Minute No. 775
Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – September 8, 2022

Item No. 3 Proposed Declaration of Surplus and Sale of the Former Markham Road Right-of-way (Parcel A Plan 17862) (Waverley West Ward)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. That, subject to approval from two-thirds of all Council members (pursuant to the Voting Requirements By-law 63/2021), the City-owned property located opposite of Markham Road on the east side of University Crescent, hereinafter identified as "Subject Property" on Misc. Plan No. 15594 (attached as Schedule A), be declared surplus to the needs of the City.

2. 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 the Subject Property be approved for the purchase price of $248,300.00, in accordance with the terms and conditions identified in Schedule C.

3. That the City enter into, execute and deliver a Purchase and Sale Agreement with The University of Manitoba, 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").

4. That Section 3.2G of the "Declaration as Surplus and Sale of Property" policy be waived and the net proceeds of the proposed sale of the Subject Property be credited to fund the Public Works Regional Street Renewal Project: University Crescent – Pembina to Chancellor Matheson (1804000221) and that the Capital Budget for the project be increased by that same amount.

5. 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, Heritage and Downtown Development – September 8, 2022

DECISION MAKING HISTORY:

Moved by Councillor Gilroy,

That the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 14, 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 September 8, 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 Declaration of Surplus and Sale of the Former Markham Road Right-of-way (Parcel A Plan 17862)

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Chappell (Acting)	J. Kiernan	C. Kloepfer	M. Geer, Acting CAO

EXECUTIVE SUMMARY

The Public Service recommends that the City-owned property located opposite of Markham Road on the east side of University Crescent and identified as “Subject Property” on Misc. Plan 15594 (attached hereto as Schedule A), be declared surplus to the needs of the City. If the property is declared surplus by two-thirds of Council (the site is zoned PR2), it is the intention of the Public Service to sell the land directly to The University of Manitoba – owner of the North Campus Lands.

The proposed sale price is below market value but provides consistent pricing compared to the City’s acquisition of the owner’s land arising out of DASZ 15/2022 for the widening of University Crescent (land requirements identified in Schedule B). The acquisition price of the owner’s land is prescribed within the Development Agreement Parameters.

The Ward Councillor was notified of the intentions of the Public Service and is supportive of the recommendations.

RECOMMENDATIONS

1. That, subject to approval from two-thirds of all Council members (pursuant to the Voting Requirements By-law 63/2021), the City-owned property located opposite of Markham Road on the east side of University Crescent, hereinafter identified as “Subject Property” on Misc. Plan No. 15594 (attached as Schedule A), be declared surplus to the needs of the City.

2. 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 the Subject Property be approved for the purchase price of $248,300.00, in accordance with the terms and conditions identified in Schedule C.

3. That the City enter into, execute and deliver a Purchase and Sale Agreement with The University of Manitoba, 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").

4. That Section 3.2G of the "Declaration as Surplus and Sale of Property" policy be waived and the net proceeds of the proposed sale of the Subject Property be credited to fund the Public Works Regional Street Renewal Project: University Crescent – Pembina to Chancellor Matheson (1804000221) and that the Capital Budget for the project be increased by that same amount.

5. 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 and amended on May 26, 2022, two-thirds approval from all members of Council is required to declare parkland surplus to the City's needs.

Two-thirds approval from all members of Council is required to dispose of parkland in accordance with Section 205(2) of The City of Winnipeg Charter.

IMPLICATIONS OF THE RECOMMENDATIONS

Should the Subject Property be declared surplus to the needs of the City, the site will be sold to the adjacent land owner (The University of Manitoba). 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 credited to the Public Works Regional Street Renewal Project: University Crescent – Pembina to Chancellor Matheson (1804000221). Sale proceeds will be used to offset the cost to acquire the road widening for University Crescent (approved through DASZ 15/2022 on July 21, 2022) which is a regional right-of-way. The Raw Land Value, as defined in the Development Agreement Parameters, will be applied to both the road acquisition and the sale of the Subject Property. Pending detailed design of University Crescent, the land required for the road widening will exceed the size of the Subject Property by approximately one-half acre.

