
TO: GENERAL COMMITTEE

SUBJECT: SALE OF CITY OWNED SURPLUSSED LAND 38 BAYFIELD STREET

WARD: 2

PREPARED BY AND KEY CONTACT: P. DYCK, BUSINESS DEVELOPMENT OFFICER, EXT. 5035

SUBMITTED BY: S.SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

GENERAL MANAGER APPROVAL: Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE

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

RECOMMENDED MOTION

1. That the City Clerk be authorized to execute the Agreement of Purchase and Sale between the City and 2006536 Ontario Inc. carrying on business as Advance Tech Developments (the Purchaser) for part of the City-owned laneway on the east portion of the 5 Points Laneway, west side of Bayfield Street, north of Dunlop Street West, known municipally as 38 Bayfield Street, and described as part of PIN# 58799-0043 City of Barrie, County of Simcoe, (the Property) to be further described by Reference Plan to be deposited, for the purchase price of \$253,000, subject to the following terms and conditions:
 - a) The Purchaser acknowledges that acceptance of this offer, including all amendments, is conditional upon the approval of the Council of The Corporation of the City of Barrie.
 - b) The Purchaser agrees to obtain the required Zoning By-law amendments and Site Plan approval for its development proposal.
 - c) The Agreement is conditional upon the Purchaser having agreed to the conditions set out in the Site Plan Control Requirements for processing as issued by the Planning and Building Services Department.
 - d) The Agreement shall close within sixty (60) days following removal of all conditions in the Agreement.
 - e) The Purchaser acknowledges that any Planning Act application(s) for the lands are at the Purchaser's expense and considered separately on their own merits with no approval of such applications being implied.
 - f) The Purchaser acknowledges that both pedestrians and vehicular access to the Purchaser's retained portion of Maple Lane in addition to other requirements will be addressed at the site plan stage.
 - g) The Purchaser agrees that it is purchasing the Property in its present condition "as is where is" basis and that the City shall not be responsible for any environmental contamination present within or upon the Property.
2. That the Purchaser agrees to execute a Site Plan agreement that requires the Purchaser, at its sole cost and expense, to relocate all existing municipal infrastructure currently situated in the Property.

3. That the City Clerk be authorized to execute all associated and required documents as necessary and amend any terms and conditions contained in the Agreement of Purchase and Sale on the recommendation of the Director of Business Development, in a form approved by the Director of Legal Services.
4. That any gain or loss from the sale of 38 Bayfield be allocated to the Corporate Revenues Account (GL 01-24-0860-0000-8612).

PURPOSE & BACKGROUND

Report Overview

5. The purpose of this Staff Report is to seek approval for the sale of the municipally-owned laneway on the East portion of the 5 Points Laneway on the West side of Bayfield Street in the City's downtown core (see Appendix "A"), to 2006536 Ontario Inc. (Advance Tech Developments) in the amount of \$253,000.
6. In November 2015 Council approved motion 15-G-229 entitled 'Surplus of the 5-Points Laneway, 38 Bayfield Street'. In addition to surplusung part of the laneway, the authorization also stipulated the following:
 - a) That staff in the Business Development Department be authorized to negotiate a conditional agreement and report back to General Committee;
 - b) The purchase price be at market value;
 - c) The purchase agreement be conditional upon:
 - i) The Purchaser obtaining the necessary zoning amendments and site plan approval; and
 - ii) Any Planning Act applications for the lands be at the Purchaser's expense and be considered separately on their own merits.
7. Advance Tech Developments is proposing (subject to change as a result of the Site Plan Process) a twenty (20) storey condominium building, with at-grade commercial uses. A parking structure is proposed to front onto Maple Avenue, and access to parking will be from both Bayfield Street and Maple Avenue.
8. Advance Tech Developments owns all of the parcels making up the intended development site with the exception of the portion of the City-owned laneway that it is seeking to acquire. See Appendix "B" for an outline of the proposed development lands. The total land area is approximately 0.7 acres including the laneway being sold. Approximately half of the laneway from Maple Avenue to Bayfield (the westerly portion) is to be retained by the City.
9. The Purchaser acknowledges that both pedestrian and vehicular access to the City's retained portion of Maple Lane in addition to other requirements, are to be addressed at the site plan stage.
10. The following terms are part of the Agreement of Purchase and Sale and are being provided here for Council's reference:
 - a) The Purchaser agrees that it is purchasing the Property in its present condition "as is where is" basis and that the City shall not be responsible for any environmental contamination present within or upon the Property.
 - b) The Purchaser agrees to obtain the required Zoning By-law amendments and Site Plan Approval for its development proposal.

- c) The Purchaser acknowledges that any Planning Act application(s) for the lands are at the Purchaser's expense and considered separately on their own merits with no approval of such Applications being implied.
 - d) The Purchaser agrees to take title of the Property in the same name as the adjoining property to ensure title shall merge.
 - e) The Purchaser acknowledges that acceptance of this offer, including all amendments, is conditional upon the approval of Council.
11. In accordance with By-law 95-104, which establishes the procedure for the sale of municipal property, the lands were declared surplus through motion 15-G-229 and have been publicly advertised for sale in the Examiner.

