Report - Standing Policy Committee on Property and Development - June 8, 2004

Item No. 35 Purchase - 88 Inkster Boulevard - Expansion of the Luxton Community Club
File FI-2(34)

STANDING COMMITTEE RECOMMENDATION:

On June 16, 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 88 Inkster Boulevard, identified as “Subject Property” on Misc. Plan No. 12236, be purchased at a price of $34,000.00 in accordance with the terms and conditions contained in Schedule "A" to the report from the Director of Planning, Property and Development dated May 27, 2004.

2. That upon issuance of title to the City, the Director of Planning, Property and Development be authorized to clear the site by either removal or demolition of the structures.

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:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 16, 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 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 Purchase of 88 Inkster Boulevard for the Expansion of the Luxton Community Club
Lord Selkirk – West Kildonan Community
Mynarski Ward

For submission to: **Standing Policy Committee on Property and Development**

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

Report date: May 27, 2004

Recommendation(s):

1. That 88 Inkster Boulevard, identified as “Subject Property” on the Misc. Plan No. 12236 (attached to Schedule “A”), be purchased at a price of $34,000.00 and in accordance with the terms and conditions contained within the attached Schedule "A";

2. That upon issuance of title to the City, the Director of the Planning, Property and Development Department be authorized to clear the site by either removal or demolition of the structures; and

3. 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 subject property, commonly known as 88 Inkster Boulevard, forms part of the Phase II Luxton Community Club Expansion The Real Estate Division has negotiated the proposed purchase of the subject property and is recommending the price and associated terms of sale 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 concerns relating to this residential property.

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):
Adequate funding for this acquisition and site clearing is budgeted within the Luxton, Seven Oaks, St. John's Park Community Project

REASON FOR THE REPORT:

The Planning, Property and Development Department has negotiated terms and conditions of a proposed acquisition. Council's approval is required for land acquisitions when Council has not previously determined the program.

HISTORY:

At its meeting held April 6, 2000, the Standing Policy Committee on Property and Development considered a report from the Lord Selkirk–West Kildonan Community Committee and instructed the Director of the Planning, Property and Development Department to acquire at least four other properties (86, 86½, 88 and 90) on Inkster Boulevard, for Phase II of the Luxton Community Centre field expansion, subject to the identification of funding.

The attached Misc. Plan No. 11100/3 shows the four remaining properties required for the proposed Phase II expansion of the Luxton Community Centre. This plan also indicates the existing City owned property in this area, as well as the subject property. Once all properties are acquired the lane will be closed to allow for a consolidation of all City-owned lands.

In late January 2004, the Planning and Land Use Division became aware that the residence at 88 Inkster Boulevard was being substantially renovated. Shortly thereafter, it was discovered that the subject property sold in December 2003 after being listed for 10 days.

On March 31, 2004, the Planning and Land Use Division requested the Real Estate Division to commence negotiations with the owners of 88 Inkster Boulevard, (pursuant to the Standing Policy Committee on Property and Development's instructions from April 6, 2000) subject to adequate funding being secured.

Negotiations with the owners are now complete. Particulars of the subject property are as follows:

Location:	88 Inkster Boulevard
Legal Description:	Lot 25, Block D, Plan 728
Certificate of Title:	1986589
Registered Owners:	Sergiy Kucher and Mariya Kucher
Realty Roll No.:	14-070135000
Assessment:	$24,300.00 (1999)
Zoning:	R-2 (Residential)
Site Size:	7.62m x 36.06m = 278.7 m2 (3,000 sq. ft.)
Description:	A 1 3/4 storey, 946 sq. ft. single family dwelling on a part basement, in poor condition.

DISCUSSION:

The Planning and Land Use Division advises "the Luxton neighborhood is in a serious deficit situation in regards to open space and is one of the most deficient neighborhoods in the City in regards to open space". The Building Communities Initiative has identified the Luxton, Seven Oaks, St. John's Park Community to be in serious need of open space and has committed funds towards this development.

When the Real Estate Division contacted the owners, it was discovered that the owners had invested numerous hours in the house by completely gutting the interior and installing new wiring, plumbing and drywall. The owners indicated it was their intention to live in the residence once the renovations were completed. Consequently, they were not interested in selling the subject property. However, in the interest of the community, the owners indicated that they would be prepared to sell the property at an amount that included recovery of all costs they have incurred since the purchase of the property, i.e. the purchase price ($9,500.00), legal fees, finance charges, utility charges, building materials, labour, realty taxes, permits, and an amount for their inconvenience.

