Minute No. 469
Report - Standing Policy Committee on Property and Development - July 9, 2004

Item No. 12 **Sale/Exchange of Lands - southeast corner Henderson Highway and Douglas Avenue - 2261324 Manitoba Ltd. (Canada Safeway) File FI-2.4(33)**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 the Subject City Property, shown on Misc. Plan No. 10858/12, be declared surplus to the City's requirements.

2. That the sale of the lands shown as "Subject City Property" to 2261324 Manitoba Ltd. (Canada Safeway) be approved for the price of $47,150.00 in accordance with the terms and conditions of the Offer to Purchase.

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

Minutes - Executive Policy Committee - July 14, 2004

Report - Standing Policy Committee on Property and Development - July 9, 2004

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On July 9, 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: Sale/Exchange of Lands at Southeast Corner of Henderson Highway and Douglas Avenue, with 2261324 Manitoba Ltd. (Canada Safeway)

For submission to: Standing Policy Committee on Property and Development

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

Report date: June 25, 2004

Recommendation(s):

1. That Council declare the Subject City Property as shown on Misc. Plan No. 10858/12 surplus to the City's requirements.

2. That the sale of the lands shown as "Subject City Property" to 2261324 Manitoba Ltd. (Canada Safeway) be approved for the price of $47,150.00, in accordance with the terms and conditions of the attached Offer to Purchase.

REPORT SUMMARY

Key Issues:

The Subject City Property is part of the lands that have been reserved for the eastern extension of the Chief Peguis Trail. The Transportation Division of the Public Works Department has identified the Subject City Property as surplus to their requirements for street right-of-way. They have also identified the property shown as "Property required for Street Right-of-Way" on Misc. Plan No. 10858/12 as required for a future widening of Henderson Highway.

The Planning, Property and Development Department is in receipt of an Offer to Purchase the Subject City Property from Canada Safeway.

The price offered and terms and conditions of the Offer to Purchase have been negotiated with Canada Safeway and are acceptable to the Planning, Property and Development Department.

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):

The Real Estate Division has not carried out an Environmental Site Assessment of the subject property. Should the Standing Policy Committee on Property and Development approve the sale of the Subject Property, the Purchaser will have the ability to conduct this investigation pursuant to the proposed terms of sale. 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.

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):

REASON FOR THE REPORT:

The Planning, Property and Development Department is in receipt of an Offer to Purchase the Subject City Property, which requires the approval of the Standing Policy Committee on Property and Development.

HISTORY:

The property shown as "Subject City Property" on Misc. Plan No. 10858/12 is part of the lands that have been reserved for the eastern extension of the Chief Peguis Trail. The Transportation Division of the Public Works Department has identified the Subject City Property as surplus to their requirements for street right-of-way. They have also identified the property shown as "Property required for Street Right-of-Way" on Misc. Plan No. 10858/12 as being necessary for a future widening of Henderson Highway.

The Planning, Property and Development Department is in receipt of an offer to purchase the Subject City Property. Details are as follows:

Location: Part of the public right-of-way adjacent to the southeast corner of Henderson Highway and Douglas Avenue as shown on Misc. Plan No. 10858/12 (adjacent to the Safeway store at 1441 Henderson Highway)
Size: 4031/4 sq. metres (43,395 sq. ft.)

Zoning: The Safeway Shopping Centre lands are zoned C-4 Commercial and it is anticipated that the Subject City Property will be zoned C-4 Commercial upon approval of the closing and enactment of the closing by-law.
Price Offered: $47,150.00
Appraised Value: $47,150.00
Deposit: $7,073.00
Purchaser: 2261324 Manitoba Ltd. (Canada Safeway)
Date of closing: On or before 210 days from the date of Committee approval of the sale.
Briefly, the terms and conditions of the Offer are as follows:

The Sale is subject to enactment of the closing by-law.

The Purchaser is responsible for all activities and associated costs to create a plan of subdivision and the legal closing of the public right-of-way.

The Offer is subject to:
the Purchaser being satisfied with the title, zoning and environmental condition of the lands, approval of the Real Estate Committee of Safeway Inc.

