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**TO:** GENERAL COMMITTEE

**SUBJECT:** SURPLUS OF SELECT DOWNTOWN PARKING LOTS

**WARD:** 2

**PREPARED BY AND KEY CONTACT:** P.DYCK, BUSINESS DEVELOPMENT OFFICER  
Ext. 5228

**SUBMITTED BY:** S.SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

**GENERAL MANAGER APPROVAL:** ZVI LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE

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

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**RECOMMENDED MOTION**

1. That the following Properties be declared surplus to the City's needs:
  - a) 55-67 McDonald / 61 Owen Street
  - b) 23 Collier Street
  - c) 76-78 Maple Avenue
  - d) 58 Maple Avenue
  - e) 26 Mary Street
2. That the Executive Director of Invest Barrie be delegated the authority to determine the offer period, add or remove the subject properties from the market, determine timing of sales, to repeat the sales process or develop an alternate disposition method for the subject properties as set out in Paragraph 14 of Staff Report BDD002-16.
3. That the Director of Business Development (or her/his designate) be authorized to negotiate agreements of Purchase and Sale for 56-67 McDonald/61 Owen Street, 23 Collier and 76-78 Maple Avenue that meet the criteria as set out in Staff Report BDD008-15 and with the goal of effectively maximizing the residential and/or employment density within the downtown.
4. That staff report back with any negotiated Agreements of Purchase and Sale on the subject properties to General Committee for approval.
5. That a maximum amount of \$35,000 be funded from the industrial land reserve, to complete appraisals for the properties, and any proceeds from the sale of the properties first be returned to the reserve, with any additional proceeds being to the benefit of the Parking Reserve.

6. That the Director of Business Development (or her/his designate) be authorized to evaluate the donation of 58 Maple Avenue and 26 Mary Street, to a community development organization, for the purpose of affordable housing and if found suitable negotiate an agreement for its transfer, subject to Council approval.

## **PURPOSE & BACKGROUND**

### **Report Overview**

7. The purpose of this staff report is to surplus several downtown parking lots which were identified in Staff Report BDD002-15, Rationalization of Downtown Parking Lots (June 22, 2015) as being potential excess parking lots to the City's needs.
8. This staff report has been prepared to address the process of declaring the noted Properties as surplus to the City's needs, and to authorize staff to negotiate conditional agreements of purchase and sale, or to seek out suitable partners for the donation and future development of several lots for affordable housing projects.
9. On June 29<sup>th</sup>, 2015 Council approved Motion 15-G-160, which in summary comprised the following:
  - a) The strategy to rationalize downtown City owned parking lots be adopted;
  - b) That staff be directed to proceed with the following steps and report back to General Committee with respect to any actions requiring approval by Council;
    - i) Step 1 – Surplus
    - ii) Step 2 - Environmental Assessment
    - iii) Step 3 – Disposition of Properties
  - c) That a maximum of \$110,000 be funded from the Industrial Land Reserve for Phase 1 Environmental Assessment and marketing purposes.
10. 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 subsequently given of the City's intention to sell the lands. Notice for the surplus of City property is not required other than it must be dealt with at a meeting open to the public.
11. Per Staff Report BDD002-15, \$10,000 of the \$110,000 of the approved funds under Council Motion, 15-G-160, will be allocated for marketing purposes with the remaining to be applied to the completion of the Phase 1 Environmental Site Assessments. Staff intend on advertising the properties to be sold or transferred, including those lots designated as affordable housing, in advance of any agreements being negotiated and brought before General Committee for approval.

12. By-Law 95-104 also requires that fair market value of land be determined by appraisal. Should the surplusing of the Properties be approved by Council, the values are to be determined as set out in this report.

### **ANALYSIS**

13. The strategy concerning the disposition of the downtown parking lots envisioned that each lot was suitable for particular forms of development. The properties noted above, which are to be deemed for sale, are part of three different groups. The first group advance Council's affordable housing priorities. The second group are parcels that will advance the critical mass in the downtown. These parcels are suitable for higher density residential and allow for the growth of the downtown residential population. The third group are those that support larger developments (via assembly).
14. Therefore, the three property groups forming part of this proposal are; i) parcels for affordable housing; ii) parcels that advance critical mass; and iii) parcels that have potential to be assemble for larger development. As part of these groupings, the strategic report also considered the order of disposition along with the disposition method. The order and method of disposition for each is as follows:
- a) Affordable Housing (58 Maple Avenue & 26 Mary Street)
    - i) Disposition Order – will be determined in conjunction with affordable housing partner.
    - ii) Disposition Method – Invest Barrie and the Planning Department will investigate the details of offering the lands for affordable housing and report back to Council.
  - b) Critical Mass (55-67 McDonald / 61 Owen Street, 76-78 Maple Ave.)
    - i) Disposition Order – will be based on the outcome of an environmental assessment, and priority will subsequently be based on the marketability of each parcel with the 'best' site being promoted first. The Executive Director is to be delegated authority to determine the timing of the sale(s).
    - ii) Disposition Process –
      - a) Direct sale by City. Properties will not be listed by brokers but they may act as agents on behalf of the buyer for which a flat commission of 2.5% will apply.
      - b) Offers on the property will only be accepted following the offer period, to be determined by the Executive Director of Invest Barrie. The purpose of the exposure period is to allow investors, including those outside of the region, to become aware of the opportunity, and to create sufficient demand so as to maximize offers and opportunity for catalytic investment in the downtown.
      - c) The Executive Director of Invest Barrie will initiate the marketing of each parcel through various mediums, including online, print and other

promotional vehicles to be determined by the Executive Director of Invest Barrie.

