



**Subject: City Real Estate – Surplus Declaration and Disposition  
(Killaly St. E.)**

**To: Council**

**From: Office of the Chief Administrative Officer**

Report Number: 2024-139

Meeting Date: June 25, 2024

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**Recommendation:**

That Chief Administrative Officer Report 2024-139 be received; and

That Council declares the City property legally described as Part 1 on 59R-17397 as surplus, and that it be conveyed to SG Real Estate Opportunities LP III for \$3,000.00 plus costs identified in the financial section of this report; and

That Council declares the City property legally described as Part 1 on 59R-17399 as surplus, and that it be conveyed to SG Real Estate Opportunities LP III for \$91,630.27 plus costs identified in the financial section of this report; and

That the Director of Development and Government Relations be directed to work with the City Solicitor to finalize the documentation for these transactions and to bring them back to Council for final approval; and

That net proceeds from the sale of these properties be directed to the economic development reserve.

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**Purpose:**

The purpose of this report is to seek Council approval to declare two parcels of City land as surplus and to convey these parcels to SG Real Estate Opportunities LP III to facilitate access to their residential development property and provide additional land to accommodate their stormwater management and flood storage as required by the City and the Niagara Peninsula Conservation Authority (NPCA).

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**Background:**

In the fall of 2021, SG Real Estate Opportunities LP III purchased an eighteen (18) acre parcel of vacant land located south of Killaly Street East and east of Christmas, Bell, and Johnston Streets (see Appendix A).

SG Real Estate Opportunities LP III and their planning consultant (Design Plan Services Inc.) submitted a Draft Plan of Subdivision and Zoning By-law Amendment to the City on August 1, 2023, and it was presented to Council during a public meeting held on October 3, 2023. The development proposes a total of 290 units including block townhouses, street townhomes, semi-detached homes, and stacked townhomes. The total amount of developable acres will be reduced slightly as a portion of lands has been proposed as an archaeological area in accordance with findings from an archaeological assessment.

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**Discussion:**

SG Real Estate Opportunities LP III could not get legal access to their property as there was a one (1) foot reserve registered on title to H.E. Fretz, who was the owner of the lands prior to the registration of subdivision Plan 871 in 1953 (see Appendix B). This reserve was never transferred to the City or dedicated as a public road. Staff worked with the City Solicitor who followed a legal process through the court system to have the City acquire ownership of the one (1) foot reserve. This process has been completed and the one (1) foot reserve is now legally described as Part 1 on 59R-17397. Staff are recommending that this parcel be declared surplus and that it be conveyed to SG Real Estate Developments LP III to give them legal access to their property.

The owner approached the City about acquiring three (3) acres of vacant City-owned land, as shown in Appendix C, that abuts their property to the south. They would use this land for stormwater management and flood storage as required by the City and NPCA. These City lands are not required for operational or maintenance needs and therefore staff are recommending that the three (3) acre parcel be declared surplus.

It is also recommended that this parcel be conveyed to SG Real Estate Opportunities LP III to allow them to maintain their unit count at 290 which will increase the tax assessment and water users for the City. Conveying this vacant and underutilized City land for stormwater management and flood storage promotes good environmental stewardship and would allow the City to achieve value for lands that are constrained by the setback requirements for noise mitigation and by the existing floodplain identified by NPCA. A new survey has been created for this parcel and it is legally described as Part 1 on 59R-17399.

The property owner was required by the City and Niagara Region to complete a Land Use Compatibility Study and a Noise Impact Study in accordance with Ministry of the Environment guidelines. While the noise modelling results and setback distances were considered acceptable, it was recommended that the owner construct a noise barrier

along the southern property line and include noise warning clauses in purchase and sale agreements.

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### **Internal Consultations:**

This development proposal and discussions regarding surplus City properties have been reviewed by Planning and Economic Development staff.

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### **Financial Implications:**

The City has received written confirmation that SG Real Estate Opportunities LP III will reimburse the City for the legal and survey costs totalling \$9,882.73, as well as the appraised value of \$3,000, for a total of \$12,882.73. They will also be responsible for the legal costs for the property transfer.

SG Real Estate Opportunities LP III have also confirmed that they will provide total compensation of \$91,630.27 (approximately \$30,543 per acre) for the 3 acres of surplus City property immediately south of the development proposal at 563 Killaly Street East. They will also be responsible for the legal cost of the purchase.

Net proceeds from the sale of these properties are recommended to be transferred to the economic development reserve.

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### **Public Engagement:**

The Draft Plan of Subdivision and Zoning By-law Amendment were considered at the October 3, 2023, Public Meeting. Notice of this meeting was circulated in accordance with the Planning Act requirements including notices being mailed to property owners within 120 metres and signs being posted on the property.

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### **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillars of the strategic plan:

- Environmental Sustainability and Climate Change
  - Economic Prosperity
  - Increased Housing Options
  - Sustainable and Resilient Infrastructure
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**Conclusion:**

SG Real Estate Opportunities LP III have been working with City staff on their plan of subdivision proposed for 549 Killaly St. E. To help facilitate access to their property, staff are recommending that the one (1) reserve, legally described as 59R-17397 and owned by the City, be declared surplus and conveyed to the owner. Staff are also recommending that a three (3) acre City-owned parcel with noise and setback restrictions, and located within a floodplain, be declared surplus and conveyed to SG Real Estate Opportunities LP III for stormwater management and flood storage as required by the City and NPCA.

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**Appendices:**

- a. 18-acre development parcel owned by SG Real Estate Opportunities LP III
- b. One (1) foot reserve previously registered to H.E. Fretz, now owned by City
- c. Surplus three (3) acre parcel of land owned by the City

Respectfully submitted,

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**Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.