Agenda - Council - September 29, 2004

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

Item No. 29 Purchase of 86½ Inkster Boulevard for Expansion of the Luxton Community Centre
File FI-2(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 86½ Inkster Boulevard, identified as "Subject Property" on Misc. Plan No. 12281, be purchased at a price of $53,000.00 in accordance with the terms and conditions in the Option to Purchase attached to the report from the Director of Planning, Property and Development dated August 25, 2004.

2. That upon issuance of title to the City of Winnipeg, the Director of Planning, Property and Development be authorized to clear the site by either removal or demolition of the structures.

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 - 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 Purchase of 86½ Inkster Boulevard for the Expansion of the Luxton Community Centre
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 86½ Inkster Boulevard, identified as "Subject Property" on the attached Misc. Plan No. 12281, be purchased at a price of $53,000.00 and in accordance with the terms and conditions contained within the attached Option to Purchase;

2. That upon issuance of title to the City, the Director of the Planning, Property and Development Department be authorized to clear the site by either removal or demolition of the structures; and

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 subject property, commonly known as 86½ Inkster Boulevard, forms part of the Phase II Luxton Community Centre Expansion

The Real Estate Division has negotiated the proposed purchase of the subject property and is recommending the price and associated terms of sale for Council approval.

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:

☒ **No**
☐ **Yes**
Comment(s):
There are no environmental concerns relating to this residential property.

Human resources implications:

☒ **No**
☐ **Yes**
Comment(s):

Financial implications:

☒ Within approved current and/or capital budget
☐ Current and/or capital budget adjustment required
Comment(s):
Adequate funding for this acquisition and site clearing is budgeted within the Luxton, Seven Oaks, St. John's Park Community Project

REASON FOR THE REPORT:

The Planning, Property and Development Department has negotiated terms and conditions of a proposed acquisition. Council's approval is required for land acquisitions when Council has not previously determined the program.

HISTORY:

At its meeting held April 6, 2000, the Standing Policy Committee on Property and Development considered a report from the Lord Selkirk-West Kildonan Community Committee and instructed the Director of the Planning, Property and Development Department to acquire at least four properties (86, 86½, 88 and 90) on Inkster Boulevard, for Phase II of the Luxton Community Centre field expansion, subject to the identification of funding.

On July 22, 2004, the City completed the purchase of 88 Inkster Boulevard and became the registered owner.

On June 21, 2004, the Planning and Land Use Division became aware of the residence at 86½ Inkster Boulevard being listed on the Multiple Listing Service and instructed the Real Estate Division to commence negotiations with the owner (pursuant to the Standing Policy Committee on Property and Development's instructions from April 6, 2000) subject to adequate funding being secured.

Negotiations with the owner are now complete. Particulars of the subject property are as follows:

Location:	86½ Inkster Boulevard
Legal Description:	Lot 26, Block D, Plan 728
Certificate of Title:	1359464
Registered Owner:	Steven Eric Robinson
Realty Roll No.:	14-070136000
Assessment:	$45,000.00 (1999)
Zoning:	R-2 (Residential)
Site Size:	7.62m x 36.06m = 278.7 m2 (3,000 sq. ft.)
Description:	A two storey, approximately 1,300 sq. ft. single family dwelling on a full basement in fair to average condition.

DISCUSSION:

The Planning and Land Use Division advises "the Luxton neighborhood is in a serious deficit situation in regards to open space and is one of the most deficient neighborhoods in the City in regards to open space". The Building Communities Initiative has identified the Luxton, Seven Oaks, St. John's Park Community to be in serious need of open space and has committed funds towards this project.

In late June, 2004 the Real Estate Division conducted several discussions with the property owner and agreed upon a purchase price of $53,000.00, subject to the City providing a down payment of $2,650.00 and entering into an Option to Purchase to hold the subject property until approval of the transaction could be obtained in September, 2004.

The Director of the Planning, Property and Development Department (under the delegated authority to take an Option to Purchase on properties for public purposes with the deposit for such Options being limited to 5% of the purchase price to a maximum of $5,000.00) approved an option amount of $2,650.00 and the terms and conditions of the attached Option to Purchase.

The proposed purchase price of $53,000.00 is within the market value range established by an internal appraisal. The Real Estate Division is of the opinion that it would be in the City's best interests to purchase the subject property and therefore recommends the City complete the acquisition at the proposed purchase price of $53,000.00 and in accordance with the terms and conditions attached hereto in the Option to Purchase.

