



To: COUNCIL
Meeting Date: 12/19/2023
Subject: Part of Lane Plan 522 – Potential Sale
Submitted By: Bryan Boodhoo, City Solicitor
Prepared By: Paul Kan, Manager of Realty Services
Report No.: 23-072-OCM
File No.: RS-21-23
Wards Affected: Ward 1

RECOMMENDATION(S):

THAT Report 23-072-OCM Part of Lane Plan 522 – Potential Sale be received;

AND THAT Council declare surplus to City needs a portion of the City-owned property with the legal description Lane Plan 522 Cambridge and Part Lot 5 Concession Beasley's Broken Front Township of Waterloo, Part 1, 58R21076 City of Cambridge;

AND THAT Council authorize the sale of that portion of Lane Plan 522 to Kiah Group (Vista Ridge) Inc. in accordance with the key business terms as outlined in this report;

AND THAT the sales proceeds in the amount of \$100,000, subject to adjustments, be allocated to the Capital Works Reserve Fund;

AND THAT the Mayor and Clerk be authorized to execute the agreement of purchase and sale required to implement and give effect to the adopted recommendations to the sale as set out in this report, and in a form subject to the satisfaction of the City Solicitor;

AND THAT the City Solicitor and the Manager of Realty Services be authorized to execute all ancillary closing documents necessary to complete the transaction;

AND THAT Council approve a by-law to permanently close that portion of Lane Plan 522 that is being recommended to be sold;

AND FURTHER THAT the Mayor and Clerk be authorized to execute all necessary documents to enact the by-law to permanently close that portion of Lane Plan 522 that is being recommended to be sold.

EXECUTIVE SUMMARY:

Purpose

The City and Kiah Group (Vista Ridge) Inc. (“the Developer”) have agreed to the key business terms of an agreement of purchase and sale for the Developer to purchase from the City a portion of Lane Plan 522 (the “Laneway Parcel”). The Developer has signed an agreement of purchase and sale (the “APS”) that is irrevocable by the Developer until January 28, 2024.

Key Findings

- Lane Plan 522 (the “Laneway”) is owned by the City with the legal description Lane Plan 522 Cambridge and Part Lot 5 Concession Beasley's Broken Front Township Of Waterloo, Part 1, 58R21076 City Of Cambridge.
- The Laneway fronts on to Fountain Street South to the east and on to Parkview Crescent to the west. Figure 1 of this report is a location map identifying the Laneway (shaded yellow), as well as the Developer’s properties (outlined in red) that abut the Laneway.
- The Developer is seeking to purchase from the City the Laneway Parcel (identified in Figure 2 as the area of the laneway outlined by a black dashed line) to become part of its development project. Currently the Laneway Parcel splits the Developer’s land into two separate parcels.
- The Laneway Parcel is approximately 0.12 acres with the legal description Part Lot 5 Concession Beasley's Broken Front Township Of Waterloo, City Of Cambridge, being Part 1 on Reference Plan 58R21845.
- On June 30, 2023, the Ontario Land Tribunal issued a written decision approving a proposed settlement between the City and the Developer, for the Developer to proceed with its development of eleven (11) single detached dwellings.
- One of the conditions of the settlement is that there be no vehicular access to Fountain Street and/or Parkview Crescent via the Laneway.
- The fair market value of the Laneway Parcel is approximately \$100,000.
- A by-law is required to be enacted to stop-up and close the Laneway Parcel.

- An agreement of purchase and sale has been negotiated for the Developer to purchase the Laneway Parcel. The key business terms of the agreement are as follows:
 - The agreement of purchase and sale is subject to Council approval.
 - The purchase price is \$100,000 plus applicable taxes.
 - The sale is on an as-is where-is basis.
- The agreement of purchase and sale has been signed by the Developer and is irrevocable by the Developer until January 28, 2024.

Financial Implications

The sale of the Laneway Parcel will generate \$100,000 of revenue for the City. The proceeds from the sale will be allocated to the Capital Works Reserve Fund.

