



Committee of the Whole Report

Report Number RS2020-022

Meeting Date: October 6, 2020

Title: 581 Highway 36, Lindsay

Description: Potential Surplus and Sale of City-Owned Property located at 581 Highway 36, Lindsay

Author and Title: Robyn Carlson, City Solicitor

Recommendations:

That Report RS2020-022, **581 Highway 36, Lindsay**, be received.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

This report concerns a 123-acre vacant property municipally known as 581 Highway 36, having frontage on Highway 36 and located within the settlement area boundary of Lindsay, Ontario (see Appendix B). This property is zoned Environmental Protection, Agriculture and Industrial (see Appendix C).

The City also owns the property immediately to the North of this property (the "Lagoon Road Property"). The Lagoon Road Property is immediately South of Lagoon Road, and is buffer land for the landfill (see Appendix D). The City is currently extracting clay from that property for landfill cover.

150 metres to the north of the property is the City's waste water treatment plant, which is currently undergoing expansion. The waste water treatment plant has open lagoons for the processing of waste and thus odour is associated with this plant.

Within 500 metres to the north of the property is the City's landfill. The City does not allow building within a 500 metre radius of the landfill. The majority of the land is impacted by this "no build" zone (see Appendix E).

The City-owned property located at 581 Highway 36, Lindsay has been the subject of several previous Council Reports and resolutions.

At the Council Meeting of February 13, 2007, Council adopted the following resolution:

CR2007-124

Moved By Councillor Ashmore

Seconded By Councillor Strangway

Resolved That Report LMC2007-03 "*City owned land at 581 Highway 36, Geographic Township of Ops, Surplus Declaration, Roll 1651 006 006 00400 0000 (LMC S21)*", be received;

That the City owned lands described as Part of Lot 25, Concession 6, in the Geographic Township of Ops, now City of Kawartha Lakes, municipally known as 581 Highway 36 containing approximately 123 acres, be declared surplus to municipal needs; and

That notice be given in accordance with By-laws 2001-89 and 2003-15, as amended.

Carried

At the Council Meeting of June 9, 2009, Council adopted the following resolution:

CR2009-695
Moved By Councillor Luff
Seconded By Councillor Robertson

Resolved That the municipally owned property located north of the East Central Correctional Centre on Kawartha Lakes Road 36 be retained for future municipal purposes to be designated for Industrial development and only sold as individual parcels based upon required needs of shovel ready developers;

That the Manager of Planning, the Manager of Engineering, the Land Management Coordinator and the Business Development Officer be directed to take the necessary steps to develop a conceptual plan to facilitate the creation of an Industrial Zone that is developed and marketed incrementally (at no cost to the municipality and only when committed businesses are ready to construct) based upon demand from future Industrial Developers; and

That this conceptual plan include covenants that require purchased land to be forfeited to the municipality, with penalty, if a purchaser does not begin construction within one (1) year of the sale of the land.

Carried

Individual members of Council have expressed an interest in selling the entirety of this property, subject to easements in favour of the City for its existing infrastructure. Although not recommended by Staff, per the rationale below, this report is brought to Council to give members an opportunity to consider the matter.

Rationale:

The subject property was purchased by the Corporation of the City of Kawartha Lakes on August 4, 2006. The reason for the acquisition was to use the property as buffer lands for the landfill located at 51 Wilson Road, Lindsay.

Soon after the property was purchased, it was determined that the subject property did not require a Certificate of Prohibition under the Environmental Protection Act to be registered on title, as there was already a sufficient buffer around the landfill site. Accordingly, there are no restrictions on title which would prevent the City from selling the subject property.

Report LMC2007-03 was presented to the Corporate & Human Resource Services Committee on February 5, 2007, recommending that the subject property be declared surplus to municipal needs and prepared for sale on the open market, subject to the reservation of easements for the municipal services located on the property.

This recommendation was approved by Council at their meeting on February 13, 2007 as per CR2007-124, the details of which are noted above.

The subject property was brought forward to Council again on June 9, 2009. At this time, it was recommended that the property be retained by the municipality for the time being, in order for Staff to plan and create an industrial zone that could later be sold in incremental parcels to shovel-ready developers.

This recommendation was approved by Council as per CR2009-695, the details of which are noted above.