The Planning and Land Use Division secured adequate funding under the Building Communities Initiative – Luxton, Seven Oaks, St. John's Park Community Project, which may be used towards the acquisition, remediation and development of the subject property for a future expansion of the Luxton Community Centre site.

Financial Impact Statement — Date: August 24, 2004

Project Name: — **First Year of Program** 2004

Proposed Purchase of 86 1/2 Inkster Blvd. For Expansion of Luxton Community Centre

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ 54,590	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	54,590	-	-	-	-
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	$ -	$ 4,913	$ 4,913	$ 4,913	$ 4,913
Less: Incremental Revenue/Recovery	3,228	-	-	-	-
Net Cost/(Benefit)	$ (3,228)	$ 4,913	$ 4,913	$ 4,913	$ 4,913
Less: Existing Budget Amounts	(3,228)	4,913	4,913	4,913	4,913
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Capital costs include the proposed purchase price of $53,000 + a 3% GST component of $1,590 for a total of $54,590. The direct costs in 2005 to 2008 represent principal and interest payments on the related internal financing. In 2004, the $1,590 GST component charged to PP&D's capital budget is recovered by Corporate Finance. The remaining incremental recovery of $1,638 represents short-term interest costs of $1,092 and an admin fee of $546 charged to PP&D's capital budget and recovered by Corporate Finance. No estimate of demolition or other site remediation costs is included in this analysis. However, any such costs will be absorbed within the capital budget amounts allotted to the Building Communities Program.

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

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

Planning and Land Use Division
This report submitted by:

Planning, Property and Development Department
Division: Real Estate Division
Prepared by: Karen Cann
PPD File #: 8488

Document name: o:\reports directive\real estate\acquisition\(kc)86.5inkster.doc

OFFER TO PURCHASE

THIS AGREEMENT made in duplicate this day of , 2004,

BETWEEN:

STEVEN ERIC ROBINSON
of the City of Winnipeg, in Manitoba
(herein called "***the Vendor***"),

OF THE FIRST PART,

-and-

THE CITY OF WINNIPEG
(herein called "***the City***"),

OF THE SECOND PART.

WHEREAS the Vendor is the registered owner of lands and premises commonly known as 86½ Inkster Boulevard, in the City of Winnipeg, Manitoba, and legally described as:

Lot 27 Block D Plan 728 WLTO in RL 3 Parish of Kildonan

(herein called "***the said land and premises***")

AND WHEREAS the City has applied to the Vendor for and the Vendor has agreed to grant to the City an irrevocable option to purchase the said land and premises upon certain terms and conditions;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants herein contained, the parties hereto agree, each with the other, as follows:

In consideration of the Vendor granting to the City an irrevocable option to purchase the said land and premises, (herein called "the Option") the City shall pay to the Vendor, the sum of $2,650.00 (herein called "the consideration sum") in lawful money of Canada.

The Option may be exercised by the City at any time on or before the 15th day of October, 2004, by providing written notice to the Vendor and/or the Vendor's named legal counsel, of its intention to exercise its Option; AND upon the City so providing notice, this Option Agreement shall constitute a binding contract of purchase and sale.

In the event the City does not exercise its Option on or before October 15th, 2004:

This Agreement shall be deemed fully ended and the obligation on the part of the City to purchase the said land and premises as herein set forth shall be null and void; and

The Vendor shall be entitled to retain the consideration sum paid by the City to the Vendor.

The parties hereto acknowledge and agree that in the event the City exercises its Option:

The agreed all-inclusive purchase price for the said land and premises shall be FIFTY-THREE THOUSAND ($53,000.00) DOLLARS, (herein called the "purchase price");

The consideration sum shall be applied against the purchase price;

Except as otherwise provided herein, the purchase price shall include all fixtures on the premises including, but not limited to fitted carpets, electrical light fixtures, heating, plumbing and ventilating equipment and fire and smoke detection equipment (herein called "the fixtures"), all of which are represented by the Vendor to be free and clear of any and all encumbrances or liens and in good working order as of the date of possession. Upon request by the City, the Vendor will supply an itemized list of chattels and will allow the City to conduct at its sole cost, a prepossession inspection of the fixtures and chattels to ensure they are in good working order;

The date vacant for possession, payment of purchase price and adjustment of taxes etc., shall be as mutually agreed upon between the parties hereto, but in any event, shall not be later than One Hundred and Twenty (120) Days following the date the City exercises its Option hereunder, (herein called "the Closing Date"); and

The said land and premises shall be conveyed to the City, on the Closing Date, free from any and all encumbrances, liens or interests whatsoever, save and except any public utilities thereon and a Caveat to be registered by the City in respect of this Option Agreement.

