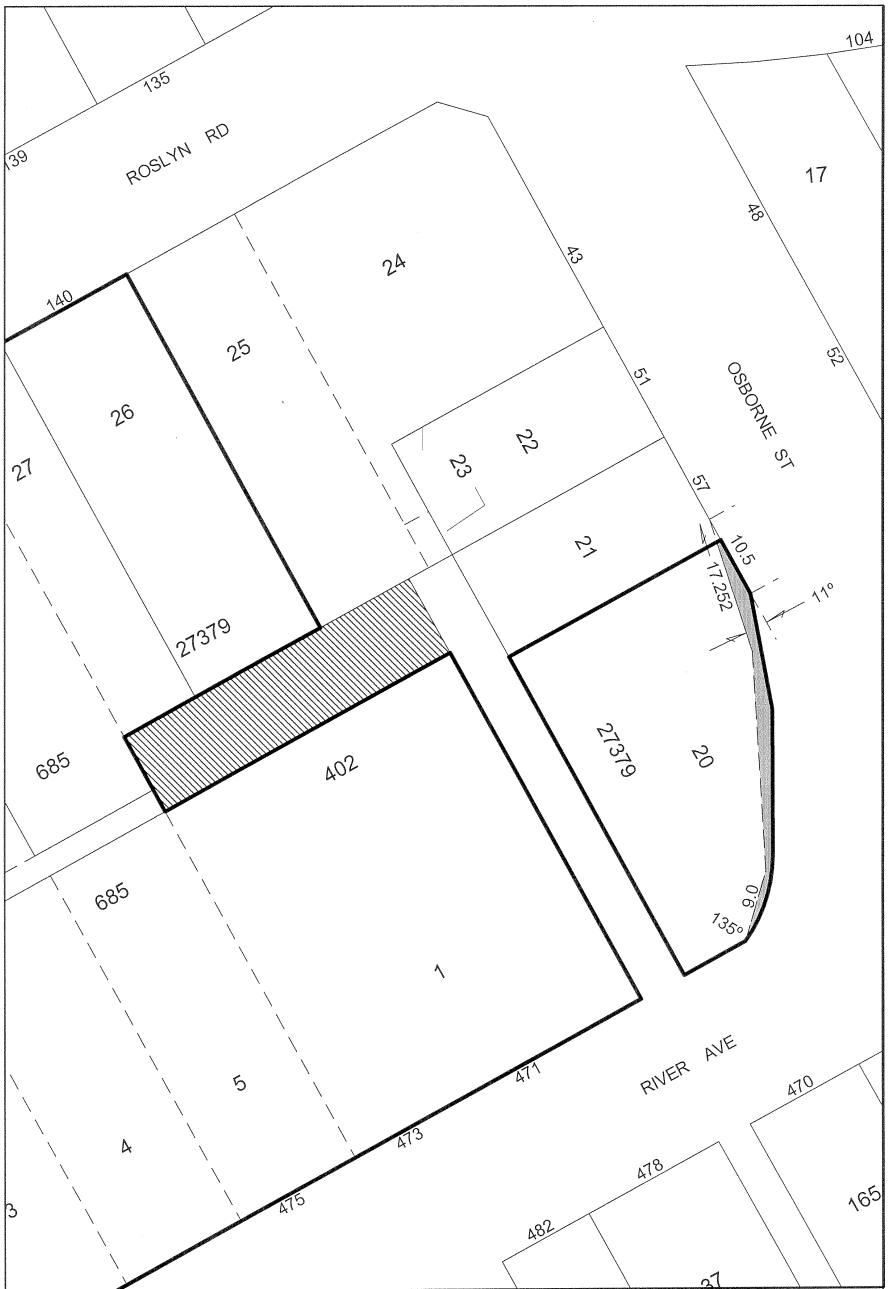
23. Upon the passing of the street closing By-law, the Owner covenants and agrees that the "Proposed Closing" shall be consolidated under subdivision application DASZ 1/04 with the Owners' adjoining lands.

24. This proposal is subject to approval by the City of Winnipeg Council or its delegated authority.

Canada Safeway Limited, the legally registered owner of the "Land required for Street Opening" shown on the attached Misc. Plan No. 8768/3, hereby agrees to the price, terms and conditions herein.

CANADA SAFEWAY LIMITED

_____	_____
Date	Officer
_____	_____
GST Registrant Number	Officer



Canada Safeway Ltd Property

Land required for Street Opening
67.6 sq.m. +/- (728 sq.ft +/-)

Proposed Closing
10.464 X 40.234 = 421 sq.m. (4532 sq.ft.)

Date: 2004-MAY-26
District: CC
File: BA18-6
Scale: 1:600

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. 8768 / 3