Minutes - Executive Policy Committee - July 14, 2004

Minute No. 470
Report - Standing Policy Committee on Property and Development - July 9, 2004

Item No. 13 **Kenaston Grade Separation – Centra Gas (Manitoba) Inc. - southeast corner of Kenaston Boulevard and Wilkes Avenue - Land Exchange and Sale**
Files FI-2.4(31), FI-2.4.4.1 and SC-4

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 City-owned lands identified as "Surplus City Property" and "Proposed Exchange Property" on Misc. Plan No. 9178/17 be declared surplus to the City's requirements.

2. That a land exchange and sale with Centra Gas (Manitoba) Inc. be approved in accordance with the terms and conditions outlined in Schedule "A" to the report from the Director of Planning, Property and Development dated June 25, 2004.

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 - 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: Kenaston Grade Separation – Centra Gas (Manitoba) Inc. - Property At The Southeast Corner Of Kenaston Boulevard And Wilkes Avenue – Proposed Land Exchange And Sale
Assiniboine Community
Charleswood-Tuxedo Ward

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 the City-owned lands identified as "Surplus City Property" and "Proposed Exchange Property" on the attached Misc. Plan No. 9178/17 be declared surplus.

2. Subject to the approval of Recommendation 1. above, that a proposed land exchange and sale with Centra Gas (Manitoba) Inc. be approved in accordance with the terms and conditions as outlined on the attached Schedule "A".

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 City requires the "Proposed Acquisition Properties" identified on the attached Misc. Plan No. 9178/17 to accommodate the Kenaston Underpass and Sterling Lyon Parkway.
The City requires a "Temporary Construction Easement" identified on the attached Misc. Plan No. 9178/15 to accommodate a roadway detour during the construction of the Kenaston Underpass.

The lands identified as "Surplus City Property" and "Proposed Exchange Property" on the attached Misc. Plan No. 9178/17 are both surplus to City's needs.

The Real Estate Division has negotiated a proposed land exchange and sale, and is recommending the associated terms of the transaction 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 acquisition.

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 has negotiated terms and conditions of a proposed land exchange and sale with Centra Gas (Manitoba) Inc. Council's approval is required for land exchanges and sales when Council has not previously determined the program.

HISTORY:

At its meeting held on March 28, 2003, Council adopted the 2003 Capital Budget. Included in the approved budget was an allocation for engineering designs and property acquisitions for the Kenaston Underpass Project.

In April 2003, the Public Works Department requested the Real Estate Division to commence negotiations to acquire the necessary lands required to accommodate the Kenaston Underpass, as well as the Sterling Lyon Parkway.

As part of the land acquisition program, the Public Works Department identified two portions of the Centra Gas (Manitoba) Inc. property (hereinafter called Centra Gas property), shown as "Proposed Acquisition Properties" on the attached Misc. Plan No. 9178/17 as being required. The parcel of land at the southeast corner of Wilkes Avenue and Kenaston Boulevard will accommodate a northbound turning lane onto Wilkes Avenue. The parcel required at the southeast corner of the Centra Gas property will accommodate part of the Sterling Parkway.

Also, the Public Works Department identified a need for a "Temporary Construction Easement" as illustrated on the attached Misc. Plan No. 9178/15. This temporary easement is required for the construction of a north/south roadway detour to be used during the construction of the Kenaston Underpass.

The Public Works Department advised that the lands under its jurisdiction, identified as "Proposed Exchange" and "Surplus City Property" on the attached Misc. Plan No. 9178/17, are surplus to its needs and could be used in a land exchange with Centra Gas.

Negotiations for a proposed land exchange and sale have been completed and Centra Gas has concurred with the terms and conditions contained in the attached Schedule "A" dated June 8, 2004.

DISCUSSION:

In November 2003, the Real Estate Division presented Centra Gas with a proposal for a land exchange and sale. This proposal involved equal land for equal land, identified on the attached Misc. Plan No. 9178/17 as "Proposed Acquisition" and "Proposed Exchange". The proposal also included Centra Gas purchasing the surplus City lands identified as "City Property" on the attached Misc. Plan No. 9178/17.

