Agenda – Council – July 21, 2022

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 4, 2022

Item No. 3 Proposed Sale of City-owned Property – 1520 Corydon Avenue (Former River Heights Library) (River Heights-Fort Garry Ward)

STANDING COMMITTEE RECOMMENDATION:

On July 13, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That, subject to approval of two-thirds of all Council members (pursuant to subsection 205(2) of The City of Winnipeg Charter), the sale of 1520 Corydon Avenue (the "Subject City Property" identified on Misc. Plan 122615/3 and attached as Schedule B) be approved for the purchase price of $1,100,000.00, in accordance with the terms and conditions identified in Schedule A.

2. That the City enter into, execute and deliver an Offer to Purchase Agreement with Doheny Insurance Services Ltd., and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. 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, disposal of 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, Heritage and Downtown Development – July 4, 2022

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 13, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 4, 2022, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Proposed Sale of City-owned Property – 1520 Corydon Avenue (Former River Heights Library)

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Pittet	J. Kiernan	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

On April 29, 2021, Council declared the Subject City Property as surplus to the needs of the City and on December 2, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development approved the Evaluation Criteria for the sale of the Subject City Property.

On December 20, 2021, the Public Service issued Request for Proposal ("RFP") 197-2021 for the sale of City-owned land located at 1520 Corydon Avenue (the "Subject City Property" identified on Misc. Plan 12261/3). The RFP closed on March 31, 2022 and four (4) proposals were received and evaluated.

Based on the RFP evaluation, the Public Service recommends the sale of the Subject City Property to Doheny Insurance Services Ltd. (the "Purchaser").

The recommended sale price is $1,100,000.00 subject to additional terms and conditions identified in Schedule A. The Purchaser is proposing to renovate the existing building for an office use.

Two-thirds approval from all members of Council is required to approve the sale of park land in accordance with the City of Winnipeg Charter. Parks By-law 85/2009 and the Real Estate Policy Framework define the Subject City Property as park land.

RECOMMENDATIONS

1. That, subject to approval of two-thirds of all Council members (pursuant to subsection 205(2) of The City of Winnipeg Charter), the sale of 1520 Corydon Avenue (the "Subject City Property" identified on Misc. Plan 122615/3 and attached as Schedule B) be approved for the purchase price of $1,100,000.00, in accordance with the terms and conditions identified in Schedule A.

2. That the City enter into, execute and deliver an Offer to Purchase Agreement with Doheny Insurance Services Ltd., and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Pursuant to the “Declaration as Surplus and Sale of Property” policy, adopted by Council on September 29, 2021, all sales, land exchanges or sale settlement claims of Parkland or City Property used for cemetery purposes are subject to approval from two-thirds of all members of Council, in accordance with the Charter.

IMPLICATIONS OF THE RECOMMENDATIONS

The proposed sale of the Subject City Property is in accordance with section 3.2A(ii) and 4.3D of the Surplus and Sale of Property Policy. The Subject City Property was marketed through a Request for Proposal (“RFP”) and the RFP was evaluated by members of the Real Estate Branch, Office of Sustainability, and Urban Planning Division.

The City’s standard terms and conditions of sale include provisions to protect the City’s interests in the event that environmental contamination is discovered.

If the report recommendations are approved, the net sale proceeds will be held in the Land Operating Reserve and reinvested into City-run recreation, leisure and libraries facilities, in accordance with the Recreation, Leisure and Library Facilities Policy.

HISTORY/DISCUSSION

The Subject City Property was acquired by the City of Winnipeg in 1961 from the Winnipeg School Division for the purpose of erecting a public library. It historically served as the River Heights Library and was managed by the Community Services Department. The Subject City Property is zoned PR2 - Parks and Recreation 2 (Community) and consists of a one storey brick building with a plan area of 4,161 square feet situated on an 8,801 square foot site.

As part of the Winnipeg Public Library’s Redevelopment Strategy, a new library facility located on the Grant Park Campus, known as the Bill and Helen Norrie Library, opened in March 2021.

