Agenda - Executive Policy Committee - April 20, 2005

Report - Standing Policy Committee on Downtown Development - April 4, 2005

Item No. 4 Tax Sale Acquisition of an Industrial Property - 151 Higgins Avenue File FL-2.4

STANDING COMMITTEE RECOMMENDATION:

On April 4, 2005, the Standing Policy Committee on Downtown Development concurred in the administrative recommendation and submits the following to Council:

1. That the subject property as described in the Planner's report dated March 22, 2005 and acquired through the tax sale process, be declared surplus to the City's requirements subject to no civic need being identified.

2. 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 - April 20, 2005

Report - Standing Policy Committee on Downtown Development - April 4, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 4, 2005, the Standing Policy Committee on Downtown Development concurred in administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: **Report on the Tax Sale Acquisition of an Industrial Property**
151 Higgins Avenue
Lord Selkirk-West Kildonan Community
Point Douglas Ward

For submission to: **Standing Policy Committee on Downtown Development**

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

Report date: March 22, 2005

Recommendation(s):

1. That the subject property described herein and acquired through the tax sale process, be declared surplus to the City's requirements subject to no civic need being identified.

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:

- The subject property (commonly known as the Manitoba Cold Storage Property), located within the boundaries of the Downtown Winnipeg Zoning By-law 4800/88, has been acquired through the tax sale process. Completion of this tax sale acquisition will result in expenditures from the Land Operating Reserve in the currently determined amount of $966,869.00 plus an estimated cost of demolition of the remaining building at $615,000.00. Routinely, miscellaneous costs may possibly remain to be processed.

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:

	No
X	**Yes**

Comment(s):

- A Phase I ESA (history search) of the site at the 151 Higgins Avenue recommended an analysis of core soil & water samples (Phase II ESA) to search for impacts by contaminants (more due to the possibility of contaminant migration from potential off site sources). The former owner of this property, however, did not give permission to the City to enter upon the property for such purposes. The Real Estate Division subsequently acquired this property in tax sale process.

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):

- A currently determined expenditure of $966,869.00 has already been incurred. An estimated cost of demolition of the remaining building at $615,000.00 is anticipated. These amounts will be charged to the Land Operating Reserve.

REASON FOR THE REPORT:

The Planning, Property and Development Department is required to report to the Standing Policy Committee on Downtown Development on properties acquired by tax sale within the boundaries of the Downtown Winnipeg Zoning By-law 4800/88, and requires Council to declare lands to be surplus to the City's needs before any such lands may be sold.

The Standing Policy Committee on Downtown Development has jurisdiction "where the matters relate to real property located entirely or primarily in the area covered by the Downtown Winnipeg Zoning By-law".

HISTORY:

On July 5, 2001, the Standing Policy Committee on Property and Development approved of the recommendation of the Planning, Property and Development Department to phase the tax sale acquisition of various specified major properties over various years so as to not exceed the capacity of the Land Operating Reserve account. The report had recommended the possible tax sale acquisition of 151 Higgins Avenue to occur in 2005.

On May 21st, 2003, CentreVenture advised the Planning, Property and Development Department of a proposal from Shindico Realty Inc. to purchase the former Manitoba Cold Storage site for the sum of $1.00 and conditional upon the site being selected by the Manitoba Lotteries Corporation as the location for the construction of its Central Service Centre.

The Planning, Property and Development Department conducted its negotiations with Shindico, in consultation with CentreVenture, and subsequently reported on this matter to the Standing Policy Committee on Property and Development.

On July 3, 2003, the Standing Policy Committee on Property and Development considered the report dated June 19, 2003 and approved of various related recommendations including the authorization to finalize a sale of the subject property to Shindico.

Shindico did not proceed to exercise its right to the property.

On August 5, 2004, a major fire occurred at 151 Higgins Ave.

From the Fall of 2004 to early 2005, the City, due to reasons of public safety, undertook a demolition of the most westerly building located at 151 Higgins Ave.

On October 8, 2004, the City, via the tax sale process, took ownership to one of the two former Manitoba Cold Storage properties (the vacant site) and located across the street from the main building.

Certificate of Title Numbers 2063227, 2063230, 2063233, 2063236, and 2063238 for 151 Higgins Ave. issued in the name of the City of Winnipeg on January 11, 2005, pursuant to Tax Sale No. 102/205.

Particulars of the subject property are as follows:

Location:	151 Higgins Avenue, between Argyle and Mead Streets as shown on the attached Misc. Plan No. 10921 (commonly known as the Manitoba Cold Storage Property)
Legal description:	Part Lot 92, 95, 117, Lot 93, 94, Plan 63, Lot A, B, C, Plan 2235, Part Plan 3974
Assessment:	$94,100.00
Zoning:	M 1, Industrial
Site size:	Irregular Shape: +/- 5,773.3 m2 (+/-62,143.1 sq ft)
Property Description:	The subject property consists of a vacant, unheated three-storey building, built in 1937, comprising 72,000 sq. ft. in poor condition.

