Agenda - Executive Policy Committee - June 19, 2002

REPORTS

2. From the Director of Planning, Property and Development and the Director of Public Works
Report 2002/06/10

Proposed Acquisition of Environmentally Sensitive Land Under Proposed Plan of Subdivision DASZ 19/00 (Bois des Esprits) and Environmental Impact Study
File DASZ 19/00

Recommending:

1. That the Director of the Planning, Property and Development be instructed to:

   a) Advise the developer that the City's financial contribution for acquisition of such portions of the tree stand lands above the waterway requirement as total available funding will permit will be based on a price of $65,000.00 per acre; and,

   b) Encourage the Save Our Seine River Inc. (SOS) to launch a "time-limited" fundraising campaign (to December 31st, 2002) and to consider approaching various alternative sources of support such as the Evergreen Foundation, the developer, the Province of Manitoba and the community at large toward funding an acquisition of as much as possible of all three categories of the tree stand lands; and,

   c) Advise the S.O.S. that the City, subject to Council approval, is prepared to commit $1M towards the acquisition of the tree stand and in addition, is prepared to match dollar for dollar all other alternative sources to a maximum of $0.6M (City contribution) for funding the said proposed acquisition, all based on a price of $65,000.00 per acre;

   d) Identify and to report back as to the sources of funding and method of payment to use in acquiring the lands.

   e) Obtain an independent assessment on the long-term traffic and environmental impacts of the three alternative bridge locations to access the proposed Royalwood Phase II residential development; and pending the opinion of this independent assessment, ensure that the lands now readily available for bridge construction be preserved accordingly.

2. That, subject to recommendation 1. e) above, an additional appropriation of $50,000.00 be provided in order to obtain the independent assessment.

Re: Proposed Acquisition of Environmentally Sensitive Land Under Proposed Plan of Subdivision DASZ 19/00 (Bois des Esprits) and Environmental Impact Study
Riel Community
St. Boniface ward

For submission to: **Executive Policy Committee**

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

Report date: June 10, 2002

In camera item: **No**

Recommendation(s):

1. That the Director of the Planning, Property and Development Department be instructed to:

f) Advise the developer that the City's financial contribution for acquisition of such portions of the tree stand lands above the waterway requirement as total available funding will permit will be based on a price of $65,000 per acre; and,

g) Encourage the Save Our Seine River Inc. (SOS) to launch a "time-limited" fundraising campaign (to December 31st, 2002) and to consider approaching various alternative sources of support such as the Evergreen Foundation, the developer, the Province of Manitoba and the community at large toward funding an acquisition of as much as possible of all three categories of the tree stand lands; and,

h) Advise the S.O.S. that the City, subject to Council approval, is prepared to commit $1M towards the acquisition of the tree stand and in addition, is prepared to match dollar for dollar all other alternative sources to a maximum of $0.6M (City contribution) for funding the said proposed acquisition, all based on a price of $65,000 per acre;

i) Identify and to report back as to the sources of funding and method of payment to use in acquiring the lands.

j) Obtain an independent assessment on the long-term traffic and environmental impacts of the three alternative bridge locations to access the proposed Royalwood Phase II residential development; and pending the opinion of this independent assessment, ensure that the lands now readily available for bridge construction be preserved accordingly.

2. That, subject to recommendation 1. e) above, an additional appropriation of $50,000 be provided in order to obtain the independent assessment.

REPORT SUMMARY

KEY ISSUES:

- A Development Application (DASZ 19/00) has been submitted that includes a large tree stand that is considered by the City and by the community to be environmentally sensitive and worthy of protection from development. The developer has requested that the City identify how much of the 81.4-acre tree stand it wishes to acquire and to agree to the price before the developer proceeds further with its development application.
- The amount of land recommended for public open space in this case is significantly greater than what can be captured in the normal development application process.
- A decision is required as to whether or not the City should purchase either some or all of the remaining approximately 40.9 acres of an 81.4 acre "A" quality tree stand (i.e. 33 acres can be purchased under the Council-approved Seine River waterway requirement; also, approximately 7.5 acres can be acquired by dedication at no cost) within this 305 acre proposed residential subdivision.
- There is significant public pressure to acquire the entire 81.4-acre "Bois des Esprits" tree stand.
- The Administration has evaluated the relative quality of the tree stand, placing it into three (3) categories, but also suggesting that if possible all of the 80 acres should be acquired for ecological reasons. The entire site was graded "A" quality because of its size and its connectivity to the remainder of the Seine River corridor. The recommendation in this report is based on the idea that the City should consider earmarking sufficient resources to acquire the 24.5 acre part of the tree stand that is deemed to be of the highest quality.
- The Administration and the developer have engaged in long and difficult discussions on this matter. While there is now agreement on the model and data to be used in determining price, there continues to be disagreement on several model input assumptions. As a result, the Administration's position is that the price to be paid should be based on a rate of $65,000 per acre equating (assuming acquisition only of the 24.5 acres of the highest quality portion of the tree stand) to approximately $1.6M (subject to survey) plus finance and closing costs. The developer's position is that the price needs to be based on $75,000 per acre subject, however, to further discussion with its joint venture partner, the Province of Manitoba.
- No funding source has been identified for this proposed acquisition; however, the administration has identified a combination of potential sources of funds plus lands in kind for possible exchange with the developer and/or the Province of Manitoba.

- This report is suggesting the establishment of the City's position relative both to the rate to be paid for the tree stand and the minimum quantity of the tree stand to be purchased. This determination is crucial to enabling the actual purchase negotiations to be finalized.
- The recommended City position is to encourage the S.O.S. to approach the Evergreen Foundation, the developer, the Province of Manitoba and the community at large to contribute funds toward the acquisition of the tree stand and for the City to commit $1M towards the acquisition of the tree stand, and in addition, to match dollar for dollar such sources of funds up to a maximum of $0.6M (City contribution).
- The related matter of deciding the access requirements into the proposed next phase of residential development could benefit from an independent assessment by a local consulting engineering firm(s) with experience in transportation planning and environmental impact at an estimated cost of $50K. The consultant's report would speak to matters of: traffic impact, environmental impact of Seine River crossing options, neighbourhood sustainability, and consistency with Plan Winnipeg. The assessment would be undertaken under the direction of the Planning, Property and Development Department with input from other Departments as required. S.O.S. would be invited to participate as part of the "study team". An additional budget appropriation would be required to fund this consultant assignment.

IMPLICATIONS

General implications

	None
	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:
- Save Our Seine River Inc., (SOS) has expressed a strong view that the Bois des Esprits tree stand should be preserved in its entirety.

Policy implications

	No (*There are no policy implications if the report is asking for a one-time decision.)*
X	Yes *(There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)*

Comment: The Planning, Property and Development Department advises that this acquisition may be seen to establish a precedent for application in other future instances of a similar nature.

Financial implications

	Within approved current and/or capital budget

X	Current and/or capital budget adjustment required
	No financial implications

Comment:

- Until the sources of financing have been finalized, it will not be possible to estimate all financial impacts.
- Financing sources investigated to date include a combination of the use of reserve funds, a capital account, the waiving of development fees, the exchange of lands, and additional appropriation. All of these options involve differing impacts on the City's budgets.

REPORT

RECOMMENDATION(S):

1. That the Director of the Planning, Property and Development Department be instructed to:

    a) Advise the developer that the City's financial contribution for acquisition of such portions of the tree stand lands above the waterway requirement as total available funding will permit will be based on a price of $65,000 per acre; and,

    b) Encourage the Save Our Seine River Inc. (SOS) to launch a "time-limited" fundraising campaign (to December 31st, 2002) and to consider approaching various alternative sources of support such as the Evergreen Foundation, the developer, the Province of Manitoba and the community at large toward funding an acquisition of as much as possible of all three categories of the tree stand lands; and,

    c) Advise the S.O.S. that the City, subject to Council approval, is prepared to commit $1M towards the acquisition of the tree stand and in addition, is prepared to match dollar for dollar all other alternative sources to a maximum of $0.6M (City contribution) for funding the said proposed acquisition, all based on a price of $65,000 per acre;

    d) Identify and to report back as to the sources of funding and method of payment to use in acquiring the lands.

    e) Obtain an independent assessment on the long-term traffic and environmental impacts of the three alternative bridge locations to access the proposed Royalwood Phase II residential development; and pending the opinion of this independent assessment, ensure that the lands now readily available for bridge construction be preserved accordingly.

2. That, subject to recommendation 1. e) above, an additional appropriation of $50,000 be provided in order to obtain the independent assessment.

