

**PROPOSED METHOD OF DISPOSITION – (SCARBORO/SUNALTA WEST) – WARD 08
(CLLR. EVAN WOOLLEY) FILE NO: 1116 SURREY ST SW (EM)**

SUMMARY/ISSUE

Authorization for public marketing of the Property, to be administered by the Office of Land Servicing & Housing, and authorization to negotiate a sale of the Property to the successful applicant.

PREVIOUS COUNCIL DIRECTION/POLICY

At the 2013 June 10 Combined Meeting, Council approved LAS2013-28 Proposed Method of Disposition.

At the 2013 May 06 Combined Meeting, Council approved LAS2013-13, West LRT Land Disposition Strategy.

RECOMMENDATION OF THE LAND AND ASSET STRATEGY COMMITTEE, DATED 2015 MARCH 19:

That Council:

1. Authorize the Method of Disposition 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)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act*.

ADMINISTRATION RECOMMENDATIONS:

The Land and Asset Strategy Committee recommend that Council:

1. Authorize the Method of Disposition recommendation as outlined in Attachment 2; and
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)(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 that the Recommendations, Report and Attachments 1, 2 and 3 remain confidential under Sections 23(1)(b), 24(1)(a), 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.

INVESTIGATION

The West LRT opened for transit service on 2012 December 10. The conclusion of this major infrastructure project now provides the opportunity to recuperate some of the funding for the project through the disposition of surplus City owned lands. Through the work done on the West LRT disposition strategy, more than 90 City owned properties were identified for potential disposition. The properties included in the disposition strategy contain both properties that were acquired directly for the West LRT expansion, as well as properties along the same corridor that were acquired over time on an opportunity basis or as part of past infrastructure projects.

Pursuant to the West LRT disposition strategy, the Property has been identified as immediately saleable.

The Property is a vacant residential lot located in the south west community of Scarboro/Sunalta West. It is irregular in shape and traffic noise can be heard at the Property due to its close proximity to Bow Trail and the merge ramp from Crowchild Trail.

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On 2013 June 10 Council approved LAS2013-28, authorizing the public marketing of the Property to be administered by the Office of Land Servicing & Housing. In accordance with that direction, Administration has been publicly marketing the Property since 2014 April. The Property has received limited interest from prospective purchasers due the challenging site characteristics.

Subsequent to this, Administration completed an internal valuation of the Property which resulted in a lower valuation range being endorsed by Administration's Valuation Review Committee.

If the method of disposition is approved, the Property will be remarketed at a lower list price. The Property will continue to be marketed "as is" and will be sold in this condition. The successful applicant will be encouraged to perform their own due diligence within a time frame acceptable to The City.

IMPLICATIONS

General

The disposition of the Property aims to maximize revenues, as well as rehabilitate the communities affected by the West LRT project.

The timely disposition of the West LRT surplus lands also aligns with the 2020 Sustainability Directions, specifically in regards to Infrastructure Management and the goal for The City to efficiently and effectively dispose of surplus City owned land to provide optimum value for Calgarians.

Social

Disposition of the vacant Property will enable residential development in the community.

Environmental

Pursuant to The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy, various environmental reports were conducted as part of the West LRT project, including a limited Phase I Environmental Site Assessment. No environmental concerns were identified for the Property in the reports. An updated environmental review has since been conducted to confirm the environmental status of the Property.

The Property will be sold as-is.

Economic (External)

The sale of the Property provides an opportunity for development of underutilized land. The successful applicant will have an opportunity to construct a new single family dwelling close to amenities, employment and transportation.

The sale of the Property will also provide an increase to the annual tax base.

BUSINESS PLAN/BUDGET IMPLICATIONS

The sale will be recorded in the Office of Land Servicing & Housing's Operating Program 488 and net proceeds from the sale will be transferred to Corporate Properties & Buildings' Revolving Fund Reserve and reallocated to Transportation Infrastructure.

RISKS

The Property represents a liability and maintenance risk to The City. If the method of disposition is not approved and the Property does not sell under the current list price, then The City will have to continue to incur costs for maintaining and landscaping the site. This may impact future net returns to the West LRT project.

Additionally, as the Property is vacant and unimproved, there is a possibility that the site

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safety and security could be compromised
and The City would be held liable.

Costs associated with the acquisition of the Property may exceed the revenue generated by the disposition. Current market conditions are different than they were at the time of acquisition. Prior to the completion of the West LRT project, the Property comprised an area of 1,432.636 square meters (15,420.77 square feet) and it was improved with a single family dwelling. The Property is now vacant and unimproved and comprises a smaller area of 916.972 square meters (9,870.53 square feet); therefore, the market value of the Property has been affected. The risk is that the disposition of the Property may not result in full cost recovery.

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.

ATTACHMENTS

1. Site Map
2. Recommendations
3. Summary of Additional Property Information
4. **Removed at Committee Request**
5. **Removed at Committee Request**