

**PROPOSED METHOD OF DISPOSITION – (SUNALTA) – WARD 08
(CLLR. EVAN WOOLLEY) FILE NO: 2004 10 AV 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(s).

PREVIOUS COUNCIL DIRECTION/POLICY

On 2014 March 31, Council approved LAS2014-09, Proposed Deferral of Report - (Sunalta) – Ward 08 (CLLR. Evan Woolley) File No: 2004 10 Avenue SW (EM).

On 2013 September 09, Council approved LAS2013-39, Proposed Deferral of Report – (Sunalta) – Ward 08 (Ald. John Mar) File No: 2004 10 Avenue SW (SQ).

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.

On 2013 April 25, Land and Asset Strategy Committee referred LAS2013-18 Proposed Method of Disposition to Administration.

ADMINISTRATION RECOMMENDATIONS:

That the Land and Asset Strategy Committee recommend that Council:

1. Authorize the method of disposition 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)(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.

RECOMMENDATION OF THE LAND AND ASSET STRATEGY COMMITTEE, DATED 2014 SEPTEMBER 18:

That Council:

1. Approve the Administration Recommendations contained in Report LAS2014-45; 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*.

Excerpt from Minutes of the Land and Asset Strategy Committee, held, 2014 September 18:

- “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 Property is an improved parcel located in the South West community of Sunalta. It is situated below the LRT guideway and is

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adjacent to a regional pedestrian pathway and the Crowchild Trail North turn around. On the Property is a two storey office building that was constructed in 1963 and is now considered to be in average condition. It was acquired by The City in 2009 as part of the West LRT expansion project.

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 this project through the disposition of surplus City owned lands.

On 2013 April 23, Land and Asset Strategy Committee (LASC) referred LAS2013-18 Proposed Method of Disposition for the Property back to Administration. Administration was to investigate the extent of additional land available for consolidation with the Property.

At the Combined Meeting on 2013 May 06, Council approved LAS2013-13 regarding a Disposition Strategy for ninety two (92) parcels of City owned land that had been acquired for the West LRT and previous infrastructure projects in the surrounding area. The parcels varied in sale ability and the approved report outlined the guiding principles to aid in evaluating sales efforts required to dispose of the parcels.

Pursuant to the West LRT Disposition Strategy, fifty eight (58) parcels, or portions thereof, were identified as potentially saleable. The Property was identified as immediately saleable dependant on the timing required to resolve access and parking issues.

Administration later returned to LASC on 2013 July 25 in response to the referred report (LAS2013-18) with LAS2013-39 requesting a deferral of the Proposed Method

of Disposition for the Property. The report was approved by Council on 2013 September 09. The deferral would allow Administration time to complete the necessary survey work to confirm the actual area of additional land available for consolidation with the Property. Administration was to return to LASC by Quarter 1 of 2014 with a Proposed Method of Disposition.

The Property was then identified as a candidate for the Crowchild Trail Corridor Study and was recognized as one that may be impacted by future improvements to Crowchild Trail to accommodate structural elements for the upgrades and pathways. As such, Administration recommended that the Proposed Method of Disposition be delayed until such time that the Study was complete. On 2014 March 31, Council approved LAS2014-09, Proposed Deferral of Report. Administration anticipated returning to LASC with a Proposed Method of Disposition in 2015, subject to the completion of the Corridor Study.

Shortly after receiving Council approval for LAS2014-09, Transportation Planning confirmed that the Property is in fact not required for future improvements to Crowchild Trail. The permanence of the adjacent elevated LRT guideway would place considerable constraints on the options for a reconfigured interchange at the Property. Additionally, there is a 1.134m road right of way required along 10 Avenue SW that the building is currently situated on. As a term of the sale, The City will have an option to purchase the required road right of way, to be triggered by development.

In light of receiving this information, Administration set out to determine if there were opportunities to enhance the sale ability of the Property. This included exploring options to consolidate the Property with the

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adjacent lands to the west, or a portion thereof.

The adjacent land was found to be required for a laneway, a regional pedestrian pathway, as well as an area needed for a sweeper box. After taking into account these municipal interests, the remaining portion of the adjacent land is slightly less than 1,700 square feet. This remaining portion of land could be consolidated with the Property and used for parking; however, given that the portion of land is part of three discontinuous parcels, it would have to be subdivided prior to consolidation. A land use amendment would also have to occur as the Property and adjacent land have different land uses.

Consolidating the adjacent land would not significantly increase the value of the Property and the expense associated would decrease the amount of funding that could be recovered for the West LRT project.

Administration is recommending to market and sell the Property as is, where is and not engage in any value add efforts at this time. The Purchaser will most likely use the adjacent lands for parking. A license would be required to solidify this arrangement and place maintenance costs and responsibilities on the purchaser(s) of the Property. Purchasers will also be encouraged to perform their own due diligence within a time frame acceptable to The City.

Upon future redevelopment of the Property, The City could revisit an opportunity to consolidate the remaining portion of the adjacent lands at that time.

IMPLICATIONS

General

The disposition of the West LRT corridor properties aims to maximize revenues, as well

as rehabilitate the corridor and communities affected by the West LRT project.

The sale of the Property provides an opportunity to eliminate the maintenance and liability risk associated with holding vacant property.

Social

The Property is located in a desirable community with direct access to amenities and public transportation. The Property provides the opportunity for business creation and / or redevelopment.

Environmental

An environmental review is required pursuant to the S.A.L.E. Policy and will be conducted prior to sale. Results of the review will be disclosed to the purchaser.

Economic (External)

The Property provides opportunity for redevelopment and business creation.

The sale of the Property also provides 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's Program 865 – West LRT.

RISKS

The Property is vacant and represents a liability and maintenance risk to The City.

Costs associated with the acquisition of the Property may not exceed the revenue generated by the disposition. Current market conditions are different than they were at the

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time of acquisition and the disposition of the Property may not result in full cost recovery.

If a license is not entered into with the successful purchaser(s) for their use of the remaining portion of the west adjacent lands, then The City will be held responsible and liable for the land and all maintenance costs associated.

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**