The Purchaser is required to:

consolidate the title to the subject property with the title to the adjacent lands (Lot 6 Plan 20662), dedicate to the City, the property shown as "Property Required For Street Right-of-Way" on Misc. Plan No. 10858/12.

DISCUSSION:

The right-of-way is currently in the name of the Crown (Her Majesty the Queen). When the closing By-law is enacted, the right-of-way automatically reverts into the name of the City of Winnipeg.

The price offered and the terms and conditions of the Offer to Purchase have been negotiated with Canada Safeway and are acceptable to the Planning, Property and Development Department.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:
No consultation was required in the preparation of this report.
This report submitted by:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 7422
Document name: o:\reports directive\real estate\sales\(ga)sale-exchs.e.corhend&doug.doc

Financial Impact Statement

Date: June 16, 2004

Project Name:

Sale/Exchange of Lands at Southeast Corner of Henderson Highway and Douglas Avenue With 2261324 Manitoba Ltd. (Canada Safeway)

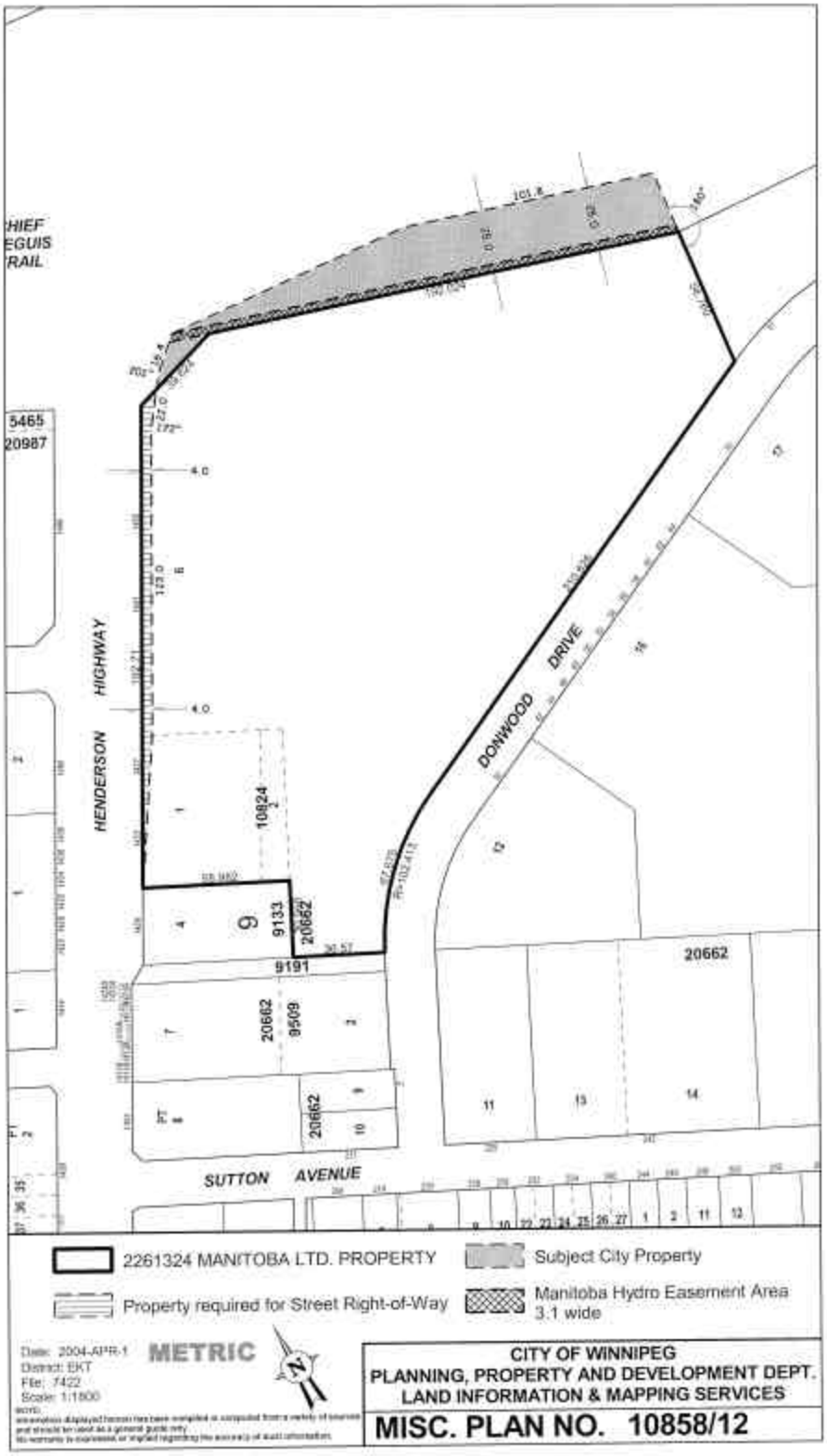
First Year of Program 2004

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
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	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	47,150	910	910	910	910
Net Cost/(Benefit)	$ (47,150)	$ (910)	$ (910)	$ (910)	$ (910)
Less: Existing Budget Amounts	-	-	-	-	$ -
Net Budget Adjustment Required	$ (47,150)	$ (910)	$ (910)	$ (910)	$ (910)

Additional Comments:

The incremental recovery in 2004 represents the purchase price of the property. The $910 per annum from 2005 to 2008 represents the municipal portion of property taxes resulting from the subject property being added to the real property roll. In determining property tax revenue, it was assumed that the subject property will be added to the assessment roll effective January 1, 2005, that the assessed value will be $47,150, and that the portioning rate and municipal mill rate will remain constant at 65% and 0.029686 respectively. This revenue will be incremental to that budgeted by the Corporate Finance Department.

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


HIEF
EGUIS
RAIL
5465
20987
HENDERSON HIGHWAY
DONWOOD DRIVE
SUTTON AVENUE
10824
9133
20662
9191
9509
2261324 MANITOBA LTD. PROPERTY
Subject City Property
Property required for Street Right-of-Way
Manitoba Hydro Easement Area
3.1 wide
Date: 2004-APR-1
District: EKT
File: 7422
Scale: 1:1800
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 10858/12

File No: 7422

INDUSTRIAL/COMMERCIAL

