ADMINISTRATIVE REPORT

Title: Transfer of Park Land from the Province of Manitoba to the City of Winnipeg transaction requirement for IFC Review

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Egert Acting City Auditor	J. Egert Acting City Auditor		

EXECUTIVE SUMMARY

Due to the legislation in place at the time of subdivision, numerous City parks are vested in the name of the Province of Manitoba rather than the City of Winnipeg. The Province of Manitoba has a procedure in place to facilitate nominal transfers of properties which should be rightly held by the local municipality. The transfers will have no impact to Parks programming or maintenance and are simply a housekeeping matter. The cost to complete the transfers is estimated to be up to $75,000 which will be funded through a Public Works Department operating budget account (001-583010-181516).

This acquisition transaction is an atypical transaction. The Province has a policy/framework in place to dispose of park property that should rightfully be owned by the municipality but due to legislative requirements at the time of creation, are vested in the name of the Province. This transaction does not include a contract and the City's risk is virtually unchanged since the City has had care, custody and control of the property for decades. Legal Services advised Planning, Property and Development their (Legal Services) review of the transaction was not required since it is a housekeeping matter. For these reasons the transaction does not meet the intent of the criteria for eligibility for review by Independent Fairness Commissioner(IFC) and as such will not be subject to IFC review.

RECOMMENDATIONS

1. That the report be received as information.

REASON FOR THE REPORT

The Acquisition of Property policy, adopted by Council on September 29, 2021, requires that the acquisition of non-City property must form part of a Council-approved land acquisition program. This type of transaction (acquisition) would typically require review by the IFC.

IMPLICATIONS OF THE RECOMMENDATIONS

The transaction will not be subject to review by the Independent Fairness Commissioner.

HISTORY/DISCUSSION

The initial Independent Fairness Commissioner (IFC) mandate requested the IFC review all real estate transactions and management services. This has resulted in the IFC completing compliance audits on transaction types that are low risk to the City. Examples of these transaction types include easements, encroachments and license agreements.

On May 29, 2020 Council approved the IFC mandate be revised to focus on a limited number of transaction types which would include: sales, acquisitions, land exchanges and leases.

Sale Transactions:

- Sale of City-owned property with a transaction price of $500,000+
- Sale at a transaction price less than 95% of the appraised value
- Sale of property not through a public offering (with the exception of the sale of small lots, pedestrian walkways, closed lanes and similar parcels of land to an adjacent property owner)
- Sale at a transaction price of $1.00 or at a non-market rate
- Sale to a non-profit organization at less than market value
- Sale of any City-owned property designated/zoned or under the jurisdiction as park land that require approval by a 2/3 vote of Council

Acquisition Transactions:

- Acquisition of property with a transaction price of $100,000+ for property identified under a Council approved project
- Acquisition of property that is not part of a Council approved program or project, or where the project has not yet been adopted by Council
- Acquisition by way of property donation to the City

Land Exchange Transactions

- All Land exchanges

Lease Transactions:

- Lease where the City is the Lessee and the term is more than 10 years with a gross value of $1,000,000+
- Lease where the City is the Lessor and the gross value of the lease is $500,000+
- Lease where the City is the Lessor where the lease is not based on current market value or is based on a term of 5+ years

Transfer of Park Land from the Province of Manitoba to the City of Winnipeg

During an inventory review of all City land in 2021, it was discovered that numerous City parks were legally owned by the Province of Manitoba. Internal databases identified the City as the beneficial owner of the properties noted in Schedule A but Her Majesty the Queen (Manitoba) is the legal registered owner on Title.

In total, 30 park properties will be transferred to the City at a nominal cost of $1.00 plus registration/transfer fees. The park properties in question were legally created between 1909 and 1965 through various Plans of Subdivision. The Public Service is not aware of any other park properties which should be transferred from the Province.

This acquisition transaction is an atypical transaction. The Province has a policy/framework in place to dispose of park property that should rightfully be owned by the municipality but due to legislative requirements at the time of creation, they are vested in the name of the Province. This transaction does not include a contract and the City's risk is virtually unchanged since the City has had care, custody and control of the property for decades. Legal Services advised Planning, Property and Development their (Legal Services) review of the transaction was not required since it is a housekeeping matter. For these reasons the transaction does not meet the intent of the criteria for eligibility for review by Independent Fairness Commissioner (IFC) and as such will not be subject to IFC review.

FINANCIAL IMPACT

Financial Impact Statement

Date: December 22, 2022

Project Name:

Eligibility of Transfer of Park Land from the Province of Manitoba to the City of Winnipeg transaction for IFC Review

Comments:

There are no financial implications associated with receiving this report as information. The cost associated with the property transfer is estimated at $75,000 and will be funded by existing Public Works Department operating budget.

Jocelyn Peters - December 22, 2022

Jocelyn Peters, CPA, CGA
Manager of Finance and Admin. (Campus)

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

1. Establish and implement priority actions through evidence-informed decision-making processes.

2. Promote trust and government responsiveness through meaningful, inclusive and informed community engagement.

3. Achieve community-responsive service delivery through an aligned, integrated, collaborative and results-oriented organizational culture.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The City of Winnipeg Audit Department provides assurance on the efficiency, effectiveness and economy of City programs and activities, thus enabling an organizational operating environment that promotes support of the vision and targets of the Winnipeg Climate Action Plan.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Audit Department
Prepared by: Jason Egert, Acting City Auditor
Date: December 22, 2022

ATTACHMENTS: N/A