REASON FOR THE REPORT:

Ladco Company Limited, the managing partner of a Joint Venture between Ladco and the Province of Manitoba, contacted the Real Estate Division of the Planning, Property & Development Department on August 23, 1999 requesting that the City identify how much of the approximately 80-acre tree stand it wishes to acquire under a proposed 305 acre residential development application and to agree to the price before the developer proceeds further with its development application.

By this report, the Planning, Property and Development Department is advising as to the results of those discussions with Ladco, and is seeking approval of a recommended City position on an approach to acquiring some of this property and the basis for the price to be paid.

In addition, due to the need to resolve the matter of the use of a portion of the tree stand for a proposed crossing of the Seine River through retention of an independent local engineering consultant(s) to undertake a long term environmental and traffic impacts and an access assessment study, approval is required for an additional budget appropriation of $50,000.00.

HISTORY:

A. Bois des Esprits Negotiations

By letter dated August 23, 1999, Grandin Park Development Ltd. (a joint venture between Ladco Co. and the Province of Manitoba) advised that it is preparing design concepts for the next phase of the Royalwood residential development. The developer recognized that approximately 80 acres of the 305 acres proposed for development has been given a Grade "A" designation by the Seine River Task Force. Of those, approximately 33 acres lie within the City's waterway requirement, which is typically purchased pursuant to the terms of a development agreement on the recommendation of the Water and Waste Department. This is pursuant to the authority granted by Council on January 19, 1983 when it adopted the recommendations of the Seine River Park Study report, which included an ongoing land acquisition program for all Seine River waterway lands. The developer could dedicate some of the remaining 47+/- acres based on normal land dedication requirements, and the City could also acquire some at a negotiated price. The developer, therefore, requested the City to determine its overall plans regarding this +/-80-acre tree stand.

Subsequently, numerous meetings and discussions took place internally among Divisions as well as with the developer, regarding the amount of land that the City may wish to purchase as well as the basis for determining the proposed price, all of which would be subject to affordability and identifying the potential source of funding.

On Nov. 29, 2000 the Administrative Coordinating Group (ACG) considered the developer's application DASZ 19/00, and the ACG's Minutes state that the Planning and Land Use Division favours the acquisition by dedication and purchase of the entire tree stand, subject to affordability. Accordingly, further negotiations ensued between the developer and the Real Estate Division.

The Standing Policy Committee on Property and Development, at its meeting held on November 20, 2001, passed the following motion:

> "That the Director of Planning, Property and Development be authorized to negotiate the acquisition of some or all of the 'Bois des Esprits' tree stand above the Waterway Requirement, as outlined on Misc. Plan No. 11303, and report back to the Standing Policy Committee on Property and Development."

An impasse had been reached; however, further negotiations with the developer and with the Province of Manitoba (a 38% partner in the joint venture with Ladco Co.) were again facilitated, now under the leadership of the Chief Financial Officer.

B. Access to Royalwood Phase II

The matter of access into Royalwood Phase II by means of a Seine River crossing was originally contemplated during consideration of development application DASZ 32/83 by the former St. Boniface/St. Vital Community Committee in April 1985, at which time the developer (Ladco) was directed to acquire land for the proposed collector street system between St. Anne's Road and the Seine River at the location opposite the then planned connection of Southglen Boulevard.

Ladco subsequently acquired the necessary property, but never proceeded with this proposed development.

In April 1991, at the time of consideration of development application DASZ 5/90 the Community Committee adopted in principle a concept plan for the area bounded by Bishop Grandin Boulevard, Lagimodiere Boulevard, the south Perimeter Highway and the Seine River which plan included a street crossing of the Seine River to St. Anne's Road opposite Southglen Boulevard.

Under the conditions contained in Development Agreement AG 5/90 for the 1st Phase of Royalwood, up to John Bruce Road, Ladco had been obligated to construct a vehicle crossing over the Seine River to either, the intersection of St. Anne's Road and Southglen Boulevard or such other intersection with St. Anne's Road as determined by the City. The Developer had been required to construct the crossing prior to the connection of any street within the planned area to John Bruce Road, however due to subsequent amendments to the agreement the Developer has been permitted to fully develop the area without the crossing.

In late 2000 Ladco submitted development application DASZ 19/00 for the second Phase of Royalwood, which application included the crossing of the Seine River opposite Southglen Boulevard. The Administration and Ladco have been working through a number of issues with respect to this application and it has therefore not as of yet proceeded to a Public Hearing.

