Minutes - Executive Policy Committee – January 19, 2005

Minute No. 132
Report - Standing Policy Committee on Property and Development - January 17, 2005

Item No. 1 **Acquisition, Sale and Declaration as Surplus - 365 McGregor Street (former YMCA) to the North End Community Renewal Corporation Files FI-2(34) and FI-2.4(34)**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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, upon the acquisition of the former YMCA located at 365 McGregor Street, shown outlined on Misc. Plan No. 8391/1, and subject to all conditions outlined in the report from the Director of Planning, Property and Development dated January 12, 2005, being complied with, the property be declared surplus to the City's requirements.

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

Minutes - Executive Policy Committee – January 19, 2005

Report - Standing Policy Committee on Property and Development – January 17, 2005

DECISION MAKING HISTORY:

Moved by Councillor De Smedt,

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, may also be considered by Committee at this time.

Carried

Moved by Councillor De Smedt,

That the recommendation of the Standing Policy Committee on Property and Development be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On January 17, 2005, the Standing Policy Committee on Property and Development concurred in administrative Recommendation 3A. and submitted to the Executive Policy Committee and Council that, upon acquisition of the former YMCA located at 365 McGregor Street, shown outlined on Misc. Plan No. 8391/1, and subject to all conditions outlined in the report from the Director of Planning, Property and Development dated January 12, 2005, being complied with, the property be declared surplus to the City's requirements

STANDING COMMITTEE DECISION:

On January 17, 2005, the Standing Policy Committee on Property and Development concurred in Recommendations 1.A. and 1B., 2 and 3B. as outlined in the report from the Director of Planning, Property and Development dated January 12, 2005, with the following amendment, namely:

- Delete Recommendation 1A. in its entirety and substitute the following:

  "1. A. the Purchaser providing proof to the satisfaction of the Director of Planning, Property and Development that:

  i. funding has been secured from the Provincial/Federal Governments and the private sector in order to complete the proposed development of the North End Wellness Centre project.

Report - Standing Policy Committee on Property and Development – January 17, 2005

DECISION MAKING HISTORY (continued):

ii. provision is made in the project for a component dedicated to seniors residing in the North End community.

iii. provision is made in the project for a component dedicated to pre-schoolers and youth residing in the North End community.

iv. the North End Community Renewal Corporation undertaking a more current public consultation in co-operation with the Ward Councillor.

Re: Proposed Acquisition and Sale of 365 McGregor Street (former YMCA) to the North End Community Renewal Corporation
Lord Selkirk-West Kildonan Community
Mynarski Ward

For submission to: **The Standing Policy Committee on Property and Development**

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

Report date: January 12, 2005

Recommendation(s):

1. That the Director of the Planning, Property and Development Department negotiate the sale of the former YMCA located at 365 McGregor Street shown outlined on Misc. Plan No. 8839/1, attached, in favour of the North End Community Renewal Corporation (NECRC) for the purchase price of $1.00 subject to:

    a. the Purchaser providing proof to the satisfaction of the Director of Planning, Property and Development Department that funding has been secured from the Provincial/Federal Governments and the private sector in order to complete the proposed development of the North End Wellness Centre project; and

    b. the Purchaser agreeing to the City's standard terms and conditions of sale and such other terms and conditions negotiated or deemed necessary by the Director of the Planning, Property and Development Department and the City Solicitor/Manager of Legal Services in order to protect the City's interests.

2. Subject to the successful negotiation of the terms and conditions of sale as outlined in Recommendation 1., that the Director of the Planning, Property and Development Department proceed with the acquisition of the former YMCA located at 365 McGregor Street pursuant to Tax Sale No. 102/247.

3. That upon the acquisition of the former YMCA located at 365 McGregor Street:

    a. The property be declared surplus to the City's requirements; and

    b. The Director of Planning, Property and Development finalize the sale to the North End Community Renewal Corporation (NECRC).

4. 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 City has been in a position to complete the acquisition of the subject property located at 365 McGregor Street, pursuant to Tax Sale No. 102/247, since October 1999.

