Agenda - Executive Policy Committee - September 22, 2004

Report - Standing Policy Committee on Property and Development - September 7, 2004

Item No. 6 Amendment to Servicing Agreement AG 4/01 - 4293631 Manitoba Ltd.
File DASZ 4/2001

STANDING COMMITTEE RECOMMENDATION:

On September 7, 2004, the Standing Policy Committee on Property and Development concurred in the recommendation of the Lord Selkirk-West Kildonan Community Committee and submits the following to Council:

1. That Servicing Agreement AG 4/01 be amended by adding a clause as follows:

   "The Developer may file a petition in accordance with The City of Winnipeg Charter for the construction of land drainage facilities to serve Lot 2, Plan 40547.

   The City agrees to levy Lot 2, Plan 40547 at the City's uniform frontage and area rates, which include the City's rate of interest plus one (1%) percent per annum handling, in equal annual instalments over a period of twenty (20) years. It is understood and agreed that such levies as are collected annually, minus handling charges, shall be paid by the City to the Developer on December 1st of each year until fully paid, such levies to commence in 2005. The City reserves the right to commute and pay to the Developer the amount of the levies outstanding against Lot 2, Plan 40547."

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

Agenda - Executive Policy Committee - September 22, 2004

Report - Standing Policy Committee on Property and Development - September 7, 2004

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

The Standing Policy Committee on Property and Development concurred in the recommendation of the Lord Selkirk-West Kildonan Community Committee and submitted the matter to the Executive Policy Committee and Council.

COMMUNITY COMMITTEE RECOMMENDATION:

On July 6, 2004, the Lord Selkirk-West Kildonan Community Committee concurred in the administrative recommendation and submitted its recommendation to the Standing Policy Committee on Property and Development.

Re: Amendment to Servicing Agreement AG 4/01 – 4293631 Manitoba Ltd.

On April 11, 2002, 4293631 Manitoba Ltd. executed Servicing Agreement AG 4/01 which covers land located on the west side of McPhillips Street between Court Avenue and Templeton Avenue. Two of the three parcels covered by the Agreement have since been developed by Ranjoy Sales and Leasing Ltd. (Jim Gauthier) and Wal-Mart Canada Inc. The third parcel described as Lot 2, Plan 40547 comprising approximately 9.49 acres has been retained by the Developer, 4293631 Manitoba Ltd., and to date has not been developed.

Under the terms of Servicing Agreement AG 4/01, the Developer paid land drainage trunk charges totalling $10,413.00/acre i.e. TSR ($9,801.00/acre) and Leila Trunk Charge ($612.00/acre). The Developer also paid $18.00/ft. for the local benefit of the land drainage trunk sewer in Templeton Avenue.

On June 21, 2004, the principal of 4293631 Manitoba Ltd., Mr. Tom Matthews, requested that the cost of land drainage services benefiting Lot 2, Plan 40547 be amortized over 20 years in order to improve the marketability of that undeveloped property. The Developer is requesting that the City implement an arrangement whereby the Developer initially has paid the cost of land drainage facilities benefiting Lot 2, Plan 40547 and recoups his costs by way of 20 annual payments made by the purchaser of Lot 2, Plan 40547 to the City through the realty tax bill. The procedure has no financial implication on the City and the administration has no objection to it providing that the costs be limited to the City's Local Improvement rate of $0.225/sq. ft. i.e. $9,801.00/acre for trunk services and $18.00/ft. for local services although this amount does not cover all the Developer's costs with respect to land drainage facilities.

It is therefore recommended that Servicing Agreement AG 4/01 be amended by adding a clause as follows:

"The Developer may file a petition in accordance with The City of Winnipeg Charter Act for the construction of land drainage facilities to serve Lot 2, Plan 40547.

The City agrees to levy Lot 2, Plan 40547 at the City's uniform frontage and area rates, which include the City's rate of interest plus 1% per annum handling, in equal annual instalments over a period of 20 years. It is understood and agreed that such levies as are collected annually minus handling charges shall be paid by the City to the Developer on December 1st of each year until fully paid, such levies to commence in 2005. The City reserves the right to commute and pay to the Developer the amount of the levies outstanding against Lot 2, Plan 40547."

THIS REPORT SUBMITTED BY:

E.L. Carrière, P.Eng.
Land Development Engineer
File No. AG 40/1
June 25, 2004
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