

# Purchase of Three Whitemud Slide Properties

## Recommendation:

1. That Executive Committee recommend to City Council :  
  
That Capital Project Profile 13-17-1068, Whitemud Slide Properties Acquisition, be approved, as outlined in Attachment 1 of the January 28, 2013, Sustainable Development report 2013SCO646, and added to the 2012 - 2014 Capital Budget, with funding from Provincial Government grants.
2. That an agreement for the purchase of the three former residential properties as outlined in Attachment 3 of the January 28, 2013, Sustainable Development report 2013SCO646, in the total amount of \$1,346,620 and as detailed in Attachment 2 of the January 28, 2013, Sustainable Development report 2013SCO646, be approved, subject to City Council approval of Capital Project Profile 13-17-1068, Whitemud Slide Properties Acquisition, and that the agreement be, in form and content, acceptable to the City Manager.

## Report Summary

**City Council approval is required for Capital Profile 13-17-1068, Whitemud Slide Properties Acquisition. Committee approval is required for the purchase of the subject properties, as the price of each exceeds current market value.**

## Report

As a consequence of river bank slope failures in the spring of 1999, three residential properties located along Whitemud Road in the Ramsay Heights neighbourhood were demolished pursuant to demolition orders issued by the City of Edmonton. The City incurred the costs of demolition, and the demolition amounts were placed on the respective tax rolls pursuant to the provisions of the *Municipal Government Act*, R.S.A.2000, and c. M-26.

The cancellation of the tax arrears, demolition charges and penalties for the three Whitemud slide property tax accounts was approved at the February 1, 2012, City Council meeting (Financial Services report 2012AT6624).

A number of years ago, the three affected property owners filed claims against the City that went to trial. The claims were subsequently dismissed. The owners appealed and the Court of Appeal upheld the dismissal of all claims.

The three property owners approached Alberta Municipal Affairs seeking financial relief under the Province's Disaster Relief Fund. In response, the Province agreed to provide a one-time conditional grant to fund the City's cost to purchase the three slide properties.

The purchase price for each property was negotiated between the Province and the individual landowners. The purchase price was based on the amount claimed in each owner's litigation with the City of Edmonton, less the demolition costs, taxes and penalties incurred by the City, as detailed in Attachment 2. The purchase price does not reflect market value, as the properties are now not developable.

## Purchase of Three Whitemud Slide Properties

The City is in receipt of the grant monies and any funds not expended on acquisition of the properties by March 31, 2013, are to be returned to the Province. As the Provincial Government has provided the City with a grant equal to the purchase price, the City is to receive title to the properties at no cost to the City. Costs to landscape or stabilize the purchase lands once acquired will be the responsibility of the City.

### Policy

This report is in compliance with the City Administration Bylaw.

### Corporate Outcomes

*The Way Ahead* – City of Edmonton Strategic Plan, 2009 – 2018:

- Ensure Edmonton's financial stability
- Improve Edmonton's livability

### Financial Implications

Capital Profile 13-17-1068 (as shown in Attachment 1) for the purchase of the subject properties is fully funded through the grant monies received from the Province. Any funds not expended on acquisition of the properties by March 31, 2013, are to be returned to the Province.

### Justification of Recommendation

1. Funding of Capital Profile 13-17-1068 for the purchase of the properties has been provided through a Conditional Grant from the Province.
2. Purchase of the properties will bring closure to this long standing matter and will provide relief to the affected owners.

### Attachments

1. Capital Profile 13-17-1068

2. Breakdown of Purchase Price of Subject Properties
3. Plan of Subject Properties

### Others Reviewing this Report

- L. Rosen, Chief Financial Officer and Treasurer
- L. Cochrane, General Manager, Community Services

## Capital Profile 13-17-1068

## SUSTAINABLE DEVELOPMENT DEPARTMENT

(thousands of dollars)

## PROGRAM: URBAN PLANNING AND ENVIRONMENT

PROJECT NAME: WHITEMUD SLIDE PROPERTIES ACQUISITION						13-17-1068		
Group-Criteria: F-130 Proj. Req. to Meet Commitments				Project Manager: Peter Ohm				
BUDGET	Prior Years	2013	2014	2015	2016	2017	Total	
Budget as Approved	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
Change		1,347					1,347	
Revised Budget	-	1,347	-	-	-	-	1,347	
FUNDING EARMARKED FOR FUTURE EXPENDITURES								
Existing Plan Expenditures	-	-	-	-	-	-	-	
Change							-	
Revised Expenditures	-	-	-	-	-	-	-	
TOTAL CAPITAL EXPENDITURE PLAN	\$ -	\$ 1,347	\$ -	\$ -	\$ -	\$ -	\$ 1,347	
Financing	Budget Request	Prior Years	2013	2014	2015	2016	2017	Total
Other Grants - Prov.	\$ 1,347	\$ -	\$ 1,347	\$ -	\$ -	\$ -	\$ -	\$ 1,347
								-
Total Financing	\$ 1,347	\$ -	\$ 1,347	\$ -	\$ -	\$ -	\$ -	\$ 1,347
<p><u>DESCRIPTION:</u> To acquire three Whitemud Road Slide properties from the property owners for parkland purposes. As a consequence of river bank slope failures in the spring of 1999, these three residential properties were demolished pursuant to demolition orders issued by the City of Edmonton. These properties are now not developable.</p> <p><u>JUSTIFICATION:</u> The Province has already provided funding for this project by means of a one-time conditional grant. Any funds not expended on acquisition of these properties by March 31, 2013 are to be returned to the Province. Purchase of these properties using provincial grant funding will bring closure to this long standing matter and will provide relief to the affected owners.</p> <p><u>SOURCE OF ESTIMATES:</u> Award: +/- 10%</p>								
IMPACT ON OPERATING:						Project Cost Breakdown		
- Personnel Maintenance	2013	2014	2015	2016	2017	Total	Land	1,347
Last Updated: 01/03/13			Expenditures to Date (as at 12/31/12):					
			\$ -				\$1,347	

**Breakdown of Purchase Price of Subject Properties**

4108 Whitemud Road ( <u>Lot 6</u> )		
Claim Amount		\$605,500
Less- demolition, taxes and penalties		\$226,770
<b><u>Purchase Price</u></b>		<b><u>\$378,730</u></b>

4112 Whitemud Road ( <u>Lot 7</u> )		
Claim Amount		\$561,000
Less- demolition, taxes and penalties		\$119,094
<b><u>Purchase Price</u></b>		<b><u>\$441,906</u></b>

4116 Whitemud Road ( <u>Lot 8</u> )		
Claim Amount		\$708,000
Less- demolition, taxes and penalties		\$182,016
<b><u>Purchase Price</u></b>		<b><u>\$525,984</u></b>

**Calculation of Total Purchase Price****\$ 378,730+****\$ 441,906+****\$ 525,984+****\$1,346,620 is the total purchase price for all three subject properties**

## Plan of Subject Properties