- The Planning, Property and Development Department has received a letter from the North End Community Renewal Corporation (NECRC), dated August 23, 2004, requesting that the subject property at 365 McGregor Street be conveyed to NECRC for the sum of $1.00. It is the intention of NECRC to re-develop the property as the North End Wellness Centre.
- In a letter dated November 28, 2003, the Manager of EPC Secretariat indicated that the Executive Policy Committee was prepared to recommend to Council the transfer of the property at 365 McGregor Street to the NECRC for one dollar ($1.00) free of outstanding property taxes, at that time estimated to be $113,649, and that the sale would be subject to all other funding and resource commitments outlined in the North End Wellness Centre Business Plan being secured and a final business plan being submitted for review (see attached letter).
- In a letter dated August 23, 2004, the Executive Director of NECRC indicated that NECRC has commitments from both the Provincial and Federal Governments and a commitment for a private sector fund raising campaign, to help achieve its goal (see attached letter).
- On November 24, 2004, the Planning Property and Development Department received a copy of a current Business Plan for the re-development of the North End Wellness Centre (see attached).
- The projected annual operating costs and revenues as shown in the Business Plan reflect an annual net operating profit of $4,562.

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):

- A Wellness Centre would be a major benefit to the people in the area.

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

- The Real Estate Division has not conducted an Environmental Site Assessment (ESA) on this property. In accordance with the Sales and Purchase Agreement, the Purchaser will have an opportunity to conduct its own ESA, at its own cost.

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):

- While not requiring a budget adjustment, should the City of Winnipeg acquire the subject property and convey it to NECRC for $1.00, the available balance in the Land Operating Reserve Fund will be decreased by approximately $148,896.

REASON FOR THE REPORT:

In accordance with the Council Order of July 18, 1979, once Council has declared land surplus to the City's requirements, the Standing Policy Committee on Property and Development shall finalize all sales, including terms and conditions, for which the Director of the Planning, Property and Development Department has no authority. This report seeks approval of the proposed acquisition and sale from the Standing Policy Committee on Property and Development; and requests that Council declare the property surplus to the City's requirements.

HISTORY:

The City has been in a position to complete the tax sale acquisition of the subject property located at 365 McGregor Street since October of 1999.

Particulars of the subject property are as follows:

Location:	365 McGregor Street as shown on Misc. Plan No. 8839/1
Legal Description:	Lots 56/64, Plan 1036
Certificate of Title:	1181386
Owner:	The Young Men's and Women's Christian Association
Assessment:	$290,000 (2004)
Zoning:	C1-Commercial District
Site Size:	70.409m x 30.48m = 2,146m²
	(231 ft. x 100 ft. = 23,100 sq. ft.)
Roll Number:	10442681000

Building Description: The structure consists of a one/two storey brick masonry building containing an indoor swimming pool and office/gym/recreational area. There is a full basement under the office/recreational areas and a sub-basement under the pool area, which houses the mechanical and operating systems for the pool. The floor and roof structures vary throughout the building and include concrete, steel and glulam beams. All wall systems, floor and roof structures appear to be in good condition and structurally sound. Although the building has not been heated for the past few years, there is no indication of foundation movement and the building would be considered to be in good structural condition.

Area Allotment (as per YMCA report):

Pool area	3,761 sq. ft.
Basement	12,909 sq. ft.
Main floor (including gym)	12,909 sq. ft.
(Gym)	4,500 sq. ft.
2nd floor (office/meeting)	1,290 sq. ft.
2nd floor (nursery)	752 sq. ft.
Filter room	183 sq. ft.
Total	31,804 sq. ft.

DISCUSSION:

The Planning, Property and Development Department is in receipt of a letter from the North End Community Renewal Corp. (NECRC), dated August 23, 2004, requesting that the subject property at 365 McGregor Street be conveyed to NECRC for the sum of $1.00 and free of all past realty taxes. The NECRC is a non-profit corporation dedicated to the revitalization of the North End community. It is the intention of NECRC to redevelop the property into the North End Wellness Centre.