Several meetings and discussions ensued regarding the proposed land exchange and sale. The Real Estate Division provided Centra Gas with copies of the external real estate appraisals completed on both the Centra Gas property, and the surplus City-owned properties.

In February 2004, the Public Works Department identified a requirement for a "Temporary Construction Easement" as identified on the attached Misc. Plan 9178/15. The Real Estate Division sent Centra Gas a proposal for a temporary easement.

Centra Gas has completed a review of the proposal and has advised that it concurs with the terms and conditions of the proposed land exchange and sale contained within the attached Schedule "A"' dated June 8, 2004.

Negotiations are still ongoing for the temporary construction easement. Once an agreement has been reached with Centra Gas, the Director of the Property, Planning and Development Department has the delegated authority to approve the agreed upon terms and conditions of the easement agreement.

The proposed sale price of the surplus "City Property" has been discounted to reflect the poor configuration and limited development capabilities. The Real Estate Division is of the opinion the highest and best use for the surplus land would be to consolidate it with the Centre Gas holding, thus, allowing it to be included in any future development of the site. The Public Works Department has advised that it would not support access into the surplus land and would also recommend it be consolidated with the adjoining property.

The Real Estate Division is of the opinion that the proposed land exchange and sale are reasonable and well supported by an external appraisal and would, therefore, recommend that the City complete the transaction in accordance with the terms and conditions within the attached Schedule "A".

Net proceeds from this transaction, which involves surplus transportation property, will be credited to the Land Acquisition Transportation Right-of-Way Account in accordance with Council's instructions of October 6, 1982.

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
Prepared by: Karen Cann
PPD File #: 7813/8

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

Financial Impact Statement

Date: June 15, 2004

Project Name:

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	62,000	-	-	-	-
Net Cost/(Benefit)	$ (62,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (62,000)	$ -	$ -	$ -	$ -

Additional Comments:

The $62,000 in proceeds from the sale of the subject property identified on Misc. Plan No. 9178/17 is to be credited to the Land Acquisition Transportation Right-of-Way Account in accordance with Council's instructions of October 6, 1982.

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

June 8, 2004

SCHEDULE "A"

1. The City of Winnipeg and Centra Gas (Manitoba) Inc. ("Centra Gas") to enter into an equal exchange of lands whereby the lands are deemed to be of equal value and, as such, there will be no transfer of funds between the parties. The exchange shall consist of the City of Winnipeg owned "Proposed Exchange Property" and the Centra Gas "Proposed Acquisition Properties" each identified on the attached Misc. Plan No. 9178/17 and legally described as Parcel B, Plan 9244 WLTO.

2. Centra Gas (Manitoba) Inc. to purchase the property shown as "Surplus City Property" on the attached Misc. Plan No. 9178/17 for an all inclusive purchase price of SIXTY-TWO THOUSAND, ($62,000.00) DOLLARS.

3. The properties to be conveyed to each party free and clear of any liens and/or encumbrances except public utilities thereon.

4. The date for vacant possession - free of leasehold interest and adjustment of taxes, to be the date that a Caveat is filed by the City of Winnipeg in the Winnipeg Land Titles Office respecting a duly executed Purchase/Sale Agreement to be prepared by the City Solicitor regarding this transaction or by mutual agreement.

5. Centra Gas, upon 48 hours notice, consents to allow the City of Winnipeg or its contractor to enter and construct upon the "Proposed Acquisition Properties" at any time hereafter.

6. The City of Winnipeg and Centra Gas to the best of their knowledge declares that the "Proposed Acquisition Properties", the "Proposed Exchange Property" and the "Surplus City Property" comply with all applicable environmental laws, regulations and by-laws and further acknowledges and accepts that should the City of Winnipeg or Centra Gas determine that there are environmental concerns or contamination it may elect to cancel the proposed purchase.