OFFER TO PURCHASE

The Undersigned (hereinafter called "the Purchaser") hereby offers to purchase from The City of Winnipeg (the "City") the following lands: -

The subject City property as shown on Misc. Plan No. 10858/12

(hereinafter called the "Lands")

for the sum of $47,150.00 cash, and upon the following terms and conditions:

1. (1) Attached to this Offer is the Purchaser's cheque payable to "The City of Winnipeg" in the amount of $7,073.00, and represents an amount equal to fifteen (15%) percent of the purchase price which the Purchaser tenders by way of deposit, and which sum shall be applied to the purchase price if the sale is approved by the City's Standing Policy Committee on Property and Development and/or City Council (in the event that Council approval is required). The Purchaser agrees to pay the balance of the purchase price, interest and adjustments on or before the date of closing.

(2) If the Purchaser fails to pay the balance of the purchase monies, interest and adjustments on or before the date of closing as in sub-clause (1) above provided, the City may, at its option, cancel the sale and retain the deposit as liquidated damages.

2. (1) The date of Closing, Possession and adjustments shall be on or before 210 days from the date of approval of the sale.

(2) The Purchaser agrees to pay as an adjustment an amount equal to the total of such taxes, rates and charges which would have been levied or charged against the Lands as though the Lands had been entered on the assessment rolls of the City as privately owned and subject to taxation, which adjustment shall be calculated from the date of adjustments to and including the last day of the current taxation year.

(3) The Purchaser shall pay interest in lawful money of Canada on all monies remaining outstanding and payable to the City as of the date of adjustments, which interest shall be calculated at the rate per annum equivalent to the prime lending rate in force by the City's Banker at the date of adjustments plus one (1%) percent, computed from the date of adjustments to and including the date all such monies and interest as aforesaid have been fully paid to the City.

3. The Purchaser agrees to pay to the City all Goods and Services Tax applicable on the sale of the Lands or, if the Purchaser is a registrant under the Goods and Services legislation, the Purchaser shall advise the City in writing of its registration number. The Goods and Services Tax is to be paid or the registration number provided to the City on or before the date of closing. The Purchaser hereby advises the City that its registration number is 120973565RT00001.