In a letter dated November 28, 2003, the Manager of EPC Secretariat indicated that the Executive Policy Committee was prepared to recommend to Council the transfer of the property at 365 McGregor Street to the NECRC for one dollar ($1.00) free of outstanding property taxes, at that time estimated to be $113,649, and that the sale would be subject to all other funding and resource commitments outlined in the North End Wellness Centre Business Plan being secured and a final business plan being submitted for review (see attached letter).

In a letter dated August 23, 2004, the Executive Director of NECRC indicated that NECRC has commitments from both the Provincial and Federal Governments and a commitment for a private sector fund raising campaign to help achieve its goal. It also indicated that the final phase of development is underway (see attached letter).

The Business Plan as provided identifies the following sources of funding for the Project:

- A formal commitment has been received from the Canada/Manitoba Infrastructure Program in the amount of $2.0 million. This commitment is contingent on the project being substantially complete by March 31, 2006, and subject to the raising of at least an additional $1.0 million.

- Mr. John Loewen has committed to leading a capital campaign. He projects that a minimum of $2.0 million will be secured through a combination of efforts. At the present time, a campaign team is being established including a cross section of individuals from across Winnipeg. In addition to the private fund raising campaign, assistance will be sought for leasehold improvements furniture and equipment. The YM/YWCA has committed to raising $250,000 for leaseholds for its space, while the Winnipeg Regional Health Authority will provide approximately $149,000 for leaseholds within its space.

- The presence of the Winnipeg Regional Health Authority provides the opportunity for mortgage financing in the amount of $400,000. The WRHA is committing to a 20-year lease at current market rates of $24.66/square foot plus GST. This enables debt servicing as well as an allowance towards a significant portion of operating costs.

The Planning Property and Development Department is in receipt of a copy of a current Business Plan for development of a North End Wellness Centre (November 26, 2004). The Centre is a community-driven initiative designed to reflect resident demands for a local gathering place that focuses on wellness, operates according to community standards, and is inclusive and accessible to all. It is intended to serve as a source of pride and visibility to the strength, capacity and redevelopment of the North End. The projected annual operating costs and revenues as shown in the Business Plan reflect an annual net operating profit of $4,562 (a copy of the current Business Plan is attached).

Within the current concept, several primary features are emphasized, including:

- Community organizing development and support through the North End Community Renewal Corporation (NECRC) and Ma Mawi Wi Chi Itata Centre (Ma Mawi), with the commitment that the facility will hold and maintain an Aboriginal spirit through Ma Mawi;

- Recreation, particularly for children and youth through the YM/YWCA and Ma Mawi;

- A unique and state of the art child care centre, operated through SPLASH Child Care, Inc.; and,

- Increased access to health care supports by having the Winnipeg Regional Health Authority lease space for a cross-section of health care practitioners.

If the City were to assume ownership of the property through the Tax Sale process, it would in all likelihood be necessary to demolish the building because of it's poor condition.

The structure, which is the former YMCA, consists of a one/two storey brick masonry building containing an indoor swimming pool an office, gym and recreational area. The outstanding taxes through December 2004 are approximately $148,897. The Land Operating Reserve would absorb these costs if the property is acquired through Tax Sale. Demolition and asbestos removal had been estimated previously at $150,000.

The value of the property (estimated at $165,000), and the realty tax arrears, (estimated to be approximately $149,000), will qualify as a contribution by the City under the Winnipeg Partnership Agreement. The establishment of the Ma Mawi Wi Chi Itata Centre (Ma Mawi), an organization focussed wholly on Aboriginal programming, is a significant element of the North End Wellness Centre and, therefore, a significant portion of the City's contribution may be considered toward the Aboriginal component.

The North End Wellness Centre proposal has many merits based on services it would offer to the community to the adaptive re-use of a vacant building in the heart of the North End. The project itself can be accommodated within the Public Use Facilities Study (PUFS) framework, although it might alter the scope and focus of a Community Campus if such a facility were to be built, as proposed in PUFS, on the Old Exhibition Grounds.

