Winnipeg

CITY OF WINNIPEG POLICY NO. PD-026

POLICY TITLE *Real Estate - Declaration as Surplus and Sale of Property*	**ADOPTED BY** *City Council*	**EFFECTIVE DATE** *September 29,2021*
ORIGIN / AUTHORITY *City Council*	**CITY POLICY NO** **PD-026**	**MOST RECENT CONSOLIDATION** *XXX-XXX*

1. Purpose:

To update the policy to ensure that dispositions of park or cemetery land obtain approval from two-thirds of all members of Council at the time of the surplus declaration, in addition to other minor clerical revisions.

2. Definitions:

Replace:

> **"Unbuildable Land"** means a property that does not conform with the provisions of the Winnipeg Zoning By-law No. 200/2006 or the Downtown Winnipeg Zoning By-law No. 100/2004, or property for which the highest and best use as determined by an accredited appraiser is for consolidation with the adjacent non-City-owned property;

With:

> **"Unbuildable Land"** means a property**, excluding Parkland or City property used for cemetery purposes,** that does not conform with the provisions of the Winnipeg Zoning By-law No. 200/2006 or the Downtown Winnipeg Zoning By-law No. 100/2004, or property for which the highest and best use as determined by an accredited appraiser is for consolidation with the adjacent non-City-owned property;

3. Declaration as Surplus and Sale of Property Policy

Add the following new Clause 3.2.A.ix.:

3.2 Sale of City Property

A. Sales must:

i. Obtain the best value for the City, which may or may not be Market Value

- A price less than Market Value may be considered for Sales of Unbuildable Land (Section 3.2(B)(i)), Sales qualifying as an Economic Development Transaction (Section 3.2(B)(v)), Sales to Non-Profit Organizations (Section 3.2(C)), temporary easements, public utility easements, or Sales to an organization established by the City;

ii. Be marketed, except for Direct Sales (Section 3.2(B));

iii. Support orderly development through Council-approved development policies and/or other Council policies;

iv. Be open and transparent, ensuring all prospective Purchasers receive equal information and/or access;

v. Prioritize submissions from Non-Profit Organizations to construct affordable housing on City Property where possible, subject to Section 3.2(C);

vi. Prioritize submissions from for-profit organizations to construct affordable housing on City Property where possible, subject to the Purchaser providing evidence of funding from the Canada Mortgage and Housing Corporation or the Province of Manitoba to ensure affordability targets are met;

vii. Be declared Surplus to the City's needs;

viii. Be approved by Council or its delegated authority, and in all cases, the Ward Councillor will be provided notice of the Public Service recommendation prior to approval.

ix. **First be Marketed to Non-Profit Organizations where the City Property was acquired through Tax Sale, excepting condominium or Unbuildable Land Tax Sales where appropriate**

Replace Clause 3.2.C.i:

3.2 Sale of City Property

C. The City will consider, where appropriate, sales of City Property to Non-Profit Organizations at below Market Value where:

i. The Tenant is an active, registered Non-Profit Organization;

ii. The Non-Profit Organization provides for activities that are compatible with the City's needs;

iii. The Non-Profit Organization provides a service for which there is a current and projected need in that location;

iv. The Non-Profit Organization must provide evidence of available funding and/or financial commitment to complete the project;

v. The minimum purchase price must be the City's current inventory cost of the City Property;

vi. A reversionary interest in favour of the City is registered against the City Property

a. The reversionary interest may be invoked when the City Property has reached the end of the project's life or if the Non-Profit Organization has failed to develop the City Property (covenant to construct);

b. The reversionary interest is not applicable to affordable housing providers where City Property is transferred by the affordable housing provider to a third party upon substantial completion of construction of the affordable housing.

With:

3.2 Sale of City Property

C. The City will consider, where appropriate, sales of City Property to Non-Profit Organizations at below Market Value where:

i. The **Purchaser** is an active, registered Non-Profit Organization;

ii. The Non-Profit Organization provides for activities that are compatible with the City's needs;

iii. The Non-Profit Organization provides a service for which there is a current and projected need in that location;

iv. The Non-Profit Organization must provide evidence of available funding and/or financial commitment to complete the project;

v. The minimum purchase price must be the City's current inventory cost of the City Property;

vi. A reversionary interest in favour of the City is registered against the City Property

a. The reversionary interest may be invoked when the City Property has reached the end of the project's life or if the Non-Profit Organization has failed to develop the City Property (covenant to construct);

b. The reversionary interest is not applicable to affordable housing providers where City Property is transferred by the affordable housing provider to a third party upon substantial completion of construction of the affordable housing.

Replace Clause 3.2.G.:

3.2 Sale of City Property

G. Unless directed by other Council policies (e.g. Recreation, Leisure and Libraries Facility Policy), gross proceeds of a Sale are credited to either the Land Operating Reserve Fund or the Land Dedication Reserve Fund in accordance with the Contribution in Lieu of Land Dedication Reserve Fund Policy.

With:

3.2 Sale of City Property

G. Unless directed by other Council policies, gross proceeds of a Sale are credited to either the Land Operating Reserve Fund or the Land Dedication Reserve Fund in accordance with the Contribution in Lieu of Land Dedication Reserve Fund Policy.

4. Responsibilities

Replace Clause 4.1.:

4.1 Director of PPD is authorized to:

A. Declare any of the following City Property Surplus to the City's needs

i. Unbuildable Land

ii. City Property acquired through Tax Sale

iii. City Property acquired through Taking Title Without Compensation

B. Subject to Sections 4.4(B) and 4.4(C), approve all Sales, Land Exchanges and Sale settlement claims up to and including $300,000.00 where:

i. Sale price must be at least 80% of the Appraised Value for all transactions that exceed $10,000.00; and

C. Approve all Sales that have pre-approved prices from the Designated Committee.

D. Transfer the jurisdiction of City Property to another civic department, excluding transfers defined in Section 4.4(D), subject to:

i. The civic department having jurisdiction over the City Property must concur with the transfer.

