

# **The Corporation of the City of Kawartha Lakes**

## **Council Report**

**Report Number RS2018-017**

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**Date:** June 19, 2018  
**Time:** 2:00 p.m.  
**Place:** Council Chambers

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**Ward Community Identifier: 10**

**Title: Surplus Declaration and Proposed Disposition by Long Term Lease of City-Owned Property**

**Author and Title: Robyn Carlson, City Solicitor and Acting Manager of Realty Services**

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### **Recommendations:**

**That Report RS2018-017, Surplus Declaration and Proposed Disposition by Long Term Lease of City-Owned Property, be received;**

**That** the northern portion of property municipally known as 68 Lindsay Street North and legally described as LT 4 E LINDSAY ST NO RIVER, 5 E LINDSAY ST N RIVER, 6 E LINDSAY ST N RIVER, 7 E LINDSAY ST N RIVER, 8 E LINDSAY ST N RIVER, 9 E LINDSAY ST N RIVER, 10 E LINDSAY ST N RIVER, 11 E LINDSAY ST N RIVER, 12 E LINDSAY ST N RIVER, 13 E LINDSAY ST N RIVER, 14 E LINDSAY ST N RIVER PL 12P; PT LT 15 E LINDSAY ST N RIVER, 16 E LINDSAY ST N RIVER, 17 EAST LINDSAY ST N RIVER PL 12P; PT LT 1 N/S QUEEN ST, 2 N/S QUEEN ST, 3 N/S QUEEN ST, 4 N/S QUEEN ST PL 15P; PT LT 4 W/S CAROLINE ST, 5 W/S CAROLINE ST, 6 W/S CAROLINE ST, 7 W/S CAROLINE ST, 8 W/S CAROLINE ST, 9 W/S CAROLINE ST, 10 W/S CAROLINE ST, 11 W/S CAROLINE ST, 12 W/S CAROLINE ST, 13 W/S CAROLINE ST, 14 W/S CAROLINE ST, 15 W/S CAROLINE ST, 16 W/S CAROLINE ST, 17 W/S CAROLINE ST, 18 W/S CAROLINE ST PL 12P PT 4, 5 57R5191 & PT 6 57R8136, in the Geographic Town of Lindsay, City of Kawartha Lakes, at the northeast corner of Queen Street and Lindsay Street North, Lindsay, and more specifically identified in Appendix A and Appendix B, be declared surplus to municipal needs and disposed of by long term (40 year) lease to the Kawartha Lakes Haliburton Housing Corporation for affordable housing;

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

**That** the property be disposed of on the condition that KLHHC undertake all site improvements at its sole cost;

**That** the disposition be on the condition that the Kawartha Lakes Haliburton Housing Corporation incorporate environmentally friendly standards into its construction;

**That** the disposition be on the condition that the Kawartha Lakes Haliburton Housing Corporation obtain, at its cost, a Record of Site Condition pursuant to the Ontario *Environmental Protection Act*, R.S.O. 1990, c. E. 19, as amended.

**That** the property be disposed of on the condition that, at the end of the term of the lease, the parties either enter into a new lease for KLHHC's continued use of the property or the property be returned to the City – at the City's option – as either a vacant site or with the building and/or other site improvements to remain;

**That** By-law 2018-020 be amended to add a further section 3.04(c): "Or (c) The disposition is to the Kawartha Haliburton Housing Corporation for the purpose of providing affordable housing."; and

**That** By-law 2018-020 be amended to add a further section 10.03: "Exception: Section 10.01 does not apply to applications by the Kawartha Lakes Haliburton Housing Corporation, and the City will bear the cost of these transactions."

## **Background:**

The proposed surplus declaration and disposition by long term (40 year) lease of the municipal property located at Lindsay Street North and Queen Street was discussed by the Land Management Committee on April 9, 2018 and the Committee had no objections.

Public Notice advertising the potential surplus declaration and disposition of the subject property by long term lease was completed by newspaper circulation in the Kawartha Lakes This Week on the 24<sup>th</sup> and 31<sup>st</sup> days of May and 7<sup>th</sup> day of June, 2018. In addition a "Potential Surplus Property" sign was posted on the subject property for the three week period corresponding with the newspaper circulation.

The purpose of this report is to advise Council that the Land Management Committee recommends that the subject property be declared surplus to municipal needs and that approval be given, in principle, for disposition by long term lease to Kawartha Lakes Haliburton Housing Corporation in accordance with City of Kawartha Lakes By-law 2018-020, as amended.