- d) Given that these parcels (subject to the environmental site assessment) are identified within the Critical Mass classification, the City of Barrie will entertain offers that would most effectively maximize the residential density in the downtown. Proposals will be accepted that provide for additional height and density, and will be considered in accordance with the City's bonusing policies. Offers of purchase that demonstrate development that focus on increasing the residential density in the downtown will allow the City to continue to fulfil the vision for the downtown by eliminating a need or gap.
  - e) Should any of the properties not sell during the offer period, the Executive Director of Invest Barrie shall be delegated the authority to determine whether to repeat the process again with increased promotional activity during the exposure period, remove the property from the market, or to develop a different disposition method. A memo will be provided to members of Council advising of any decision prior to the offering of the property for sale under a different disposition method.
- c) Assembly (23 Collier Street)
- i) Disposition Order – Should such properties be deemed surplus, these properties are to be retained until such time that an acceptable ancillary or larger land assembly development opportunity is presented to the City. The order for disposition will be determined by the market, based on the timing of adjacent and nearby developments.
  - ii) Disposition Process –
    - a) Direct sale by City. Properties will not be listed by brokers but they may act as agents on behalf of the buyer for which a flat commission of 2.5% will apply.
    - b) The City will communicate that these properties may be available as part of a land assembly or larger nearby development and will accept unsolicited development proposals on these properties from builders who intend to leverage these parcels as part of a larger adjacent land assembly.
    - c) Given that these parcels (subject to the environmental site assessment) are identified within the 'Parcels that are supportive of larger developments (via assembly)' classification, the City of Barrie will entertain offers that would most effectively increase employment and/or residential density in the downtown under the current Zoning classification of the property.
    - d) The City will only entertain offers that demonstrate an ancillary use of the parking lot to support a nearby development and/or combine the parking

lot with an adjacent parcel into a larger land assembly. Proponent(s) must demonstrate either ownership of an adjacent or nearby parcel or a standing agreement to purchase said adjacent or nearby parcel.

- iii) One parcel within the Assembly category, 10-14 Collier Street, has already been deemed surplus via Council Motion 15-G-230 and is currently being marketed for disposition.
15. Staff will be following the requirements noted above, as set out in the strategic report.
16. Prior to going to market, Business Development and Legal Services Staff will work to develop a core set of mutually satisfactory terms to establish a pro-forma Agreement of Purchase and Sale. This base agreement will include the consideration of terms and conditions that will ensure to the extent feasible, that development of the subject properties are achieved and aligned with the City's goals and vision for the downtown.
17. Through Staff Report BDD008-015, a number of downtown parking lots were identified for re-development, subject to the disposition process identified in said report. Staff are recommending a temporary hold on the remaining parcels not contemplated in this Staff Report for the following reasons:
- a) 50 Worsley Street & 24 Maple Avenue (Transit Terminal) – These sites are currently being considered for alternative uses, and are therefore recommended to be retained by the City until the outcome of the property reviews are complete. In addition, given the strategic nature of both sites and under recommendation of the Deloitte Downtown parking lot report, these parcels be retained for the longer term.
  - b) 19 Bradford Street – Given its proximity to Barrie Central High School, it is recommended to be retained by the City until such time it can be evaluated as part of the redevelopment of the Barrie Central High School site.
  - c) 60 Worsley Street – This site currently facilitates parking for Barrie Public Library patrons. As such, this lot will be contemplated independently from this Staff Report and brought forward to General Committee for consideration at a future date.
  - d) 52 Maple Avenue – Given its proximity to the 5-Points, the Mady Centre for the Performing Arts, and the intersection of the City's entertainment, shopping and arrival neighbourhoods per the Downtown Commercial Master Plan, it is recommended that this site be held and re-evaluated as development within this focal point of the downtown advances.
  - e) 1-15 Bayfield Street, 9 Simcoe Street and 2-4 Simcoe Street – These parcels are closest to the water and demonstrate the greatest potential for catalytic development within the downtown. Therefore it is recommended that these lots be retained, subject to the sale of properties identified for increasing critical mass in the downtown, and until a detailed disposition process is developed.