4. The Purchaser will obtain possession of the Lands at the Purchaser's own expense.

5. The Purchaser will accept title to the Lands subject to all exceptions, reservations and encumbrances presently expressed or implied in the title to the Lands, provided that when the Plan of Subdivision has been prepared and upon the passing of the closing by-law, the City will provide the Purchaser with a copy of a title search for the Lands and in the event there are any exceptions, reservations or encumbrances expressed or implied in the title to the Lands in addition to those presently existing, which are not acceptable to the Purchaser and the City is unable or unwilling to discharge from title, the Purchaser shall be entitled to cancel the within purchase and the City shall thereupon return all monies paid by the Purchaser to the City to that date for the purchase of the Lands as provided in clause 1(1). The Purchaser acknowledges and agrees that a caveat or caveats may be filed against the title to the Lands pursuant to clause 10 of this agreement and that such caveat or caveats shall be acceptable to the Purchaser."

6. The sale of the Lands to the Purchaser shall be subject to the provisions of the By-laws of the City of Winnipeg and all amendments thereto. Furthermore the Purchaser acknowledges and understands that it's proposed use and development of the Lands may require applications for rezoning, variances or conditional uses and/or amendments to Plan Winnipeg, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of the Purchaser.

7. The Purchaser agrees that the City may register and maintain a caveat against the Lands to ensure the performance of the covenants on the part of the Purchaser herein set forth, and the Purchaser agrees to grant and does hereby grant to the City an interest in the Lands according to the tenor of this Offer.

8. Upon closing of the sale, the Purchaser agrees to make application to the City Assessor (in form set out in Exhibit "A" attached) to have the Purchaser's name added to the Assessment Roll of the City as the Real Owner in respect of the Lands.

9. The Purchaser agrees that in the event the Purchaser, at its sole cost, conducts or causes to be conducted an Environmental Site Assessment of the Lands, it shall

(1) ensure that all work done in connection with such Environmental Site Assessment is completed no later than one hundred and eighty (180) days from the Date of Approval, and

(2) maintain the Lands in safe condition at all times during the conduct of any work done in pursuance of this Clause 9; and

(3) restore the Lands to the same condition as prior to its entering in or upon same in pursuance of this Clause 9; and

(4) indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such Environmental Site Assessment and/or soil testing (excluding any damages or claims relating to any contamination discovered on or under the Lands); and

(5) provide copies of any such Environmental Site Assessment and/or Report concerning soil testing of the Lands to the City for its own use, at no cost to the City, it being understood that the Purchaser will not warrant the accuracy of such documents, provided, however, that the Purchaser shall instruct the consultant performing the Environmental Site Assessment to prepare the Environmental Site Assessment for and on behalf of and to provide a copy thereof to both the Purchaser and the City."

AND in the event it is determined as a result of said Environmental Site Assessment, that contamination levels exceed Provincial Environmental Standards for the intended use of the Lands and documentation to that effect is produced to the City within one hundred and eighty (180) days following the Date of Approval, the City, at its sole option, shall be entitled to:

take remedial action to bring the contamination levels to within the Provincial Environmental Standards;

OR

cancel the sale and return all monies paid in respect of the proposed sale by the Purchaser to that date, PROVIDED that the Purchaser shall have first satisfied all conditions of this Clause

AND FURTHER if the City has not been advised of any non-compliance of the Lands to Provincial Environmental standards within 180 days from the Date of Approval, then provided the conditions in Section 13 are satisfied or waived and the Purchaser is not aware of any such non-compliance, the Purchaser agrees to complete its purchase as herein contemplated and to indemnify the City against any and all claims arising from or in any way connected with the existence of contaminants of any kind at the Lands.

10. (1) The Purchaser agrees that the sale of the Lands shall be subject to any easement which may be required by a public utility, including, but not limited to the Manitoba Hydro, Manitoba Telephone System, Centra Gas, or The City of Winnipeg, for the maintenance of existing and future facilities together with the right to enter upon the Lands at any time, with or without equipment for said purposes and subject to the owner covenanting not to erect or cause to be erected upon the easement area any building or structure without the prior written consent of the public utility or The City of Winnipeg requiring such easement.

