Proposed Sale of City-owned Property - 242 Young Street - 130 Langside Street - West Broadway Development Corporation

File FI-2.4(32) (Vol. 6)

15. The Standing Policy Committee on Property and Development has been advised that the West Broadway Development Corporation, a registered non-profit organization, has requested to purchase, for $1.00 each, two sites for the construction of new homes at 242 Young Street and 130 Langside Street. Current City Policy requires that residential building sites sold at less than market value be returned to the City at the end of the economic life of the building. Therefore, acceptance of the Offers to Purchase made by West Broadway Development Corporation requires Council to waive that part of its policy pertaining to the sale and lease of City-owned lands to non-profit organizations that requires all properties to revert back to the City at the conclusion of the economic life of the project.

Both of the subject properties, each shown as "subject City property" on Misc. Plan Nos. 11091 and 11152, were acquired in Tax Sale, and the existing dwellings were subsequently demolished. The properties were circularized to the appropriate City Departments to determine if there is any Civic need but none have been identified. The acquisition of the two properties has been so recent that the City Centre Community Committee has not yet been presented with a report for its consideration of the Corporation's interest.

The Winnipeg Housing and Homelessness Initiative has advised that it is in favour of the sale of the two sites to the West Broadway Development Corporation.

Under the present City Policy regarding sale at $1.00 to non-profit groups, the property is to return to the City at the end of its economic life. As the eventual owner of the property will be a third party, this portion of the Policy cannot apply and that particular clause must be removed.

As well, the intent of these sales would be to facilitate new construction by the West Broadway Development Corporation. However, the Planning, Property and Development Department suggested that in the event that substantial construction is not completed on each property within two years from the date of sale, then the certificate of title for that property upon which there is no construction will revert back to the City.

The terms of sale proposed for the conveyance of 242 Young Street and 130 Langside Street have been negotiated, with the proposed terms being consistent with other similar transactions recently approved by Council.

The Real Estate Division of the Planning, Property and Development Department supports the proposed sale of the properties to West Broadway Development Corporation for the following reasons:

1. There has been limited market demand for in-fill residential building lots in the area identified;
2. Sale of any or all of the properties would increase the City's realty tax base; and,
3. Should these proposed sales not be approved there is, at this time, a high degree of probability that a purchaser other than the applicant will not be found.

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 Council in this instance waive that portion of City Policy pertaining to the sale or lease of City lands to non-profit organizations (Council authority October 31, 1990), which requires that properties sold at less than market value revert back to the City at the conclusion of the economic life of the project.

II. That the sale of 242 Young Street and 130 Langside Street (each shown as "subject city property" on Misc. Plan Nos. 11091 and 11152) to West Broadway Development Corporation at a price of $1.00 each, and subject to the terms and conditions as negotiated, be approved, subject to an additional condition requiring substantial completion of the construction upon these properties within two years from the date of sale, failing which title to the properties will revert back to the City.

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.