If the Subject Property is sold and incorporated into DASZ 15/2022, the site will be used to widen University Crescent, provide access to building lots, form part of a Public Reserve and be consolidated with a riverbank holding for stabilization works.

HISTORY/DISCUSSION

The Subject Property is the former Markham Road right-of-way which was closed under By-law 3580/83 in 1983. The Subject Property measures 83,140 square feet and is zoned PR2. Based on the ownership and zoning of the site, it is deemed to be parkland under Parks By-law 85/2009.

The Subject Property lies within North Campus Lands Secondary Plan, a land mass which is almost entirely owned by The University of Manitoba. UM Properties LP, on behalf of The University of Manitoba, approached the City in 2020 to acquire the Subject Property in an effort to commence development of the North Campus Lands.

The Subject City Property was circulated to all City Departments and no civic need was identified. The Water and Waste Department indicated that a drainage easement is required if the City land were sold and the Public Works Department indicated that a portion of the site was required for transportation purposes (which will be accommodated through DASZ 15/2022 and identified in Schedule B).

The Public Service recommends that the Subject Property be declared surplus, subject to approval from two-thirds of all Council members. If the declaration of surplus is approved by Council, the Subject Property will be sold to The University of Manitoba. Section 3.2.B.i. of the "Declaration as Surplus and Sale of Property" states that:

The Public Service is authorized to pursue a Direct Sale, but is not obligated to do so, where at least one of the following criteria is met:

i. Unbuildable Land is sold to an adjacent owner(s)

• The purchase price of the City Property may be Market Value, or a lesser amount if the Purchaser, at their sole cost, consolidates the City Property with non-City Property through a Development Application;

An appraisal of the Subject Property indicated the highest and best use of the site would be for consolidation with the adjacent holdings for development. Two different appraisals were completed for the Subject Property based on various land configurations. The appraised values ranged from $1,000,000.00 to $1,500,000.00.

The proposed sale price of $248,300.00 is below market value in order to remain equitable with the purchaser. The City is required to purchase approximately two and a half acres of land from The University of Manitoba through DASZ 15/2022 for the widening of University Crescent (identified in Schedule B). The Development Agreement Parameters require that regional rights-of-way be purchased at the Raw Land Value – presently $130,000/acre. Rather than consider an amendment to the Development Agreement Parameters for the Raw Land Value (which would have a cascading effect on the development community), the Public Service recommends an adjusted sale price for the Subject Property. It is noted that regional rights-of-way are rarely purchased by the City within infill developments.

If the proposed sale is approved, the transaction is expected to conclude upon the registration of DASZ 15/2022 (anticipated completion in late 2023).

The Ward Councillor was notified of the intentions of the Public Service and is supportive of the recommendations.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 29, 2022

Project Name:

First Year of Program 2023

Proposed Declaration of Surplus and Sale of the Former Markham Road Right-of-way (Parcel A Plan 17862)

	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	$ 6,899	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	248,300	-	-	-	-
Net Cost/(Benefit)	$ (241,401)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(241,401)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent cost of land sold consisting of the book value of the property of $6,899. Incremental revenue represents the proposed purchase price of $248,300. The sale is anticipated to close in 2023 subject to a rezoning. Net proceeds of $216,571, after allocation of 5% of the gross sales price to each of the Gail Parvin Hammerquist Fund and Enhanced Land Marketing Program totaling $24,830, will be held in the Land Operating Reserve and credited to the Public Works Regional Street Renewal Project: University Crescent – Pembina to Chancellor Matheson (1804000221).

C. Turman, for
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)
Public Works Department

OURWINNIPEG POLICY ALIGNMENT

The development of the Subject Property will align with OurWinnipeg 2045 through the creation of a mixed use area within a major redevelopment site.

