Agenda - Council - September 29, 2004

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

Item No. 28 Sale - Northern Portion of 505 King Street to Mount Carmel Clinic File FI-2.4(34)

STANDING COMMITTEE RECOMMENDATION:

On September 22, 2004, 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 Council consent to the sale of the northern portion of 505 King Street (also known as 886 Main Street), shown as subject property on Misc. Plan No. 11962/1, from the Manitoba Housing and Renewal Corporation to the Mount Carmel Clinic, the sale to be subject to the preservation of the City's "Option to Purchase" in accordance with Clause 2(d) of the June 29, 1981 Agreement.

2. 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 - September 7, 2004

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 22, 2004, 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 September 7, 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: Proposed Sale of Northern Portion of 505 King Street to the Mount Carmel Clinic
Lord Selkirk – West Kildonan Community
Mynarski Ward

For submission to: Standing Policy Committee on Property and Development

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

Report date: August 25, 2004

Recommendation(s):

1. That Council consent to the sale of the northern portion of 505 King Street (also known as 886 Main Street), shown as subject property on the attached Misc. Plan No. 11962/1 from the Manitoba Housing and Renewal Corporation to the Mount Carmel Clinic; the proposed sale to be subject to the preservation of the City's "Option to Purchase" in accordance with Clause 2(d) of the June 29, 1981 Agreement.

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

REPORT SUMMARY

Key Issues:

The property bounded by King Street, Main Street, Flora Avenue and Dufferin Avenue was originally acquired by the City in the 1960's for an Urban Renewal Project.

On November 6, 1974, and then on May 5, 1975, City Council approved the sale (subject to conditions) of the property at a purchase price of $20,000 per acre, to the Manitoba Housing and Renewal Corporation to enable the subsequent lease of the property to the Mount Carmel Clinic.

On June 30, 2004, the Manitoba Housing and Renewal Corporation advised the Planning, Property and Development Department it had received an offer (attached as Schedule "A") from the Mount Carmel Clinic to purchase the remaining land on which their clinic is located.

The Planning, Property and Development Department is, by this report, recommending that Council consent to the sale to the Mount Carmel Clinic subject to the preservation of the City's "Option to Purchase" in accordance with the June 29, 1981 Agreement.

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.

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):
No financial impact.

REASON FOR THE REPORT:

The Planning, Property and Development Department is, by this report, advising as to a request it has received from the Manitoba Housing and Renewal Corporation for Council's consent (in accordance with an Agreement dated June 29, 1981) to the sale of the northern portion of 505 King Street. The Department is, by this report, recommending that Council grant its consent subject to conditions.

HISTORY:

The property bounded by King Street, Main Street, Flora Avenue and Dufferin Avenue was originally acquired by the City in the 1960's for an Urban Renewal Project.

On November 6, 1974, and then on May 5, 1975, City Council approved the sale (subject to conditions) of the property at a purchase price of $20,000 per acre, to the Manitoba Housing and Renewal Corporation to enable the subsequent lease of the property to the Mount Carmel Clinic. The Clinic subsequently constructed a new facility on this site and has been operating from this location since.

The sale and lease of the property was facilitated pursuant to a three party Agreement dated June 29, 1981, as executed by the City, the Manitoba Housing and Renewal Corporation and the Mount Carmel Clinic. In accordance with Clause 2(c) of the Agreement, the development on the site was limited to the Mount Carmel Clinic operation. The Clause specifies that another "compatible community facility or service" to be placed on the site would be subject to the express approval of City Council. Clause 2(d) of the Agreement provides the City with a "Option to Purchase" the said land or portion thereof at the rate of $20,000 per acre in the event that the said land was no longer occupied by the Mount Carmel Clinic or for another approved use in accordance with Clause 2(c).

In April of 2003, the Wahbung Abinoonjiiag Inc. approached the Manitoba Housing and Renewal Corporation requesting its assistance to provide land for a new capital project to facilitate the construction of a new building in which its services can be consolidated.

In accordance with the June 29, 1981 Agreement, Manitoba Housing and Renewal Corporation required Council's consent to the proposed use by Wahbung and to the proposed sale of land.

On September 24, 2003, Council approved the sale of the south part of 505 King Street (Lot 1, Plan 16470 as shown on the Misc. Plan No.11962/1) from the Manitoba Housing and Renewal Corporation to the Wahbung Abinoonjiiag Inc. subject to the preservation of the City's "Option to Purchase" in accordance with Clause 2(d) of the June 29, 1981 Agreement.