PUFS proposes that the City support a Community Campus in each Community Characterization Area (CCA). The Community Campus is intended to be a public facility, owned by the City, although its operations could be under the direction of the community. The Campus would be an integrated multi-use facility offering a variety of recreation, leisure, and library facilities. Although there is no standard formula for the creation of a Community Campus, its focus is on servicing the broad needs of the community, including multi-generational programming. A model Community Campus is expected to occupy approximately 50,000 sq. ft.

The North End Wellness Centre, as proposed, would occupy 29,000 sq. ft. of space and would provide a variety of programs including child care, family support programs, and youth and children recreation. As would be the case with any Community Campus developed in any area of the City, a review of existing community programs and services (whether offered by the public or not-for-profit sectors) would have to be done prior to the development of the Campus. The programs and services offered by the North End Wellness Centre would need to be considered when establishing the recreation needs/facilities for that CCA (parameters for the development of a Community Campus on the Old Ex site would likely not negate the need for a Community Campus).

The Transportation Division of the Public Works Department has identified a requirement for a future two (2) metre street widening along the front of the property at 365 McGregor Street. This requirement will be addressed in the sale document.

The Planning, Property and Development Department is supportive of a sale of the subject property to NECRC based on the following:

1. NECRC has indicated that it has commitments from both the Provincial and Federal governments, as well as the private sector, for the development of a Wellness Centre.

2. The value of the property (estimated at $165,000), as well as the realty tax arrears, (estimated to be approximately $149,000) would constitute a contribution by the City under the Winnipeg Partnership Agreement. An important element of the Wellness Centre proposal involves the establishment of the Ma Mawi Wi Chi Itata Centre.

3. The subject property is not considered highly marketable and the NECRC is a non-profit organization which is committed to community improvement. The recommendation to sell the property for $1.00 directly to the NECRC is based on 1) NECRC being a non-profit organization, 2) a sound business decision, in that the City's costs associated with the demolition, asbestos removal and marketing, in addition to paying off the tax arrears, are in excess of what the City could expect to achieve by sale of the property in the open market.

4. The property when redeveloped would become a viable benefit to the community at large.

The Planning, Property and Development Department recommends approval for the sale of the subject property at 365 McGregor Street to the NECRC for the price of one dollar ($1.00) subject to the following:

- The Purchaser providing proof that funding has been secured from the Provincial/Federal Governments and the private sector in order to complete the proposed development of the North End Wellness Centre project;
- The Purchaser agreeing to the City's standard terms and conditions of sale and such other terms and conditions negotiated or deemed necessary by the Planning, Property and Development Department and the City Solicitor/Manager of Legal Services in order to protect the City's interests;
- The successful negotiation of the terms and conditions of sale as outlined above; and
- That upon the acquisition of the former YMCA, Council declare the property surplus to the City's requirements.

Financial Impact Statement

Date: January 12, 2005

Project Name:

Sale of 365 McGregor Street to the North End Community Renewal Corporation

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
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	$ 148,897	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	1	-	-	-	-
Net Cost/(Benefit)	$ 148,896	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	148,896	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Should the recommendations in this report be implemented, the financial impact on the Land Operating Reserve will be a net decrease of approximately $148,896. This consists of current taxes, taxes in arrears, penalties and interest. This would be offset by the $1.00 in revenue upon conveyance of the property to the North End Community Renewal Corporation.