6.25 Mixed Use Centres: Designate Mixed Use Centres within the Urban Structure, representing the largest commercial areas in the city with the ability to accommodate major retail uses, and become pedestrian-oriented environments connected by integrated and sustainable transportation options, and offering a variety of housing, employment, amenities and services.

6.26 Major Redevelopment Sites: Designate Major Redevelopment Sites within the Urban Structure for land uses that provide a transformative, sustainable, well-designed and pedestrian-oriented urban environment, through a comprehensive and collaborative secondary planning process.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

4.1 Increase Strategic Infill Development that Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service
4.2 Ensure New Areas of Growth are Designed According to the Principles of Complete Communities
4.3 Pursue Transit-Oriented Development
4.4 Support Redevelopment of Former Commercial and Industrial Lands into Active Use

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

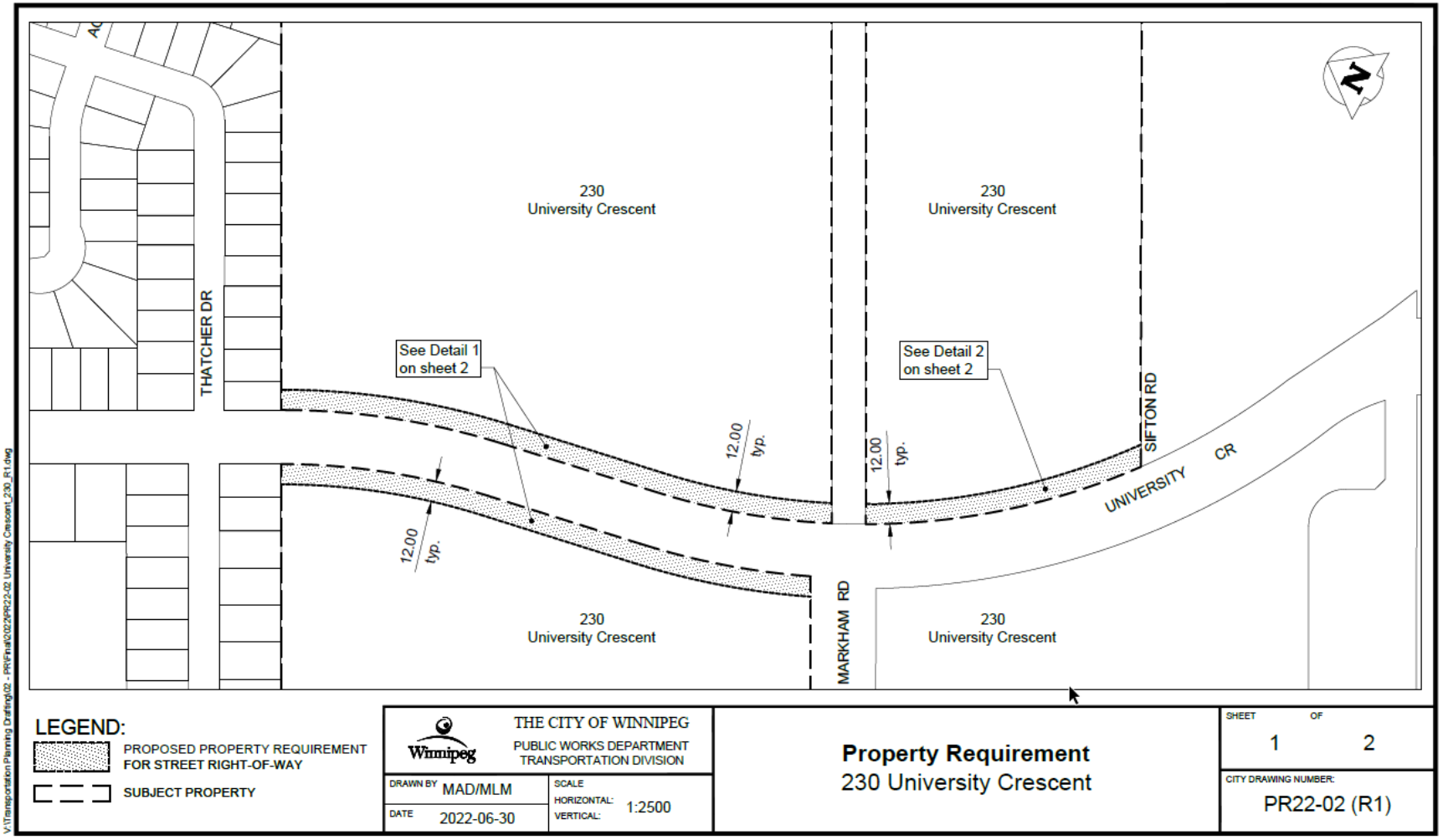
Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Gord Chappell, Real Estate Administrator
Date: August 2, 2022
File No: 5079