The Real Estate Division conducted several discussions with the property owners, who reluctantly agreed to sell the subject property to the City for $34,000.00 and in accordance with the terms and conditions contained within the attached Schedule "A". This amount includes the market value, plus incidental costs (based on the evidence of costs supplied by the owner) and an amount for their inconvenience.

The Real Estate Division is of the opinion that the proposed purchase price of $34,000.00 is the best possible price at which the City will be able to purchase the subject property. Although, the proposed purchase price is more than the owners paid for the house in December, it is considered to be fair and reasonable given the renovations and inconvenience caused to the owners. If the City were to purchase this property when renovations were fully completed, the market value would be substantially more than the proposed purchase price.

The Real Estate Division is recommending the City complete the acquisition at the proposed price and in accordance with the terms and conditions attached hereto as Schedule "A".
On April 26, 2004, the Planning and Land Use Division secured adequate funding under the Building Communities Initiative – Luxton, Seven Oaks, St. John's Park Community Project which may be used towards the acquisition, remediation and development of the subject property for a future expansion of the Luxton Community Centre site.

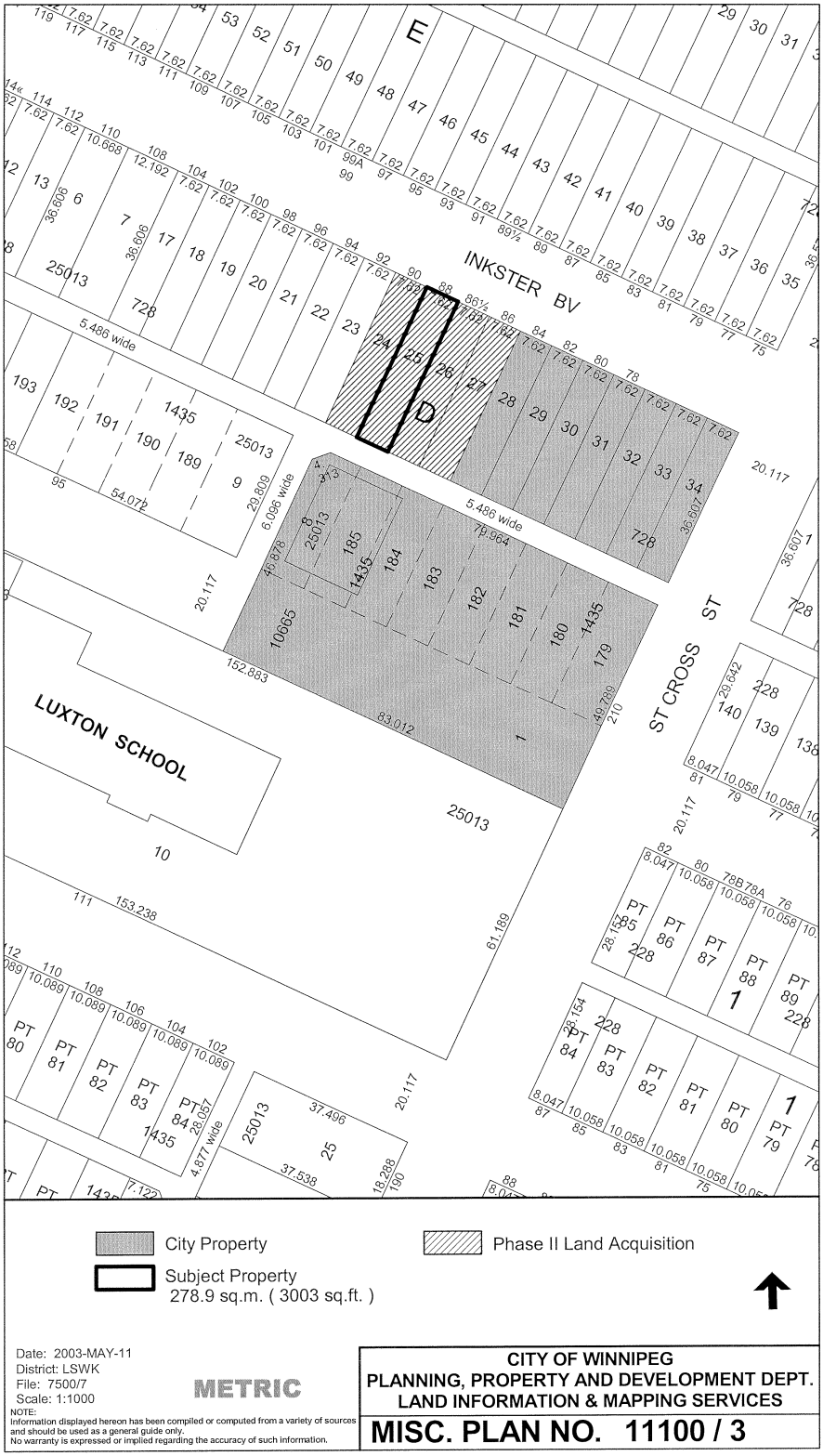
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