DISCUSSION:

A. Bois des Esprits Negotiations

The attached Misc. Plan No. 11303/3 illustrates the lands that are the subject of this report.

Tree Stand Below Waterway Requirement Line:

It is City Policy, specifically the Council approved Seine River Greenway Study, that land within the flood basin of the Seine River be acquired for the purpose of flood protection and recreation. Thirty-three acres of "Bois des Esprits" can be acquired in this manner for an approximate cost of $495,000. Although funding for this specific acquisition has not been identified, the Five-Year Capital Forecast does include general funding of $150,000 per year for any Seine River waterway land acquisitions. The waterway lands were originally delineated in 1980 and are required to accommodate flow along the Seine River from a 100-year summer storm. The waterway lands are typically purchased at the time of subdivision under the terms and conditions of the Development Agreement as approved by Council.

Tree Stand Above Waterway Requirement Line:

The City of Winnipeg's Naturalist, Forester, and Environmental Coordinator were consulted in defining the quality of the tree stand. Their feedback is the basis for the following discussion.

This portion of the tree stand, together with the portion lying below the waterway requirement, represents the largest and highest quality unmanaged river bottom forest left in Winnipeg. There are three categories in terms of quality of habitat:

> ***Category One (1)*** *comprises approximately 32 acres of relatively healthy trees and understory woody shrubs. Mature bur oak dominates the upland. Construction would destroy virtually all the oaks even if some were left for landscaping purposes. These 32 acres (subject to final calculation based on a survey) are recommended for acquisition by the City. Because the developer under the terms to be established for DASZ 19/00 would dedicate 7.5 of these acres, 24.5 acres would need to be purchased at a price of $1.6M (rounded).*
>
> ***Category Two (2)*** *comprises 2.7 acres in the vicinity of the proposed bridge crossing opposite Southglen Boulevard. The bur oaks are not as old (large) as in Category One. Also, the soils are moister and so the trees show growing stress and many are in a state of decline (are dying back). This land calculated at a consistent rate would be priced at $175,500.00.*
>
> ***Category Three (3)*** *comprises 13.7 acres of primarily young to middle-aged aspens that are colonizing abandoned farmland. Within this category is a grouping of a unique clone of aspen unlike any other observed in Winnipeg. These should be preserved through vegetative propagation in a tree nursery, if they are not preserved as a small park. This land calculated at a consistent rate would be priced at $890,500.00.*

Basis of Price:

Initially, the Department considered the price of any land to be purchased by the City should be strictly market value based, i.e. at a rate equal to the average market value of an acre within the 305-acre parent parcel. The developer, meanwhile, indicated that the joint venture was of the position that it required compensation for the cash flow it would forego as a result of a decision to sell the tree stand rather than developing the area in the ordinary course. The developer's

initial position on compensation was in the order of $85,000 per acre (i.e. net present value of foregone cash flow), compared to the City's initial strictly market value based position in the $10,000 to $20,000 per acre range for unserviced land requiring rezoning and available for imminent development.

Following consultation with the Legal Services Division, and with the Land Development Branch, the Real Estate Division determined there is merit in the developer's approach and then determined a method for calculating the net present value of the forgone cash flow due to not developing the tree stand. There has been considerable discussion between the developer and the Administration resulting in agreement as to the model to employ in determining price and as to the data to be used. However, there continues to be disagreement on several model input assumptions.

The administration's position is that $65,000 per acre should be the price for any of the land to be purchased; while the developer's position is at $75,000 per acre, subject to further discussion with its joint venture partner, the Province of Manitoba. However, the developer also professes that it is expert in this matter, provides its arguments and asks that this report indicate that the developer still demands $75,000 per acre.

Community Considerations:

The Save Our Seine River Inc. (SOS) is a long-term stewardship advocacy group for the protection and preservation of the Seine River. They have taken an aggressive stand on preservation of Bois des Esprits. SOS appears to want to preserve the entire 81.4 acres of tree stand land, which would include the aforesaid Categories Two and Three (13.7 and 2.7 acres, respectively). This would represent approximately 27% of the gross area of the subdivision. However, an additional 10.392-acre active recreational site (shown on Misc. Plan No. 11303/3) would form part of the dedication requirement, thus, approximately 30% of the gross area of the subdivision would be acquired for public use if the entire tree stand were preserved.

