Agenda – Council – June 22, 2023

Report – Standing Policy Committee on Property and Development – June 1, 2023

Item No. 5 Expropriation of Lands to Construct Winnipeg Transit North Garage Replacement – Lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, West of Oak Point Highway (Point Douglas Ward)

STANDING COMMITTEE RECOMMENDATION:

On June 12, 2023, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the Director of Legal Services/City Solicitor be instructed to initiate expropriation proceedings, including preparing the necessary by-law for submission to Council, to acquire the lands, identified as "Proposed Acquisition - Lots 52, 56 & 57 Plan 24342" on Misc. Plan No. 15855 (attached as Appendix B) for the Project.

2. That subject to the approval of Recommendation No.1, the Chief Administrative Officer be authorized to request the Province of Manitoba to waive the requirement for an expropriation inquiry, under Clause 9(8)(a) of the Expropriation Act.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing described within, including the execution of any necessary documents and preparation of any necessary by-laws, legal plans and any intermediary steps that may be required to acquire the lands for the Project.

Report – Standing Policy Committee on Property and Development – June 1, 2023

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 12, 2023, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 1, 2023, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Expropriation of Lands to Construct Winnipeg Transit North Garage Replacement – Lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, West of Oak Point Highway

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Chappell (Acting)	M. Pittet (Acting)	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

On April 29, 2021, Council approved the Winnipeg Transit Master Plan, a 25-year vision and plan for the future of Transit service in Winnipeg, and directed the Public Service to apply for funding for the North Garage Replacement Project (the "Project") through the Investing in Canada's Infrastructure Program (ICIP).

In anticipation of the Project, the Public Service has spent the last few years exploring land options for the replacement of the existing North Garage located at 1520 Main Street. All City-owned lands were considered during the analysis but were deemed to be too small, improperly located or reserved for other civic purposes. Expressions of Interest ("EOI") were issued in 2020 and 2022 which advertised the City's desire to obtain 10 to 32 acres of suitable land for Transit's needs. Each EOI yielded one response but the sites were deemed unsuitable.

During a market investigation in mid to late 2022, the Public Service identified an existing City holding near Oak Point Highway, which, in addition to two privately held properties, amounts to roughly 27 acres. Both of the privately held properties were listed for sale in 2022 and the City has negotiated business terms for the sale of one of these properties, 100 Oak Point Highway. The Public Service subsequently initiated negotiations for the second private property, which is vacant land - Lots 52, 56 and 57 Plan 24342, shown as the "Proposed Acquisition" on Misc. Plan 15855 attached as Appendix B (the "Proposed Acquisition"). Oak Point Highway is a preferred location for the Transit garage due to its access to a major transportation route, proximity to Red River College, its commercial/industrial setting, and its direct access to the signalized intersection at Selkirk Avenue.

In order to execute the Project, securing the Proposed Acquisition is necessary to assemble the development site. The Public Service has been unable to conclude negotiations with the owner for the required land and the Project's current completion date is March 31, 2027.

The Public Service has determined that the expropriation of the Proposed Acquisition is necessary to proceed with the Project and represents the most timely means to acquire the land. Authorization to expropriate is required from Council to ensure that the City acquires the Proposed Acquisition.

RECOMMENDATIONS

1. That the Director of Legal Services/City Solicitor be instructed to initiate expropriation proceedings, including preparing the necessary by-law for submission to Council, to acquire the lands, identified as "Proposed Acquisition - Lots 52, 56 & 57 Plan 24342" on Misc. Plan No. 15855 (attached as Appendix B) for the Project.

2. That subject to the approval of Recommendation No.1, the Chief Administrative Officer be authorized to request the Province of Manitoba to waive the requirement for an expropriation inquiry, under Clause 9(8)(a) of the Expropriation Act.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing described within, including the execution of any necessary documents and preparation of any necessary by-laws, legal plans and any intermediary steps that may be required to acquire the lands for the Project.

REASON FOR THE REPORT

The "Real Estate – Acquisition of Property" Policy, adopted by Council on September 29, 2021, requires Council to approve all land acquisition programs, Declarations of Expropriation and Expropriation By-laws.

IMPLICATIONS OF THE RECOMMENDATIONS

The expropriation will enable the City to take ownership of the Proposed Acquisition as it is required for the Project. The vacant land will be assembled with other City-owned properties.

While there are no direct financial implications associated with authorizing an expropriation, the City will be responsible to compensate the owner for the market value of the land taken and other costs in accordance with *The Expropriation Act*. An offer of compensation will be provided to the expropriated owner should Council confirm the expropriation.

HISTORY/DISCUSSION

In 2017, the Public Service began a review of possible sites for the North Garage Replacement Project. The existing facility, located at 1520 Main Street, is well beyond its useful life and significantly undersized for Transit's future needs. The main focus of early investigations targeted the City-owned property situated west of the East Yards. Detailed due diligence indicated the level of contamination on site would be cost-prohibitive to remediate.

