Proposed Purchase of 408 Glasgow Avenue for the Churchill Drive Parkway project

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17. The Standing Policy Committee on Property and Development has been advised that in order to accommodate the Churchill Parkway along the riverbank the City must acquire a legal interest in the property at 408 Glasgow Avenue. Approval by Council is required as the acquisition of the subject property has not been approved in a capital program.

On February 7, 2002, the Standing Policy Committee on Property and Development directed the Planning, Property and Development Department to deal with the matter of acquiring a legal interest in the property at 408 Glasgow Avenue by means of a coordinated and comprehensive approach involving all affected Divisions and Departments contributing their respective information, knowledge and finances to the creation of a solution which would be in the City's overall best interests.

The Public Works Department commented as to the condition of the riverbank as it may affect the stability of the back lane at the rear of this property, and therefore supports the acquisition of the property at 408 Glasgow Avenue. It is likely that some roadway repair works will be necessary in future years and those repairs will be much more cost effective if the City was the owner of the subject property. The Public Works Department is prepared to contribute $10,000.00 towards the acquisition of 408 Glasgow Avenue.

This property is eligible under the Secondary Diking Enhancements Program (pursuant to the Canada-Manitoba-City of Winnipeg Agreement on Secondary Diking Enhancements) to receive funding assistance for flood proofing a Special Case. Special Cases generally involve the purchase of the house and land to permanently remove the structure from the floodplain. The maximum contribution from the Program for this Special Case is $60,000.00 and this is to be cost-shared by Canada ($27,000.00), Manitoba ($27,000.00) and Winnipeg ($6,000.00).

The benefits to the City and the other levels of government should the property be purchased and the house removed, is the elimination of sandbags to protect the property from river flooding and the elimination of potential flood damage compensation. The cost to supply and deliver sandbags is approximately $1.50 per sandbag. The subject property requires approximately 4,000 sandbags for a flood of 1997 magnitude, resulting in a cost of $6,000.00. However if the sandbag dike were to fail, the flood damage could be in the tens of thousands of dollars.

There exists a land drainage sewer and outfall within the Glasgow Avenue right-of-way, on the opposite side of the street to the subject property. Since the benefit of removing the house to the Water and Waste Department's land drainage sewer outfall is not quantifiable, the Department is not supportive of contributing to the overall purchase of the subject property using outfall repair funds.

Initially, the City required a five (5) metre wide easement in order to have a continuous pathway along the water's edge. Currently, the pathway comes up the bank at Woodward Avenue, then uses Osborne Street to Togo Avenue and then back down to the riverbank. The Planning and Land Use Division of the Planning, Property and Development Department advised that every long period of flooding could result in approximately $350.00 (to simply top-up the granular material) to $1,200.00 (for a proper cleaning of silt and redressing the path) worth of cleanup for the length of trail associated with the

subject property. The site could potentially have cost the City $2,400.00 to $3,600.00 over the last few years to clean-up after flooding.

The placement of the trail in a flood prone area also precludes putting any site amenities, such as benches or waste receptacles, as the high waters damage them. But by far the greatest impact, which cannot be assessed from a monetary perspective, is the limitations to use that flood prone lands place on the trail. In high water conditions, the trail disappears creating usage "dead ends". Even if the area is not flooded, the low lying lands can frequently be saturated after a heavy rain making walking or cycling difficult and leaving the paths severely rutted.

The Planning and Land Use Division supported the total acquisition of this property, at this estimated cost, because this would allow the trail to be placed at the top of the bank at this location rather than at the water's edge.

On May 7, 2002, the owners of the subject property provided their final position in order to settle this long outstanding matter. They have advised they are prepared to sell the subject property to the City for $154,900.00, plus legal costs in the amount of $1,200.00 plus disbursements and GST. They requested a possession date of January 15, 2003, because of existing tenants and a current mortgage agreement. They have also advised that they want to remove "all of the appliances, mirror fixtures, fans, lights, air conditioners etc. anything of value".

Funding in the amount of $200,000.00 is required in order to acquire the subject property at the asking price of $154,900.00. This amount includes demolition, appraisal costs, legal fees, land transfer taxes, a small contingency, GST and finance and administration charges. Adequate funding is available for this acquisition with a modest surplus to acquire other portions of the parkway.

In addition to other sources comprising the total funding requirements, there is an unencumbered allocation of $8,000.00 from the City Centre Land Dedication Reserve Fund. On December 7, 1999, the City Centre Community Committee recommended that this sum be utilized for the completion of the Churchill Drive Parkway project.

The Planning, Property and Development Department recommended the following terms and conditions for the proposed acquisition:

1. Purchase price = $154,900.00.
2. Vacant possession and adjustment date = January 15, 2003.
3. No removal/stripping of any part of the buildings or of the land.
4. Owners to be fully responsible for the property up to January 15, 2003.
5. The owners to allow the City to construct, and the public to use, a pathway through the property by means of a temporary easement, from the Date of Approval to this settlement until possession on January 15, 2003.
6. Release of any and all claims as against the City; together with no new claims.
7. Legal fees as are acceptable to the City Solicitor/Manager of Legal Services.

The Standing Policy Committee on Property and Development recommends:

Report of the Standing Policy Committee on Property and Development dated May 27, 2002

I. That the acquisition of the property located at 408 Glasgow Avenue be approved, at a purchase price of $154,900.00, and in accordance with aforesaid terms and conditions outlined by the Planning, Property and Development Department.

II. That the following sources contribute to the purchase price and costs relating to the said acquisition and to other portions to complete the parkway yet to be negotiated, namely:

Individual Flood Proofing Program	$60,000.00
Land Acquisition for General Unspecified Purposes Account	90,514.00
City Centre Land Dedication Reserve Fund	14,475.00
Land Acquisition for Riverbank Purposes Account	46,975.00
Public Works Department	10,000.00
Insurance Reserve Fund	10,000.00
	$231,964.00

III. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.