

Decision Paper

Date: December 3, 2025

Initiated by: Sue Sutherland

Reference #: PLA202534

Subject: Railway Lands in Libau

Issue: To provide Council with an update on recent discoveries regarding railway land ownership in Libau and to request that the affected properties be deemed surplus for the purpose of selling them to the existing tenants on the land (Greenwald Colony).

Background:

In 2016, Council passed resolution #2016-008 to transfer 90 railway properties to the Municipality for the purpose of creating the Trans Canada Trail. The transfer was to occur at no cost, except for legal fees which were to be handled by McCandless Tramley.

This was a section of abandoned railway line originally connected Powerview-Pinefalls to the paper mill and return through the Municipality into Winnipeg. After the mill closed, Central Manitoba Railway Incorporated no longer required the line which led to its sale to the Municipality.

Subsequent review by Administration determined that only 89 properties were transferred, rather than the 90 properties that was outlined in the resolution. The three parcels of land are shown below:



Section 250 (2) of the *Municipal Act* outlines:

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General powers

250(2) Without limiting the generality of subsection (1), a municipality may for municipal purposes do the following:

- (a) acquire, hold, mortgage and dispose of land, improvements and personal property, or an interest in land, improvements and personal property;

Manitoba Hydro easement request

On October 7, 2024, requested an easement with the Rural Municipality of St. Clements for the railway station grounds in Libau (property roll 572300), where the grain elevator is located.

Administration initially verified the ownership with the Provincial Assessment Department and the mapping system, which indicated that this property was owned by Central Manitoba Railway (CEMR). However, Hydro provided a copy of the title for the lands that they wanted to enter into easement which showed that the Rural Municipality of St. Clements was the registered owner of the lands containing the elevator.

To confirm, Administration contacted the Provincial Assessment Department, which advised that the property was owned by CEMR, and not the RM.

Ownership review and discrepancies

Administration then conducted a detailed review on the ownership of the other railway station grounds across the road. The property roll on the south side of Road 86 North, included two parcels under one title (roll number 571900), according to assessment data. Ownership was listed as the Canadian National Railway (CNR), and they had been paying taxes on the property for years.

This matter was brought to the attention of the Chief Administrative Officer, who requested a meeting with Candorail (the new CEMR). Candorail confirmed that these parcels were sold to the RM in 2016, and should be under RM ownership.

**Re: Former Pine Falls Rail Line Titles
Roll Nos. 572300 & 571900**

This letter is being sent in reference to various email correspondence with the Rural Municipality of St. Clements ("St. Clements") in connection with the transfer of title to certain property located in the Rural Municipality of St. Clements by Central Manitoba Railway Inc. ("CEMR") to St. Clements, in approximately 2016. CEMR is a wholly-owned subsidiary of Cando Rail & Terminals Ltd.

Reference is also made to the title book prepared by Pitblado LLP for Cando Rail & Terminals Ltd. (formerly Cando Contracting Ltd.) on or about January 6, 2015, a copy of which is attached to this letter as Schedule "A" (the "Title Book").

This letter confirms that it was the intention of CEMR that, as part of the transactions contemplated between CEMR and St. Clements in approximately 2016, all right title and interest of CEMR in and to those certain lands described in the Title Book which CEMR was formerly, or is presently, the registered owner, be transferred to St. Clements.

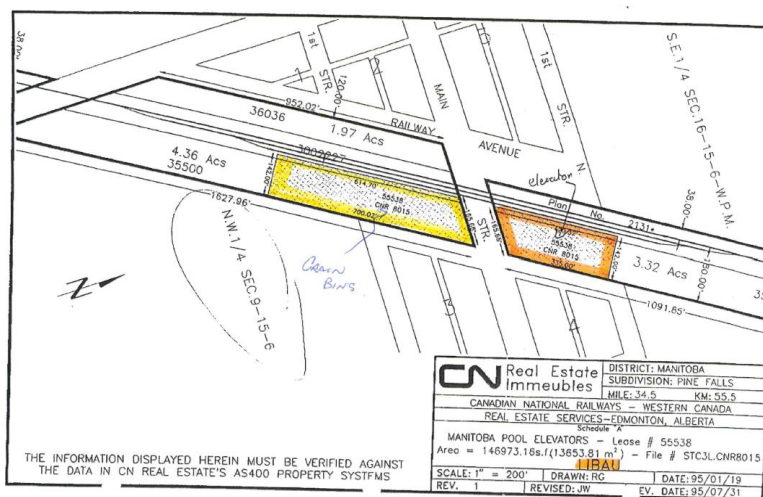
The information from Candorail and the title received from Hydro were sent to Provincial Assessment Department. Assessment updates the ownership of the elevator property to the RM, matching the title. However, the second property with two parcels under one title was not updated correctly, despite assurances from the Assessment Department that it would be.

