Agenda - Council - February 23, 2005

Report - Standing Policy Committee on Property and Development - February 1, 2005

Item No. 17 Removal of Caveat for Pathway Easement - Lands Sold to Vickar Community Chevrolet Oldsmobile
File EA(33) [c/r FI-2.4(33)]

STANDING COMMITTEE RECOMMENDATION:

On February 16, 2005, 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 the removal of the caveat pertaining to the pathway easement shown on Misc. Plan No. 10126/3 in favour of the City, be approved at no cost to Vickar Community Chevrolet Oldsmobile.

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

Report - Standing Policy Committee on Property and Development - February 1, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 16, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On February 1, 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: **Removal of Caveat for Pathway Easement on Lands Sold to Vickar Community Chevrolet Oldsmobile**
East Kildonan –Transcona Community
Transcona 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 21, 2005

Recommendation(s):

1. That the removal of the caveat pertaining to the pathway easement as shown on Misc. Plan No. 10126/3, in favour of the City, be approved at no cost to Vickar Community Chevrolet Oldsmobile.
2. 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:

- On July 17, 2002, Council adopted the June 25, 2002 recommendation of the Standing Policy Committee on Public Works and cancelled the portion of the Transcona north-south route, south of Ravelston Avenue West, and declared the subject City property as shown on Misc. Plan No. 10126/3 surplus to the City's requirements.
- On January 9, 2003, the Standing Policy Committee on Property and Development approved the sale of the subject City property as shown on Misc. Plan No. 10126/3 to Vickar Community Chevrolet Oldsmobile at a price of $576,000.
- The terms and conditions of the sale included the provision for the City to have a five meter easement along the east side of the subject property as shown on Misc. Plan No. 10126/3, for a pathway.
- Vickar Community Chevrolet Oldsmobile has requested that the caveat for the pathway easement in favour of the City be removed.

Implications of the Recommendation(s):

General implications:

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

Comment(s):

-

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

-

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):

-

REASON FOR THE REPORT:

Vickar Community Chevrolet Oldsmobile has requested that the caveat for a pathway easement in favour of the City be removed. Standing Policy Committee on Property and Development approval is required.

HISTORY:

On July 17, 2002, Council adopted the June 25, 2002 recommendation of the Standing Policy Committee on Public Works and cancelled the portion of the Transcona north-south route, south of Ravelston Avenue West, and declared the subject City property as shown on Misc. Plan No. 10126/3 surplus to the City's requirements.

On January 9, 2003, the Standing Policy Committee on Property and Development approved the sale of the subject City property as shown on Misc. Plan No. 10126/3 to Vickar Community Chevrolet Oldsmobile at a price of $576,000. The terms and conditions of the sale included the

provision for the City to retain a five-meter easement along the east side of the subject property as shown on Misc. Plan No. 10126/3 for a pathway.

DISCUSSION:

Recently, Vickar Community Chevrolet Oldsmobile has requested that the caveat for the pathway easement be removed.

At the time of the sale of the subject property, the Planning, Property and Development Department had conducted an outside appraisal firm to provide the market value of the subject property, which was established at $576,000. When the appraisal was performed, there was no requirement identified for a pathway easement. After the appraisal was completed a requirement for a pathway was identified and terms and conditions were included in the Offer to Purchase document to provide for the pathway. The price paid by the Purchaser did not reflect any type of discount for the City's easement requirement.

At that time, the Purchaser was negotiating with Mitsubishi to acquire the Winnipeg dealership franchise, and was competing with another dealer. The Purchaser had to demonstrate to Mitsubishi that it had a viable location available, and therefore, committed to the City's asking price of $576,000.

When the Purchaser developed the Mitsubishi dealership, it was required to erect a curb to protect the pathway from the encroachment of vehicles. The south end of the easement area also contains several hydro poles.

It has been identified by the Administration that there is no longer a requirement for a pathway easement at this location for the following reasons:

- There is a developed pathway between Regent Avenue West and Pandora Avenue West approximately 130 meters east of the easement area;
- Pedestrian pathway linkages will be developed within the north-south transportation link when it is constructed.

The Planning, Property and Development Department recommends that the removal of the caveat pertaining to the pathway easement as shown on Misc. Plan No. 10126/3, in favour of the City, be approved at no cost to Vickar Community Chevrolet Oldsmobile. An easement for any Manitoba Hydro installation, however, will have to remain on the lands.

The above recommendation is based on the following:

1. The price that the Purchaser paid for the subject lands did not reflect any discount for the pathway easement;
2. The Purchaser expended approximately $15,000 for the construction of a curb to protect the pathway easement from vehicular traffic;
3. The Purchaser will incur additional costs to remove portions of the curbing to gain access to the property to the east for vehicular traffic;

4. An internal appraisal conducted by the Department has concluded that the value attributed to the easement is approximately $700.00 (or a nominal amount). As noted previously, the total purchase price of $576,000.00 paid by the Purchaser did not reflect any type of discount for the City's easement requirement, because this requirement was identified after the final purchase price was negotiated. All costs associated with the discharge of the caveat (i.e., WLTO charges, legal fees, etc.) are to be borne by Vickar Community Chevrolet Oldsmobile. Because the value of the easement will be offset by the costs to be incurred by Vicker, the Department recommends that approval of the discharge of the caveat occur at no cost to Vickar Chevrolet Oldsmobile.
5. There are hydro poles located on the south end of the easement area, which Manitoba Hydro will still require an interest;
6. The Purchaser has developed the property that it acquired from the City thus creating a larger tax base.