Subsequent to Council's aforementioned consent, the City of Winnipeg, Manitoba Housing and Renewal Corporation, the Mount Carmel Clinic and Wahbung Abinoonjiiag Inc. entered into a new Memorandum of Understanding.

DISCUSSION:

On June 30, 2004, the Manitoba Housing and Renewal Corporation advised the Planning, Property and Development Department it had received an offer (attached as Schedule "A") from the Mount Carmel Clinic to purchase the remaining land on which their clinic is located.

Manitoba Housing and Renewal Corporation advised that it agreed in principle with the Mount Carmel Clinic Offer and wished to commence the required action to acquire City Council's approval to complete the sale to the Mount Carmel Clinic, which would be responsible for all costs, and preservation of the City's "Option to Purchase" (under caveat no. 82-24698).

The Planning, Property and Development Department has reviewed the Manitoba Housing and Renewal Corporation's request and the Mount Carmel Clinic Offer, and is recommending the sale to the Mount Carmel Clinic subject to preserving the City's interest in this land, namely:

"2(c) That the use of said land shall be limited to the Mount Carmel Clinic operation, landscaped open space and any compatible community facility or services, approved of by Council of the City;

2(d) That should any portion of the said land be no longer occupied by the Mount Carmel Clinic, or for any use approved under sub-clause (c) above, the City shall have the first option to purchase the said land or portion thereof at the rate of TWENTY THOUSAND ($20,000.00) DOLLARS per acre."

The Winnipeg Housing and Homelessness Initiative supports the proposed sale to the Mount Carmel Clinic, subject to the preservation of the City's interest.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

In preparing this report, the Winnipeg Housing and Homelessness Initiative was consulted.

This report submitted by:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Joedi Pruden
PPD File #: 3005(g)

