Report - Standing Policy Committee on Property and Development - May 3, 2005

Item No. 17 Declaration as Surplus - Properties Acquired Through Tax Sale Process
File FL-2.4

STANDING COMMITTEE RECOMMENDATION:

On May 11, 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 Director of Planning, Property and Development, or designate, be delegated the authority to declare all properties acquired by the City through the Tax Sale process as surplus to the City's needs.

2. That The City Organization By-law No. 7100/97 be amended accordingly.

3. 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 - May 3, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 11, 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 May 3, 2005, the Standing Policy Committee on Property and Development concurred in the administrative recommendation with the following amendment, namely:

- delete the words “previously or in the future” in the third line of Recommendation 1,

and submitted the matter to the Executive Policy Committee and Council.

Re: Declaring Properties Acquired Through the Tax Sale Process as Surplus to the City's Requirements

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

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

Report date: April 25, 2005

Recommendation(s):

1. That Council delegate authority to the Director of Planning, Property and Development, or designate, to declare all properties acquired by the City through the Tax Sale process, previously or in the future, as surplus to the City's needs.
2. That Organization By-law No. 7100/97 be amended accordingly.
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 Department has traditionally submitted informational reports of all properties acquired through the Tax Sale process, prior to their disposal, to the Standing Policy Committee on Property and Development or the Standing Policy Committee on Downtown Development prior to their disposal.
- A recent review of Departmental practices and processes in the context of The City of Winnipeg Charter and the Organization By-law resulted in legal advice that all properties that the City wishes to dispose of, including properties acquired through Tax Sale, should be first declared surplus.
- In an attempt to stream-line the Administrative process, the Planning Property and Development Department is recommending authority be delegated to the Director of Planning, Property and Development, or designate, to declare all properties acquired by the City through the Tax Sale process, previously or in the future, as surplus to the City's requirements.
- The Department would consult with all other Departments to determine if there is a Civic need for properties acquired by the City through the Tax Sale process.
- Disposition of lands used for park or cemetery purposes will still require a 2/3 vote of Council.

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):

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Policy implications:

X	**No**
	Yes

Comment(s):

- The subject report is recommending delegation of authority by Council to the Director of Planning, Property and Development. An amendment to the Organization By-law No. 7100/97 will be required to effect the delegation of authority.

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):

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REASON FOR THE REPORT:

Council approval is required to enact a by-law amendment to the Organization By-law and to delegate authority to the Director of Planning, Property and Development to declare all properties acquired by the City through the Tax Sale process, previously or in the future, as surplus to the City's requirements.

HISTORY:

In the past the Planning, Property and Development Department has been reporting details of all properties acquired though the Tax Sale process to the Standing Policy Committee on Property and Development (or the Standing Policy Committee on Downtown Development) on a regular basis. In most cases, if not all, the Committee(s) received these reports as information.

The Department would then circulate details of the properties to all City Departments to determine whether in fact there was a Civic need for all or a portion of the subject Tax Sale properties. Subsequently, if there was no Civic need identified for the property the Committee(s) would consider a further report dealing with the proposed sale of a particular Tax Sale property, except for those sales for which the Director of the Planning, Property and Development Department had delegated authority to approve.

DISCUSSION:

The Department has traditionally submitted informational reports of all properties acquired through the Tax Sale process, prior to their disposal, to the Standing Policy Committee on Property and Development or the Standing Policy Committee on Downtown Development prior to their disposal.

A recent review of Departmental practices and processes in the context of The City of Winnipeg Charter and the Organization By-law resulted in legal advice that all properties that the City wishes to dispose of, including properties acquired through Tax Sale, should be first declared surplus.

Since November 2004, the Planning, Property and Development has been reporting details of all properties acquired though the Tax Sale process to the Standing Policy Committee on Property and Development (or the Standing Policy Committee on Downtown Development), with the following recommendations:

"1. That the subject properties described herein and acquired through the Tax Sale process, be declared surplus to the City's requirements (and made available for sale) 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."*

Once approved by the appropriate Committee, the Clause would then be forwarded to Council for final approval.

In an attempt to stream-line this Administrative process, the Planning Property and Development Department is recommending that authority be delegated to the Director of Planning, Property

and Development to declare lands acquired by the City through the Tax Sale process, previously or in the future, as surplus to the City's requirements. This would eliminate the need to submit additional reports of a routine nature to the Standing Committees for consideration and to forward these reports on to Council for final approval of disposition of property acquired in tax sale. It is the Department's intent to continue to circulate details of the properties to all City Departments to determine whether in fact there is a Civic need for all or a portion of the subject Tax Sale properties. It should also be noted that in keeping with Council policy, the disposition of lands acquired in tax sale that are used for parks or cemetery purposes will be forwarded to Council and will still require a 2/3 vote of Council.

It is City Policy that the net sale proceeds of Tax Sale properties be deposited in the Land Operating Reserve Account. These proceeds are viewed as a major source of revenue. It is therefore imperative to maximize the opportunities to generate sale proceeds in order to sustain the Land Operating Reserve. The requested delegation of authority will enable the Planning, Property and Development Department to expedite disposal of properties acquired through the Tax Sale process and maximize sales proceeds to the Land Operating Reserve Account. In addition, it will facilitate quicker turn around times and improved customer service.

Financial Impact Statement

Date: 18-Apr-05

COMMENTS:

There are no financial implication 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:

Legal Services Division

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Real Estate
Prepared by: John S. Zabudney
PPD File #: 4225/10

Document name: o:\reports directive\real estate\sales\(jz)declaring tax sale properties surplus.doc