
TO: GENERAL COMMITTEE

SUBJECT: BDD005-16 SURPLUS OF 60 Worsley Street

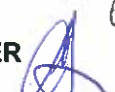
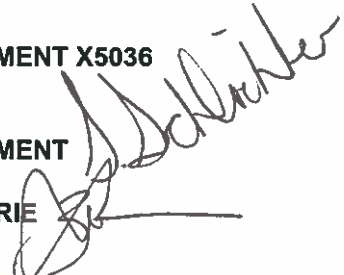
WARD: 2

PREPARED BY AND KEY CONTACT: S.SCHLICHTER, DIRECTOR BUSINESS DEVELOPMENT X5036

SUBMITTED BY: S.SCHLICHTER, DIRECTOR BUSINESS DEVELOPMENT

GENERAL MANAGER APPROVAL: ZVI LIFSHIZ, EXECUTIVE DIRECTOR INVEST BARRIE

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



RECOMMENDED MOTION

1. That the property known as 60 Worsley Street (Part of PIN 588170150 to be described by future Reference Plan as depicted in Appendix 'A' of Staff Report BDD005-16) be moved from the 'Hold' category to the category of 'Parcels that Advance Critical Mass in the Downtown' as outlined in the strategy for the rationalization of the downtown City-owned adopted by Motion 15-G-160 and be declared surplus to the City's needs:
2. That the Executive Director of Invest Barrie be delegated the authority to determine the offer period, add or remove the subject property from the market, determine timing of the sale, to repeat the sale process or develop an alternate disposition method for the subject properties as set out in Paragraph 16 of Staff Report BDD005-16.
3. That the Director of Business Development (or her/his designate) be authorized to negotiate an agreement of Purchase and Sale for 60 Worsley Street that meet the criteria as set out in Staff Report BDD002-015 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 \$5,000 be funded from the industrial land reserve, to complete the appraisal for the Property, and any proceeds from the sale of the Property first be returned to the reserve, with any additional proceeds being to the benefit of the Parking Reserve.

PURPOSE & BACKGROUND

Report Overview

6. The purpose of this staff report is to surplus 60 Worsley Street, a downtown parking lot which was identified in Staff Report BDD002-15, Rationalization of Downtown Parking Lots (June 22, 2015) as being a municipal parking lot, potentially excess to the City's needs.
7. This staff report has been prepared to address the process of declaring the noted Property as surplus to the City's needs, and to authorize staff to negotiate an agreement of purchase and sale.

8. Elevated market interest and opportunities to foster the employment and density growth in a number of downtown municipal parking lots identified as potentially excess to the City's needs resulted in the need to review and prioritize the parking lot brought forward to Council for surplus and disposition. This was done through report BDD002-016.
9. 60 Worsley Street was not included in BDD002-016 as all of the information necessary to conclude the appropriateness of surplussing of this property was under consideration by Staff.

ANALYSIS

10. The strategy concerning the disposition of the downtown parking lots envisioned that each lot was suitable for particular forms of development. 60 Worsley Street had been identified as a hold parcel within that strategy with the following rationale, disposition order and method:
 - i) This lot is currently being used by the library for patron parking. Since the lot is surrounded on the east and west side by 2 other lots that are expected to be marketed as part of the "critical mass" category of parcels, it is recommended that the City retain this property until such time that the outcome of the marketing activities associated with the "critical mass" category can be fully understood and the need for further residential (critical mass) development can be assessed.
 - ii) Disposition Order
Should the properties be declared surplus, they will be retained until such time as the conditions set-out above have been achieved and each parcel is re-evaluated.
 - iii) Disposition Method
Once the re-evaluation conditions for each of the parcels are in place, staff will report back to Council with a detailed recommendation.
11. Market interest and demand has identified that greater development opportunity may exist for 60 Worsley Street that is aligned with the category of 'Parcels that Advance Critical Mass in the Downtown'. As such, Staff have reviewed market demand, opportunity and the order of parcels for disposition within the context outlined in paragraph 10, section i. of this report.
12. Through Staff Report BDD002-016, a number of downtown parking lots were identified for surplus and disposition. Staff recommended a hold on 50 Worsley Street (known as H-Block) located directly beside the Barrie Public Library 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 are to be retained for the longer term.
13. The Genivar parking study of 2011, indicated that downtown parking lots were at most utilized 45% at any given time. Although this varies between lots and areas, this would mean the overall vacancy was roughly 55%. With the construction of the Collier Street Parkade, off-street parking in other lots resulted in a decline in permits, while on-street parking remained relatively the same. Per the Genivar report relating to the three municipal parking lots directly surrounding the Barrie Public Library, the following utilization was identified.