ANALYSIS

12. The Purchaser has applied for a re-zoning of the lands in the immediate area, which proposes to increase building height and density. Rezoning of the development lands is still subject to Council approval.
13. There are several municipal services contained in the laneway, which run from Maple Avenue to Bayfield Street. The services will be relocated at the developer's expense so they do not run under the proposed development. These details will be addressed as part of the planning application and site plan process.
14. Various City departments/services were consulted concerning the sale of the laneway as part of the surplusing process. Waste removal and Barrie Fire and Emergency Service have indicated the laneway is not critical to their operations as they do not use it. The Roads, Parks and Fleet Department requested a turnaround lane be integrated into the development for snow removal, however it is unlikely this can be accommodated due to design constraints.
15. The sale of the laneway will result in only one point of access off Maple Avenue and no throughway access for vehicles and pedestrians. As such, any vehicle access will be required to either back-in or back-out to access the laneway. Through the planning application and site plan process, safety provisions will be addressed for the access point, however the limited access will remain.
16. There are several conditions the Buyer must overcome before the agreement can be closed.
17. These are, in order;
- a) Council Approval
 - b) The Purchaser obtaining the necessary zoning
 - c) The Purchaser agreeing to the conditions stipulated by the Building and Planning Department in the 'Site Plan Control Requirements for Processing' document.

The Purchaser must then provide notice to the Seller within 1 year of Council approval, that it has met all conditions in order for the land sale to become firm, otherwise the deal becomes null and void. An option to extend beyond the one year exists and is subject to both the City of Barrie and the Purchaser agreeing to an extension.

18. The agreement is to close within sixty (60) days of the final condition being removed. Having the Property close after the Purchaser has accepted the 'Site Plan Control Requirements for Processing' ensures that the City's requirements for the development of the Property have been accepted by the Purchaser. It also provides a level of confidence that the Property will be developed as the Purchaser will have invested significantly into the development approval process. The condition also serves the Purchaser appropriately to allow them to have the full property secured in order to obtain any necessary financing for the construction of the development.
19. An appraisal was commissioned by Advance Tech Developments for the entire development lands in June 2016. This appraisal entailed an evaluation of the lands comprising both the then current permitted zoning (C1-1) which allows for 10 stories or 414% coverage of Gross Floor Area. The appraisal also evaluated the lands under the assumption of the 'uplift' value (as per Section 37 of the Planning Act regarding bonusing) should the rezoning be approved for a 20 storey building entailing roughly 526% of Gross Floor Area. The value per square foot for the entire development lands under the 'bonusing' scenario was \$3.6 million or \$22.00 per square foot based on 526% of GFA.
20. In July 2016, another appraisal was commissioned by Advance Tech Developments in order to determine the value of only the City's portion of the laneway being sold to Advance Tech. The appraisal determined a value of \$20.14 per square foot based on the developable Gross Floor Area of 414% as per the current 'permitted' zoning. The appraisal determined the property value to be \$185,000.
21. As the appraisal for the portion of the laneway being sold, did not account for the 'bonusing' provisions as per Section 37, staff extrapolated the uplift value of the entire development lands (\$3.6 million) and applied this as a per square foot value to the laneway area being sold: \$3.6 million / 31,624 square feet. (area of entire development site) = \$113.84 x 2,222 square feet. (laneway area) = \$253,000. The figure of \$113.84 per square foot was applied to the laneway area of 2,222 square feet to arrive at a value of \$253,000 as the uplift or 'bonusing' value.
22. Staff recommends the Property be sold to 2006536 Ontario Inc. in the amount of \$253,000.

ENVIRONMENTAL MATTERS

23. There are no environmental matters related to the recommendation.

ALTERNATIVES

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

Alternative #1 General Committee could reject the sale of the Property to Advance Tech Developments.

This is not recommended as the laneway is a critical component of the development of the Property as proposed. The assembly of properties at the 5-points provides for a signature development within the downtown core. The Property has been declared surplus to the needs of the City and also satisfies the requirements as set out in Staff Report BDD-006-15 that the purchase price be at market value, the Purchaser obtaining the necessary zoning and any Planning Act applications for the lands be at the Purchaser's expense and be considered separately on their own merits.

Furthermore, the agreement provides the Purchaser with one year to satisfy conditions of the agreement and any extensions must be mutually agreed upon by the City and the Purchaser. The Property will not transfer until the Purchaser accepts the 'Site Plan Control Requirements for Processing', which provides assurance to the City that its requirements for the development of the Property will be adhered to.

FINANCIAL

25. Any gain or loss in revenues from the sale of the Property will be charged to GL #01-24-0860-0000-8612, which is a Corporate Revenues Account.
26. The Purchaser is to pay all the City's legal, advertising and surveying expenses incurred due to the sale of the Property.

LINKAGE TO 2014-2018 STRATEGIC PLAN

27. The recommendations included in this Staff Report support the following goal identified in the 2014-2018 Strategic Plan:
 - Vibrant Business Environment

APPENDIX "A"

Aerial Schematic

