

Agenda – Executive Policy Committee – January 17, 2018

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – January 8, 2018

**Item No. 14 Sale of City-owned Property – Vimy Arena – 255 Hamilton Avenue
(St. Charles Ward)**

STANDING COMMITTEE RECOMMENDATION:

On January 8, 2018, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service, as amended, and submitted the following to Council:

1. That the sale of the Vimy Arena, shown as “Subject City Property” on the attached Misc. Plan 14441/2, in favour of Manitoba Housing and Renewal Corporation for the purchase price of \$1.00, be approved, and Condition 2 of the policy titled “Offers to Purchase City-Owned Property” approved by Council on December 6, 2006, be waived in this instance.
2. That the City enter into, execute and deliver an Offer to Purchase and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).
3. That the authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the Offer to Purchase and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.
4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On January 8, 2018, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- Delete Recommendation 1 in its entirety and replace it with the following:
 1. That the sale of the Vimy Arena, shown as “Subject City Property” on the attached Misc. Plan 14441/2, in favour of Manitoba Housing and Renewal Corporation for the purchase price of \$1.00, be approved, and Condition 2 of the policy titled “Offers to Purchase City-Owned Property” approved by Council on December 6, 2006, be waived in this instance.

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

Councillor Dobson asked to be recorded as having voted against the above motion, in accordance with Rule 47(7) of The Procedure By-law No. 50/2007.

The following person provided a submission in support of the matter:

- Kat Degner

The following persons provided submissions in opposition of the matter:

- Bill Kearns
- DJ and N Horne
- Ashley Wade
- Steven Fletcher, MLA Assiniboia
- Diana Hanlan
- Lorena Davis
- Sean Adair
- Greg Hammond
- Gérald Danais on behalf of Tracy Caton
- Doug McLennan

ADMINISTRATIVE REPORT

Title: Sale of City-owned Property commonly known as the Vimy Arena located at 255 Hamilton Avenue

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	A/CAO
M. Pittet	J. Kiernan	M. Ruta	M Jack

EXECUTIVE SUMMARY

The Vimy Arena located at 255 Hamilton Avenue was declared surplus to the City's needs on February 27, 2013 subject to a number of conditions, including a requirement for the Winnipeg Public Service to report back to Council with a disposition strategy for the property.

On October 27, 2017, the Manitoba Housing and Renewal Corporation (MHRC) submitted a request for a government-to-government transfer of the Vimy Arena for the purpose and development of the operation of the Bruce Oake Recovery Centre. An independent external appraisal was undertaken to determine value was completed on November 24, 2017

In accordance with the "Offers to Purchase City-Owned Property" Policy adopted by Council on December 6, 2006, the Department recommends that the Vimy Arena be sold to the Province of Manitoba for the appraised value of \$1,430,000.

On December 21, 2017, the City received an offer of \$1 for the Vimy Arena from MHRC. The transfer of the Vimy Arena to MHRC will be subject to a successful rezoning and subdivision (the subdivision will identify the final configuration of the site), environmental testing.

MHRC has obtained Board of Directors approval for the \$1 acquisition, in addition to a proposed 99 year ground lease with the Bruce Oake Recovery Centre with an annual rent of \$1.00.

RECOMMENDATIONS

1. That the sale of the Vimy Arena, shown as "Subject City Property" on the attached Misc. Plan 14441/2, in favour of Manitoba Housing and Renewal Corporation for the purchase price of \$1,430,000.00 be approved in accordance with the Council approved policy titled "Offers to Purchase City-Owned Property"

2. That the City enter into, execute and deliver an Offer to Purchase and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).
3. That the authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the Offer to Purchase and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.
4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On February 27, 2013, Council declared the Vimy Arena surplus to its needs. The Council approval included a condition that the property not be marketed or sold until such time as the newly developed Seven Oaks Arena was ready for its intended occupancy and a requirement for the Planning, Property and Development Department to submit a disposition strategy for Council’s consideration.

The Seven Oaks Arena opened for public use in September 2015. The Department may act on an unsolicited offer to purchase City-owned property when a government agency or body is seeking to acquire the property. The agreed price should reflect a valuation completed by an accredited appraiser – the property has been appraised at \$1,430,000.

According to the “Policy for the Sale, Acquisition, Rental, Leasing and Management of Properties”, all sales of property designated or acquired for park purposes shall be subject to Section 144(2) of The City of Winnipeg Act "approval of at least two-thirds of the members of Council". It is noted that Section 144(2) of The City of Winnipeg Act has been replaced by Section 205(2) of The City of Winnipeg Charter Act, which requires approval by a vote of 2/3 of all members of Council.

