Agenda - Executive Policy Committee - January 19, 2005

Report - Standing Policy Committee on Property and Development - January 10, 2005

Item No. 17 Acquisition of 14.91 Acres of Tree Stand Lands in Bois des Esprits File FI-2(35)

STANDING COMMITTEE RECOMMENDATION:

On January 10, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That the Director of Planning, Property and Development be instructed to complete the purchase of the Bois des Esprits tree stand by advancing $423,387.68 as final payment towards the City's total contribution of $1,600,000.00.

2. That funding for the required payment be taken from the Land Acquisition - General Unspecified Capital Account.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - January 19, 2005

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On January 10, 2005, 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 Acquisition of 14.91 Acres of Tree Stand Lands in Bois des Esprits

For submission to: Standing Policy Committee on Property and Development

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

Report date: December 29, 2004

Recommendation(s):

1. That the Director of Planning, Property and Development be instructed to complete the purchase of the Bois des Esprits tree stand by advancing $423,387.68 as final payment towards the City's total contribution of $1,600,000.

2. That funding for the required payment be taken from the Land Acquisition – General Unspecified Capital Account.

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 Province of Manitoba has recently requested the City to finalize an acquisition of the subject 14.91 acres of Category III tree stand land (illustrated on the attached Misc. Plan No. 11303/4) by Dec. 31, 2004. The City would require an immediate funding source for $423,387.68, which would be the remainder of a $0.6M Council commitment to match funds raised by or on behalf of the Save Our Seine Inc. (SOS) to acquire this land. Adequate funds have been identified in the Land Acquisition – General Unspecified Capital Account.

- All of the Categories I and II lands, comprising 63.41 acres, within Bois des Esprits have already been acquired by the City, in large part with $1M in funds approved by Council on March 26, 2003 together with contributions from Save Our Seine (SOS) and the Province of Manitoba. Due to a final determination that the size of the Categories I and II lands located within a Public Reserve is greater than initially estimated, $176,612.32 of Council approved funding has already been treated as part of the City's commitment to matching funds. The SOS/Province matched this sum. As well, the Province front ended an additional $8,169.82 on the City's behalf, and is now willing to forgive this sum. In addition to matching the City's proposed contribution, the Province is willing to fund significant ancillary costs.

Implications of the Recommendation(s):

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(s):

- The Province, Ladco and the Save Our Seine River Environment Inc. (SOS) have requested the City to complete the purchase of this tree stand.

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

- These 14.91 acres constitute primarily young to middle-aged aspens that are colonizing abandoned farmland and although no detailed technical investigation has been made, this land visually appears to be unpolluted.

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):

- Adequate funds are available in the Land Acquisition – General Unspecified Capital Account.

REASON FOR THE REPORT:

Council had previously indicated, among other things, that it was prepared to match dollar for dollar all other alternative sources to a maximum of $0.6M (City contribution) towards the acquisition of the tree stand. The Province has recently requested the City to contribute its $423,387.68 remainder of the $0.6M commitment to match alternative funding sources. An appropriate source of adequate funding has been identified in the Land Acquisition – General Unspecified Capital Account, which requires Council's final approval to be used for the acquisition of the "SUBJECT PROPERTY 14.91 ACRES", shown on the attached Misc. Plan No. 11303/4.

HISTORY:

On June 19, 2002, Council approved in principle a $1M commitment with which to purchase such portions of the Bois des Esprits tree stand lands above the waterway requirement as total available funding will permit. The City under an existing Council-approved program was acquiring lands below the waterway requirement. Council also made a time-limited further commitment to match other alternative funding sources to a maximum of $0.6M.

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

> *This tree stand, including the portion lying below the waterway requirement, represents the largest and highest quality unmanaged river bottom forest remaining in Winnipeg. There are three categories in terms of quality of habitat (refer to Misc. Plan No. 11303/3).*
>
> ***Category One (1)** , i.e. the portion thereof which lies above the waterway requirement, consists 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) were recommended for acquisition by the City.*
>
> ***Category Two (2)** , i.e. the portion thereof which lies above the waterway requirement in the vicinity of the 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).*
>
> ***Category Three (3)** consists 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.*

All of the Categories I and II lands, comprising 63.41 acres, within Bois des Esprits have now been acquired by the City, in large part with $1M in funds approved by Council on March 26, 2003.