The former owner, 3198775 Manitoba Ltd., showed no interest in redeeming this property from tax sale. The costs incurred to date by the City pursuant to the tax sale process are in the amount of $966,869.00 (demolition costs and tax arrears). The estimated cost of demolition of the remaining three-storey, 72,000 sq. ft. building is $615,000.00.

DISCUSSION:

Notice of the property acquisition will be circulated to various City Departments to identify whether any possible civic need exists. If no civic need is identified, this property could be added to the CentreVenture Asset Agreement as it is within the mandated area. However, in a previous report, dated December 17, 2004, pertaining to land also acquired through tax sale from the same owner, which is located on the west side of Meade Street (refer to attached Misc. No. 10922), the Department deferred the matter of adding this property (151 Higgins Avenue) to the Asset Agreement until the Department completed the tax sale acquisition of the subject property. The Department has now acquired both properties and, following detailed consideration of the City's options regarding these properties, will submit a further report in due course. It has been noted that Imrie Acme Demolition Ltd. and the Aboriginal Centre have each expressed interest in this property.

Financial Impact Statement

Date: March 21, 2005

Project Name:

Report on Tax Sale Acquisition of an Industrial Property.

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	$ 615,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 615,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	615,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Currently, $966,869.00 in costs have been incurred. An estimated cost of demolition at $615,000 is anticipated, which will bring the total costs charged to the Land Operating Reserve upon disposal of the property to $1,582,000.

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

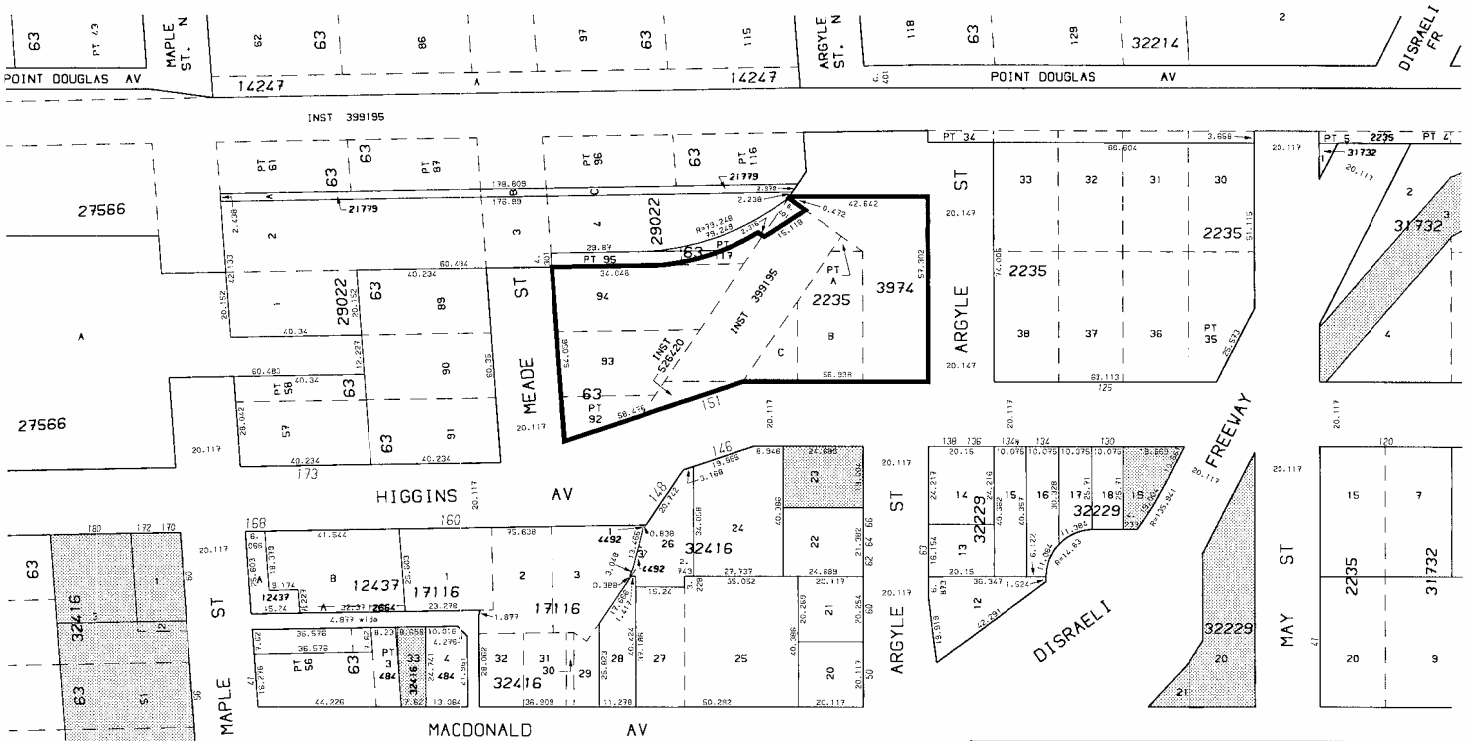
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Legal Services.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: Tan Nguyen
PPD File #: 32/7285

Document name: o:\reports directive\real estate\acquisition\(tn)tax sale 151 Higgins Ave.