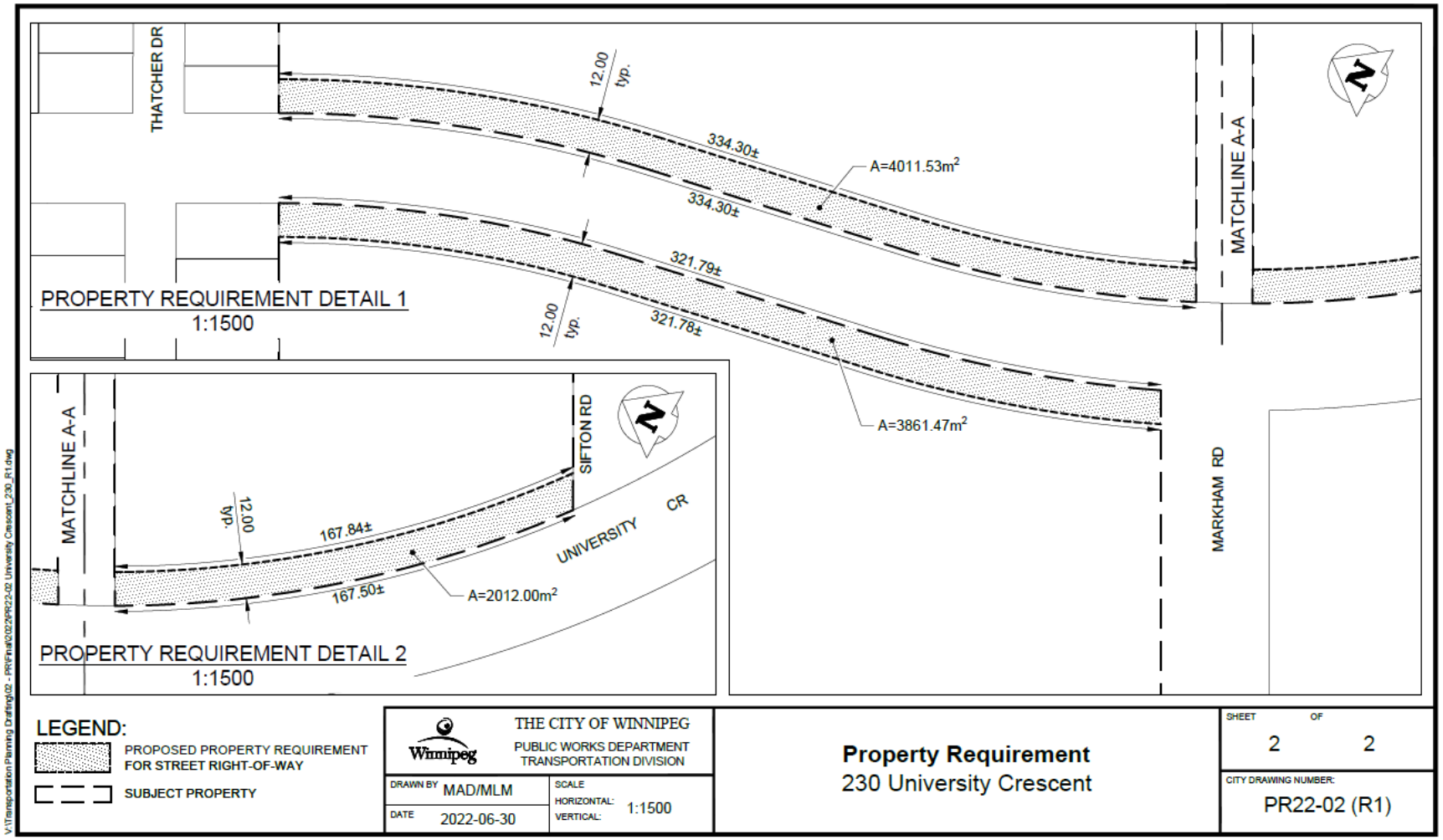
Attachments:
Schedule A – Misc. Plan 15594
Schedule B – Regional Road Acquisition through DASZ 15/2022
Schedule C – Proposed Terms and Conditions