The issue is to determine how much land the City can afford to purchase. At a proposed price of $65,000 per acre, the 24.5-acre Category One land (32 acres minus 7.5 of which are to be dedicated) would cost in the neighbourhood of $1.6M, subject to legal land survey, plus finance charges and closing costs. Should Categories Two and Three be added (2.7 plus 13.7 acres), the cost would increase by an additional $1.1M, approximately.

The Administration considers that the S.O.S. and/or its affiliate organizations should be encouraged to consider other alternatives for the acquisition of either some or all of the remaining tree stand lands. The Department has met with representatives of the S.O.S and on May 31, 2002, with representatives of the Evergreen Foundation relative to the matter of encouraging them to undertake a fundraising campaign for completion before December 31, 2002. These groups advised that they have a strong interest in pursuing this project.

Province of Manitoba Position:

Bois des Esprits is located within an area owned by Grandin Park Development Ltd, a partnership between the Province of Manitoba (38%) and Ladco Company Ltd. (62%). The City and SOS, both, have approached the Province on several occasions in an effort to obtain a

financial commitment to support preservation of the tree stand. Further negotiations with the Province are required. Also, it is important to note that in addition to the revenue and cost sharing between the partners, Ladco advises that it receives a management fee of 5% on the gross revenues. Therefore, cost-sharing arrangements for public land acquisition between the Province and the City will also need to reflect Ladco's management fee. Ladco itself is approaching the Province to discuss this and other possible alternatives in terms of arriving at a final determination of the amounts and forms of compensation that the City could make to the respective partners in the joint venture.

Planning and Land Use Position:

The administration's position reflects the advice of the City Naturalist and the City Forrester. The administration favors acquisition of the Category One tree stand lands as a priority, subject to affordability. More importantly, the Planning, Property and Development Department is concerned that the purchase of a single acre at a price in the order of magnitude being discussed could be seen to set a precedent that would compromise the City's ability to fund future acquisitions of public open space/sensitive lands from private owners pursuant to the objectives of Plan Winnipeg and other Council policies.

The City has begun work on developing the Sensitive Lands Plan called for in Plan Winnipeg 2020 Vision. This plan will designate natural areas that are environmentally sensitive and/or significant and provide measures for the possible acquisition, preservation, protection, and maintenance of these lands. The current sensitive lands inventory appears to indicate 164 habitats covering approximately 2,000 acres in need of protection. Most of these natural areas appear to be in locations where development is not yet imminent; however, they may be before the City has an opportunity to acquire them. This Sensitive Lands Plan will not be completed in time to affect the Bois des Esprits acquisition, but the Bois des Esprits acquisition may affect the Sensitive Lands Plan.

Alternatives Considered:

In certain circumstances a developer might be prepared to agree to dedicate appreciably more than the normal 10% standard for open space land dedication. This could occur if, for example, a developer recognized a direct benefit resulting from the additional dedication and/or if there were compensating considerations among the other terms and conditions of development approval. In this instance, the developer has indicated that it anticipates no measurable benefits for dedicating additional land, i.e. beyond the 33 acres to be sold to the City for the Seine River waterway requirement plus the 7.5 acres of passive parkland to be dedicated. The bridge location yet to be approved (i.e. Southglen Boulevard vs. Warde Avenue vs. John Bruce) could, perhaps, still have a bearing on the developer's willingness to provide additional dedication; however, this possibility seems remote. The waiving of development application fees has been included in the potential funding sources discussed elsewhere in this report.

The Real Estate Division has reviewed analogous cases and has consulted with the Legal Services Division as to the basis upon which the City could negotiate acquisition of additional land beyond the normal dedication requirements under an application for a subdivision and rezoning. On the facts of the matter, the City would be in a similar position to defending compensation under expropriation were the City to make approval of DASZ 19/00 conditional upon the developer selling the approximately 39.5 acres to the City at a price to be negotiated. In such a case the tribunal could decide to agree with the developer's position, plus award costs. Therefore, in order to control the cost, it would be prudent to establish the amount of land to be acquired and the price therefore in advance. This is, in fact, the wish of the developer and the reason for initiating discussions on this point in August 1999.