A final survey determined that the size of the Categories I and II lands located within a Public Reserve on the plan approved by Council under DASZ 19/00 and registered on Oct. 21, 2003 was greater than initially estimated. In accordance with Council's intent, $176,612.32 was taken from Council-approved miscellaneous funds and treated as part of the commitment to match other alternative funds. The SOS/Province had matched the $176,612.32. As a result, the City is only committed to match up to the $423,387.68 remainder of the initial $0.6M commitment.

As instructed by Council on March 26, 2003, the Planning, Property and Development Department had negotiated and obtained an Option to Purchase the final 14.91 acres (Category III land) of tree stand land from Ladco Company Limited. Ladco is the managing partner of Grandin Park Development Ltd., a development company jointly owned by the Province of Manitoba (38%) and Ladco (62%). That Option expired on February 28, 2004.

On Jan. 25, 2004, Council authorized a 1-year extension of the fundraising deadline, to December 31, 2004, and the associated Option to Purchase, to February 28, 2005. A draft Agreement to extend the Option had been forwarded to Ladco in March of 2004, but had not been executed. The land remains undeveloped, and the matter is capable of being concluded as intended.

On Nov. 17, 2004, the Province wrote the Planning, Property and Development Department to advise that, in cooperation with the SOS, it is prepared to commit a sum that more than matches the City's final funding commitment of $423,387.68, to complete the purchase of the Category III "Bois des Esprits" land. On Dec. 2, 2004, the Province wrote again to elaborate on the proposal confirming that the Province in fact will contribute more than $545,000 in additional funds toward the purchase of the tree stand. A representative of MHRC has orally confirmed this second letter to mean that the City need only obtain and issue a cheque in the sum of $423,387.68 to Ladco (the managing partner of Grandin Park Development) before December 31, 2004 in order to acquire the Category III land. The Department has asked the Province to make arrangements to enable the City to make this payment in January 2005.

DISCUSSION:

The cost to exercise this Option to Purchase the Category III land had been estimated to be within a budget of $1.2M with the City's share being no more than $423,387.68, minus an $8,169.82 sum that had been front ended by the Province for some of the Categories I & II lands.

The Planning, Property and Development had attempted to utilize the City's land in Waverley West to minimize the cash requirements associated with a purchase of the Category III lands. Both the Province and Ladco indicated that at this time they are not interested in acquiring these City-owned properties. However, the Province has now indicated that it will match the City's $423,387.68, and is willing to forgive the $8,169.82 sum that had been front ended on the City's behalf. The Province will also fund the interest charges and the Land Transfer taxes; further, there will be no tax recovery required from the City. The Planning, Property and Development Department considers it to be in the City's best interests to conclude this matter on the basis suggested by the Province of Manitoba.

Financial Impact Statement

Date:

Project Name:

First Year of Program 2005

PROPOSED ACQUISITION OF 14.91 ACRES OF TREE STAND LANDS IN BOIS DES ESPRITS

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ 440,323	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	440,323	-	-	-	-
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	$ -	$ 41,831	$ 41,831	$ 41,831	$ 41,831
Less: Incremental Revenue/Recovery	16,936	-	-	-	-
Net Cost/(Benefit)	$ (16,936)	$ 41,831	$ 41,831	$ 41,831	$ 41,831
Less: Existing Budget Amounts	(16,936)	41,831	41,831	41,831	41,831
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There is no budget impact with this proposed purchase as funding for the initial purchase is included in the approved capital budget and funding for related debt & finance charges is included in adopted current budgets/forecasts. The incremental revenue in 2005 represents the recovery of interest, administration charges and the 3% GST component by the Corporate Finance Department. These recoveries are offset by equal charges to P,P & D's capital accounts.

"Original signed by"
Mike McGinn, CA

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

N/A

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Vic Mikolayenko
PPD File #: 7496 V-7

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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES

MISC. PLAN NO. 11303/4