The Vendor hereby warrants and declares that:

The said land and premises does and shall on the Closing Date comply with all applicable building codes, zoning restrictions, by-laws and/or town planning schemes, fire and/or regulations;

The said land and premises is and shall be on the Closing date, free from any and all work orders of any nature whatsoever;

AND does hereby undertake to provide to the City on the Closing Date, such evidence in support of this warranty, as shall be reasonable required by the City Solicitor.

AND does hereby agree that if prior to the Closing Date, the City determines that the property does not comply and/or is subject to work orders as herein contemplated, the City may, at its sole discretion, elect to cancel the transaction herein contemplated.

The Vendor hereby further warrants and declares the said land and premises does and shall on the Closing Date, comply with all applicable environmental laws; the City shall be entitled at any time prior to the Closing Date, to enter in, on or upon the said land for the purposes of conducting or having conducted on its behalf and at its sole cost and expense, an environmental impact study and/or soil testing of the said land, and if it is determined as a result thereof that there are environmental concerns, the City may, at its sole discretion, elect to cancel the transaction herein contemplated, in which case the Vendor shall be entitled to retain the consideration sum paid by the City to the Vendor but shall not be entitled to any other portion of the purchase price or any other sum whatsoever.

The Vendor agrees:

To execute a Real Owner Application in the form hereto attached as "Schedule 1" as Registered Owner and provide same to the City Solicitor on or before the Closing Date;

That any commission payable in respect of this Option Agreement and/or the transaction of purchase and sale herein contemplated, shall be the sole responsibility of the Vendor;

That the said land and premises, until delivered to the City, shall remain at the sole risk and responsibility of the Vendor AND in the event of substantial damage to the said land and premises prior to possession being delivered, the City may elect to accept the proceeds of any insurance on the said land and premises and to complete the purchase or alternatively, to cancel the purchase;

That the balance of the said purchase price shall be payable after all conveyances, documents and evidence required by the City Solicitor have been furnished by the Vendor;

Not to convey, dispose or encumber the said land and premises in any manner whatsoever except subject to this Option Agreement;

And warrants that the house has not been substantially renovated;

That the City shall be entitled to register a Caveat based upon this Option Agreement, in the Winnipeg Land Titles Office against the Vendor's title to the said land and premises.

The City will self-assess any tax payable in respect of this transaction. The City's G.S.T. Registration Number is R121682967.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement in the manner appropriate to each, the day and year first above written.

SIGNED, SEALED and **DELIVERED**)
in the presence of:) _____
) STEVEN ERIC ROBINSON
_____)
Witness)
Name: _____)
(*please print)*)
Address: _____)
(please print))
_____)

THE CITY OF WINNIPEG

Per: _____
for Director of Planning, Property and Development

Approved: Certified as to form:

_____ _____
Planning, Property and Development Dept. *for* CITY SOLICITOR

THIS IS SCHEDULE 1 to an Agreement made in duplicate, this day of , A.D., 2004, between **STEVEN ERIC ROBINSON** (***"the Vendor"***) and **THE CITY OF WINNIPEG,** (***"the City"***).

REAL OWNER APPLICATION

TO THE CITY ASSESSOR

The City of Winnipeg Roll No. 14-070136000

1. **THE CITY OF WINNIPEG** requests that its name 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 property:

PART OF LOT OR SECTION	LOT or SECTION	BLOCK or TOWNSHIP	PLAN or RANGE	INTEREST in PROPERTY
	Lot 26	D	728	fee simple

and shown identified as ***"SUBJECT PROPERTY"*** on Misc. Plan No. 12281 hereto attached.