Financial Impact Statement

Date: 18-Jan-05

COMMENTS:

There are no financial implications associated with the recommendation(s) of this report.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

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

No consultation was required in preparing this report.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Gerry Anderson
PPD File #: 4271/8

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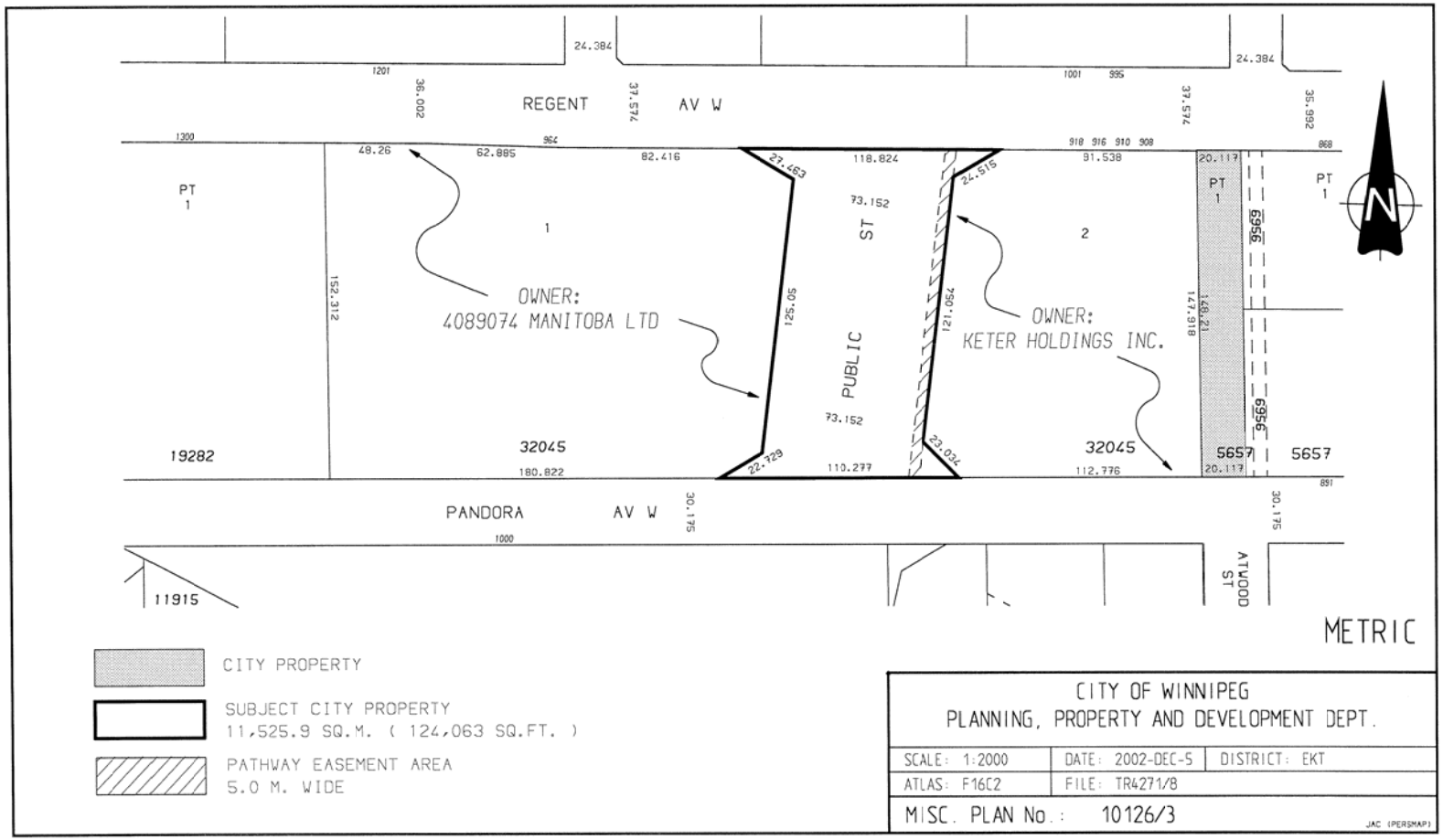
REGENT AV W
PANDORA AV W
PUBLIC ST
ATWOOD ST
OWNER:
4089074 MANITOBA LTD
OWNER:
KETER HOLDINGS INC.
PT 1
1
2
19282
32045
32045
5657
5657
METRIC
CITY PROPERTY
SUBJECT CITY PROPERTY
11,525.9 SQ.M. (124,063 SQ.FT.)
PATHWAY EASEMENT AREA
5.0 M. WIDE
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:2000
DATE: 2002-DEC-5
DISTRICT: EKT
ATLAS: F16C2
FILE: TR4271/8
MISC. PLAN No.: 10126/3