(2) The Purchaser agrees to enter into agreements satisfactory to the said utilities or the City of Winnipeg.

(3) The Purchaser acknowledges that the City may grant the easements before the Transfer of Land issues.

11. The Purchaser acknowledges and agrees that notwithstanding any other terms, conditions or provisions in this agreement that:

(1) the City has given no representations or warranties with respect to the Lands or with respect to the value thereof or with respect to the Purchaser's intended uses or development or redevelopment thereof or with respect to the environmental condition of the Lands;

(2) the Purchaser has inspected or investigated the Lands, the title thereto, any tenancies and all other matters material to the Purchase and the proposed use of the Lands and that it is relying solely upon its own independent inquiries and investigations and the advice of its own consultants and there are no representations, warranties, guarantees, conditions, collateral agreements, covenants and agreements except those expressly set forth herein;

(3) the Purchaser agrees that it is purchasing the Lands on an "as is", "where is" basis, and is purchasing the Lands based entirely on its own examinations without any representation by or on behalf of the City or any agent of the City. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Lands;

(4) any information supplied to the Purchaser by the City or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be the responsibility of the Purchaser; and

(5) the Lands are deemed to be taken by the Purchaser at the Purchaser's own risk with all faults and imperfections whatsoever. The Purchaser agrees with the City that the application of "Buyer Beware" shall apply to the offer in the strictest meaning.

12. It is further understood and agreed between the parties that:

(a) The Purchaser agrees to be fully responsible for all activities and associated costs to create a Plan of Subdivision and the legal closing of streets and lanes if necessary including:

(i) the cost of preparation and registration of the subdivision, easement and closing plans;

(ii) any and all costs associated with the legal and physical closing of the open right-of-way; and

(iii)any dedication fees payable in connection with the creation of this subdivision.

(b) The Purchaser will be responsible for all costs of developing the Lands including the servicing of the Lands;

(c) The Purchaser will be acquiring the Lands in an "as-is, where-is" condition and has satisfied itself as to soil conditions zoning, access and environmental concerns;

(d) The Purchaser will be responsible for any and all costs associated with applications related to zoning, variances and conditional uses including application and processing costs and the payment of any dedication fees owing;

(e) The Purchaser and the City shall each pay their own legal and other consultant's fees with respect to this sale.

13. It is understood and agreed that title to the property shown as "subject City property" on Misc. Plan No.10858/12 is to be consolidated with the title to Lot 6 Plan 20662.

14. It is understood and agreed that the Purchaser will dedicate to the City on demand, free and clear of all encumbrances, for road opening / widening purposes the lands shown as "property required for street right of way" on Misc. Plan No. 10858/12, containing approximately 670.9 Square Meters at no cost to the City. The Purchaser agrees to be fully responsible for all costs associated with the plan of survey to effect the dedication.

15. Time shall be of the essence of this Offer.

16. The Purchaser will not file any caveat or other encumbrance against the Lands before the transfer of the Lands to the Purchaser.

17. The word "Purchaser" shall have a plural meaning in the event that more than one party is making this offer, and the masculine shall mean the feminine or neuter as the case may be.

18. The Purchaser is hereby advised that soil conditions in Winnipeg are of the glacial till variety which are composed of Lacustrine Clays with Silt Intrusions. The Purchaser shall be responsible for any increased costs of development due to this random stratification.

19. The Purchaser acknowledges and agrees that sale of the Lands by the City is subject to the approval of City Council or its delegated authority.

20. the full, true and correct name and address of the Purchaser is:

2261324 Manitoba Ltd., 1020 – 64th Avenue N.E., Calgary, AB T2E 7V8

IN WITNESS WHEREOF the Purchaser has signed this document in Calgary, Alberta, this _____ day of June, 2004.

