



Subject: Sale of City Property – Agreement of Purchase and Sale (Killaly St. E.)

To: Council

From: Development and Government Relations Department

Report Number: 2025-17

Meeting Date: January 28, 2025

Recommendation:

That Chief Administrative Officer Report 2025-17 be received;

That Council approve the Agreement of Purchase and Sale (APS) between the City and SG Real Estate Development III Land Corp. regarding the sale of Part 1 on 59R-17397 in the amount of \$3,000, and Part 1 on 59R-17399 in the amount of \$91,630.27; and

That the Mayor and City Clerk be authorized to sign the by-law, the Agreement of Purchase and Sale and any and all documents respecting the sale of these lands.

Purpose:

The purpose of this report is to seek Council approval of an Agreement of Purchase and Sale regarding two City parcels being conveyed to SG Real Estate Development III Land Corp. These transactions will 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).

Background:

In the fall of 2021, SG Real Estate Development III Land Corp. 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). The development proposes a total of 290 units including block townhouses, street townhomes, semi-detached homes, and stacked townhomes. SG Real Estate Development III Land Corp. is based in the Kitchener area. John Cheung is part of the board of directors and has been the board's point of contact with City staff since the inception of this development project in 2020.

As of January 19, 2025, the following sit on the Board of Directors for SG Real Estate Development III Land Corp.:

- John Cheung
- Douglas Cerson
- Derek Nunn
- Scott Lackenbauer
- Kris Wickens
- Randy von Heyking

SG Real Estate Development III Land Corp. 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. 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 courts 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. It was declared surplus by Council at the June 24, 2024 Council meeting, via Report 2024-139.

The owner also 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. A new survey has been created for this parcel and it is legally described as Part 1 on 59R-17399. They will use this land for stormwater management and flood storage as required by the City and NPCA. This parcel will allow SG Real Estate Development III Land Corp. to maintain their unit count at 290 which will increase the tax assessment and water users for the City.

A City initiated Zoning By-law Amendment (ZBLA) application to change the zoning on a portion of these lands from Residential Development (RD) to Environmental Protection (EP) was proposed at a Public Meeting held on November 5, 2024. The ZBLA was approved at the November 12, 2024 Council meeting. The ZBLA, proposed in response to previous comments received from the NPCA, recognizes the flooding hazard on the subject lands and restricts the lands from inappropriate development.

Direction was received from Council regarding these parcels, including on the financial implications, during a closed session discussion on June 24, 2024.

Internal Consultations:

This development proposal and discussions regarding the sale of City real estate has been reviewed by Planning and Economic Development staff.

Financial Implications:

The one-foot reserve will be sold to SG Real Estate Development III Land Corp. for \$3,000 and they have agreed to reimburse the City for legal and survey costs totalling

\$9,882.73. They will also be responsible for the legal costs of the property transfer. The three-acre City parcel will be conveyed to SG Real Estate Development III Land Corp. for \$91,630.27 and they will cover the City's legal expenses.

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.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
 - Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
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Conclusion:

This staff report follows up on Report 2024-139 approved by Council on June 24, 2024 which recommended that two City parcels be declared surplus and that they be conveyed to SG Real Estate Development III Land Corp. City staff have worked with the City Solicitor on an APS for these parcels. Part 1 on 59R-17397 will give the owner legal access to their property. Part 1 on 59R-17399 will provide land for their stormwater management as well as flood storage required by the NPCA for the development.

Staff recommend that Council approve the APS and that the Mayor and City Clerk be authorized to sign the APS, by-law, and other documentation related to the transaction.

Appendices:

- a. Development parcel owned by SG Real Estate Development III Land Corp.
- b. One foot reserve (now Part 1 on 59R-17397)
- c. Three acre parcel (now Part 1 on 59R-17399)
- d. Agreement of Purchase and Sale
- e. By-law

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.