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

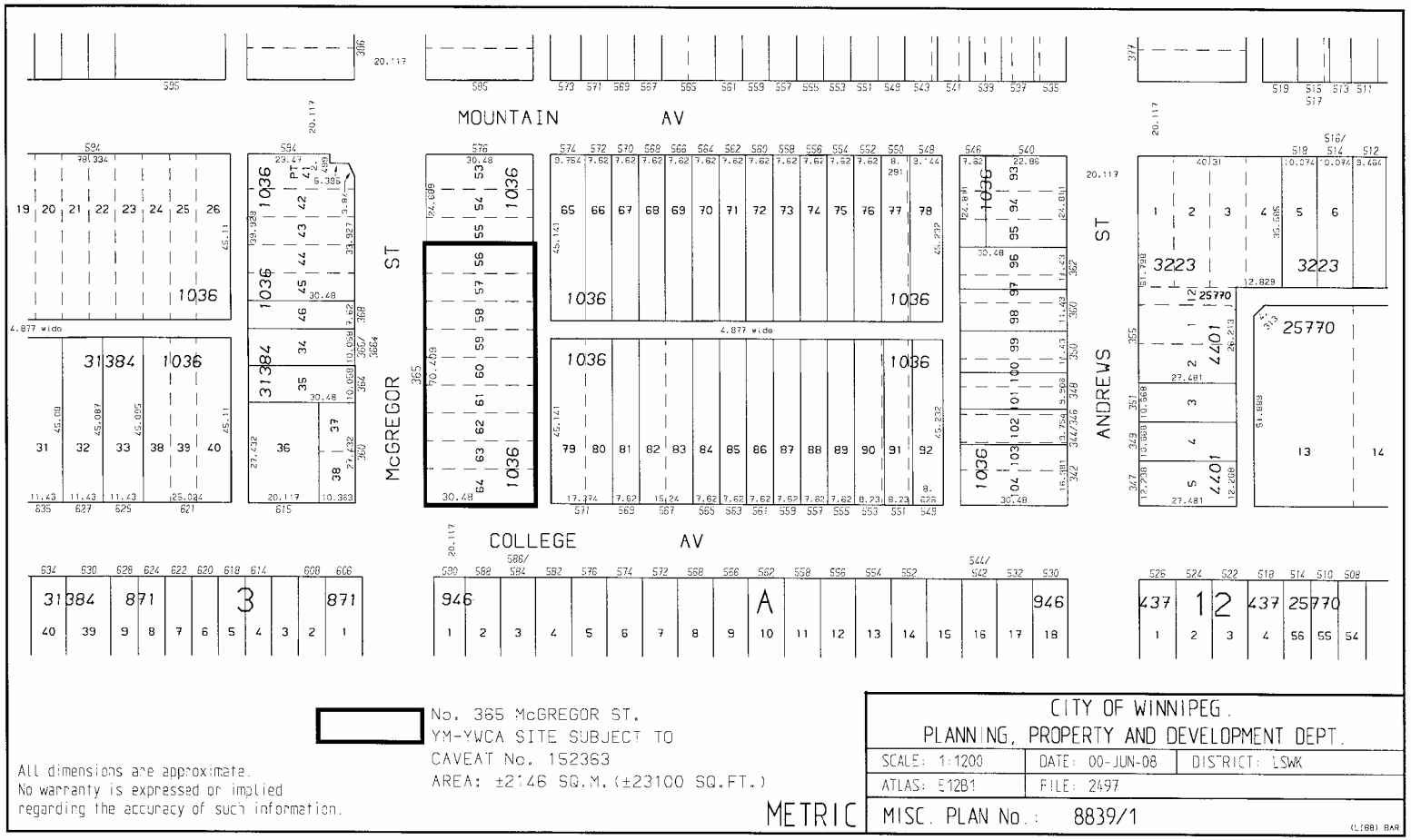
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Community Services

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 2497

Document name: o:\reports directive\real estate\sales\(ga)sale of 365 macgregor.doc



No. 365 McGREGOR ST.
YM-YWCA SITE SUBJECT TO
CAVEAT No. 152363
AREA: ±2146 SQ.M.(±23100 SQ.FT.)

All dimensions are approximate.
No warranty is expressed or implied
regarding the accuracy of such information.

METRIC

CITY OF WINNIPEG.
PLANNING, PROPERTY AND DEVELOPMENT DEPT.

SCALE: 1:1200	DATE: 00-JUN-08	DISTRICT: LSWK
ATLAS: E12B1	FILE: 2497	
MISC. PLAN No.: 8839/1		

(L188) BAR

NECRC
NORTH END
COMMUNITY
RENEWAL CORP.