3. Mailing Address 510 Main Street, Winnipeg, Manitoba, R3B 1B9

4. Place of Residence as above

5. Name and Address of Current Registered Owner: STEVEN ERIC ROBINSON 1019 Inkster Boulevard, Winnipeg, Manitoba

6. Description of buildings on property: House to be demolished upon possession

Date Purchaser is Responsible for Realty Taxes:

Purchase Price: $53,000.00

Applicant: THE CITY OF WINNIPEG

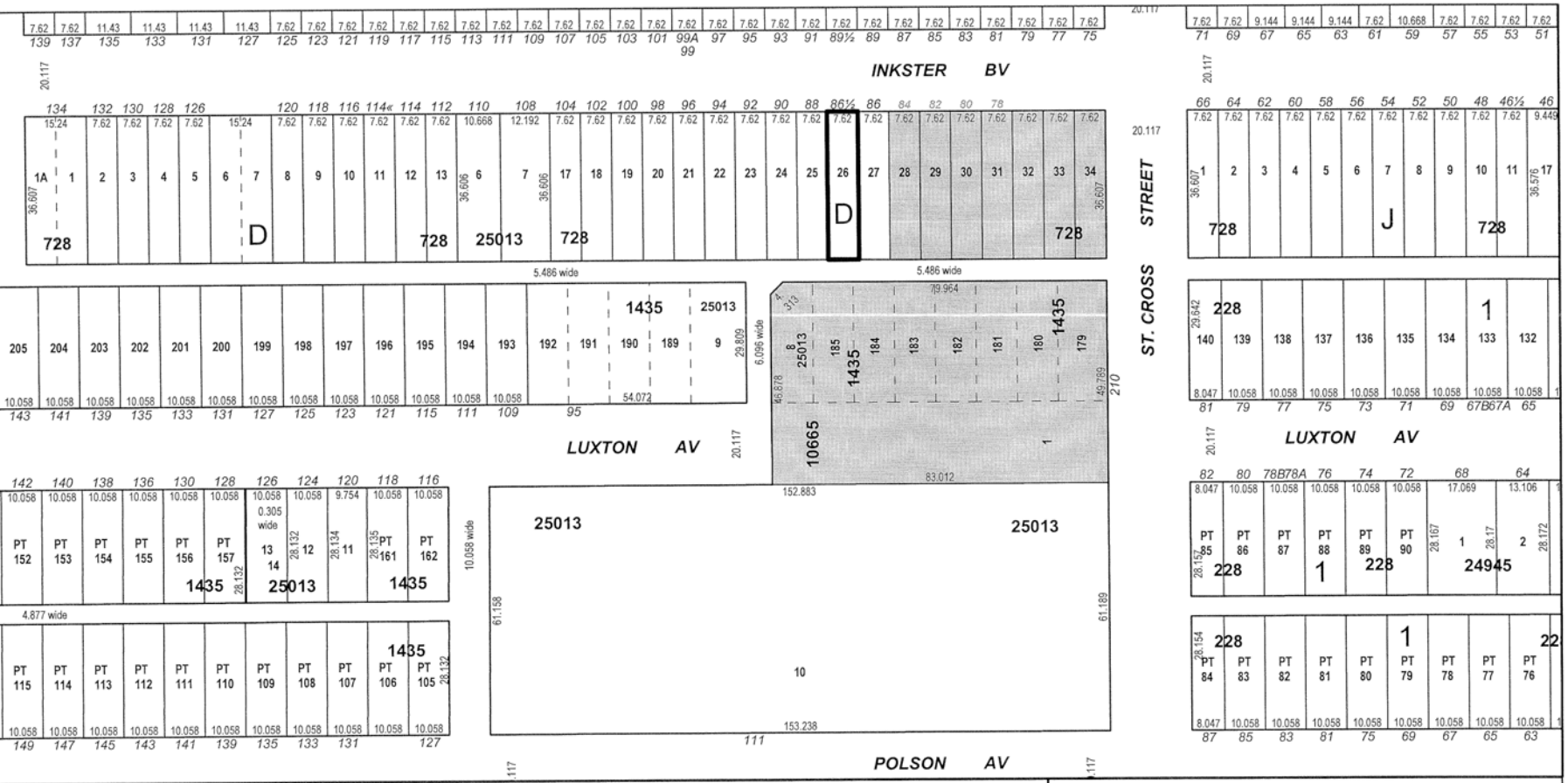
Per: ***"AUTHORIZED SIGNATORY"***

for DIRECTOR of Planning, Property and Development

Registered Owner: ***"STEVEN ERIC ROBINSON"***

STEVEN ERIC ROBINSON

The Office of the City Assessor, The City of Winnipeg



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