Summary Statement:

After much discussion and consideration, the Administration had reached an initial conclusion that the City's position should be to acquire only the 24.5 acre Category One (1) lands based on a rate of $65,000 per acre, which equates to a price of approximately $1.6M (subject to survey), plus finance and closing costs. In addition to this, the right-of-way for the proposed Southglen Bridge crossing (through the Category Two land should it ultimately be determined that this is the optimum location for the bridge) would be dedicated by the developer and the City may be required to purchase the residual Category Two land.

The City's total investment in preserving 65 acres of this 81.4 acre tree stand (or 79.9%, which includes 7.5 acres to be dedicated) would then be:

A) Tree stand below waterway requirement line =	33 acres for	$495,000.00
B) Category One (1) lands =	24.5 acres for	1,600,000.00
C) Category One (1) lands to be dedicated =	7.5 acres for	nil.
Totals:	65 acres	$2,095,000.00

However, upon reflection, an alternate recommendation was conceived as indicated in this report, i.e. to commit $1M towards the acquisition of the tree stand and in addition, to match dollar for dollar all other alternative funding sources to a maximum of $0.6M (City contribution) for funding the said proposed acquisition, all based on a price of $65,000.00 per acre. Among other things, this approach encourages other interested parties to join with the City to try to acquire as much of the tree stand as possible.

B. Access to Royalwood Phase II

The potential acquisition of either part or all of the Bois des Esprits tree stand is only one of two major issues regarding this proposed development (DASZ 19/00). The second issue is the requirement for vehicular access from St. Anne's Road over the Seine River to the proposed Royalwood Phase II residential subdivision. The developer and City administration both believed the most appropriate location for this bridge is in the area near the south limit of the tree stand, i.e. opposite the Southglen Boulevard intersection with St. Anne's Road. The developer

acquired the land between St. Anne's Rd. and the Seine River in 1989 for this anticipated future need. SOS opposes this location because it will require the destruction of approximately 2 acres of the Bois des Esprits tree stand (lying within the Category Two lands).

It should be noted that some of this Category "2" tree stand was bulldozed by the developer in the early Spring of 2002. Also, however, the City's Environmental Coordinator advises that environmentalists have identified ecological studies that indicate that a bridge would negatively impact the ecological health of the river corridor, including wildlife and plant species. The degree of impact is in question based on the bridge design and location. They are of the view that a bridge at this location interrupts the "connectivity" of the park land along the Seine River. In order to provide a "second opinion" on the matter, this issue could benefit from an independent assessment of the long term environmental and traffic impacts and the access requirements to Royalwood Phase II by a local engineering consulting firm(s) with experience in transportation planning and environmental impact. The consultant's report would speak to matters of: traffic impact, environmental impact of Seine River crossing options, neighbourhood traffic impacts and sustainability, and consistency with Plan Winnipeg. The estimated budget requirement for this assignment is $50,000 and would require an additional budget appropriation.

The assessment would be undertaken under the direction of the Planning, Property and Development Department with input from other Departments as required. S.O.S. would be invited to participate as part of the "study team".

C. Potential Sources of Funding/Compensation:

Beginning with the premise that the price payable by the City for the balance of the "Category One" lands (24.5 acres) will be $65,000 per acre, i.e. $1.6M total (plus financing and real estate transaction closing costs), $366,000 can be in the form of waiving the subdivision administration fees. This would leave $1.234M, of which Ladco's share (62%) would be $765,000. The General Unspecified Purposes Account could potentially fund $325,000 of that amount.

As to the subdivision administration fees, the developer argues that it would not be equitable to pay these fees on the additional land that the City may purchase; additionally, because these fees are often paid in installments, it is the present value of these fees that should form part of the purchase price.

There also appears to be approximately $400,000 in uncommitted funds in the Riel Community's Land Dedication Reserve Account.

The share of the Province of Manitoba (38%) would be $469,000.

There is no available funding source to which the City's financial contribution can be charged. Accordingly, the Administration has consulted with Ladco and the Province and has identified the following alternatives to finance and facilitate this land acquisition project:

A) ***Cash Payment***

In view of the fact that there is no available funding source, Council can approve an additional appropriation in the amount of $1.65M plus incidental administrative and other costs to close the proposed transaction. The additional appropriation can be adjusted downwards to reflect available money in the General Unspecified Purposes Account and the Riel Community Land Dedication Reserve Account and to reflect any waiver of development fees.