Schedule A


RED RIVER
UNIVERSITY CRES
MARKHAM RD
SIFTON RD
SIDNEY SMITH ST
22535
17862
PT 1
PT 3
A
Date: 2020-JAN-14
District: ASBA
File: 5079
Scale: 1:2500
Requested by: JR
Drawn by: IP
Reference Dwg No.: As requested
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.
SUBJECT PROPERTY - PARCEL A, PLAN 17862
Area: 7,724± m² (83,140± ft²)
AERIAL (2018) METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 15594

Schedule B


230
University Crescent
230
University Crescent
230
University Crescent
230
University Crescent
THATCHER DR
See Detail 1
on sheet 2
See Detail 2
on sheet 2
12.00
typ.
12.00
typ.
12.00
typ.
SIFTON RD
UNIVERSITY CR
MARKHAM RD
N
LEGEND:
PROPOSED PROPERTY REQUIREMENT
FOR STREET RIGHT-OF-WAY
SUBJECT PROPERTY
THE CITY OF WINNIPEG
PUBLIC WORKS DEPARTMENT
TRANSPORTATION DIVISION
DRAWN BY MAD/MLM
DATE 2022-06-30
SCALE
HORIZONTAL: 1:2500
VERTICAL:
Property Requirement
230 University Crescent
SHEET 1 OF 2
CITY DRAWING NUMBER:
PR22-02 (R1)
V:\Transportation Planning Drafting\02 - PR/Final\2022\PR22-02 University Crescent_230_R1.dwg


THATCHER DR
12.00 typ.
334.30±
334.30±
A=4011.53m²
MATCHLINE A-A
321.79±
321.78±
12.00 typ.
A=3861.47m²
MARKHAM RD
PROPERTY REQUIREMENT DETAIL 1
1:1500
MATCHLINE A-A
SIFTON RD
12.00 typ.
167.84±
167.50±
A=2012.00m²
UNIVERSITY CR
PROPERTY REQUIREMENT DETAIL 2
1:1500
LEGEND:
PROPOSED PROPERTY REQUIREMENT FOR STREET RIGHT-OF-WAY
SUBJECT PROPERTY
THE CITY OF WINNIPEG
PUBLIC WORKS DEPARTMENT
TRANSPORTATION DIVISION
DRAWN BY MAD/MLM
DATE 2022-06-30
SCALE
HORIZONTAL: 1:1500
VERTICAL:
Property Requirement
230 University Crescent
SHEET 2 OF 2
CITY DRAWING NUMBER:
PR22-02 (R1)
V:\Transportation Planning Drafting\02 - PR\Final\2022\PR22-02 University Crescent_230_R1.dwg

Schedule C

Vendor:	City of Winnipeg
Purchaser:	The University of Manitoba
Land to be Sold:	Subject Property on Misc. Plan 15594
Purchase Price:	$248,300.00
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 subdivision and rezoning application (DASZ 15/2022) has been completed and approved and 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
Other terms:	Purchaser to grant the City a six metre drainage easement within Misc. Plan 15594 until such time that the easement is no longer required by the City