On November 6, 2020, the Subject City Property was circulated for civic need and comments. No objections to the sale were identified.

On April 29, 2021, Council declared the Subject City Property as surplus to the needs of the City.

On September 29, 2021, Council adopted the Real Estate Policy Framework which includes a requirement that the evaluation criteria for sales to be marketed through a Request for Proposal, be approved by the designated committee.

On December 2, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development approved the following Evaluation Criteria for the sale of the Subject City Property:

- 50% - Total offering price, financial terms, and potential tax revenue generated by the proposed development;
- 15% - Detailed plan outlining the proposed development, including timeframe to complete;
- 10% - Experience and/or history of successful projects and endeavors carried out by the Proponent;
- 15% - Proposed development being in alignment with OurWinnipeg and Complete Communities Direction Strategy;
- 10% - Proposed development being in alignment with the Winnipeg Climate Action Plan.

On December 20, 2021, the Public Service issued RFP 197-2021 for the sale of the Subject City Property. The RFP closed on March 31, 2022 and four (4) proposals were received and evaluated. One bid was deemed to have enough merit to be short-listed for further negotiations. The evaluation scoring matrix for all four proposals is identified in Schedule C. With the exception of the recommended bidder, information regarding the other bidders has been kept confidential in accordance with the terms of the RFP.

Doheny Insurance Services Ltd. (the “Purchaser”) received the highest score in the evaluation based on criterial identified in the RFP. The Purchaser is proposing to renovate the existing building for an office use. The recommended sale price is $1,100,000.00 and subject to additional terms and conditions identified in Schedule A.

The appraisal for the Subject City Property estimated a value of $540,000.00 to $600,000.00 based on a highest and best use of commercial or multi-family residential property.

If the sale is approved, the Purchaser will be required to rezone the Subject City Property for its intended use as commercial office space.

It is noted that a caveat exists on the Certificate of Title of the Subject City Property, restricting the sale, lease or other disposal without the consent in writing by The Winnipeg School Division No. 1 (the “Division”). The RFP specifically identified the caveat and outlined the Division’s required consent for any sale. The School Division was notified of the short-listed proponent’s intended use for the Subject City Property and is awaiting the documents to discharge their caveat on the Title (Schedule D).

The Ward Councillor has been notified as to the intentions of the Public Service.

If Council concurs in the recommendations of the Public Service, the sale may conclude in 2023 (subject to a successful rezoning application).

FINANCIAL IMPACT

Financial Impact Statement

Date: May 20, 2022

Project Name:

First Year of Program 2023

Proposed Sale of City-owned Property – 1520 Corydon Avenue (Former River Heights Library)

	2023	2024	2025	2026	2027
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 9,564	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	1,100,000	-	-	-	-
Net Cost/(Benefit)	$ (1,090,436)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(1,090,436)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represents cost of land sold consisting of the book value of the property ($9,093) and miscellaneous expenditures of $471. Incremental revenue represents the proposed purchase price of $1.1 million. The sale is anticipated to close in 2023 subject to a rezoning. Net proceeds of $980,436, after allocation of 5% of the gross sales price to each of the Gail Parvin Hammerquist Fund and Enhanced Land Marketing Program totaling $110,000, will be held in the Land Operating Reserve Fund for reinvestment in City-run recreation, leisure and libraries facilities in accordance with Council policy.

Mike McGinn May 20, 2022

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

The Subject City Property is located within the Areas of Stability – Mature Communities policy area within Complete Communities Direction Strategy. Mature Communities will accommodate mostly moderate growth and change that fits with the existing form and character of its location.

