

**PROPOSED METHOD OF DISPOSITION – (MARTINDALE) – WARD 05
(CLLR. RAY JONES) FILE NO: 7556 FALCONRIDGE BV NE (ME)**

SUMMARY/ISSUE

Authorization to negotiate a sale by direct negotiation.

PREVIOUS COUNCIL DIRECTION/POLICY

At the 2011 July 04 Combined Meeting, Council approved LAS2011-32, Update of Proposed leases and operating agreement/ License at 7556 Falconridge BV NE.

On 2009 December 14, Council approved LAS2009-119 Proposed Lease – Calgary Young Men’s Christian Association (YMCA); Proposed Lease - NE Centre of Community Society (NECCS); and Proposed Operating Agreement/License - Calgary Public Library Board (CPLB), Calgary Young Men’s Christian Association (YMCA), and The NE Centre of Community Society (NECCS) (MARTINDALE) - Ward 0 3 (Ald. Jim Stevenson) File No: 7556 Falconridge BV NE (DW/JP), authorizing the proposed leases and operating/license recommendations as outlined in Attachment 2 of LAS2009-19.

ADMINISTRATION RECOMMENDATIONS:

That 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)(b), 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:

1. Approve the Administration Recommendations contained in Report LAS2014-49; 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 the Minutes of the Regular Meeting of the Land and Asset Strategy Committee Held 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)(b), 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

In 1999 The City became the owner of 7556 Falconridge BV NE which is a 37.94 acre site in the North East community of Martindale (hereinafter referred to as the “Parent Parcel”). The Parent Parcel was designated as Municipal Reserve and was purchased with Reserve funds by the Joint Use Coordinating Committee (JUCC). The reserve

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designation has since been removed in 2008 (SB2008-0264).

The Parent Parcel is currently in the process of being subdivided and the surplus land will be addressed as 7451 Falconridge BV NE, which is the subject Property of this proposed method of disposition. The Property is a 4.68 acre vacant site located adjacent to the Genesis Centre.

Once the Property was deemed surplus to municipal requirements, JUCC expressed their intention to sell this asset, to allow them to reinvest the sales proceeds in other reserve parcels in the city. Attainable Homes Calgary Corporation (AHCC) approached JUCC to express an interest in purchasing the Property. AHCC intend to develop a multi-residential affordable housing project at this location. Both JUCC and Administration believe this would be the highest and best use for the Property and are supportive of AHCC's plans. Administration is therefore seeking approval to negotiate a sale by direct negotiation to AHCC.

AHCC is a non-profit organization and wholly owned subsidiary of The City of Calgary that works to deliver well-appointed, entry-level homes for Calgarians who have been caught in the city's growing affordability gap. They provide unique home ownership opportunities to eligible moderate income Calgarians

The Property has extensive environmental concerns given that deleterious soils have been identified at this location. The Property may also require separate access from the current Genesis Centre access road. AHCC are aware of these issues and have confirmed that they would take on these costs, as well as applying for an appropriate land use for a multi-residential use.

Any sales proceeds from the sale of this Property are required for reinvestment in other JUCC projects. This means that payment by way of 'vendor take-back mortgage' is not an option for any potential purchaser. AHCC have been made aware of this requirement and have confirmed their ability to pay cash in full at closing.

IMPLICATIONS

General

The sale of the Property directly to AHCC supports Administration's goal for the provision of more affordable housing units in the city.

Social

The sale of the Property to AHCC allows for the development of much needed affordable housing option close to amenities such as the Genesis Centre, the LRT transit station and the proposed new High School.

Environmental

Based on historical environmental reports and soil testing, it was identified that there are deleterious soils on the Property. AHCC will be assuming all liability for the environmental condition of the Property.

As per The City of Calgary's Sales, Acquisitions and Leases (SALE) Policy, Phase I Site Assessment is required for all general land sales. Given that there are known environmental concerns at this location, a Phase I and Phase II Site Assessment will be completed for the Property prior to closing.

Economic (External)

The sale of the Property provides a residential option close to amenities, transportation and employment.

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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 Program 500, "Parks and Natural Areas".

RISKS

Should the recommendation to sell directly to AHCC not be approved, there is a risk that the Property may be difficult to sell given the complexities with the site, such as environmental concerns and access issues, as well as the high costs associated with these issues.

There is also a risk that should the sale to AHCC not be approved, affordable housing may not be developed at this location. Calgary has a lack of affordable housing developments and the north east quadrant requires more units to satisfy demand there. JUCC has recognized this need and it is their desire to have affordable housing at this site.

Should the recommendation to sell directly to AHCC be approved, there is a risk that The City will not recover the maximum sales price achievable, as the market will not have had an opportunity to bid.

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**