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 #: 8488

Document name: o:\reports directive\real estate\acquisition\(kc)88inkster.doc


INKSTER BV
ST CROSS ST
LUXTON SCHOOL
5.486 wide
6.096 wide
20.117
City Property
Phase II Land Acquisition
Subject Property
278.9 sq.m. (3003 sq.ft.)
Date: 2003-MAY-11
District: LSWK
File: 7500/7
Scale: 1:1000
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. 11100 / 3

Financial Impact Statement

Date: May 21, 2004

Project Name:

Proposed Purchase of 88 Inkster Boulevard for the Expansion of the Luxton Community Club

First Year of Program 2004

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ 36,421	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	36,421	-	-	-	-
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	$ -	$ 3,460	$ 3,460	$ 3,460	$ 3,460
Less: Incremental Revenue/Recovery	2,421	-	-	-	-
Net Cost/(Benefit)	$ (2,421)	$ 3,460	$ 3,460	$ 3,460	$ 3,460
Less: Existing Budget Amounts	(2,421)	3,460	3,460	3,460	3,460
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There is no budget impact with this proposed purchase as funding for the initial purchase is included in the approved capital budget and funding for related debt & finance charges is included in adopted current budgets/forecasts. The incremental revenue in 2004 represents the recovery of interest, administration charges and the 3% GST component by the Corporate Finance Department. These recoveries are offset by equal charges to P,P & D's capital accounts.

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

SCHEDULE "A"

1. An all-inclusive purchase price of THIRTY-FOUR THOUSAND ($34,000.00) DOLLARS for the “Subject Property” shown on the attached Misc. Plan No. 12236.

2. The subject property to be conveyed to the City free and clear of any liens and/or encumbrances except public utilities thereon.

3. The date for vacant possession - free of leasehold interest and adjustment of taxes, to be no later than 30 days after Council approval or by mutual agreement.

4. The purchase price shall include all fixtures on the premises including but not limited to fitted carpets, electrical light fixtures, heating, plumbing and ventilating equipment, fire and smoke detection equipment, including the new windows that are not installed; all of which are represented by the Owner to be free and clear of encumbrances or liens and in good working order as of the date of possession. The Owner agrees to allow the City at its sole expense to undertake a pre-possession inspection of the fixtures or equipment to ensure they are in good working order.

5. The subject property shall be in compliance with all existing building codes, zoning restrictions, By-laws, fire regulations and free from any outstanding work orders whatsoever; Owner to supply evidence of compliance as the City may reasonably request.

6. The Owner declares that the subject property 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.

7. The City shall absorb reasonable legal and related fees, subject to the prior approval by the City's Legal Services Division that the Owner may incur in providing the City with free and clear Title to the subject property.

8. Subject to the City being able to obtain a demolition permit within 30 days after approval of this proposal by The City of Winnipeg Council or its delegated authority. The City may waive this requirement at its option.

9. The property, until possession is delivered to the City, shall remain at the risk and responsibility of the Owner. In the event of substantial damage to the property prior to possession being delivered, the City may elect to accept the proceeds of any insurance on the subject property and complete the purchase or alternatively, cancel the purchase.

10. 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 may be filed as a Caveat against the Owner's Title pending registration of the necessary transfer by the City.

11. The Owner agrees that the subject property will not be conveyed, disposed of or encumbered in any manner whatsoever, except subject to this agreement.

12. The Owner agrees to consent on a Real Owner Application form to add The City of Winnipeg as the Real Owner of the subject property to the Assessment Rolls of the City.

13. 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.

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

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

We, Sergiy Kucher and Mariya Kucher, the legally registered owners of the “Subject Property” shown on the attached Misc. Plan No. 12236, hereby agree to the sale of 88 Inkster Boulevard in accordance with the price, terms and conditions herein.

_____	_____
Date	Sergiy Kucher
_____	_____
GST Registrant Number	Mariya Kucher



Date: 2004P-MAY-06
District: LSWK
File: 8488
Scale: 1:1000

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. 12236