7. The City of Winnipeg and Centra Gas may supply copies of any environmental studies undertaken on the "Proposed Acquisition Properties", the "Proposed Exchange Property" and the "Surplus City Property".

8. The City of Winnipeg to attend to any and all survey work required by the Winnipeg Land Titles Office in order to dedicate the "Proposed Acquisition Properties" as Street Right-of-Way at no cost to Centra Gas.

9. Each party hereto shall be responsible for their own legal costs.

10. Neither Centra Gas nor the City of Winnipeg shall remove any top soil or allow any dumping on the "Proposed Acquisition Properties", the "Proposed Exchange Property" or the "Surplus City Property".

11. Centra Gas agrees to enter into an appropriate Purchase/Sale Agreement with the City of Winnipeg embodying the within terms and conditions and in a form satisfactory to both the City of Winnipeg's Solicitor and Centra Gas's Solicitor; it is further acknowledged that the Purchase/Sale Agreement will be filed as a Caveat against Centra Gas's Title pending registration of the necessary street opening plan by the City of Winnipeg.

12. Centra Gas agrees that the "Proposed Acquisition Properties" will not be conveyed, disposed of or encumbered in any manner whatsoever, except subject to this agreement.

13. The City of Winnipeg agrees that the "Proposed Exchange Property" and the "Surplus City Property" will not be conveyed, disposed of or encumbered in any manner whatsoever, except subject to this agreement.

14. The City of Winnipeg acknowledges and agrees that all required Manitoba Hydro and Centra Gas facility removal and relocation will be solely the responsibility of the City of Winnipeg.

15. The City of Winnipeg covenants and agrees that it will not impose any special restrictions governing an approach from Centra Gas's land to Sterling Lyon Parkway. Such approach will be subject to the approval of the Director of Public Works Department, pursuant to the Private approaches By-Law as to all other criteria including location and design specifications.

16. Centra Gas agrees to consent on a Real Owner Application form to add The City of Winnipeg as the Real Owner of the "Proposed Acquisition Properties" to the Assessment Rolls of the City.

17. Centra Gas agrees to declare whether or not they are "Registrants" for the purposes of the "Goods and Services Tax" and if so, to provide its G.S.T. Registration number.