## **Rationale:**

Further rationale for the long term lease on this property is provided in Council Report HH2018-004.

This property was former CN Rail lands and formerly provided connectivity from the waterfront trail, to the south, to Shaft Park, to the north. However, the development of the affordable housing building on the south portion of this property removed the required connectivity. Accordingly, the trail connection is being re-routed along the waterfront.

KLHHC will be required to obtain a Record of Site Condition pursuant to the Ontario *Environmental Protection Act*, R.S.O. 1990, c. E. 19, as amended, due to the fact that the former use of the property was railway and due to the fact that the proposed use is more sensitive: residential.

Section 3.04 of By-law 2018-020 provides exceptions to when an appraisal must be obtained for the sale of developable land. The proposed amendment to section 3.04 would allow the disposition of property, by sale or long term lease, at below the appraised value when the disposition is to the KLHHC for the purpose of affordable housing.

Section 10.01 of By-law 2018-020 provides for full cost recovery by the City when City land is disposed of. The proposed amendment to section 10.01 would

exempt the KLHHC from these costs (legal, survey, staff time) and require the City pay these costs out of its Operating Budget for Realty Services.

### **Other Alternatives Considered:**

The City could decide to put the property on the open market and obtain proceeds from the sale. Although this would increase the City's annual net revenue, the City, via the Kawartha Lakes Haliburton Housing Corporation (KLHHC), would be looking to purchase land, at the expense of the City. The KLHHC optimally would like this property, as it is in proximity to existing and planned affordable housing in the area.

Council could alternatively approve the direction to surplus and sale, absent any environmental condition. This would reduce construction costs, but would not be in alignment with the Strategic Goal of "A Healthy Environment" and the value of Innovation as set out in the City's 2016-2019 Strategic Plan.

### **Financial Impacts:**

As the recommendation is to gift the land, rather than sell the land, the City will miss out on the revenue associated with the sale. Moreover, if the recommended amendment to section 10.01 of By-law 2018-020 is approved, the City will not recover from the KLHHC the expenses associated with the sale. These costs include: legal fees of approximately \$1,000.00, survey costs of approximately \$3,000.00 and staff time at \$1,500.00.

The associated construction costs and demolition costs are the cost of KLHHC.

### **Relationship of Recommendations to the 2016-2019 Strategic Plan:**

The recommendations in this report, to surplus and gift the lease of land for affordable housing, are in line with Goal 2 of the Council Adopted Strategic Plan: An Exceptional Quality of Life.

The City of Kawartha Lakes is the Municipal Service Manager (SM) for housing and homelessness programs and services for both the City and the County of Haliburton as mandated by the Province of Ontario through the Housing Services Act. In addition to goals and objectives of the Council approved (February 2014) 10 Year Housing and Homelessness Plan, a requirement of the Act, and more recently the adoption of the Affordable Housing Framework by Council in December 2017, gifting land to our own initiatives is in line with the strategic enabler of "Responsible Fiscal Resource Management".

In requiring the gift be made on the premise that the development is done in an environmentally conscious manner, these recommendations align with the Strategic Goal of “A Healthy Environment” and the value of Innovation.

### **Accessibility Implications:**

The Accessibility Committee will review and have input into the site plan and engineering drawings for the building for this portion of the site, at the site plan stage of the development process, in accordance with section 29 of the Ontario *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11.

### **Servicing Implications:**

The proposed development shall be on full municipal services: water and sewer. Engineering is not aware of capacity constraints affecting the proposed units, however through the development process, the proponent’s Engineer must provide the City with the Functional Servicing Report and Servicing Design, to confirm that existing municipal infrastructure can service the proposed residential growth.

### **Consultations:**

Land Management Committee:

- CAO
- Director of Community Services
- Director of Development Services
- Director of Engineering and Corporate Assets
- Director of Public Works
- Manager of Corporate Assets
- Land Use Planner, Large Developments

### **Attachments:**

Appendix A –Map



Appendix A -  
Map.pdf

Appendix B – Aerial Photo



Appendix B - Aerial  
Photo.pdf

## Appendix C – Proposed Housing Units



Appendix C -  
Proposed Housing Un

## Appendix D – Aerial Photo (Phase 2 Properties)



Appendix D - Aerial  
Photo (Phase 2 Prope

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**Department Head: Robyn Carlson**

**Department File: L17-18-RS091**