Inasmuch as the Department is recommending the sale of this property to Manitoba Housing and Renewal Corporation, further reporting on a disposition strategy for the site is not required.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory or human resource implications associated with the report. The recommended sale of the subject City property is in accordance with the City’s “Offers to Purchase City-owned Property” policy.

It is noted that a sale of the Subject City Property would be subject to:

- a cross access agreement with the adjoining private land;
- a Waterways Permit if the building is expanded
- a possible shared services agreement with the adjoining private lands
- a subdivision application
- a possible rezoning/public hearing depending on the proposed use

The net proceeds from the sale will be reinvested into City-run recreation, leisure, and library facilities in accordance with the Council approved *Recreation, Leisure, and Library Facilities* (RLALF) Policy.

It is noted that Community Services and Legal Services provided concurrence to the final version of the administrative report on December 20th and 21st respectively. Subsequent to their concurrence and the initiation of the Independent Fairness Commissioner review, Manitoba Intergovernmental Affairs provided the Department with a brief term sheet outlining the terms and conditions for an Offer to Purchase. The purchase price proposed by the Province is \$1.00.

HISTORY/DISCUSSION

On February 27, 2013, Council adopted Item 9 from the Report of the Executive Policy Committee dated February 22, 2013, namely the Multi-pad Arena Development Proposal – Garden City Community Centre “The Seven Oaks Arena Project”. The Vimy Arena was declared surplus, pursuant to the following conditions of approval:

- “1. That the City of Winnipeg enter into a tripartite funding partnership with the Garden City Community Centre (GCCC) and the Province of Manitoba in support of a multi-pad (twin) arena development and multi-use facility project, known as the Seven Oaks Arena Project; subject to confirmation satisfactory to the Chief Financial Officer of each partner committing to fund a 1/3 share of the \$17 million capital cost.”
- “5. That the Vimy Arena and Old Exhibition Arena be declared surplus properties and that such properties not be marketed or sold until such time as the newly developed Seven Oaks Arena is ready for its intended occupancy, at which time the Planning, Property and Development Department shall develop a property disposition strategy for such sites, and that Recommendation 1 of the report be subject to such approval.”
- “7. That further to the intent of the Recreation Leisure and Libraries Facilities policy, the net proceeds derived from the property sale or disposition of City of Winnipeg recreational facilities, namely the Vimy Arena and Old Exhibition Arena, be reinvested into the development of recreational amenities within the Community Committee area where the property sale occurs.”
- “9. That a public consultation process within each of the Assiniboia Community Committee and the Lord Selkirk-West Kildonan Community Committee areas be implemented in order to seek community input on the future reinvestment of the sale proceeds of the Vimy and Old Exhibition arenas within those geographic areas; and further that \$50,000 in incremental operating funding to the Community Services Department for consultant services to facilitate the consultations be referred to the 2014 operating budget process”.

The Vimy Arena property was circulated to all Civic Departments and no civic need was identified. The Public Works Department advised that the existing access for the adjoining property, the Assiniboine Memorial Curling Club, is via the subject City-owned property so a

cross access agreement will be required as a condition of any proposed sale. A shared services agreement with the adjoining property may also be required and any proposed Purchaser intending to redevelop the property with new or additional buildings will be required to apply for a Waterways Permit.

In September 2015, the Seven Oaks Arena at Garden City Community Centre officially opened for public use, bringing two new, year round ice pads to the neighbourhood.

On March 31, 2017, the Department was provided with a copy of a letter from the Province of Manitoba (co-authored by the Minister of Families and Minister of Health, Seniors and Active Living) to the Bruce Oake Foundation outlining the Province's endorsement of the Foundation's advocacy efforts for bringing a long-term treatment facility to the City.

On April 24, 2017, the Chief Administrative Officer wrote a letter to the Deputy Minister of Municipal Relations seeking confirmation that the Province was interested in partnering with the Bruce Oake Foundation to bring a long-term alcohol and drug addiction treatment facility to the City of Winnipeg. The Chief Administrative Officer identified the Vimy Arena site as a potential option for the proposed facility and advised that the City would be willing to enter into further discussions but any final arrangement would be subject to Council approval.

In August 2017, the Province requested specific facility condition information on the Vimy Arena.

In September 2017, Equal Opportunities West, which is a non-profit organization, advised the Department of their interest in acquiring the Vimy Arena. The "Offers to Purchase City-Owned Property" policy does not include a provision to sell property directly to non-profit organizations. As a result, Equal Opportunities West was advised to monitor the City's website for available property.

On October 27, 2017, Manitoba Housing and Renewal Corporation declared their interest in acquiring the Vimy Arena through a government-to-government transfer.