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

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

20. This proposal is subject to approval by the Executive Committee and the Board of Directors of Centra Gas.

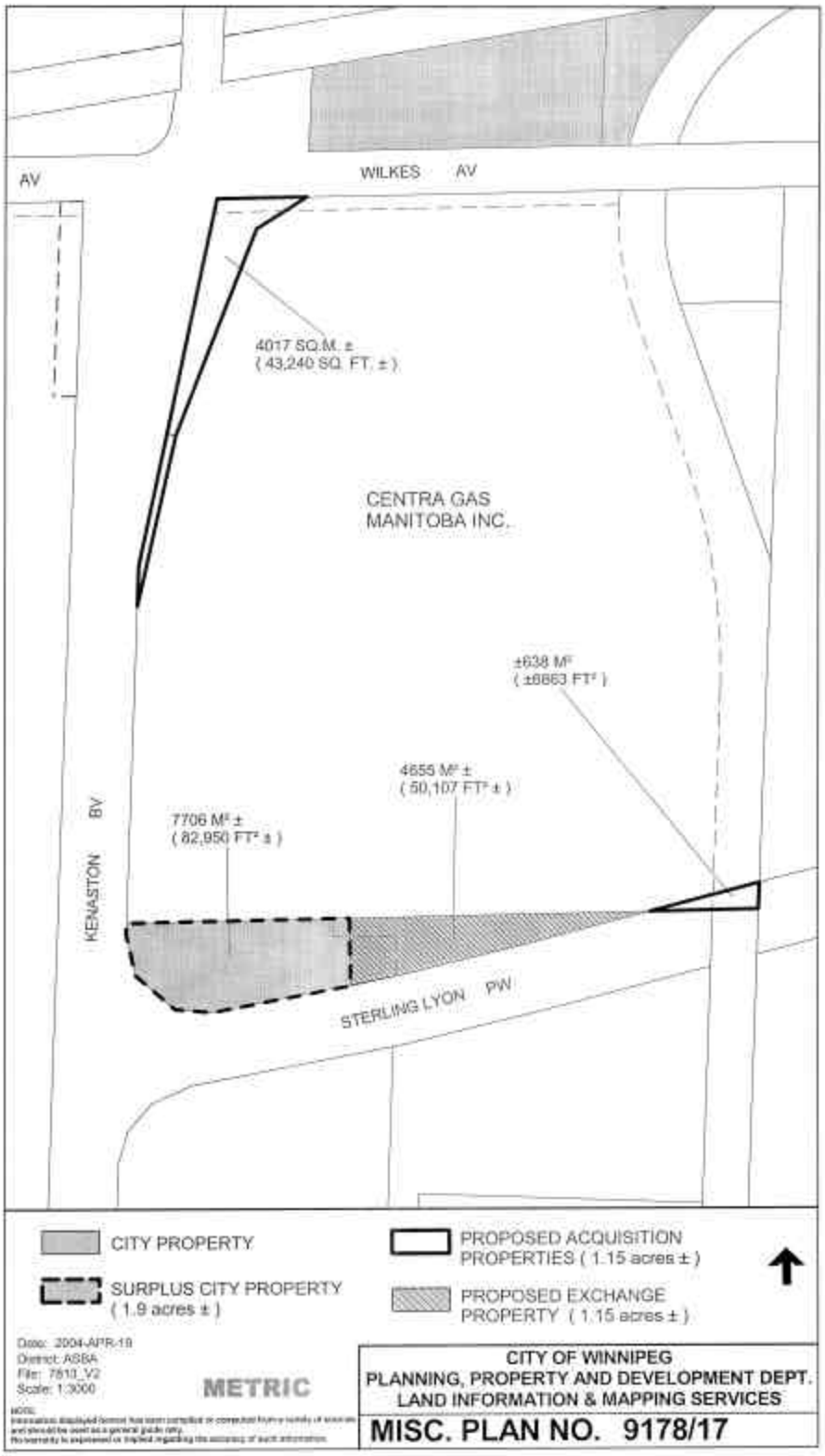
Centra Gas (Manitoba) Ltd., the legally registered owner of Parcel B, Plan 9244 WLTO, the "Proposed Acquisition Properties" shown on the attached Misc. Plan No. 9178/17, hereby agree to the terms and conditions contained within this Schedule "A".