18. A detailed review of those properties will be forthcoming at a future date and a recommendation to General Committee will be made by staff concerning their potential surplusings.
19. In order to complete the surplusings of the lots, staff are required to circulate the request for feedback from various City Departments. Relevant feedback and concerns were noted for only the following parcels:
  - a) 55-67 McDonald / 61 Owen Street;
    - McDonald Street will require a 2.0 metre road widening by 2051, and a 3.0m x 3.0m daylighting triangle at the intersection.
  - b) 23 Collier Street;
    - Parks Planning recommends that any funds generated by the sale of the land should be returned to the reserve account which funded the construction of the small parkette on the site. An electrical switchgear also exists on the southwest corner of the lot which will need to be retained either by ownership or easement.
  - c) 26 Mary Street;
    - An electrical switch gear (box) is on the property which may require the retaining of ownership (or easement) of the land underneath the box.
  - d) 76 – 78 Maple Avenue – no relevant concerns.
20. Any Agreement of Purchase and Sale will provide the City the right to remove any form of vegetation for relocation. Historically, the City has used some of the lots for snow removal such as dumping and melting. However Roads, Parks & Fleet have advised that none of the downtown lots are being used for snow clearing operations and they do not anticipate needing to utilize them in the future.
21. Since the passing of motion 15-G-160 concerning the rationalization and potential sale of the downtown lots, staff have been receiving calls of interest from various groups such as developers, landowners and brokers. Additional interest is likely to be generated once the properties are formally promoted through signage or advertising. However, prior to any marketing being done, each lot needs to have an attributed value and Environmental Site Assessment.
22. Environmental Site Assessments (ESA's) are to be completed on each site. It is possible that a Phase 1 analysis will require a Phase 2 analysis, in which case Staff will report back to Council with Phase 2 requirements and associated funding requests.
23. In order to determine the value of each parcel, an appraisal will need to be conducted on each property based upon the assumption that the property is free and clear of any encumbrances, and assuming the highest and best use of subject parcel within its existing Zoning designation. Invest Barrie will work with Legal Services to determine whether an external or internal valuation is required for each property.
24. For any parcel for which a Phase 1 ESA has determined to have minimal (or no) impact, Business Development Staff can then begin marketing the parcels as outlined above.

25. For those parcels with environmental issues, Business Development Staff will work with Legal Services Staff and potential purchasers to determine the most appropriate approach to the sale, and then provide a recommendation to Council.
26. Should council pass the recommended motion in this report, work will begin immediately to undertake the Phase 1 ESA's of the identified properties. It is estimated that an ESA will take approximately 6 weeks to complete. Each ESA is valid for only 12-18 months.
27. At the time of Council approval of staff report BDD002-15, "Rationalization of Downtown Parking Lots", an inquiry by Council was made as to the availability of updated parking utilization figures. The Traffic and Parking Services Department have been collecting information and anticipate having data available for both off-street and on-street parking by Q2, 2016. Available parking utilization data will be referenced in reports back to Council regarding negotiated offers of purchase for the identified lots.

#### **ENVIRONMENTAL MATTERS**

28. The following environmental matters have been considered in the development of the recommendation:
  - a) Staff feel that environmental issues are possible on at least some of the sites. Phase 1 Environmental Site Assessments are to be completed for the noted locations with funding from the Industrial Land Reserve. An RFP is to be issued for the tender of the initial round of Phase 1 Environmental Site Assessments.
  - b) Should any locations require Phase 2 analysis, staff are to report back to General Committee with further recommendations and/or funding requests.

#### **ALTERNATIVES**

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

**Alternative #1**

General Committee could choose not to declare surplus all or a portion of the recommended lots. Staff do not recommend this approach as the Rationalization Staff Report BDD002-15 identified these parking lots as sites for redevelopment within the downtown that would support the strategic vision of the downtown and the following goals: The selected strategic objectives align with the City's vision, as well as its growth, economic development and social needs. The key strategic objectives are:

- **Growth and Vibrancy:** Increase the density of residential development and thriving businesses in the City Centre.
- **Integration:** Ensure the sale and development of the lands aligns with, and advances, existing City Centre plans and policies.
- **Strategic Development:** Promote projects that significantly accelerate economic growth and employment opportunities, while advancing the vision and goals of the City Centre.
- **Financial Position:** Help improve the City's financial position.
- **Affordable Housing:** Advance the opportunity for City participation in affordable housing projects, by partially donating the specified properties to the appropriate non-profit housing programs.
- **Parking Availability:** Achieve a stated parking optimization rate of 87%.

**FINANCIAL**

30. A maximum amount of \$35,000 be funded from the industrial land reserve, to complete appraisals for the Properties, and any proceeds from the sale of the Properties be returned to the reserve, with any additional proceeds being to the benefit of the Parking Reserve.
31. As per Motion 15-G-160, a maximum of \$110,000 has been funded from the Industrial Land Reserve for Phase 1 ESA's and marketing purposes. Proceeds of the sale are to be returned to the reserve with any subsequent excess funds being returned to the Parking Reserve.

**LINKAGE TO 2014-2018 STRATEGIC PLAN**

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



APPENDIX "A"

Lots to be Surprused

