

**PROPOSED LAND EXCHANGE AND LICENSE OF OCCUPATION – (BELTLINE)
WARD 08 (CLLR. EVAN WOOLLEY) FILE NO: 936 16 AV SW (CG)**

SUMMARY/ISSUE

Proposed land exchange and license of occupation to accommodate the construction of a mixed use development in the Beltline community.

PREVIOUS COUNCIL DIRECTION/POLICY
None

ADMINISTRATION RECOMMENDATIONS:

That the Land and Asset Strategy Committee recommend that Council:

1. Authorize the recommendations as outlined in Attachment 2; and
2. Request that the Recommendations, Report and Attachments 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 FEBRUARY 27:

That Administration Recommendation 1 contained in Report LAS2014-04 be approved.

INVESTIGATION

First Capital Holdings (ALB) Corporation (the "Owner") has approached The City of Calgary ("The City") for approval to develop a proposed 106,400 square foot commercial building and 247,200 square foot residential tower for approximately 254 units within the southern half of the 900 block of 16th Avenue SW (collectively known as the "Development").

In order to accommodate the Development, the Owner made a request to The City to acquire the existing park, located mid block at 928 16 Avenue SW (the "City Exchange Lands"), in exchange for an equivalent amount of land at the corner of 9th Street and 16th Avenue SW (portion of 936 16 Avenue SW) (the "Owner Exchange Lands"). The existing park is landscaped and improved with a playground structure. According to the Beltline Area Redevelopment Plan the park is in an awkward and poor location and consideration should be given to exchanging these lands for a site in a better location. The City of Calgary Parks Department has indicated that the new site is in a viable location and is only interested in the land exchange provided there is no net loss of park land in the exchange.

In order to facilitate the relocation of the park, the Owner has agreed to compensate The City for the replacement costs of the existing playground structures and provide additional funds to landscape and develop the park at its new location on the Owner Exchange Lands. The City of Calgary Parks Department has been consulted regarding the compensation proposed and had confirmed the offer proposed is sufficient to cover the amenity replacement and site improvements costs related to the park. Any additional costs to develop the new park, above and beyond the contribution made by the Owner will have to be covered by The City.

In addition, as part of the land exchange agreement, The City agreed to grant the Owner a license of occupation on the Owner Exchange Lands for a term of five (5) years upon closing. The license will allow the Owner to use and occupy the future park lands for construction and marketing purposes as they relate to the Development. During the term of the license it is expected that The City will be consulting with the residents of the Beltline

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community to obtain input on the design of the park at its new location.

IMPLICATIONS

General

The proposed land exchange will facilitate the proposed Development which provides a unique opportunity for the Owner to develop this underutilized block of land in the Beltline community. It will also result in the park being relocated to a more desirable location.

Social

The proposed Development is in a prominent location in the Beltline Community and there has been a concerted effort made by the Beltline Planning Group to attract this project to the neighbourhood. It is expected the Development will attract a unique grocer and high end retailers that will appeal to Beltline Community residents. These improvements will encourage a walk able community and ensure the sustainability of the Development.

Environmental

The properties have been reviewed in accordance with The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy. After reviewing the Phase I and II Environmental Site Assessments (ESA) provided it would appear that there are some contamination concerns related to 936 16 Avenue SW related to a former automotive repair business. According to the S.A.L.E. Policy, The City may, under certain conditions acquire contaminated property. Based on the information provided in the Phase II ESA, Administration will have the following recommendations completed prior to the closing of the land exchange or included in the land exchange legal agreements.

- Provide an updated Phase I ESA to be completed for 932, 936, and 940 16 Avenue SW to meet The City's current

standard for Phase I ESAs which would include a historical land title search;

- A geophysical survey to be conducted to confirm the presence or absence of a potential underground storage tank;
- Additional assessment to be conducted to further characterize the soils beneath the former auto body/auto repair shop or any other potential sources of contamination that would be identified in the updated Phase I ESA;
- The Owner Exchange Lands will have the top meter of soil removed and replaced with clean fill and topsoil regardless of the assessment results; and
- The Owner will maintain all environmental liability for potential offsite contamination.

Economic (External)

The Development may retailers which will contribute to the economic vitality of the development and the community.

BUSINESS PLAN/BUDGET IMPLICATIONS

Costs for the transaction are to be paid by the Owner. The transactional and licensing fees are to go to Corporate Properties & Building Program 694. The replacement costs for the park are to go to Parks Program 500 (Parks and Natural Areas).

RISKS

Should Council decide not to authorize the land exchange, the opportunity to relocate the park from its inferior, location as well as the redevelopment of the block, will be missed.

VALUATION

The negotiated 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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ATTACHMENTS

1. Site Map
2. Recommendations
3. Summary of Additional Property Information
4. Comparable Data Chart Land Sales
- 5a. Alberta Corporation/Non-Profit Search – First Capital Holdings (ALB) Corporation
- 5b. Alberta Corporation/Non-Profit Search – Embassy Bosa Inc.