**Number of On & Off Street
Stalls and Utilization Rates**

Lot	ZONE-As per Genivar Study	Lot_Address	Off-Street Stalls	On Street Stalls
1	3-North End	55-67 McDonald/61 Owen	43	
2	3-North End	60 Worsley St.	65	
3	3-North End	50 Worsley St. (H-Block)	174	
			<hr/>	<hr/>
			282	295
<i>Utilization rate during peak</i>			53%	44%

14. Based upon the utilization rates during peak periods, excess capacity exists within the parking lots surrounding the Barrie Public Library.
15. Staff Report BDD002-016 declared 55-67 McDonald/61 Owen surplus for the purposes of disposition for redevelopment. As such, 50 Worsley Street (H-Block) would remain available as for off-street parking to service patrons of the Barrie Public Library and surrounding businesses in addition to the on-street parking stalls. Sufficient parking supply exists to proceed with the surplussing of 60 Worsley Street.
16. The order and method of disposition under the 'Critical Mass' category is as follows:
 - a. 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).
 - b. Disposition Process –
 - i) 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.
 - ii) 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.
 - iii) 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.
 - iv) 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.
 - v) 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.

17. 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 base 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.
18. In order to complete the surplus of the lots, staff are required to circulate the request for feedback from various City Departments. Relevant feedback and concerns were noted:

Engineering Services:

- a. Consideration will be required to address the stormwater flow route that currently exists on the property, as well as an existing hydro transformer that services the Barrie Public Library located on the subject property. Confirmation and accommodation of any other existing utilities on the subject lands will also be required.
- b. Proposed development would also need to account for future road widening and the existing library loading doors on the north side of the building.

Planning Services:

- a. The Urban Growth Centre anticipates an additional 12,000+/- people in the downtown by 2031. The parking requirements in the UGC are now 1 parking space per residential unit and no parking spaces for commercial uses in a C1 zone. With the 10-14 Collier Street lot being considered for surplus opportunities and the imminent 36 Mulcaster Street redevelopment, the only public lots left in the vicinity will be the Collier Street Parkade, Collier Centre and 50 Worsley Street (H-Block).
- b. Planning Staff have already been approached by the developers of new downtown construction to inquire about leasing additional parking spaces in the City's structured parking lot, to support additional parking needs for tenants.

Traffic & Parking Services:

- a. Staff completed an updated utilization rate for the subject area for off-street parking in September, 2014 with the following observations:

Parking Lot Name	# Spaces	Avg. Rate	Duration	Turnover
55-67 McDonald/61 Owen	43	78%	6.82	1.3
60 Worsley St.	65	52%	4.57	1.7
50 Worsley St. (H-Block)	174	69%	7.08	1.2

- b. While utilization rates have increased since the Genivar study, they are still significantly under target utilization of 87%. The relatively long duration noted in the parking would also indicate that the lot is utilized for longer term parking associated with employees versus patrons.