Greenwald Colony agreement

Administration requested the agreement which confirmed that Greenwald Colony owned the elevator on the north property and grain bins to the south property and was subletting the property. Section 9 of the agreement read:

9. **Further Conditions.** This purchase and sale transaction is conditional on:
- (a) the Purchaser entering into a legally binding agreement with the Railway effective on or before November 15, 2004 to:
 - (i) purchase the Land from the Railway, on terms and conditions satisfactory to the Purchaser acting reasonably, and the Land being subdivided (if applicable) and title to the Land being transferred by the Railway to the Purchaser pursuant to that agreement by November 15, 2004; or
 - (ii) lease the Land from the Railway or take an assignment of the Vendor's lease from the Railway, on terms and conditions satisfactory to the Purchaser acting reasonably; and

A sketch showing the sublet area was attached to the agreement as shown below:



Administration was directed by Council to proceed with negotiations with the Greenwald Colony to purchase the lands, as the RM was deemed the owner of the lands. Both parties hired appraisers and

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the appraiser representing the Greenwald Colony took into consideration the cost of demolishing the derelict building which cannot be repaired and poses a liability.

Legal description and subdivision issue

When preparing the purchase agreement, Administration returned to the mapping system for the legal building description. The lot with two parcels under one title was now shown as one completed parcel including the railway line.

Assessment confirmed that the legal description was correct and that the map had previously been inaccurate. This change created complications for the sale, as the railway line is part of the trail system and is used by off-road vehicles. Owning the railway track would be a liability for the Colony and needs to be continue under RM ownership.



Old configuration



New configuration

Subsequently Administration confirmed with two land surveyors confirmed that the property should have always been one title as the new configuration shows. As a result, the sale will require subdivision to maintain RM ownership of the trail. The estimated cost for the subdivision is \$13,000.

Policy

In accordance with Section 250(2) of the *Municipal Act*,

General powers

250(2) Without limiting the generality of subsection (1), a municipality may for municipal purposes do the following:

- (a) acquire, hold, mortgage and dispose of land, improvements and personal property, or an interest in land, improvements and personal property;

In accordance with the Disposition of Assets policy, this type of situation is not addressed, however the since the buildings that are on the lands are owned by Greenwald Colony. The agreements that the Colony entered to purchase the elevator and to sublet the lands outlined that:

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 - (ii) lease the Land from the Railway or take an assignment of the Vendor's lease from the Railway, on terms and conditions satisfactory to the Purchaser acting reasonably; and

The Colony intended and was committed to purchase the property, but there were difficulties finding the correct owner according to the Colony.

The principles of the policy outlines:

- To maximizes public benefit and is in the public interest
- Is fair, equitable and uniform in manner
- Minimizes the impact on the environment
- Provides equal opportunity and equal access to purchase assets

Administration feels that this is fair, equitable as the Colony as they have been occupying and subleasing the lands for 21 years. In addition, the Colony owns the assets on the lands and the lands would be difficult to dispose of, taking into consideration the longevity they have sublet.

Status

Administration met with Greenwald Colony; to explain the findings and this will result in delay for the sale of the property due to the subdivision process. The Colony requested permission to begin demolishing the building as soon as possible.

Recommendations:

The properties should be deemed surplus and due subletting the lands on a long-term basis and the lands contained assets which they own should be sold to Greenwald Colony.

Greenwald Colony has requested immediate access to begin the demolition of the elevator and requests and also a discount on the tipping fees due to the elevator could be seen as a liability to the RM.

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Recommended Resolution (if required):

WHEREAS property roll number 571900 and 572300 are owned by the Rural Municipality of St. Clements, and;

WHEREAS located on the properties is a grain elevator and numerous other building and structures which are owned by Greenwald Colony, and sublet for the last 21 years, and;

WHEREAS property roll number 572300 includes the railway tracks and will require subdivision, to sell the property in which some of the buildings are located, and;

WHEREAS appraisals have been completed by both parties and a price for the land that the Colony requires has been negotiated, and;

WHEREAS the logical purchaser of the lands is Greenwald Colony owns the buildings and structures that occupies the land, and;

WHEREAS the elevator on property roll 571900 is in a state of disrepair and is a liability to the Colony, and;

THEREFORE BE IT RESOLVED that the lands be deemed as surplus, in accordance with Policy #333 – Disposition of Assets, and;

FURTHER BE IT RESOLVED that the lands that were negotiated on be sold to Greenwald Colony at a price of \$70,000, and;

FURTHER BE IT RESOLVED that Greenwald Colony enter into an indemnity agreement to allow the elevator to be removed immediately as the land transfer can not happen until the subdivision is completed, and;

FURTHER BE IT RESOLVED that Administration report back to Council with regards to discounted fees to take the debris to the Libau landfill, and;

FURTHER BE IT RESOLVED that Administration has permission to proceed with the subdivision of property roll 571900.