This plan of incremental development by direct sale already approved by Council would allow the property to develop in a manner that will not result in interference with the operations and expansion of the City's landfill and water/ wastewater treatment plant. It allows the City infrastructure to remain in municipal ownership. It allows access to and from the property from Lagoon Road, which is preferable to access onto Highway 36 by hidden intersection. Finally, this would also allow the City to utilize the clay on the property prior to sale, which would save the City approximately \$4,000,000.00 in costs for clay purchase from the market. For all of these reasons, Staff recommend that the property be developed as previously directed by Council and that no action be taken at this time.

Public Notice advertising the potential surplus declaration and sale of the subject property was completed by newspaper circulation in the Kawartha Lakes This Week on the 5th, 12th, and 19th days of March, 2020. Notice was also posted on the City of Kawartha Lakes website and a "Potential Surplus Property" sign was posted on-site for the three-week advertising period. Realty Services did not receive any public comments or concerns with regards to the proposed sale of the subject property during the Public Notice stage, but has since received concerns from local residents regarding a sale of the property.

Other Alternatives Considered:

Alternative – Sell the Property on the Open Market

As indicated above, several parties have expressed interest in purchasing the entire subject property.

Prior to sale, an easement would be required over the trunk sewer infrastructure that crosses the property towards the western boundary of the property. The sewer and water lines running through the centre of the property are already protected by an existing easement obtained prior to the City purchasing the property (see Appendix F).

If Council decides to list the property on the open market, the listing would need to make clear that the property is being sold subject to easement and that a re-zoning amendment may be required in order to develop the property. Any re-zoning would be at the sole expense of the purchaser, as the property would be listed and sold in “as is” condition.

Resolution for this alternative:

That Report RS2020-022, **581 Highway 36, Lindsay**, be received;

That Council Resolution CR2009-695, being incremental development of this property by sale of shovel-ready projects, be rescinded;
(this requires a 2/3 majority)

That the City-owned property municipally known as 581 Highway 36, Lindsay, and legally described as Part of Lot 25, Concession 6 as in A42096, Except Parts 1, 2, and 3 on Plan 57R-7922; Subject to R347885, Subject to R295322, in the Geographic Township of Ops, City of Kawartha Lakes (PIN: 63209-0151 (LT)), be declared surplus to municipal needs;

That the subject property be listed for sale on the open market for no less than the appraised value, plus all costs associated with the transaction;

That the sale be subject to easements in favour of the City for existing City infrastructure crossing the property in two locations;

That the property be sold “as is”, noting the “no build” zone that affects most of the property;

That the property be sold subject to waiver of purchaser rights to claim against the City for nuisance or otherwise with respect to the nearby wastewater treatment plant and landfill, which waiver will be registered on title and bind all future owners of the property;

That the Manager of Realty Services or the CAO be permitted to fully execute all surplus municipal land listing documentation and any documentation associated with the receipt of an offer to purchase the subject property for, at minimum, the full appraised value plus any and all costs associated with the transaction;

That a by-law (with any amendments deemed necessary) to authorize its disposition shall be passed;

That the proceeds from the sale be placed in the Property Development Reserve;

That the Mayor and Clerk be authorized to sign all documents to facilitate the conveyance of the lands and registration of an easement in favour of the City with respect to infrastructure on the property; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Alignment to Strategic Priorities

The recommendations set out in this Report aligns with the following strategic priority:

- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

This property could be used by the City in the future to permit expansion of the Lindsay landfill. A landfill EA will be conducted in two years, which will look at expansion opportunities for the landfill. Failing to retain this property, at least until the EA is concluded, could constrain operations of the City.

This property contains clay, which is used as landfill cover. If the City chooses to sell this property without extracting the clay material from the property first, it will incur the costs of purchasing this clay from the market.

Consultations:

Land Management Committee

Attachments:

Appendix A – General Location Map



Appendix A -
General Location Map

Appendix B – Lindsay Settlement Area



Appendix B -
Lindsay Settlement Area

Appendix C – Zoning Map



Appendix C -
Zoning Map (RS2020-022)

Appendix D – Lagoon Road Property Map



Appendix D -
Lagoon Road Property Map

Appendix E – 500 Metre “No Build Zone”



Appendix E - 500
Metre No Build Zone

Appendix F – R347885 (Registered Easement)



Appendix F -
R347885 (Registered Easement)

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