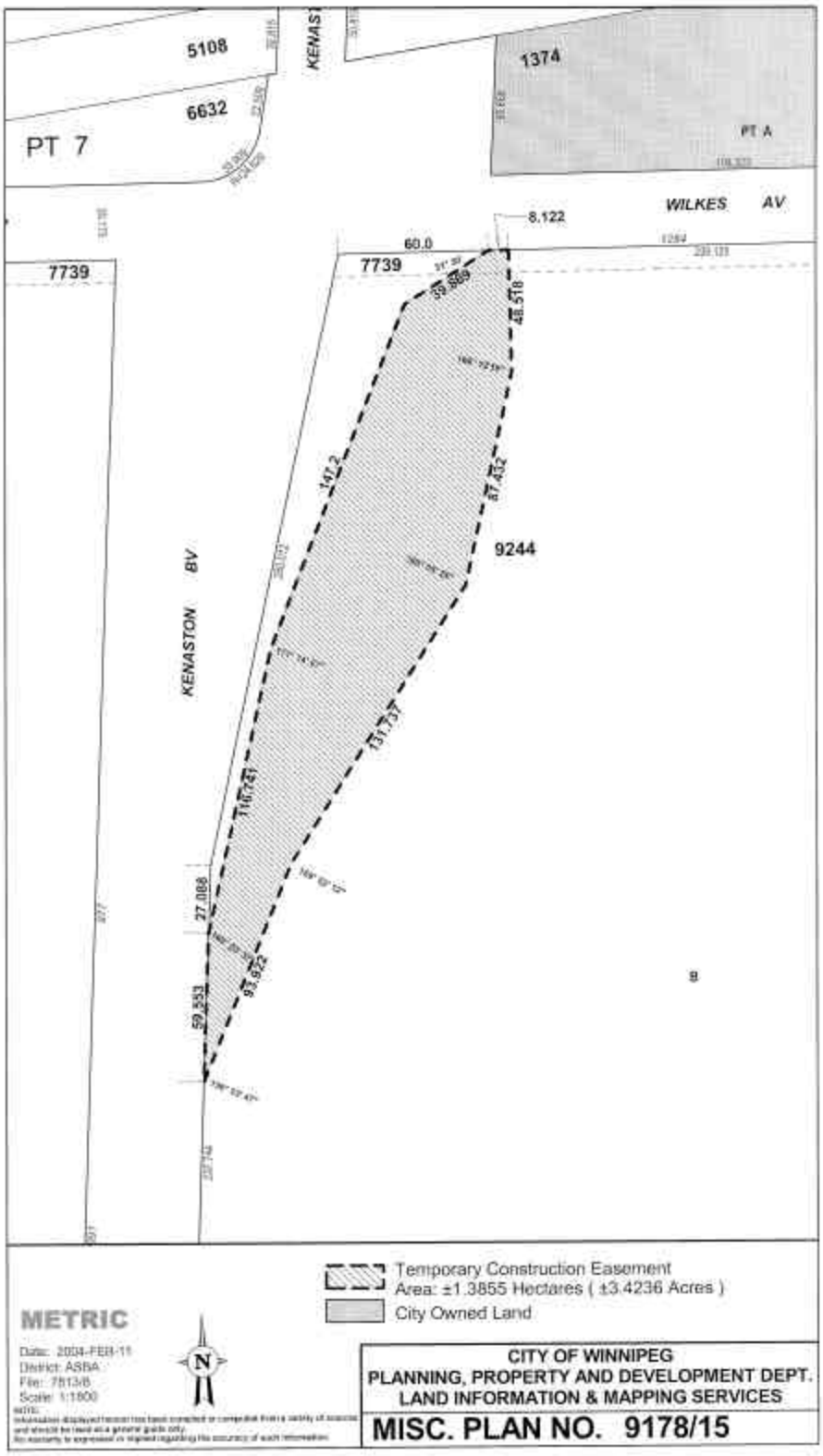
_____ _____

Date

_____ _____

GST Registrant Number


AV
WILKES AV
4017 SQ.M. ±
(43,240 SQ. FT. ±)
CENTRA GAS
MANITOBA INC.
±638 M²
(±6863 FT²)
4655 M² ±
(50,107 FT² ±)
7706 M² ±
(82,950 FT² ±)
KENASTON BV
STERLING LYON PW
CITY PROPERTY
SURPLUS CITY PROPERTY
(1.9 acres ±)
PROPOSED ACQUISITION
PROPERTIES (1.15 acres ±)
PROPOSED EXCHANGE
PROPERTY (1.15 acres ±)
Date: 2004-APR-19
District: ASBA
File: 7813_V2
Scale: 1:3000
METRIC
NOTE:
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 9178/17


5108
6632
PT 7
KENAST
1374
PT A
WILKES AV
8.122
60.0
7739
7739
48.518
142.2
87.432
9244
KENASTON BV
116.741
131.737
27.088
59.253
93.622
8
Temporary Construction Easement
Area: ±1.3855 Hectares (±3.4236 Acres)
City Owned Land
METRIC
Date: 2004-FEB-11
District: ASBA
File: 7813/8
Scale: 1:1500
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 9178/15

centra8