Ladco clearly favours either a cash payment or deferred payment together with interest.

Perhaps it may be possible to negotiate a payment schedule, which of course, would require the payment of interest on the unpaid balances.

B) ***Land Exchange***

There are available real property assets which could be offered in exchange in payment of all or part of the price payable. These assets include residential, industrial and agricultural lands.

There appears to be an opportunity to deal with each of the 2 partners in this Joint Venture (i.e. Ladco and the Province) separately. There are several city-owned residential subdivision sites in the Riel Community which would, in the Department's opinion, lend themselves to exchange with Ladco. These sites are located at the west end of Sterling Avenue and on Rue du Monastere.

There are also several sites in the Riel Community which lend themselves to exchange with the Province. For instance, the Province has advised that it would consider a land exchange involving City-owned properties lying to the south of Bishop Grandin Boulevard and west of Waverley Street and, if necessary, can include certain inner City properties that would be useful in implementing a bi-lateral housing initiative. This requires further consultation with the Province.

Ladco has advised that it may be interested in these lands provided that there is no undue delay in conveyance of those assets and further provided that the City is prepared to recognize the present worth of those assets relative to their most likely date of sale/development.

The developer is concerned with the likely duration and the difficulty inherent in any process to "swap" lands.

The Department has been withholding the 2 residential subdivision sites from the market in order for possible use in a land exchange. However, the Department does not support holding these sites for an indefinite period of time. Should this alternative be desirable, then the Department suggests that the Ladco be offered a first opportunity to purchase these City-owned sites within a specified period of time and at a price which is acceptable to the City, failing which, the City would proceed to market the properties.

Should either of these sites be acceptable to Ladco, then, the Department will submit a further report to the Standing Policy Committee on Property and Development recommending the transfer of title at which time, the Committee will be advised as to the

specific financial implications resulting therefrom and related to: the non-recovery of costs expended in the development of these two subdivisions, and; the matter of the commitment of the net sales proceeds arising out of the sale of the Rue du Monastere property towards the construction of a future pedestrian bridge intended to cross the La Salle River in the adjacent park.

Financial Impact Statement

Date: June 4/02

Project Name:

Proposed Acquisition of 24.5 Acres of Environmentally Sensitive Land Under Proposed Plan of Subdivision DASZ 19/00 (Bois des Esprits)

First Year of Program 2002

	2002	2003	2004	2005	2006
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 50,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 50,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 50,000	$ -	$ -	$ -	$ -

Additional Comments:

The above-noted costs are required to conduct a traffic and environmental impact assessment, for which an additional appropriation is required. The report also discloses, that at an acquisition cost of $65,000 per acre, total costs of acquiring this treestand would be $1.6 million (land acquisition plus incidentals). A complete Financial Impact Statement will be provided with a subsequent report. This land acquisitioin was not included in any existing budgets. Until the sources of financing have been finalized, it will not be possible to estimate all financial impacts. Financing sources investigated to date include a combination of the use of an additional appropriation, reserve funds, a capital account, the waiving of development fees and the exchange of lands. All of these options involve differing impacts on the City's budgets.

