

The Corporation of the City of Kawartha Lakes

Council Report

Report Number RS2017-009

Date: July 11, 2017
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: 6

Subject: Surplus Declaration and Sale of 8 Francis Street East, legally described as Part Lot 2 South of Francis Street and East of Colborne Street designated as Part 1 on Plan 57R-4516, in the former Geographic Township of Fenelon, City of Kawartha Lakes

Author Name and Title: Laura Carnochan, Law Clerk – Realty Services

Recommendation(s):

RESOLVED THAT Report RS2017-009, Surplus Declaration and Sale of 8 Francis Street East, legally described as Part Lot 2 South of Francis Street and East of Colborne Street designated as Part 1 on Plan 57R-4516, in the former Geographic Township of Fenelon, City of Kawartha Lakes, be received;

THAT the subject property, legally described as Part Lot 2 South of Francis Street and East of Colborne Street designated as Part 1 on Plan 57R-4516, in the former Geographic Township of Fenelon, City of Kawartha Lakes, be declared surplus to municipal needs;

THAT Council support, in principle, the sale of the subject property in accordance with the provisions of By-law 2010-118, as amended, and the Municipal Act, 2001 and subject to the parties entering into a conditional Agreement of Purchase and Sale;

THAT the subject property be disposed of in accordance with the City of Kawartha Lakes Disposal of Real Property policy No. C-204-DEC-001 and By-law 2010-118, as amended;

THAT notice be given in accordance with By-laws 2008-065 and 2010-118, as amended;

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

THAT, notwithstanding section 10.01 of By-law 2010-118 (respecting cost recovery), the costs associated with investigating, preparing or marketing the subject property be taken from the Property Development Reserve;

THAT the City Solicitor or the CAO be permitted to negotiate the legal fees, survey fees, appraisal fees and advertising costs with a potential purchaser of the subject property;

THAT on completion of the public notice, Council shall consider any deputation or public input in opposition of the sale, if any, and if appropriate, pass a By-law (with any amendments deemed necessary) to authorize its disposition;

THAT the City Solicitor or the CAO be permitted to fully execute all listing documentation and any documentation associated with the receipt of an offer to purchase the subject property for no less than the full appraised value ; and

THAT the Mayor and Clerk be authorized to execute all legal closing documents required for the sale of the subject property.

Background:

The subject property, legally described as Part Lot 2 South of Francis Street and East of Colborne Street designated as Part 1 on Plan 57R-4516, in the former Geographic Township of Fenelon, City of Kawartha Lakes has been identified as a potential surplus land.

The subject property was identified by the Portfolio Management Team branch of the Land Management Committee¹ and circulated to the Land Management Committee members for review and comment prior to presenting same to Council. No objections have been received from the committee members to having this property declared surplus to municipal needs and marketed for sale.

The purpose of this report is to obtain Council approval to proceed with any additional required research to determine whether or not this land can be disposed of or if it must be retained.

If Council declares the lands surplus to municipal needs and thus determines that the lands can be disposed of, the Realty Services Division would then proceed to have the property surveyed, appraised, and disposed of in accordance with the City of Kawartha Lakes Disposal of Real Property Policy No. C-204-DEV-001 and By-law 2010-118, as amended and as amended by the above resolution.

¹ A Staff Team comprising the Manager of Realty Services, City Solicitor, Realty Services Law Clerk, Manager of Corporate Assets, Strategy Management Office, CAO, Planning, Building and Property, and Community Services. The purpose of this team is to identify potentially surplus lands for consideration by the Land Management Committee and Council.

Appendix A is a map showing the general area of the property, Appendix B is an aerial photo of the subject property, Appendix C is a map of the subject property, Appendix D is Instrument R256881 (Agreement re: Right of First Refusal).

Rationale:

Initial registry searches have been conducted and reviewed and there are no restrictions noted on title that would prevent the City from selling the subject property.

On the property is a building that formerly housed OPP Administration and Public Washrooms. There was an agreement registered on title between the former Corporation of the Village of Fenelon Falls and the former owner of the abutting property, Sobko Food Market Limited, that Sobko Food Market Limited shall have the first opportunity of acquiring the subject property at a fair market price if the subject property is not required for Municipal purposes. Sobko Food Market Limited has since been dissolved. The current abutting property owner has been notified of the potential surplus declaration and sale and has expressed an interest in purchasing the property. There are no restrictions noted on title that would prevent the City from disposing of the property.

Other Alternatives Considered:

Council may decide not to sell the subject property and derive no financial benefit whatsoever. That would be inconsistent with past practice and is not recommended in this circumstance.

Financial/Operation Impacts:

In the past any and all costs associated with preparing properties for sale that were identified by the City Property Disposition Task Force (the "CPDTF") and declared surplus by Council were taken from the Property Development Reserve. Therefore, we are asking that all costs associated with investigating and preparing any of these properties for sale including but not limited to registry search costs, appraisal, survey and legal fees would be taken from the Property Development Reserve.

In accordance with City of Kawartha Lakes Disposal of Real Property Policy No. C-204-DEV-001 and By-law 2010-118, as amended and as amended by the above resolutions, the consideration paid for each property shall be no less than the current value as will be determined by the completion of an appraisal. Section 10.01 of By-law 2010-118 provides that all costs of the transaction are to be borne by the purchaser. All costs of the transaction are ideally borne by the purchaser, however, the above recommended resolutions allow for the City to pay these costs. This flexibility allows the sale to proceed at fair market value where negotiation would break down over these additional costs.

On Tuesday, March 9th, 2010, Council adopted the following resolution:

CR2010-297

Moved by Councillor Yeo, seconded by Councillor James

RESOLVED THAT a Task Force of Council be struck to investigate all lands and properties held in ownership by the Corporation of the City of Kawartha Lakes which could be disposed of for the purpose of establishing a Community Properties Reserve Fund;

THAT the Community Properties Reserve Fund's purpose be to aide in the costs to maintain, improve and establish Community based properties to be owned and operated by the City and/or its various Committees of Council; and

THAT consideration be given to the establishment of a Community Property Foundation.

The successful sale of surplus properties will result in proceeds to the City which will be credited to the Sale of Land Revenue Account and eventually the Community Properties Reserve Fund, once established.

Relationship of Recommendations To The 2016-2019 Strategic Plan:

This report aligns with the strategic goal of a “vibrant and growing economy” and the strategic enable of “efficient asset management”.

Consultations:

Land Management Committee

Portfolio Management Team

Attachments:

Appendix A: General Area Map



Appendix A - General
Location Map.pdf

Appendix B: Aerial Photo



Appendix B -
Aerial.pdf

Appendix C: Map



Appendix C -
Map.pdf

Appendix D: R256881



Appendix D -
R256881.pdf

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Department Head: Robyn Carlson

Department File: L06-17-RS008