STRATEGIC ALIGNMENT:

Strategic Action

Objective(s): Not Applicable

Strategic Action: Not Applicable

OR

Core Service

Program: Property and Realty

Core Service: Acquisition and Disposals of Real Property

The acquisition and disposition of real property is a Realty Services' core service provided to support City stakeholders' initiatives, projects, and work. In this case, the sale of the Laneway Parcel to the Developer supports the construction of eleven new residential dwellings in the City and contributes to the intensification within the City's Urban Area.

BACKGROUND:

The Developer submitted a site-specific zoning by-law amendment and draft plan of vacant land condominium to facilitate the division of its property into eleven parcels for the construction of single detached dwellings within a condominium development.

The Developer included the City-owned Laneway Parcel in their proposal, on the basis that it was ultimately Council's decision to approve the development and the sale of City land. The Laneway runs east/west across the site and connects to Fountain Street South at one end and Parkview Crescent at the other end. The Laneway splits the Developer's lands into two parcels. Figure 1 is a location map identifying the Laneway as the yellow shaded area and the Developer's lands as the area outlined in red.



Figure 1 – Location of the Laneway

Notes: Figure 1 identifies the Laneway as the yellow shaded area and the Developer's lands outlined in red.

The purchase of the Laneway Parcel is required to facilitate the development. The Laneway Parcel is identified in Figure 2 as the area outlined by a bold dashed line.



Figure 2 – Location of the Laneway Parcel

Notes: Figure 2 outlines the Developer's lands with a red line, outlines the Laneway Parcel with a bold dashed line, and the whole Laneway is shaded yellow.

On June 30, 2023, the Ontario Land Tribunal issued a written decision approving a proposed settlement between the City and the Developer, for the Developer to proceed with its development of eleven (11) single detached dwellings. A condition of the settlement is that there will be no vehicular access to Fountain Street and/or Parkview Crescent via the Laneway. Figure 3 is a draft plan of condominium identifying the private condominium road and the access point on to Fountain Street which is located to the south of the Laneway.

Kiah Group (Vista Ridge) Inc. - Draft Plan of Condominium

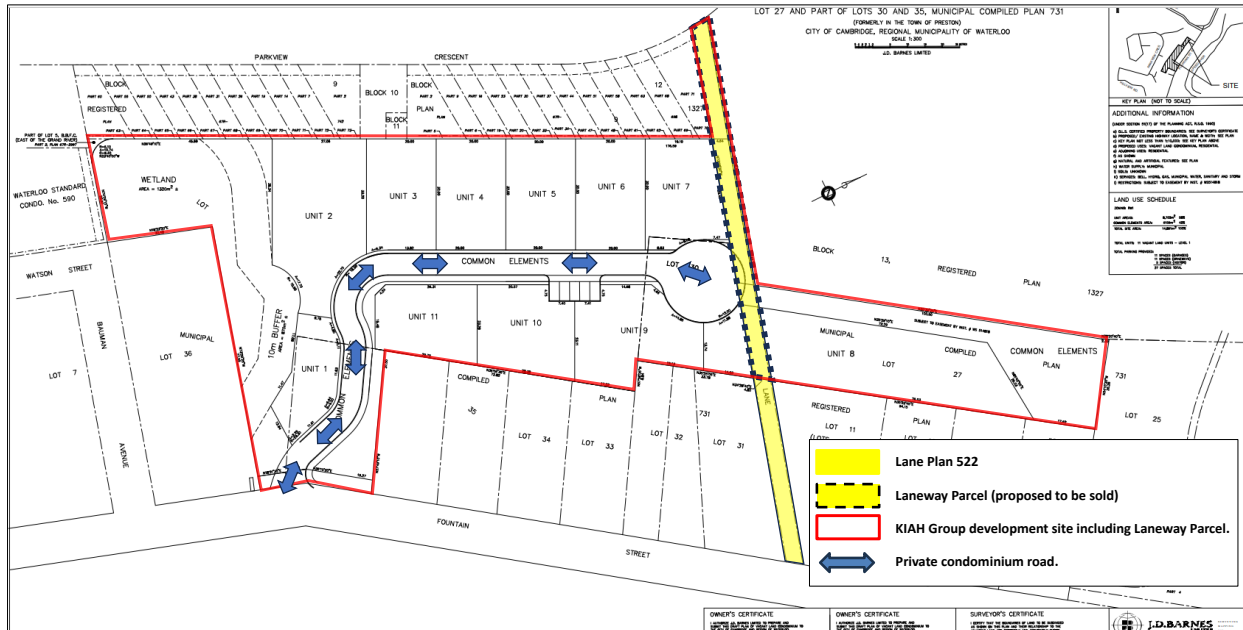


Figure 3 – Draft Plan of Condominium

ANALYSIS:

Lane Plan 522 and the Laneway Parcel

Lane Plan 522 is approximately 0.18 acres in size and fronts on to Fountain Street South to east and on to Parkview Crescent to the west. The Laneway is zoned R3 for low and medium density residential however it is not developable as a standalone parcel due to its narrow shape and steep grade. The Laneway separates the Developer’s development site into two parcels as shown in Figure 1.

The Developer is seeking to acquire a portion of the Laneway (the Laneway Parcel) in order to make its development site into one contiguous parcel. The Laneway Parcel is outlined by a bold dashed line in Figure 2. The Laneway Parcel is approximately 0.12 acres and represents about two-thirds of the Laneway. The Laneway Parcel is currently untraveled and unmaintained. The remainder of the Laneway will either be retained by the City or conveyed to the adjacent properties at 364 Fountain Street South and 352 Fountain Street South.

As part of the settlement agreement between the City and the Developer for the Developer to proceed with its development, one of the conditions of settlement and draft approval of the plan of condominium is that the Developer provide a letter to the City acknowledging that no vehicular access to Fountain Street and/or Parkview Crescent will be permitted via the Laneway now or in the future.

Estimated Market Value

The estimated market value of the Laneway Parcel is approximately \$100,000. This is based on a market value of \$1,800,000 on a per acre basis and further discounted to take into consideration that the Laneway Parcel will be encumbered by a restrictive covenant to prevent vehicular travel and access from either Parkview Crescent and/or Fountain Street via the Laneway Parcel. This market value estimate also assumes that the lands are free from environment contamination and encumbrances.

City Disposition Process

Disposition of City owned lands requires the following:

1. Council declares the land surplus to City needs.
2. The land is to be sold at fair market value supported by property valuation(s) from Realty Services.
3. Council approves the agreement of purchase and sale of the land(s) proposed to be sold.
4. Notice of the impending sale is to be given to the public by way of publishing it in the Council Agenda.

City By-Law to Stop-up and Close the Laneway Parcel

A by-law enacted by Council to stop-up and close the Laneway Parcel will be required and is included as a recommendation in this report. A copy of the draft by-law is attached as Appendix A.

EXISTING POLICY / BY-LAW(S):

By-law 74-95 sets out provisions, procedures, and guidelines with respect to authority and due diligence for property acquisitions and dispositions.

FINANCIAL IMPACT:

The sale of the Laneway Parcel will generate revenue of up to \$100,000 to be allocated to the Capital Works Reserve Fund. Additionally, the sale will generate annual property tax revenue as the land sale will support the construction of up to eleven new homes.

PUBLIC VALUE:

The City is demonstrating responsible stewardship of public assets including the disposition of real property through detailed planning and due diligence to ensure that sales proceeds and other benefits to the City are optimized and align with City goals.

ADVISORY COMMITTEE INPUT:

Not applicable.

PUBLIC INPUT:

Posted publicly as part of the report process.

INTERNAL / EXTERNAL CONSULTATION:

The following internal stakeholders were consulted:

1. Planning Services Division
2. Engineering Division – Transportation
3. Financial Services Division
4. Legal Services Division

The following external parties were consulted:

1. Antec Appraisal Group Inc.

CONCLUSION:

The sale of part of Lane Plan 522 will help facilitate a residential development that will contribute to the intensification within the City's Urban Area, while generating revenue for the City through the land sale and through expected future property tax revenue from the residential development.

REPORT IMPACTS:

Agreement: **Yes**

By-law: **Yes**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 23-072-OCM – Appendix A - Draft By-Law to Stop-Up and Close Part of Lane Plan
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