Supporting Direction and Enabling Strategies for Areas of Stability include the following:

- Promote a quality public realm with a high level of accessibility to community services and amenities and opportunities for gathering and social interaction.
- Support a mix of commercial services and employment uses that serve the community.
- Support the subdivision of a parcel of land into two or more lots when it is done in a context sensitive manner.
- Build upon the local heritage of mature neighbourhoods, including the sustainable reuse of existing building stock and other historic elements.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #4 – Land Use

3.1 Increase Strategic Infill Development That Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service

Strategic Opportunity #6 – Waste Reduction and Diversion

6.1 Reduce Consumption and Increase Waste Diversion from Residential, Commercial and Industry

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Kim Fox, Senior Negotiator
Date: May 27, 2022

File No: 660/C5

Attachments:

Schedule A – Terms and Conditions
Schedule B – Misc. Plan No. 12261/3
Schedule C – Evaluation Matrix
Schedule D – School Division Letter

Schedule A

Vendor: The City of Winnipeg;

Purchaser: Doheny Insurance Services Ltd.;

Price: $1,100,000.00;

Deposit: $165,000.00;

Lands to be sold: Subject City Property identified on Misc. Plan 12261/3;

Closing Date: The Date of Closing, Possession and Adjustments shall be sixty (60) days following the latest of:

(1) the Date of Approval; or
(2) the date that the rezoning application has been completed and approved and rezoning conditions have been satisfied; or
(3) the date of satisfaction or waiving of the Purchaser's Conditions;

or such other date as mutually agreed to by the parties and approved by the City's Director of Planning, Property and Development

Purchaser's Conditions:

i. The Purchaser to submit a rezoning application to rezone the Subject City Property for its intended use as commercial office space, within 60 days of the Date of Approval;
ii. 30 days to arrange financing;
iii. 30 days to complete a building inspection, satisfactory to the Purchaser; and
iv. A 2% commission payable to the Broker representing the Purchaser (to be deducted from the Purchase Price).

Other terms:

i. A discharge of caveat in favour of the Winnipeg School Division will be required in order to conclude the sale. The City will endeavor to gain a signed Consent to Discharge Caveat No. 180521/1 on or before the Closing Date; and
ii. An easement in favour of MB Hydro for its existing facilities.

Schedule B


CORDOVA ST
BROCK ST
CORYDON AVE
CORDOVA ST
1520
23.881
1510
61.021
4.5±
3.4±
60
59
27068
34.442
6.096 wide
SUBJECT CITY PROPERTY - 1520 CORYDON AVENUE
Area: 822.5± m² (8,854± ft²)
PROPOSED HYDRO EASEMENT - OVERHEAD LINES
Area: 136.0± m² (1,464± ft²)
Date: 2021-DEC-07
District: CC
File: 660-C-5
Scale: 1:800
Requested by: KF
Drawn by: IP
Reference Dwg No.: Misc. Plan No. 12261/2
Hydro Easement request - sketch.pdf
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.
AERIAL
(2021)
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 12261/3

Schedule C

Evaluation Matrix

Request for Proposal: 197-2021

Evaluation Matrix

Requirement	Doheny Insurance	Bidder 2	Bidder 3	Bidder 4
Total offering price, financial terms, and potential tax revenue generated by the proposed				
Total offering price, financial terms, and potential tax revenue generated by the proposed development	**46.50**	**25.00**	**20.55**	**9.00**
Detailed plan outlining the proposed development, including timeframe to complete				
Total for Detailed plan outlining the proposed development, including timeframe to complete	**15**	**6.67**	**10**	**10**
Experience and/or history of successful projects and endeavors carried out by the Proponent				
Total for Experience and/or history of successful projects and endeavors carried out by the Proponent	**10**	**0**	**0**	**0**
Proposed development being in alignment with OurWinnipeg Plan By-Law No. 67/2010 and Complete Communities Direction Strategy				
Total for Project Alignment with OurWinnipeg & Communities Direction Strategy	**11**	**8**	**12**	**10**
Proposed development being in alignment with the Winnipeg Climate Action Plan Direction Strategy				
Total for Proposed development being in alignment with the Winnipeg Climate Action Plan Direction Strategy	**0**	**0**	**0**	**0**
Total	**82.50**	**39.67**	**42.55**	**29.00**