Document name: o:\reports directive\real estate\sales\(jp)mountcarmel.doc

Financial Impact Statement

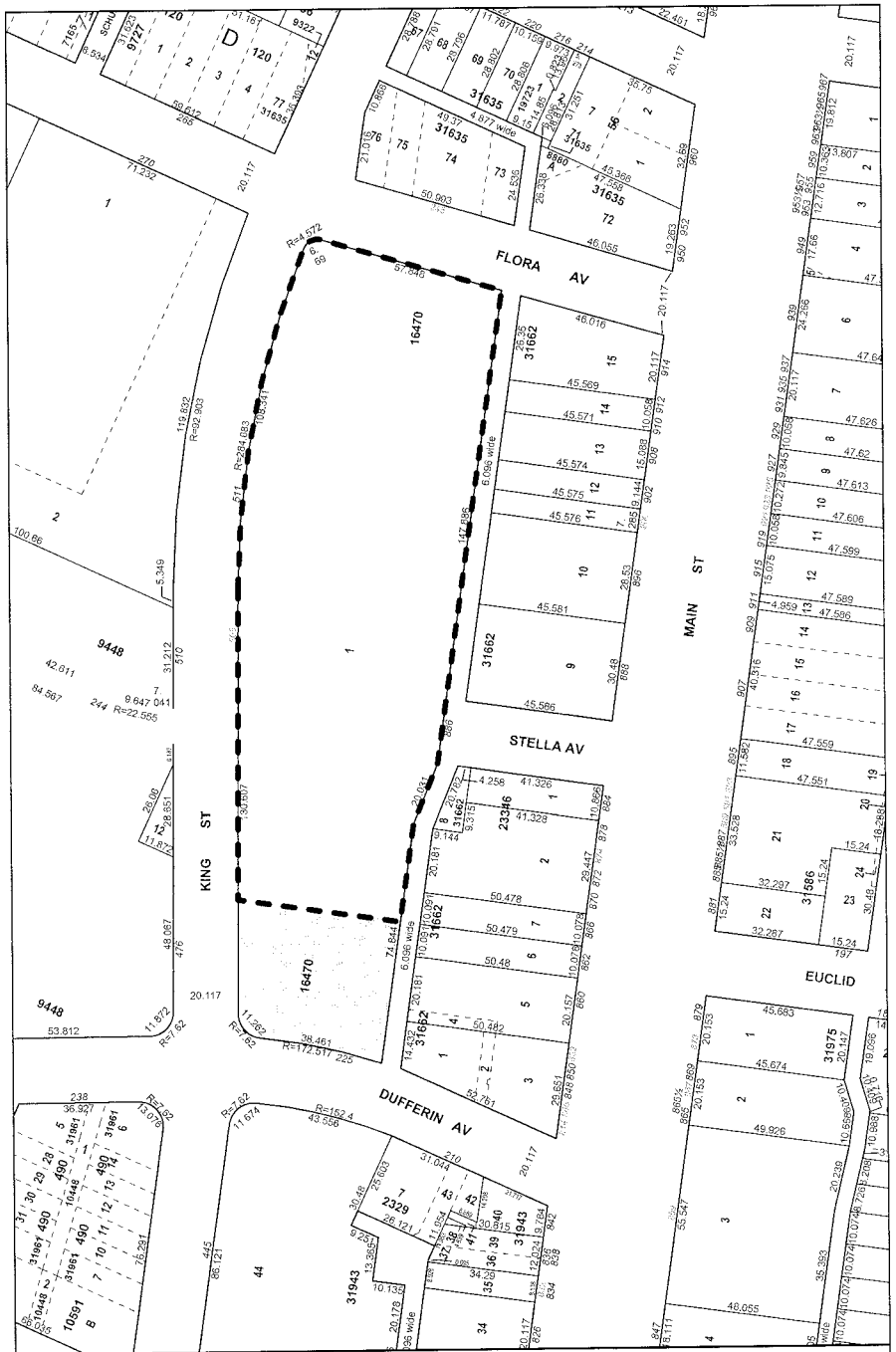
Date: 24-Aug-04

Proposed Sale of Northern Portion of 505 King Street to the Mount Carmel Clinic

COMMENTS:

Council approval is required for MHRC to sell the subject property. There are no financial consequences to the City resulting from Council granting their approval. Additionally, the recommendations are structured such that the City's financial interest related to the "first option to purchase" the property would be protected as a condition to the granting of the consent as requested by MHRC.

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



Subject Property
Area: ±13105.5 m² (±141066 ft²)

Owner: Wahbung Abinoonjiiag Inc.
Area: ±1998.3 m.² (±21,509.5 ft.²)

Date: 2004-AUG-16
District: LSWK
File: 3005(G)
Scale: 1:1500

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. 11962/1

Schedule "A"

PULLAN
KAMMERLOCH
FROHLINGER
BARRISTERS & SOLICITORS

RECEIVED
MAR 1 2004

Please reply to Harvey J. Slobodzian
Personal E-Mail: slobodzian@pkf-law.com
File No. D5453-1

February 25, 2004

Manitoba Housing Renewal Corporation
202-280 Broadway
Winnipeg MB R3C 0R8

Attention: Mr. Bill Shklanka – Administrative Officer

Dear Sir:

Re: Our client Mount Carmel Clinic
886 Main Street

Please be advised that our firm represents the Mount Carmel Clinic.

As I understand the current situation involving the Mount Carmel Clinic, it currently leases its lands and premises from the Manitoba Housing and Renewal Corporation pursuant to a Lease Agreement dated July 2, 1981 which involves a long term Lease of some 75 year duration.

The Clinic has consulted me in relation to the most recent Memorandum of Understanding in respect of the sale of a portion of the lands appurtenant to the Clinic to Wahbung Abinoonjiiag Inc. I am advised that after careful consideration on the part of the Board of Directors of Mount Carmel Clinic, the Board has instructed me to write to the Manitoba Housing Renewal Corporation to open discussions in relation to the prospect of the Clinic purchasing the lands and premises at 886 Main Street from the Manitoba Housing Renewal Corporation based on the same or similar terms and conditions as were granted to Wahbung Abinoonjiiag Inc. as more particularized in the most recent Memorandum of Understanding. The land to be acquired by Mount Carmel Clinic would comprise the demised premises currently under lease excepting thereout the lot which is to be conveyed to Wahbung referred to as "Lot 1" in this said Memorandum of Understanding involving Wahbung and the other relevant parties.

Your prompt attention in this matter would be greatly appreciated.

Yours very truly,

PULLAN KAMMERLOCH FROHLINGER
Per:

HARVEY J. SLOBODZIAN

/kl cc: Harry Lee.

600-330 Portage Avenue, Winnipeg, MB, R3C 0C4 * Telephone: (204) 956-0490 * Fax: (204) 947-3747 * Email: firm@pkf-law.com

INCORPORATED PROFESSIONAL PRACTICES:
Thomas G. Frohlinger Law Corporation Paul E. Kammerloch Law Corporation **Harvey J. Slobodzian Law Corporation** Kirk R.P. Kirby Law Corporation Herbert H. Rempel Law Corporation