E. Authorize the demolition or removal of any building or structure on a City Property, except for City Property protected under a by-law, which is:

i. Uneconomic to maintain;
ii. Structurally unsound;
iii. Obtained through tax sale; or
iv. Obtained through taking title without compensation.

F. Authorize the right to an applicant to include City Property within a Development Application, provided that the City Property has been circulated (Section 3.1(A)).

G. Discharge, amend or register caveats on a certificate of title that relate to a Sale:

i. Amendments to a mortgage are permitted only where the amended principal amount does not exceed the original principal amount.

H. Elect to hold a public auction for a Tax Sale, where the City has not exercised its right to purchase the Tax Sale.

I. Negotiate and approve the terms and conditions of the following agreements and documents:

i. Offer to Purchase and/or Purchase and Sale
ii. Land Exchange
iii. Easement
iv. Temporary Easement
v. Enter to Construct
vi. Amending
vii. Assignment
viii. Confidentiality
ix. Letter of Intent
x. Memorandum of Understanding
xi. GST Declaration and Indemnity

With:

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ii. City Property acquired through Tax Sale

iii. City Property acquired through Taking Title Without Compensation

B. Subject to Sections 4.4(B) and 4.4(C), approve all Sales, Land Exchanges and Sale settlement claims up to and including $300,000.00 where:

i. Sale price must be at least 80% of the Appraised Value for all transactions that **have an Appraised Value exceeding** $10,000.00; and

C. Approve all Sales that have pre-approved prices from the Designated Committee.

D. Transfer the jurisdiction of City Property to another civic department, excluding transfers defined in Section 4.4(D), subject to:

i. The civic department having jurisdiction over the City Property must concur with the transfer.

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G. Discharge, amend or register caveats on a certificate of title that relate to a Sale:

i. Amendments to a mortgage are permitted only where the amended principal amount does not exceed the original principal amount.

H. Elect to hold a public auction for a Tax Sale, where the City has not exercised its right to purchase the Tax Sale.

I. Negotiate and approve the terms and conditions of the following agreements and documents:

i. Offer to Purchase and/or Purchase and Sale
ii. Land Exchange
iii. Easement
iv. Temporary Easement
v. Enter to Construct
vi. Amending
vii. Assignment
viii. Confidentiality
ix. Letter of Intent
x. Memorandum of Understanding
xi. GST Declaration and Indemnity
xii. **Ancillary Agreements or such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.**

J. Notwithstanding the above, the Director of PPD, at their sole discretion, may refer any matter within their delegation of authority to the Designated Committee.

Add the following new Clause 4.2.B.:

4.2 CAO is authorized to:

A. Subject to Sections 4.4(B) and 4.4(C), approve all Sales, Land Exchanges and Sale settlement claims exceeding $300,000.00 up to and including $700,000.00 where:

i. Sale price must be at least 80% of the Appraised Value.

B. Notwithstanding the above, the CAO, at their sole discretion, may refer any matter within their delegation of authority to the Designated Committee

Replace Clauses 4.3.A. and 4.3.D.iv.:

4.3 Designated Committee is authorized to:

A. Subject to Section 4.4(B) and 4.4(C), approve all Sales, Land Exchanges and Sale settlement claims in excess of $700,000.00;

B. Approve a Broker Program; and

C. Authorize pre-approved Sale prices, where applicable.

D. Approve the evaluation criteria for Sales to be marketed through a request for proposal, which includes the following:

i. Alignment to Winnipeg's Climate Action Plan should comprise at least 10% of the evaluation criteria, where possible; and

ii. The City Stakeholders that develop the RFP criteria shall include a representative from the planning office, as well as a representative from the climate action office.

iii. The Departments involved in developing the evaluation criteria must be disclosed.

iv. Properties that are acquired through tax sale must first be marketed to not for profit housing corporations as is already done in the six Housing Improvement Zones across the city.

With:

4.3 Designated Committee is authorized to:

A. Subject to Section 4.4(B) and 4.4(C), approve all Sales, Land Exchanges and Sale settlement claims in excess of $700,000.00 **or where the sale price is less than 80% of the Appraised Value**;

B. Approve a Broker Program; and

C. Authorize pre-approved Sale prices, where applicable.

D. Approve the evaluation criteria for Sales to be marketed through a request for proposal, which includes the following:

i. Alignment to Winnipeg's Climate Action Plan should comprise at least 10% of the evaluation criteria, where possible; and

ii. The City Stakeholders that develop the RFP criteria shall include a representative from the planning office, as well as a representative from the climate action office.

iii. The Departments involved in developing the evaluation criteria must be disclosed.

Add the following new Clause 4.4.A.i.:

4.4 Council is authorized to:

A. Declare all City Property Surplus to the City's needs, except for City Property identified in Section 4.1(A);

i. Approval from two-thirds of all members of Council is required for the declaration of surplus for Parkland or City Property used for cemetery purposes.

B. Approve all Sales, Land Exchanges or Sale settlement claims of Parkland or City Property used for cemetery purposes subject to

i. Approval of two-thirds of all members of Council, in accordance with the Charter;

C. Approve all Sales of City Property which have been designated as a Historical Resource;

D. Approve transfers of jurisdiction to another civic department for Parkland or City Property used for cemetery purposes subject to:

i. Approval of two-thirds of all members of Council.