

**PROPOSED METHOD OF DISPOSITION – (SHAGANAPPI) – WARD 08
(CLLR. EVAN WOOLLEY) FILE NO: 2609 & 2615 12 AV SW (JP)**

EXECUTIVE SUMMARY

The purpose of this report is to request authorization for public marketing of the Property, to be administered by Real Estate & Development Services and the authorization to negotiate a sale of the Property to the successful applicant(s).

The Property, which originally consisted of two parcels and a portion of road right of way, was acquired to accommodate the construction of the West LRT, including the Bow Trail widening and Crowchild / Bow Trail interchange. It is now surplus to municipal needs and was identified in the disposition strategy for the West LRT.

A future sale of the Property would provide an opportunity for a Transit Oriented Development close to the Shaganappi LRT Station. Proceeds from the sale will be transferred to the Revolving Fund reserve and reallocated as required. The reserve price can be found in Attachment 5.

ADMINISTRATION RECOMMENDATIONS:

The SPC on Utilities and Corporate Services recommends that Council:

1. Authorize the Recommendation as outlined in Attachment 2;
2. Request that Attachments 4 and 5 be removed from this Report prior to being forwarded to Council and that Attachments 4 and 5 remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* and that Council consider Attachments 4 and 5 In Camera if requested by Council; and
3. Request the Recommendations, Report and Attachments 1, 2 and 3 remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* until the Report is published in the Council Agenda.

**RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED
2017 APRIL 26:**

That Council:

1. Authorize the Recommendation as outlined in Attachment 2, **as corrected**; and
2. Direct that Attachment 4 and Attachment 5, **as corrected**, remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* and that Council consider Attachments 4 and 5 In Camera if requested by Council.

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PREVIOUS COUNCIL DIRECTION/POLICY

On 2013 May 06, Council approved LAS2013-13 West LRT Land Disposition Strategy, authorizing the implementation of a disposition strategy for the surplus City owned lands that were acquired for construction of the West LRT and other infrastructure projects in the surrounding area.

BACKGROUND

On 2013 May 06, Council approved LAS2013-13, a disposition strategy for the ninety two (92) parcels of City owned land that had been acquired to accommodate the construction of the West LRT, including the Bow Trail widening and Crowchild / Bow Trail interchange. The parcels identified in the strategy varied in salability and the approved report outlined guiding principles to aid in the evaluation of sales efforts required to dispose of the parcels. The parcels were then classified into categories according to the type and work required to create saleable properties. An application was submitted by Administration in 2015 October for a land use redesignation and road closure. Council approved the application on 2016 September 13. The closed road right of way along with 2609 and 2615 12 Avenue SW are currently in the planning process to be consolidated to form the Property and together will comprise an area of 1,770.935 sq. m. (19,062.19 sq. ft.).

The Property was initially improved with two single family dwellings but the dwelling on 2609 12 Avenue SW was demolished in 2015.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Property offers a great opportunity for redevelopment to occur adjacent to the Shaganappi LRT station. Administration also identified that closing a portion of 12 Avenue SW and consolidating it with the adjacent City parcels, 2609 and 2615 12 Avenue SW would create a single parcel more suitable for a future mixed use development. This is in an effort to comply with the policies of the ARP and create opportunities for densification at this "gateway" location.

The dwelling located on 2615 12 Avenue SW is currently being leased to the former owner (the "Lessee") of the house. The Lessee has contacted Administration about acquiring their former property because it was not used for the project or as intended. Administration is proposing that the Property be sold by way of public marketing and not through a direct sale. The Lessee will have an opportunity to acquire the Property through this process. The proposed Method of Disposition aims to maximize revenues for The City, as well as help foster a complete community within Shaganappi.

The Property has been deemed surplus for municipal purposes and Administration is seeking approval to proceed with public marketing of the Property for sale.

Valuation

The reserve price of the Property was based on an internal valuation which has been endorsed by Administration's Valuation Review Committee. The comparable sales analyzed are included in Attachment 4.

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Stakeholder Engagement, Research and Communication

Stakeholder and public engagement was conducted as part of the road closure, redesignation and consolidation process.

Strategic Alignment

The timely disposition of the Property aligns with the 2020 Sustainability Direction objectives, specifically the Infrastructure Management objective and the target for The City to efficiently and effectively dispose of surplus City owned lands to provide optimum value for Calgarians.

Social, Environmental, Economic (External)

Social

The proposed Method of Disposition responds to the needs and interests of the community. A future sale of the Property will provide citizens and potentially commercial enterprises, with an opportunity to locate in a desirable community with direct access to amenities and public transportation.

Environmental

Administration has deviated from The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy which requires that a Phase 1 site assessment be completed. An Environmental Review was conducted on the Property in 2005 and 2014 and no concerns were identified. No changes to the Property have occurred since then and no new report has been requested.

Economic (External)

If the Method of Disposition is approved, a future sale of the Property will provide an opportunity for redevelopment with potential for higher density multi-residential and commercial uses. This will increase density and employment in the area. A sale will also result in an increase to the annual tax base.

Financial Capacity

Current and Future Operating Budget:

None

Current and Future Capital Budget:

The sale will be recorded in Real Estate & Development Services Operating Program 488 and net proceeds from the sale will be transferred to the Revolving Fund reserve and reallocated to other funds as required.

Risk Assessment

The Property represents a maintenance cost to The City. This can be mitigated by selling the Property via the proposed Method of Disposition.

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The Lessee is of the opinion that since the dwelling was not used for the purpose it was acquired for they have a right to purchase the Property and they may feel that they are unfairly treated. No legal obligations exist for The City to offer the Property or a portion of it to the Lessee. If the Method of Disposition is approved, the Lessee will have an opportunity to submit an application to purchase the Property.

REASONS FOR RECOMMENDATIONS:

The Property was originally acquired for road widening of Bow Trail SW and the West LRT and is surplus to municipal needs. The completion of the consolidation and land use amendment provides an opportunity for Administration to publically market the Property with an eventual sale to encourage a new development to serve as a "gateway" into the Shaganappi community.

ATTACHMENTS

1. Site Map
2. **Recommendations (As Corrected)**
3. Summary of Additional Property Information
4. Confidential
5. **Confidential (As Corrected)**