METRIC

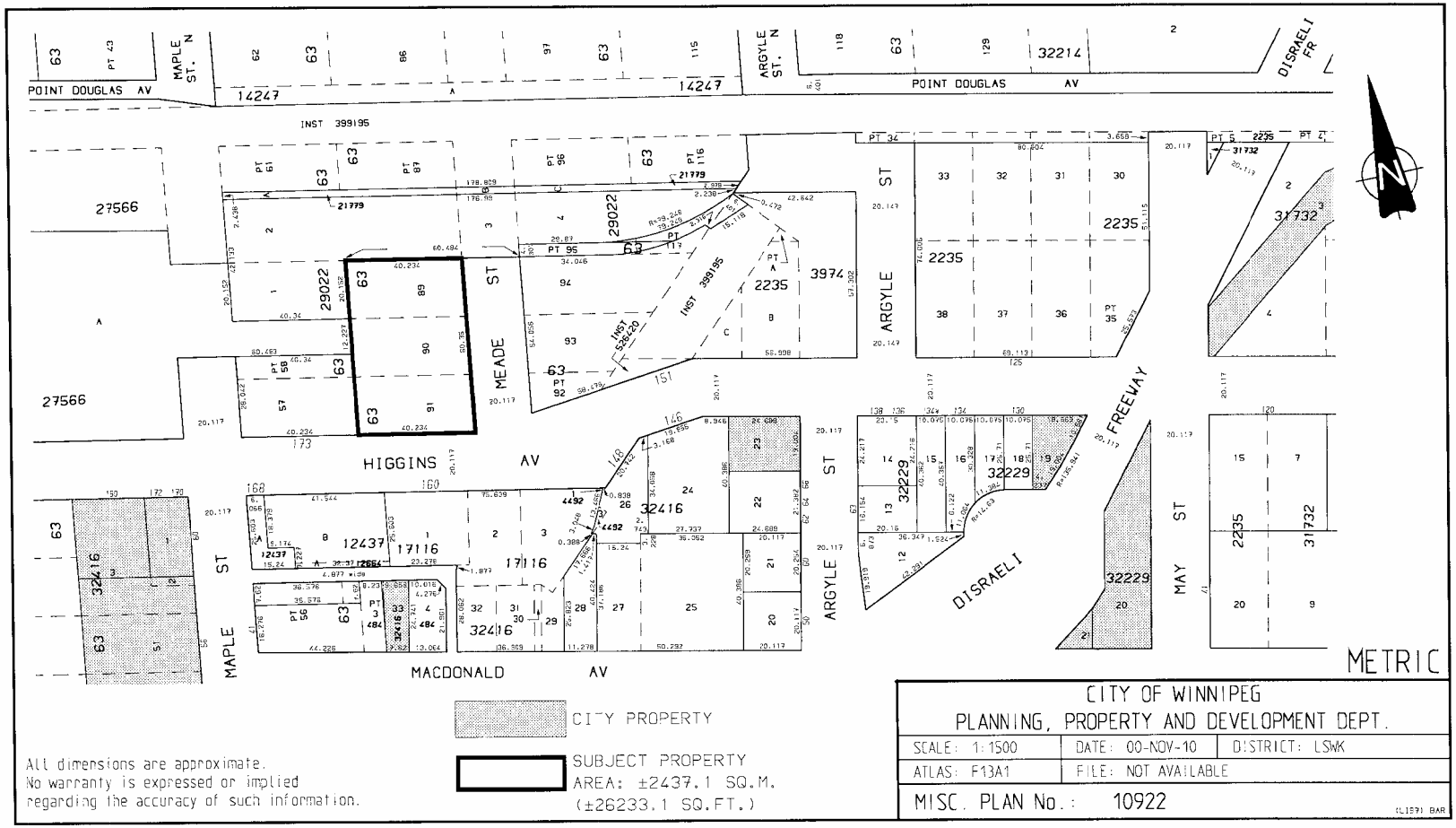
CITY PROPERTY

SUBJECT PROPERTY
AREA: ±5773.3 SQ.M.
(±62143.1 SQ.FT.)

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

CITY OF WINNIPEG PLANNING, PROPERTY AND DEVELOPMENT DEPT.		
SCALE: 1:1500	DATE: 00-NOV-10	DISTRICT: LSWK
ATLAS: F13A1	FILE: NOT AVAILABLE	
MISC. PLAN No.: 10921		

(LIB7) BAR


POINT DOUGLAS AV
MAPLE ST. N
ARGYLE ST. N
DISRAELI FR
INST 399195
27566
HIGGINS AV
MEADE ST
ARGYLE ST
FREEWAY
MAY ST
DISRAELI
MACDONALD AV
MAPLE ST
METRIC
All dimensions are approximate.
No warranty is expressed or implied
regarding the accuracy of such information.
CITY PROPERTY
SUBJECT PROPERTY
AREA: ±2437.1 SQ.M.
(±26233.1 SQ.FT.)
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
SCALE: 1:1500
DATE: 00-NOV-10
DISTRICT: LSWK
ATLAS: F13A1
FILE: NOT AVAILABLE
MISC. PLAN No.: 10922