

Memorandum

To: Scott Luey, Chief Administrative Officer

From: Gary Long, Manager of Strategic Initiatives
Denise Landry, Manager of Planning Services

Date: November 3, 2022

Re: Chestnut Park – Property Transfer

Recommendation to CAO:

That the Chief Administrative Officer authorize and execute an agreement and all other documentation to transfer the Chestnut Park property, legally described as Lots 504 to 511, on Plan 8, in the City of Port Colborne, Regional Municipality of Niagara, municipally known as 9 Chestnut Street (Chestnut Park), from the City of Port Colborne to Port Cares for \$1.00 to support the development of affordable housing units.

Purpose:

The purpose of this memo is to seek approval from the Chief Administrative Officer to negotiate and execute all necessary contracts and agreements required for the transfer of ownership of the Chestnut Park Property from the City to Port Cares.

Background:

On November 24, 2020, the Port Cares Board of Directors approved a recommendation from their Capital and Property Committee to work with the City to acquire Chestnut Park and construct an affordable housing structure. At the December 14, 2020, meeting, Council approved report 2020-188 to declare Chestnut Park property as surplus and support, in principle, an affordable housing project proposed by Port Cares.

The following recommendations from staff report 2022-188 were passed by Council at their December 14, 2022 meeting:

That Council declares Chestnut Park, and the land between Chestnut Park and Lockview Park as surplus;

That Council hereby approves in principle the affordable housing project proposed by Port Cares;

That Council agrees to transfer the Chestnut Park property to Port Cares for \$1 pending the completion of a mutually satisfactory agreement;

That the Director of Community and Economic Development prepare a Lockview Park revitalization plan; and

That the Director of Planning and Development be directed to proceed with a rezoning application, a survey, and a development agreement.

At the February 22, 2021, Council meeting, a Memorandum of Understanding (MOU) between the City and Port Cares was approved (report 2021-54). A copy of the MOU is attached as Appendix A. The MOU provided a non-binding framework for both parties and clarity on key project issues, responsibilities, and timelines. This document also provided information and transparency for the project itself and the partnership between the City of Port Colborne and Port Cares.

Section 275 of the Act provides that a Council's actions are restricted after Election Day (October 24, 2022), if the new Council will include less than three-quarters of the members of the outgoing Council. City Council has entered the Restricted Act period effective October 25th with the certification of the Official Election results. Pursuant to By-law No. 7011/49/2022, the Chief Administrative Officer has the delegated authority to approve the disposition of any real or personal property of the municipality which has a value exceeding \$50,000 at the time of disposal and to negotiate, and finalize all necessary contracts and agreements required for the transfer of the ownership.

Discussion:

Port Cares has completed their due diligence including the necessary studies and assessments requested by the City and Niagara Region at the pre-consultation stage. The agency is ready to move forward with an application to Canada Mortgage and Housing Corporation (CMHC) for full project funding, to be followed by site development, detailed design, and construction. Port Cares is planning to construct a multi-unit residential building and they are requesting that the City finalize an agreement for the lands to be legally conveyed from the City to Port Cares.

Based on information provided by Port Cares' project manager, the estimated timelines and next steps are as follows:

- City OPA / ZBA approval and Land Transfer – November / December 2022
- Site Plan Approval phase – Fall 2022 / Winter 2023
- CMHC Rapid Housing Initiative (RHI) Round 3 – funding application – anticipated December 2022
- CMHC approval & agreement – February 2023
- Detailed Design – Winter / Spring 2023
- Building Permits – Spring 2023
- Break ground – late Spring / Summer 2023
- Occupancy – Summer 2024

City Planning staff brought forward the proposed Zoning By-law Amendment (ZBLA) and Official Plan Amendment (OPA) to the November 1, 2022, Public Meeting. The

ZBLA proposes to rezone the property from Public and Park (P) to R4 to permit a multi-unit residential building and the OPA proposed to redesignate the property. A presentation was provided to Council and was followed by public input. Following the statutory Notice of Passing and 20-day appeal period, it is recommended that the property transfer proceed with a closing date of December 1, 2022.

Port Cares has requested that the ownership transfer take place this fall to keep the project on track and for them submit a funding application to the Rapid Housing Initiative (RHI) by the end of December. Obtaining and providing ownership of the property to CMHC and RHI will be an important component of Port Cares' applications.

Port Cares has agreed to assume liability related to the park and playground equipment once the ownership is transferred. They will add this coverage to their insurance policy. The playground equipment has been deemed surplus by City staff and Port Cares has expressed interest in the equipment and relocating it to their Reach Out Centre located at 61 Nickel Street in Port Colborne.

Internal Consultations:

Staff from Economic Development, Parks, Planning, Public Works, and Corporate Communications, have been working together in support of this community project to create more affordable housing. The draft agreement of purchase and sale has been reviewed by the City Solicitor.

Financial Implications:

The current estimated value of the property is \$320,000. As per the MOU agreed upon by both parties, Chestnut Park will be conveyed to Port Cares for \$1.00. Chestnut Park was declared surplus at the December 14, 2020, Council meeting (report 2020-188) with the understanding that this property would be repurposed and redeveloped for greater community benefit.

Public Engagement:

To comply with *Planning Act* requirements, the City's Planning Department circulated notices to residents within 120 metres of Chestnut Park regarding the ZBLA and OPA. This public notice was followed by a public meeting held on February 16, 2021, and November 1, 2022, where the community had an opportunity to submit written comments and/or appear as a delegate.

Strategic Plan Alignment:

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

- Attracting Business Investment and Tourists to Port Colborne
- City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
- Governance: Communications, Engagement, and Decision-Making

Conclusion:

The City of Port Colborne and Port Cares formed a partnership in the fall of 2020 to create affordable housing units. A Memorandum of Understanding (MOU) between the City and Port Cares was developed to foster mutual understanding, a collaborative approach, and help guide next steps in the due diligence phase of the affordable housing project proposed by Port Cares.

Port Cares is planning to construct a multi-unit residential building and they have requested that the City property be transferred this fall. The City Solicitor will proceed with the property transfer upon approval of the Zoning By-Law Amendment and Official Plan Amendment, following the 20-day appeal period. This report is recommending that the Chief Administrative Officer approve the agreement of purchase and sale, and execute the agreement any other documentation related to this transaction in accordance with the delegated authority provided by By-law No. 7011/49/2022.

Appendices:

- a. MOU between the City and Port Cares
- b. Concept Plan
- c. Agreement of Purchase and Sale

Respectfully submitted,
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