- c. In the fall of 2015, an on-street utilization study was complete by Traffic and Parking Services with the following observations for streets surrounding the Barrie Public Library:

On Street Parking	# Spaces	Avg Rate	Duration	Turnover
Bayfield St - Collier to Worsley East Side	5	20%	1.81	1.5
Clapperton St - Collier to Worsley East Side	9	57%	1.92	4.3
Clapperton St - Worsley to McDonald West Side	7	16%	2.81	1
Collier St - Bayfield to Clapperton North Side	3	13%	0.88	2.0
Collier St - Bayfield to Clapperton South Side	11	35%	1.36	2.9
McDonald St - Clapperton to Owen South Side	7	15%	1.0	1.8
Mulcaster St - Worsley to McDonald East Side	22	43%	2.25	2.4
Owen St - Collier to Worsley East Side	8	59%	0.96	6.0
Owen St - Collier to Worsley West Side	5	54%	1.63	4.0
Owen St - Worsley to McDonald East Side	6	35%	1.0	3.5
Worsley St - Bayfield to Clapperton North Side	8	40%	1.38	2.9
Worsley St - Clapperton to Owen North Side	13	49%	1.15	4.7
Worsley St - Clapperton to Owen South Side	9	68%	2.18	5.0
Worsley St - Owen to Mulcaster North Side	12	45%	3.62	1.9
Worsley St - Owen to Mulcaster South Side	14	59%	4.10	2.4
Total Spaces	139	Avg. 40.5%		

- d. Utilization rates of on-street parking continue remain well below the optimized rate of 87% and demonstrate continued capacity to support parking in the area.
19. The Barrie Public Library (BPL) was also circulated for feedback and the following was received from the Barrie Public Library Board:
- a. The Barrie Public Library Board strongly opposes the potential declaration of the Worsley Street parking lot as surplus. The BPL downtown location receives an average of 250,000 arrival visitors and the loss of the parking would negatively impact the BPL's ability to offer library programs and be accessible to our patrons.
20. In consideration of the above feedback from internal City Departments and the Barrie Public Library, it is the intent of Business Development Services staff, in consultation with relevant City Departments, to ensure that adequate parking is provided for all library patrons. Any redevelopment proposals will include a review and consideration of parking requirements and existing utilization data as it relates to requirements under the Zoning By-law and the needs of the surrounding areas.
21. Under the recommended motion of this report, the agreement of purchase and sale for the property will be presented to Council for approval. Parking considerations will be reviewed and recommended as a component of the analysis of a development proposal for the subject property.
22. The lot at 60 Worsley Street will remain a municipal parking lot until such time as an Agreement of Purchase and Sale is approved by Council for the site and the transaction is completed.
23. In order to determine the value of each parcel, and achieve fair market value for the property, an appraisal will need to be conducted 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.

ENVIRONMENTAL MATTERS

24. The following environmental matters have been considered in the development of the recommendation:
- a. A Phase 1 Environmental Site Assessment is to be completed for 60 Worsley Street with funding from the Industrial Land Reserve.
 - b. Should the location require a Phase 2 analysis, staff are to report back to General Committee with further recommendations and/or funding requests.

ALTERNATIVES

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

Alternative #1

General Committee could choose not to declare surplus 60 Worsley Street. Staff do not recommend this approach as market interest and conditions demonstrate that redevelopment opportunities may exist for the property that align with the Council approved strategy in the Rationalization Staff Report BDD002-15. Declaring surplus 60 Worsley Street will support the strategic vision of the downtown and the following goals:

- **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.
- **Parking Availability:** Achieve a stated parking optimization rate of 87%.

FINANCIAL

26. A maximum amount of \$5,000 be funded from the industrial land reserve, to complete the appraisal for the property, and any proceeds from the sale of the property be returned to the reserve, with any additional proceeds being to the benefit of the Parking Reserve.
27. 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

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

APPENDIX "A"

Lot to be Surplused

60 Worsley Street.
Size: 0.57 acre.
Current Zoning: C1-1, Central Area – 1, commercial
Height: 30m stepped back requirements