The search for potential properties then considered several large holdings in East Kildonan, St. Boniface and Transcona, including the St. Boniface Industrial Park. The St. Boniface Industrial Park is a viable candidate for consideration based on land area, but its distance to major

arteries would result in significant operational costs over the life of the asset. Generally, the land options in the east end of Winnipeg resulted in higher operational costs relative to Transit's service areas or had compromised access.

Eventually, the search was expanded to include most of the City through an Expressions of Interest (EOI) issued in 2020. The EOI sought invitations for 10 to 32-acre available sites and resulted in one responsive property at the north end of Ferrier Street. Transit completed a conceptual layout of the Ferrier property but the site configuration constrained development. The Public Service then approached the adjacent property owner to potentially increase the size of the site under review. While the adjacent owner was receptive to a land sale, the cost of acquisition was excessive due to the necessary business relocation cost.

On April 29, 2021, Council approved the submission of the Winnipeg Transit North Garage Replacement Project (the "Project"), in keeping with the Winnipeg Transit Master Plan, to the Federal Government's Investing in Canada Infrastructure Program (ICIP).

The Public issued another EOI in 2022 under slightly different terms – increasing the minimum site size to 15 acres. Once again, only one responsive property was received. The responsive property, located on Dublin Avenue, possessed a suitable location but had several limitations. The Dublin property required site remediation, demolition and termination of tenancies. The number of issues related to developing the site were significant enough to cease discussions with the owner.

Throughout the City's search for a garage site, the Public Service has continually canvassed landowners for available property (as recently as May 2023) or completed regular searches of commercial property listings. Attempting to find the ideal site size of 20 to 25 acres of vacant industrial land in a suitable location has proved to be extremely challenging.

In mid to late 2022, the Public Service explored the possibility of a land assembly to secure the required property. The south side of Oak Point Highway included two private properties beside a former City landfill and unimproved rights-of-way. Between the four-acre Imperial Oil property, the City's former landfill, unimproved rights-of-way and a 10-acre site in between (i.e. the Proposed Acquisition), 27 acres of land could be assembled for development. The anticipated overall price per acre of the development drops significantly once the City holdings are included.

The Public Service has been unable to conclude negotiations with the owner of the Proposed Acquisition. The Public Service has explored both land exchange and purchase options without success. Expropriation is recommended as the most timely means to assemble the land and complete the Project.

The Public Works and Transit Departments have been consulted and concur with the intention of this report.

FINANCIAL IMPACT

Financial Impact Statement Date: May 3, 2023

Project Name:

Expropriation of Lands to Construct Winnipeg Transit North Garage Replacement – Lots 52, 56 and 57 Plan 24342 on the south side of Selkirk Avenue, West of Oak Point Highway

COMMENTS:

There are no direct financial implications associated with initiating expropriation proceedings.

Mike McGinn May 3, 2023
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Public Works Department
- Transit Department
- Legal Services Department (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

The proposed North Garage Replacement Project aligns with the transit-oriented goals and policies as set out in OurWinnipeg 2045:

GOAL: Environmental Resilience
Objective 2: Prioritize sustainable transportation as the mobility options of choice.

Transition to a sustainable transportation system that safely and efficiently moves people, goods and services, increases access to a variety of affordable mobility choices, encourages less reliance on personal vehicle travel, reduces travel time, mitigates congestion and related greenhouse gas emissions, and supports the development of denser, better-connected, healthy and complete communities.

Policy Note 3.17: Sustainable Transportation Connectivity
Prioritize enhancements to the integrated and sustainable transportation system that improve its viability and access to places such as educational institutions, employment opportunities, recreation and library facilities, providers of essential goods and services and health providers, especially for children, and for neighbourhoods most impacted by poverty.

Goal: City Building
Objective 2: Integrate resilient land use, transportation and infrastructure planning, and investments.

Ensure that land use, transportation, and infrastructure planning are aligned to provide the conditions for compact, complete and connected communities, supported by sustainable transportation options and municipal infrastructure capacity.

Policy Note 6. 24 and 6.37: Transit-Oriented Development

6.24 - Transit-Oriented Development
Support Rapid Transit and other primary transit corridors with strategically located transit stations, that facilitate transit ridership through development intensification, a mix of complementary land uses, and a pedestrian and cycling-oriented environment consistent with transit-oriented development principles.

6.37 - Achieve a balanced modal split that reflects greenhouse gas emissions reduction targets, through the integrated planning and development of compact, walkable and connected mixed-use neighbourhoods, that enable a transition to an integrated and sustainable transportation system.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The proposed acquisition aligns with the following strategic objective and key directions of City's Climate Action Plan:

Strategic Opportunity #3 – Advancing Sustainable Transportation – Increasing Mobility Options and Shift to Zero Emission Vehicles:

Key Directions:

- 3.1 Increase Use and Efficiency of Public Transit Systems
- 3.2 Increase the Density of Urban Development Along Key Transit Corridors
- 3.3 Design New Suburban Communities to Enable Enhanced Transit Services and Access to Transit Corridors
- 3.5 Reduce Traffic Congestion
- 3.6 Increase the Use of Electric Vehicles
- 3.7 Utilize Zero Emission Buses

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The information and recommendations presented in this report align with and advance the Winnipeg Poverty Reduction Strategy (2021-2031) and embody the following goal and objectives:

Goal 5: Transportation System Equity is Enhanced
Low-income residents rely on public transportation to get to services, employment and out of crisis situations.

