



Committee of the Whole Report

Report Number: RS2021-018

Meeting Date: April 6, 2021

Title: **Proposed Direct Sale of Portion of Denfield Road Property, Lindsay**

Description: Proposal to Sell a Portion of the City-owned Property Located on Denfield Road, Lindsay by Direct Sale to an Interested Party for the purpose of Developing Three Subdivision Lots

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

Recommendations:

That Report RS2021-018, **Proposed Direct Sale of Portion of Denfield Road Property, Lindsay**, be received;

That the sale of a portion of the City-owned property located on Denfield Road, Lindsay and legally described as Part of the Northwest 1/4 of Lot 19, Concession 4, Part of the West 1/2 of Lot 20, Concession 4, Part of the East 1/2 of Lot 20, Concession 4, being Parts 4 and 5 on Plan 57R-8131 and Part 1 on Plan 57R-6668, Except Parts 4, 5, and 6 on Plan 57R-8228, Except Part 1 on Plan 57R-9268, Subject to R234883 and R234884, Subject to an Easement in Gross over Part 1 on Plan 57R-10493 as in KL122703, in the Geographic Township of Ops, City of Kawartha Lakes (PIN: 63237-1095 (LT)) to Wilson Staples Holdings Ltd., be supported, in principle, in accordance with the provisions of By-Law 2018-020, as amended, and the Municipal Act, 2001, and subject to the parties entering into a conditional Agreement of Purchase and Sale;

That the property be sold “as is” with respect to the zoning and Official Plan designation of the property, with the City making no representation or warranty

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

pertaining to same. The purchaser is to rezone and redesignate the land at its own expense, should it wish to change the permitted uses on the property;

That the property be sold as one parcel, to merge with adjacent reserve holdings of the purchaser. The purchaser is to obtain part lot control or consent to sever, at its own expense, should it wish to subdivide the property and current reserve holdings into three separate lots;

That, notwithstanding section 5.03 of By-Law 2018-020, the property be appraised at highest and best use and at pre-servicing value and sold for no less than that amount, plus 5% to account for cash-in-lieu of parkland, plus all costs associated with the transaction;

That a by-law (with any amendments deemed necessary) to authorize disposition of the subject property shall be passed if appropriate;

That the Mayor and Clerk be authorized to sign all documents to and conveyance of the lands; and

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

Background:

At the Council Meeting of November 11, 2008, Council adopted the following resolution:

Moved by Councillor Marsh, seconded by Councillor Elmslie,

RESOLVED THAT the Minutes of the November 3, 2008 Corporate and Human Resource Services Committee Meeting be received and the recommendations adopted.

CARRIED CR2008-883

RECOMMENDATIONS MADE IN CORPORATE AND HUMAN RESOURCE SERVICES COMMITTEE, OPEN SESSION, NOVEMBER 3, 2008

CHR2008-083

Moved by Mayor McGee, seconded by Councillor Elmslie,

RECOMMEND THAT Report LMC2008-019, "Proposed Sale of Surplus Municipally Owned Land Lying Adjacent to Denfield Road Within the Former Geographic Township of Ops", be received;

THAT Council support, in principle, the disposition of the property with the current zoning designation;

THAT information be obtained regarding the options available for public auction and the establishment of restrictions or covenants being put into place as a condition of sale;

THAT staff be authorized to market the lands for sale to the general public for the value determined or higher than the recent appraisal;
THAT upon completion of the marketing of the lands, staff be authorized to enter into a conditional Agreement of Purchase and Sale with the highest offer;

THAT upon the execution of the conditional Agreement of Purchase and Sale, staff commence the public notification, 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 the disposition of the property; and

THAT the Mayor and Clerk be authorized to sign all documents to facilitate the disposition of the lands.

This report addresses that direction.

In September 2020, a representative of Wilson Staples Holdings Ltd. contacted the City to advise that there had been previous discussions regarding selling a portion of the Denfield Road property to Wilson Staples Holdings Ltd. in order to develop three subdivision lots and finish the adjacent subdivision.

