



Subject: Sale of City property adjacent to 157 Sugarloaf Street

To: Council

From: Office of the Chief Administrative Officer

Report Number: 2023-146

Meeting Date: August 15, 2023

Recommendation:

That Chief Administrative Officer report 2023-146 be received for information; and

That Council authorize the Mayor and City Clerk to sign the Agreement of Purchase and Sale, the by-law, and the closing documentation related to the sale and disposition of City land, legally described as Part 1 on Plan 59R-17765, part of Lot 1, NS, Sugarloaf Street, Registered Plan 845, Port Colborne, part of PIN 64162-0299; and

That the Manager of Strategic Initiatives be directed to work with the City Solicitor to finalize the transaction.

Purpose:

The purpose of this report is to finalize the sale and disposition of surplus City real estate adjacent to 157 Sugarloaf Street and seek Council approval to have the Mayor and Clerk sign the Agreement of Purchase and Sale, the by-law, and the closing documentation.

Background:

Staff initiated a City Real Estate project in the fall of 2020 focused on identifying municipally owned property that could be declared surplus and marketed for residential, commercial, or industrial development. The goal of the project is to attract investment and new residents to Port Colborne; have vacant properties redeveloped and revitalized; facilitate public-private partnerships to create more affordable housing units; expand the municipal tax base to maintain core programs and services; and maximize the value of City properties while achieving social, economic, and environmental benefits.

Discussion:

The owners of 157 Sugarloaf Street contacted the City to express their interest in acquiring some City land beside their property that would allow them to extend their side yard. The City property, shown in Appendix A, is irregular shaped and has environmentally sensitive features and challenging land forms given elevation and slope. It is also adjacent to the rail line which reduces the usable area given the required fifteen (15) metre setback. A survey was completed to create the parcel to be conveyed. The City parcel will be legally merged on title with 157 Sugarloaf Street.

This parcel is close to the busy intersection at Elm Street and Sugarloaf Street. Given the rail crossing at this intersection and with the rail line abutting the City parcel being conveyed, staff will work with the City Solicitor to add a provision to the Agreement of Purchase and Sale stipulating that no landscaping or fencing can be erected that would obstruct the sightlines of pedestrian, vehicular, and rail traffic.

This parcel was declared surplus by Council at the April 11, 2023, meeting with staff report 2023-56. To determine a value for small irregular shaped parcels of City land, staff are guided by a range of \$1 to \$5 per square foot recommended by an independent appraisal firm used by the City. Typically, staff use the mid-point of \$2.50 per sq.ft. as the value when calculating the selling price.

This will confirm that staff have followed the provisions of the City's Sale of Land Policy. This parcel is deemed "unmarketable" and only has value to an adjoining landowner and it is not large enough to be marketed as an infill residential lot.

Internal Consultations:

The transaction of City real estate involves the collaboration of various City Divisions and Departments including Clerks, Finance, Economic Development, Planning, Public Works, and the City Solicitor.

Chief Administrative Officer's Comments

Council should be aware that both of the prospective purchasers are currently employed by the City. The Chief Administrative Officer has investigated the sale and has determined that the applicants' employment relationship with the City has not had a bearing on the decision to sell the property or the selling price. The proposed sale represents a bona fide transaction between arm's length parties.

Financial Implications:

Based on the approximately 6,248 sq. ft of City property being conveyed at \$2.50 sq. ft., the selling price of the land is \$15,600. Survey and legal costs of \$3,726 will be reimbursed through this transaction. Therefore, the City will be receiving a total of \$19,326 pending any minor adjustments at closing.

The net land proceeds will be directed to the Economic Development Land Reserve and the amount being reimbursed for survey and legal costs will be allocated to the appropriate operating account.

Public Engagement:

The sale and disposition of City Real Estate is conducted in an open and transparent manner. The Sale of Land Policy is a public document which was discussed and updated by Council in open session; City parcels identified as being potentially surplus are brought to Council in open session; surplus City parcels, deemed “marketable” are posted on the Multiple Listing Service (MLS) and on the City’s website; and Council approval of the final Agreement of Purchase and Sale is done in open session.

Strategic Plan Alignment:

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

- Environment and Climate Change
 - Welcoming, Livable, Healthy Community
 - Economic Prosperity
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Conclusion:

One of the objectives of the City Real Estate initiative is to create value for underutilized and surplus City land. To this end, City staff have been working with the owners of 157 Sugarloaf Street to finalize the transaction of surplus City land and allow them to extend their side yard.

This parcel has already been declared surplus by City Council. The next step in this process is to have Council authorize the Mayor and Clerk to sign the Agreement of Purchase and Sale, the by-law, and the closing documentation.

Appendices:

- a. City parcel being acquired
- b. Agreement of Purchase and Sale
- c. 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.