Nanette McKay
Executive Director

509 Selkirk Avenue
Winnipeg, Manitoba R2W 2M6

RECEIVED
CITY OF WINNIPEG
AUG 25 2004
PLANNING, PROPERTY & DEVELOPMENT DEPARTMENT

August 23, 2004

Mr. Ray Klassen
Manager, Real Estate Division
Planning, Property and Development
City of Winnipeg
2nd Floor, 65 Garry Street
Winnipeg, Manitoba
R3C 4K4

Dear Mr Klassen:

RE: Conveyance of 365 McGregor Street – North End YMCA

Please consider this letter as our formal request for the conveyance of the above noted property to the North End Renewal Corporation, Inc. for the purpose of developing a North End Wellness Centre.

As you are undoubtedly aware, the development of the North End Wellness Centre has taken considerable time and effort. We are please to note, however, that with commitments from the Provincial and Federal governments, and the commencement of an intensive private sector fund raising campaign, our financial goals are well in hand, and the final phase of development is underway.

Time is of the essence in our current efforts, with deadlines determined by the existing funding commitments and the proposed building schedule. Therefore we would ask that timely consideration of this formal request occur. Receipt of a positive response would confirm the City of Winnipeg's commitment to our work, enable us to finalize the building site plans, and give a significant boost to our fund raising efforts.

As per all previous discussions with the City of Winnipeg, we hereby request that the property known as 365 McGregor Street, be conveyed to the North End Renewal Corporation for the sum of $1.00, and free of all past realty taxes.

Should you have any questions, please contact me at your convenience. We remain available to make any formal representations as needed.

Sincerely,

Nanette McKay
Executive Director

(204) 927-2333
nanette@north-endrenewal.org

Winnipeg

Executive Policy Committee Secretariat • Secrétariat du Comité exécutif

November 28, 2003

Post-it™ Fax Note 7671E	Date SEPT. 7	# of pages ▸ 1
To GERRY ANDERSON	From Bob MacCallum	
Co./Dept. P, P+D.	Co. EPC SEC.	
Phone #	Phone #	
Fax # 944-8476	Fax #	

Mr. Duane Shuttleworth
Project Coordinator
North End Wellness Centre
North End Community Renewal Corporation
509 Selkirk Avenue
Winnipeg. MB R2W 2M6

Dear Mr. Shuttleworth:

Re: North End Wellness Centre

Please be advised that Mayor Murray and the Executive Policy Committee (E.P.C.) members have considered your request for a contribution toward the North End Wellness Centre under the proposed new tripartite Winnipeg Development Agreement. The E.P.C. Councillors agree that the Wellness Centre would be a valuable community asset in Winnipeg's North End.

Consideration was given to all matters raised in your letter of October 8, 2003. Please be advised that, subject to all other funding and resource commitments outlined in the North End Wellness Centre Business Plan being secured and a final business plan being submitted for our review, E.P.C. is prepared to recommend to Council the transfer of the property at 365 McGregor to the North End Community Renewal Corporation for one dollar ($1.00), free of outstanding property taxes (calculated at $113,649.00 as of May 2003) payable to the City of Winnipeg. Due to the City's own financial considerations, future tax relief was not approved.

I understand that consultations with your other funders will take sometime so, as not to create an open-ended expectation, please consider this offer to be valid until December 31, 2004. I will be happy to discuss extending that timeframe should the need arise.

Should you wish to pursue the purchase of 365 McGregor under these terms, please contact the Director of Planning, Property and Development, Mr. Harry Finnigan at 986-5160. As well, Gerald Mirecki can continue to provide you advice on this project.

I join the members of the Executive Policy Committee in wishing you well in your endeavours to create the North End Wellness Centre.

Yours sincerely,

Gordon W. Vidal,
Manager, E.P.C. Secretariat

GV/lm

cc: Mayor Glen Murray
Mr. Harry Finnigan, Planning, Property & Development Department
Mr. Gerald Mirecki, Community Services Department