
TO: GENERAL COMMITTEE



SUBJECT: SURPLUS SALE OF CITY PROPERTY AT 213 MINETS PT. ROAD

WARD: 10

PREPARED BY AND KEY CONTACT: P.DYCK, BUSINESS DEVELOPMENT OFFICER X5228

SUBMITTED BY: H.KIROLOS, DIRECTOR OF BUSINESS DEVELOPMENT

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER



RECOMMENDED MOTION

1. That the Property at Minet's Point Road and Lakeshore Drive, described as Part of Plan M568 Block 60 being situated in the South East corner and measuring approximately 26m with frontage along Minet's Road, by a depth of 31m, and having an area of approximately 1,000 sq.m., be declared surplus to the City's needs, and be made available for a long term lease subject to the City retaining access to the Storm Water Management Facility as well as control of the Property.
2. That the intended purpose of the Property is to provide parking for an adjacent proposed development, the approval for which shall be subject to Planning Act Applications.
3. That the Director of Business Development be authorized to negotiate the terms of a lease agreement with Alyange Holdings Inc. (the Lessee), including but not limited to the following general terms and conditions, and report back to Council for final approval:
 - a) That the term of the Lease be no greater than 25 years;
 - b) That the City retain access to the Minet's Storm Water Management Facility (SWMF) as well as control and ownership of the Property;
 - c) That the proposed development and construction of the Property be subject to regular municipal planning controls, development, engineering and construction standards, plus standards with respect to rail regulations, including but not limited to Anti-Whistling requirements;
 - d) That on the condition the Lessee is able to secure approval for the addition of a third storey to its proposed development at the corner of 213 Minet's Point Road, the Property be made available;
 - e) That the Property be leased in its present condition "as is" and the Lessee be required to complete any such tests, reports, analysis and plans at its own expense as may be required by the City, at the City's sole discretion, to support any proposed development application including but not limited to any reports, analysis, plans and environmental

- compliance approvals, including those by third parties such as the Lake Simcoe Region Conservation Authority, Metrolinx, rail authorities and the Ministry of the Environment;
- f) That the fair market value of the Property be determined by an appraisal;
 - g) That the Lessee reimburse the City's construction costs above and beyond the base costs to replace the existing Whiskey Creek Culvert under the Property. The additional costs above the base costs are estimated to be approximately \$225,000 in 2014 dollars;
 - h) That the reimbursement of the construction costs be accomplished through fees to lease the Property, and development charges and taxes for the proposed third storey to the proponents development;
 - i) That, during the City's future reconstruction of the Whiskey Creek culvert under the Property, the Lessee at its own cost shall relocate parking from the Property to an alternate location for a period of approximately two years, which parking shall also to be subject to all City requirements including the Zoning By-Law;
 - j) That the Lessee acknowledge the current zoning of the site and that it is leasing the Property based on the current zoning.
4. That Alyange Holdings Inc. be authorized to submit an application for rezoning of the Property at its own expense and with the understanding that the application will be considered on its merits and no approval is implied.
 5. That should the City require a portion or all of the Property for its own purpose at any point in time, the Lessee shall satisfy its obligation to provide parking at an alternate location, which shall be subject to all City requirements including the Zoning By-Law, or request the City consider cash-in-lieu payment for parking.
 6. That in the event the Lessee at any time contravenes the lease, the City shall have the option to terminate the lease and require the Lessee to satisfy its obligation to provide parking at an alternate location, which shall be subject to all City requirements including the Zoning By-Law, or request the City consider cash-in-lieu payment for parking.
 7. That public notice of the intent to make the property available for lease as required by By-Law 95-104 as amended be waived.

PURPOSE & BACKGROUND

Report Overview

8. The purpose of this staff report is to surplus vacant land that currently makes up a small portion of the Minet's Storm Water Management Facility (SWMF), as further depicted in Appendix 'A'.

9. This staff report has been prepared to address the process of declaring the Property surplus to the City's needs.
10. City staff have received interest from the owner of a nearby property who wishes to purchase or enter into a long term lease, for the lands being described for the purpose of additional parking for a proposed development at 213 Minet's Point Road.