In order to comply with the Department's Real Estate Transaction Management Framework, the Vimy Arena would normally be sold on the open market. However, the "Offers to Purchase City-Owned Property" policy allows for direct transfers to the Province at the appraised value. The Vimy Arena was appraised on November 24, 2017 for \$1,430,000 by an external accredited appraiser.

A transfer to the Province would need to include a condition of sale outlining that the transaction would not close if the Province (or applicant) was unable to successfully rezone and subdivide the subject lands. This is a standard City provision within all sale agreements that require a rezoning and/or subdivision.

On December 21, 2017, the Province provided the City with an offer to purchase the Vimy Arena for \$1. MHRC would acquire the property, conditional upon successful rezoning, subdivision and environmental testing; and require a facility to be constructed within a specified timeframe. MHRC would subsequently enter into a ground lease with the Bruce Oake Recovery Centre for 99 years at an annual rent of \$1.00. MHRC has obtained Board of Directors approval for the proposed offer.

The Ward Councillor has been consulted and does not approve of the proposed transaction.

According to the Council approved *Recreation, Leisure, and Library Facilities* (RLALF) Policy, any net proceeds from property sales that may arise as a result of property sale, disposition or facility rationalization will be reinvested into City-run recreation, leisure, and library facilities. The policy indicates that a reserve fund is to be established for such proceeds. Inasmuch as a new reserve fund has not been created, the Land Operating Reserve will be used to secure and hold the net sale proceeds of the Vimy Arena for subsequent use as a funding source for reinvestment. The net proceeds from the disposition of the Vimy Arena will be held until such time as the public consultation process can occur in accordance with the February 27, 2013 Council decision.

FINANCIAL IMPACT

Financial Impact Statement

Date: **December 18, 2017**

Project Name: **First Year of Program** **2018**
Sale of City-owned Property commonly known as the Vimy Arena located at 255 Hamilton Avenue

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital					
Capital Expenditures Required	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Sources:					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
Current Expenditures/Revenues					
Direct Costs	\$ 130,000	\$ -	\$ -	\$ -	\$ -
Less: Incremental Revenue/Recovery	1,430,000	-	-	-	-
Net Cost/(Benefit)	<u>\$ (1,300,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less: Existing Budget Amounts	(1,300,000)	-	-	-	-
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: Incremental revenue represents the appraised market value of the Vimy site while direct costs consist of the net book value of the Vimy Arena building & the historical cost of the land on which it sits. Estimated municipal property tax revenue has not been included in this analysis and is considered to be immaterial in nature. The sale is assumed to be concluded during 2018. Net proceeds of \$1.3 million will be held in the Land Operating Reserve.					

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

CONSULTATION

This Report has been prepared in consultation with:

Community Services Department
Legal Services Department as to Legal Issues

OURWINNIPEG POLICY ALIGNMENT

VIMY ARENA

The subject site falls within the Areas of Stability (recent Communities) policy area under the Complete Communities Direction strategy.

Areas of Stability are primarily understood as the residential areas where the majority of Winnipeggers currently live. Unlike Transformative Areas that will experience significant change over the coming years, Areas of Stability will accommodate low to moderate density infill development to support more efficient use of land, infrastructure and services as well as enhance housing choice and affordability. Infill in areas of stability will be supported with the intent of creating more complete communities.

When new development occurs in Areas of Stability, it should be contextually suitable and enhance and celebrate what makes them unique. To that point, intensification should be accommodated within existing communities in a sensitive manner which recognizes the existing form and the character of its location (p.79, Complete Communities).

Policies for Areas of Stability

- Support low to moderate change in low-density neighbourhoods through development and redevelopment that is complementary to the existing scale, character and built form.
- Promote the form of buildings and spaces that are sensitive to the community context and address the transition between new and existing developments.
- Promote a quality public realm with a high level of accessibility to community services and amenities and opportunities for gathering and social interaction
- Encourage intensification to occur at centres and along corridors.
- Focus housing growth to areas that have municipal service capacity to support intensification, in addition to commercial and recreational amenities.
- Support Complete Communities by ensuring diverse and high quality housing stock.
- In order to meet the full life-cycle of housing needs within the community, promote a mix of housing type and tenure, such as duplexes low rise apartments, secondary suites, semi-detached homes, townhouses.
- Support a mix of commercial services and employment uses that serve the local community.
- Provide opportunities to increase multi-modal connectivity when redevelopment occurs.
- Where intensification/densification of housing occurs, ensure that the types of open space – passive, active, and plazas – respond to community needs.

- Ensure that existing public open spaces meet the neighbourhood's current and future requirements.

