

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2018 October 10

ISC: **CONFIDENTIAL**
UCS2018-1138
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Proposed Method of Disposition (Renfrew) – Ward 09 (1324 Phair AV NE) (MAS)

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 authorization to negotiate a sale of the Property to the successful applicant(s).

The Property is located on Phair Av NE, across from the Renfrew Community Garden and Park. The Property is an irregular shaped 8,495 sq.ft parcel (69.62 foot frontage). Due to the Property's shape and large size as a single residential lot, it can accommodate 2 detached dwellings. The Property is adjacent (to the east) to a green space and has access from Phair Av and a paved rear lane. The Property offers a north facing backyard with an RC-2 land use, is located on a quiet street with close proximity to amenities, Telus Spark and the Calgary Zoo, with easy access to 8th Ave NE, Memorial DR and Deerfoot. The Property has been licensed since 1998 by the neighbour on an annual License of Occupation for landscaping.

Review of adjacent City owned land for disposition was completed and was declined as the properties are counted towards the Community of Renfrew's 10% open space policy.

A future sale of the Property would create an opportunity for two residential dwellings to be developed on a parcel that has been vacant since 1998. The proposed 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 other funds as required.

ADMINISTRATION RECOMMENDATION:

The SPC on Utilities and Corporate Services recommend that Council:

1. Authorize the Recommendation as outlined in Attachment 2;
2. Request the Recommendations, Report and Attachments 1, 2, and 3 remain confidential under Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act* until the report is published in the Council agenda.
3. Request that Attachments 4 and 5 remain confidential pursuant to Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED 2018 OCTOBER 10:

That Council:

1. Approve the Administration Recommendations contained in Report UCS2018-1138; and
2. Direct that Attachments 4 and 5 remain confidential pursuant to Sections 23, 24, and 25 of the *Freedom of Information and Protection of Privacy Act*.

PREVIOUS COUNCIL DIRECTION / POLICY

Not applicable.

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BACKGROUND

The Property was originally subdivided in 1998 neighbouring what was once 13 Street NE or Robert Street NE. Roads relocated 13 Street turning the area into an escarpment and leaving the Property as a vacant lot. The Property has been licensed since 1998 by the adjacent owner on an annual License of Occupation for landscaping, with the restriction of no building improvements permitted. In 2014, the Property was circulated and declared surplus to municipal needs. The Property was originally deemed a remnant and not developable on its own, but upon further review, taking into consideration the large residential lot size, the Property was deemed to be a Stand-alone parcel maximizing the Property's highest and best use.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Property offers a great development opportunity located across from the Renfrew Community Garden and Park and neighbouring an escarpment. The Property is a large residential site at 8,495 sq.ft with 69.62 feet of frontage. The property is zoned RC-2, can accommodate two detached dwellings and has a paved rear lane. The Property has a slight west-east slope that will likely require a retaining wall on the east edge of the Property. In the valuation for the Property, the grade and future cost of the retaining wall were taken into consideration. Based on the analysis, the Property is located in a sought after community on a large residential lot neighbouring a green space and a park.

Administration reviewed the possibility of a larger consolidation of properties with the City owned land to the East of the subject Property. These properties are stewarded by the Parks department, and were circulated together for disposition. Parks declined disposition because the Community of Renfrew currently has less than 10% open space and the properties are natural Escarpment, as such, residential development is incompatible.

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 analysed are included in Attachment 4.

Stakeholder Engagement, Research and Communication

Not applicable.

Strategic Alignment

Not applicable.

Social, Environmental, Economic (External)

Social

The Proposed sale of the Property will provide future residential development with a potential for increased densification on a vacant parcel.

Environmental

The Property was not reviewed in accordance with The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy. Although a Phase I environmental site assessment has not been undertaken, given that the Property has never been developed and is situated in a

Approval(s): Stevens, Brad concurs with this report. Author: Sciore, Marco
City Clerk's: Lord Charest, Julien

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residential area, a Phase I environmental site assessment would not likely indicate a potential for environmental concern. The Property will be sold "as is, where is" and the proposed Purchaser shall assume all responsibility and liability for any environmental matters existing as of the Closing Date. The proposed Purchaser will have an opportunity to conduct their own due diligence, including but not limited to further environmental investigations or testing.

Economic

If the Method of Disposition is approved, a future sale of the Property will provide an opportunity for development with potential for higher density. 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 proposed 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 other funds as required.

Risk Assessment

If the recommendation for disposition is not approved, The City would incur costs to hold and maintain a property it does not need. The City would also forego an opportunity to sell surplus property it does not need. The result would be the foregone consideration on a future sale which could have impacts on the sustainability of the revolving fund reserve, where the sale proceeds would be recovered. Furthermore, there would be a foregone opportunity to see private investment and the associated increase to The City's tax base.

REASON(S) FOR RECOMMENDATION(S):

The Property was rationalized by Roads and provides an opportunity for Administration to publicly market the Property with an eventual sale to encourage development. The Property has been circulated and declared surplus to municipal needs. A future sale of the Property would provide an opportunity for two residential dwellings to be built on a parcel that has sat vacant since 1998.

ATTACHMENT(S)

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