ANALYSIS

11. By-Law 95-104 as amended requires that any real property to be sold by the City be declared surplus by Council and public notice be given of the City's intention to sell the lands. Notice may be given by placing an advertisement in the newspaper, posting a "For Sale" sign on the property or listing the property with a broker or MLS service of the Barrie District Real Estate Board. Notice for the lease of the property has not as yet been provided.
12. The City has in the past, received interest from one local commercial property owner who expressed interest in purchasing the Property for the purpose of additional parking for an existing development. These discussions were put on hold for a number of reasons. It is requested that approval be given to negotiate a lease solely with Alyange Holdings Inc. as the net gain would be the enhancement of the proponents development by the addition of a third storey, rather than simply enlarge the parking capability of an existing development. As a result, public notice for the surplus of the Property is not considered necessary.
13. By-Law 95-104 also requires that fair market value of the land be determined by appraisal. Should the surplus of the Property be approved by Council, its value will then be determined either by staff or by an outside appraiser.
14. Zoning of the Property is made up of two areas: Commercial (C4) and Environmentally Protected (EP). The area along Minet's Pt. Rd, is designated as commercial with the rear area being zoned EP. The entire parcel being proposed as surplus is currently being utilized as a temporary parking lot by City Operation's crew to gain access to the storm pond area. As such, the parcel is separated from the pond area by fencing.
15. The parcel is at a juncture of a number of important facilities and requires careful planning and design. As noted, it is adjacent to the Minet's SWMF, as well as the Whiskey Creek Culvert, and GO Transit (Metrolinx) rail corridor. Consequently there are a number of engineering, operations, planning and development criteria that must be evaluated and integrated into the development.
16. As per procedure, a memo was circulated to relevant departments concerning the surplus of the Property. Departmental response indicated the proposed surplus and potential commercial use and development of the Property be subject to the regular engineering, planning and development process and controls once a formal application is received. This would also require rail regulations be reviewed and discussions held with the Conservation Authority and the Ministry of the Environment.

17. There are a number of constraints that have been identified by staff which require further investigation as part of the proponents development proposal. This includes future road widening along Minets, reconstruction of the Whisky Creek Culvert under the proposed parking lot, line-of-sight along the rail corridor, anti-whistling regulations, traffic, planning, maintenance and operations of the SWMF, and the LSRCA regulatory limits.
18. Due to the constraints, it is important that the City retain access to the SWMF as well as control and ownership of the Property. Consequently rather than sell the parcel, leasing would provide the City with ownership and greater control. The requirements for access and maintenance of the pond, including the Property itself can be integrated into the lease. In the event the Lessee does not live up to the lease obligations, the City is to have the right to terminate the lease and require payment in full of the cash-in-lieu parking fee.
19. The SWMF is maintained by the City however legislative oversight is managed by the Ministry of the Environment which certifies the SWMF meets applicable standards, namely a Certificate of Approval (also referred to as an Environmental Compliance Approval – ECA). In this case, the lands being surplusd are part of the SWMF but it is not known whether a change in use would be subject to ECA change or evaluation. In the event the parking lot triggers an ECA, the purchaser would be responsible for the evaluation and associated costs.
20. Interest in the Property for parking requirements are likely critical for the developer and his financing. This may require that a long term lease will have to be negotiated and deposited on title. As a result of this interest in the Property, the long term lease requires that Council approve the surplus.
21. As the proponent's intent is to use the area for parking, surplusng is the first step in the process. If approved staff would have the Property appraised and provide notice as required. The second phase of the process would be the formal rezoning application by the developer along with appropriate site plans. Negotiations would take place subsequent to the rezoning to ensure all critical issues are addressed as a result of the rezoning process. Rezoning is subject to Council approval.

ENVIRONMENTAL MATTERS

22. The environmental matters are as noted above with respect to the SWMF, Whiskey Creek Culvert and the LSRCA. The potential rezoning and development of EP lands would be addressed under a separate Planning staff report should the lands be surplusd.

ALTERNATIVES

23. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could maintain status quo and not surplus the parcel of land.

This alternative is not recommended as an opportunity exists to enhance the use of commercially zoned City land by surplusizing it, and at the same time enhance development opportunity at the important gateway of Minets Pt and Lakeshore Drive.

Alternative #2

General Committee could instruct staff to publicly advertise the Property and determine whether other users could make use of the lands and what the financial return would be to the City.

This alternative is not recommended as surplusizing the Property to anyone other than Alyange Holdings Inc. would not help to further enhance the development concept of the last remaining vacant parcel at Minet's Point Road and Lakeshore Drive. In the long run, the financial return to the City would be greater by increasing the development potential of Alyange Holding's concept.

FINANCIAL

24. Lease revenue and associated costs will be charged to the Corporate Revenues sub-dept. (01-24-0850-0000-8757) until such time as a permanent location can be determined. Appraisal costs are estimated to be between \$2,000 - \$4,000. Finance will also have an opportunity to review the lease agreement once it has been negotiated.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

25. The recommendations included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:

- Direct and Manage Economic Development

APPENDIX "A"

Aerial



Current Zoning