A strengthened transportation system will serve the needs of all residents, help reach climate goals and will assist low income riders.

10-Year Objectives:

A. The affordability and accessibility of transportation and transit service is increased.
B. Improvements to transportation and transit infrastructure and services prioritize areas of higher poverty, and increased interconnectivity to employment and affordable goods and services.
C. Increased collaboration with community partners improves access to safe and secure transportation by all residents.

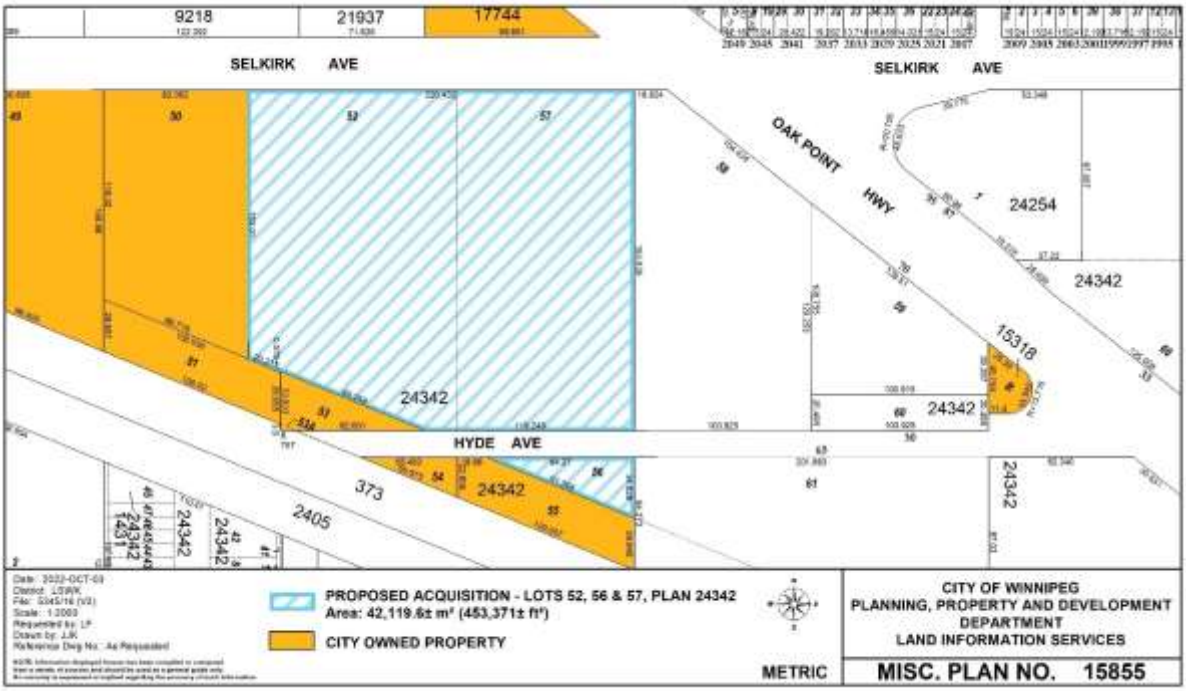
SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Clifford Bignall, Senior Negotiator
Date: May 4, 2023
File No: 5345/16
Attachments:
Appendix – A - Site Description
Appendix – B – Misc. Plan 15855

APPENDIX A

Location:	South of the unimproved section of Selkirk Avenue and west of Oak Point Highway - No Civic Address. (Roll number: 07092163000
Legal Description:	SP LOTS 52, 56 AND 57 PLAN 24342 WLTO SAID LOT 56 BEING SUBJECT TO THE RESERVATIONS RESPECTING MINES, MINERALS, MINERAL OILS AND OTHER MATTERS AS THE SAME ARE MORE FULLY SET FORTH IN TRANSFER 740533 WLTO IN E 1/2 14-11-2 EPM
Zoning:	M1 - Manufacturing - Light
Property Taking, Full:	SP LOTS 52, 56 AND 57 PLAN 24342 WLTO as shown hatched, bordered and identified as “PROPOSED ACQUISITION Area: 42119.6± m² (453,371± ft²)” on a drawing on file in the City’s Planning, Property and Development Department as Misc. Plan No. 15855
Description:	Vacant lot

Appendix B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17744
SELKIRK AVE
SELKIRK AVE
OAK POINT HWY
24254
24342
15318
24342
24342
HYDE AVE
373
2405
24342
24342
24342
24342
PROPOSED ACQUISITION - LOTS 52, 56 & 57, PLAN 24342
Area: 42,119.6± m² (453,371± ft²)
CITY OWNED PROPERTY
METRIC
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES
MISC. PLAN NO. 15855