

**PROPOSED METHOD OF DISPOSITION – (SPRUCE CLIFF) – WARD 08  
(CLLR. EVAN WOOLLEY) FILE NO: 3404 BOW TR SW (JP)**

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**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 is located in the community of Spruce Cliff and originally consisted of two parcels and a portion of road right of way. It was acquired to accommodate the construction of the West LRT. 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 Westbrook LRT Station. 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 Transportation Infrastructure Program 865. 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:**

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That Council:

1. Authorize the Recommendation as outlined in Attachment 2; and
2. Direct 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.

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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 road closure of the adjacent 11 Avenue road right of way. Council approved the application on 2016 September 12. The closed road right of way along with 3404 and 3412 Bow Trail SW were consolidated on 2017 January 28 to form the Property and together will comprise an area of 3,733.327 sq. m. (40,185.20 sq. ft.).

The Property was improved with two commercial buildings and both were demolished in 2009. At the time of acquisition the Property was part of two larger parcels that were improved with commercial buildings that included operating businesses.

**INVESTIGATION: ALTERNATIVES AND ANALYSIS**

The Property offers a great opportunity for redevelopment to occur steps from the Westbrook LRT station. Administration also identified that closing a portion of 11 Avenue SW and consolidating it with the adjacent City parcels, 3404 and 3412 Bow Trail 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. An investigation into potentially upzoning the Property concluded that the site constraints and community feedback would not support an upzoning.

**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.

**Stakeholder Engagement, Research and Communication**

Stakeholder and public engagement was conducted as part of the road closure 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.

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**Social, Environmental, Economic**

**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 close access to amenities and public transportation.

**Environmental**

An environmental review for the east side of the Property (formerly 3412 Bow Trail SW) was completed in 2014. A limited Phase I Environmental Site Assessment (ESA) was conducted in 2008 and identified the east side of the Property as being of medium risk for environmental concerns. A Phase II ESA was completed in 2009 as part of the West LRT project and deemed that no further testing was required.

An environmental review was also completed for the west side of the Property (formerly 3404 Bow Trail SW). The review for the west side of the Property indicated that a service station existed on the west portion from the 1960's to the late 1970's. A limited Phase I ESA in 2008 also identified the west side of the Property as medium risk for environmental concerns as well. A Phase II ESA on the west side of the Property, completed in 2009, showed elevated forms of hydrocarbons that do not appear to have caused wide spread impacts on the Property. The Property will be sold as is and the estimated cost to remediate and potential risks will be shared with potential purchasers.

**Economic**

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 Transportation Infrastructure Program 865.

**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. The environmental condition may negatively reduce the marketability and potential offers for the Property.

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**REASONS FOR RECOMMENDATIONS:**

The Property was originally acquired for the West LRT and is surplus to municipal needs. The completion of the road closure, amendment and consolidation provides an opportunity for Administration to publically market the Property with an eventual sale to encourage a new development in the Spruce Cliff community.

**ATTACHMENTS**

1. Site Map
2. Recommendations
3. Summary of Additional Property Information
4. Confidential
5. Confidential