SUBMITTED BY

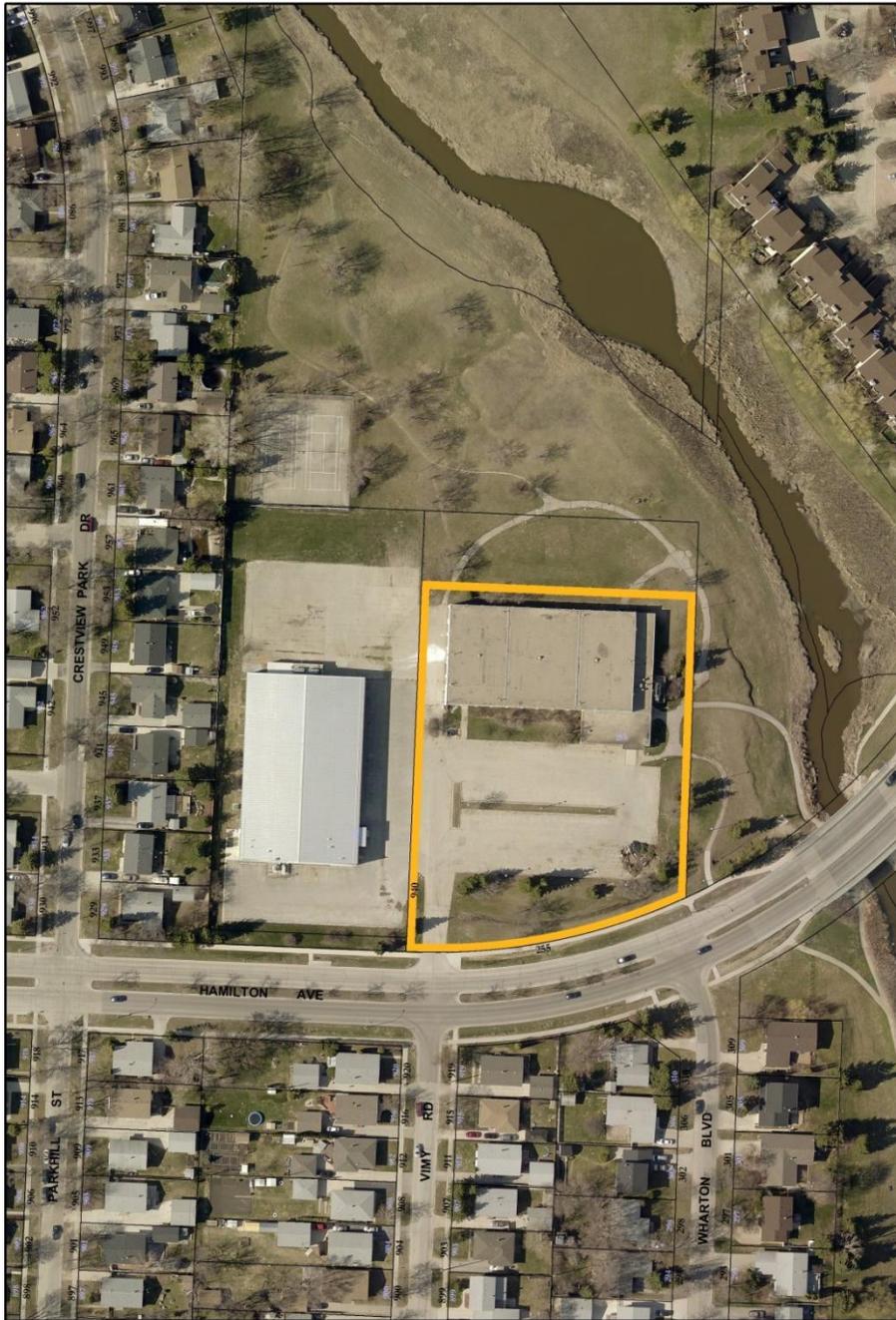
Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Marc Pittet, Manager
Date: December 28, 2017
File No: 4710

Attachments:

Schedule "A" - Misc. Plans 14441/2

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Schedule "A"



 **SUBJECT CITY PROPERTY**
Area: 9981.5± m² (2.47± acres)

METRIC

Date: 2015-DEC-16
District: ASBA
File: 4710
Scale: 1:1500
Requested by: JP
Drawn by: JP
Reference Dwg No.: N/A



NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.

**CITY OF WINNIPEG
PLANNING, PROPERTY AND
DEVELOPMENT DEPARTMENT
LAND INFORMATION, GEOMATICS
AND MAPPING SERVICES**

MISC. PLAN NO. 14441/2