2261324 MANITOBA LTD.

Per: _____
Earl Brown, Vice President, Real Estate

Per: _____
Bruce Bowman

ACCEPTED this _____day of _____, 2004

THE CITY OF WINNIPEG

Per: _____
DIRECTOR

Planning, Property and Development Department

Approved:

_____

Planning, Property and Development Department

Certified as to form:

_____

for City Solicitor/Manager of Legal Services

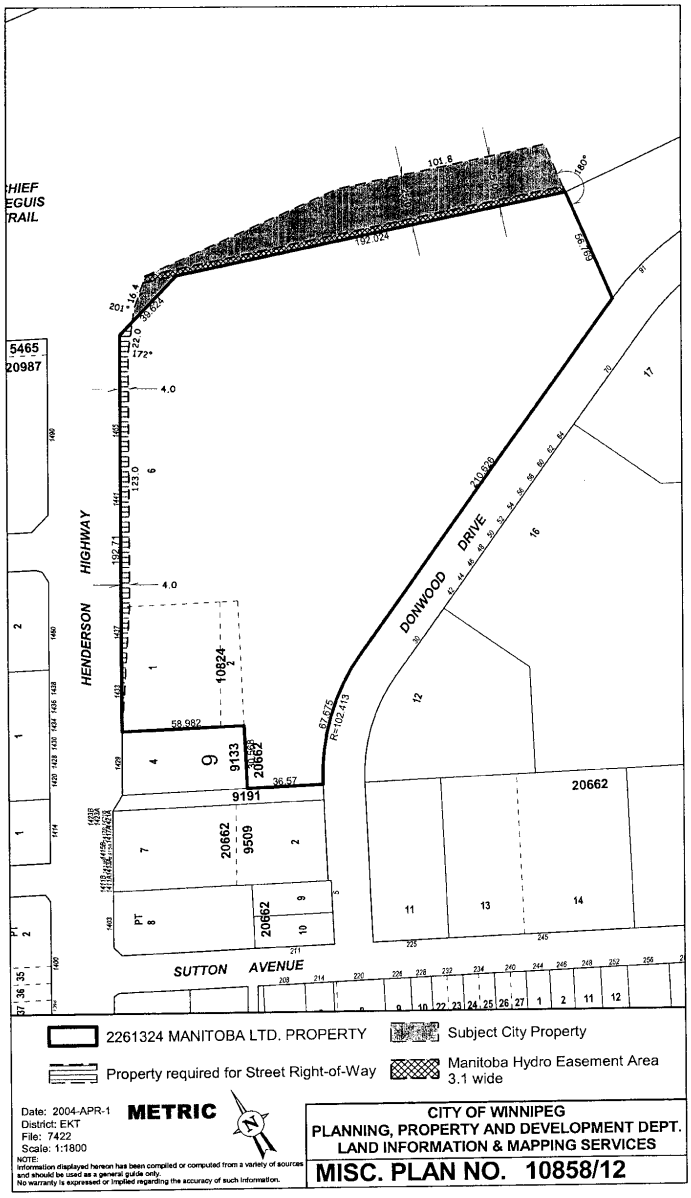

HIEF
EGUIS
RAIL
HENDERSON HIGHWAY
DONWOOD DRIVE
SUTTON AVENUE
5465
20987
10824
9133
20662
9191
9509
20662
20662
R=102.413
67.675
58.982
36.57
210.626
192.024
101.8
180°
56.769
172°
4.0
123.0
192.71
2261324 MANITOBA LTD. PROPERTY
Subject City Property
Property required for Street Right-of-Way
Manitoba Hydro Easement Area
3.1 wide
Date: 2004-APR-1
District: EKT
File: 7422
Scale: 1:1800
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. 10858/12

EXHIBIT "A"

Real Owner Application

To the City Assessor

_____ Roll No. _____
(Name of Municipality)

1. I/We_____
(Print Full Name)

   request that my/our name(s) appear in the Assessment Roll of the City of Winnipeg in respect to the following property, pursuant to Section 12(1) of "The Municipal Assessment Act", Cap. M 226 S.M..

2. Description of Properties: (Give description of all property in respect of which you wish your name to appear).

Part of Lot or Section	Lot or Section	Block or Township	Plan or Range	Interest in Property

DRAFT

3. Mailing Address_____

4. Place of Residence_____

5. Name and Address of Registered Owner_____
(Print)

   _____
(Print)

6. Description of building on property:

   Dwellings _____

   Other Buildings _____

7. Date of Purchase _____ 8. Purchase Price_____

   Date: _____ 200 ___ _____
(Signature of Applicant)

Office of the City Assessor
The City of Winnipeg _____
(Signature of Registered Owner)