Gord Courage, Manager
Support Services Division

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

Water and Waste Department

Planning and Land Use Division

Land Development Branch

Public Works Department

Legal Services Division

City Naturalist

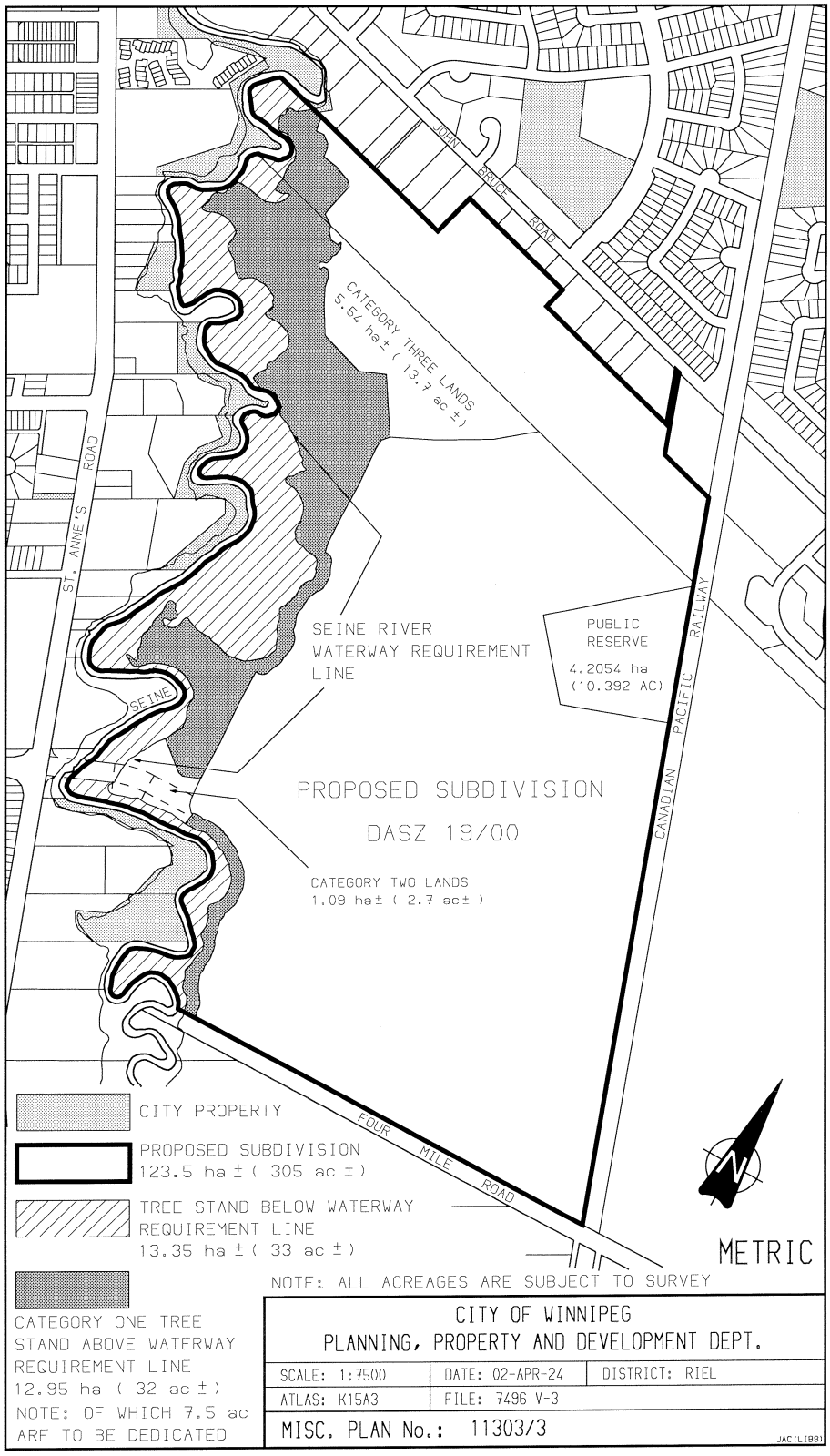
City Forester

Environmental Coordinator

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Vic Mikolayenko
PPD File #: 7496 (III)

Document name: O:\ReportsDirective\realestate\acquisition\(vm)boisdesesprits - revisedV


JOHN BRUCE ROAD
CATEGORY THREE LANDS
5.54 ha± (13.7 ac ±)
ST. ANNE'S ROAD
SEINE RIVER
WATERWAY REQUIREMENT
LINE
PUBLIC
RESERVE
4.2054 ha
(10.392 AC)
CANADIAN PACIFIC RAILWAY
SEINE
PROPOSED SUBDIVISION
DASZ 19/00
CATEGORY TWO LANDS
1.09 ha± (2.7 ac±)
CITY PROPERTY
PROPOSED SUBDIVISION
123.5 ha ± (305 ac ±)
TREE STAND BELOW WATERWAY
REQUIREMENT LINE
13.35 ha ± (33 ac ±)
FOUR MILE ROAD
METRIC
CATEGORY ONE TREE
STAND ABOVE WATERWAY
REQUIREMENT LINE
12.95 ha (32 ac ±)
NOTE: OF WHICH 7.5 ac
ARE TO BE DEDICATED
NOTE: ALL ACREAGES ARE SUBJECT TO SURVEY
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:7500
DATE: 02-APR-24
DISTRICT: RIEL
ATLAS: K15A3
FILE: 7496 V-3
MISC. PLAN No.: 11303/3
JAC(LIBB)