The Land Management Committee reviewed the request at their meetings on September 14, 2020 and November 10, 2020. The Committee was agreeable to proceeding with a direct sale of a portion of the Denfield Road property to Wilson Staples Holdings Ltd., as the owner of the reserve fronting on the portion of land to be sold.

Public Notice advertising the potential sale of the subject property was completed by newspaper circulation in the Kawartha Lakes This Week on the 11th, 18th, and 25th days of March, 2021. During this three-week advertising period, notice was also posted on the City's website and a "Potential Surplus Property" sign was posted on-site. Realty Services did not receive any public concerns with regards to the proposed sale of the property. On the contrary, several residents within the adjacent subdivision contacted Realty Services and advised that they would be supportive of three additional lots being developed as it would line up with the houses on the south side of the street and create a more complete look, aesthetically. Further, the residents advised that there are currently services (hydro), just "hanging" at the sidewalk which they understood would at some point be connected to three new houses.

The purpose of this report is to advise Council that the Land Management Committee recommends that direction for a portion of subject property (more specifically outlined in Appendix B and Appendix C) be amended to allow for a direct sale of the subject lands. The remainder of the property will be retained by the City and prepared for a general market sale when appropriate.

Rationale:

As noted above, the entirety of the City-owned Denfield Road property was declared surplus on November 11, 2008 for purpose of a general market sale. The majority of the property is intended to be retained and prepared for general market sale at a later date.

The representative of Wilson Staples Holdings Ltd. advised that the company retained ownership of a small portion of property between the Denfield Road property and Denfield Road (both in City ownership) and that the purpose of the strip of land was to secure the adjoining portion of the Denfield Road property for future direct sale. The land owned by Wilson Staples Holdings Ltd. is shown in red on Appendix D. He further advised that Wilson Staples Holdings Ltd. had installed servicing to the Denfield Road property, intended to be connected to three lots once a direct sale was approved and finalized. The servicing is shown on Appendix E.

As Wilson Staples Developments Ltd. installed the servicing with the intention of later purchasing property from the City, they are requesting to purchase the subject property at pre-servicing appraised value. Section 3.03 of By-Law 2018-020, being a By-Law to Regulate the Disposition of Municipal Real Property in and for The Corporation of the City of Kawartha Lakes, requires that "prior to the disposition of any real property by the City of Kawartha Lakes, the Manager Realty Services shall obtain at least one appraisal of its fair market value." Council can make an exemption to this, which is recommended by the Land Management Committee in this situation.

The subject property and the adjoining property owned by Wilson Staples Holdings Ltd. were not part of the adjoining subdivision, so a deeming by-law will not be required to merge the properties upon conveyance. However, it is the Land Management Committee's understanding that the purchaser wishes to create three lots in order to "finish" the subdivision. Planning has advised that this can be done through part lot control in order to avoid going through the more costly and time consuming consent process (to sever the land into three lots once the City parcel and the purchaser's parcel merged). However, this would mean that the purchaser would also avoid a cash-in-lieu of parkland payment. Accordingly, Planning has recommended that Council require that the purchaser pay 5% above the appraised value in order to account for this amount.

The property is currently zoned and designated Industrial. The property is being sold with its current zoning and designation. The purchaser is required to make application to the City to rezone and redesignate the subject parcel. A Record of Site Condition will be required as a condition of rezoning, pursuant to the Environmental Protection Act and Planning Act requirements.

Other Alternatives Considered:

Council could decide not to proceed with a direct sale and instead proceed to list the entire property on the open market, as per the direction from 2008 (noted above). This is not recommended, as it does appear that there was some agreement on behalf of the

City to proceed with a direct sale to allow Wilson Staples Holdings Ltd. to complete three more lots within the subdivision.

Council could decide to sell the land at current market value (including existing servicing). This would be in keeping with By-Law 2018-020, but is not recommended in this situation, given that Wilson Staples Holdings Ltd. did install the servicing.

Alignment to Strategic Priorities

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

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

Financial/Operation Impacts:

The parties will be asked to enter into a conditional Agreement of Purchase and Sale with a \$1,000.00 deposit to cover initial costs. All costs of the transaction, plus a \$1,500.00 fee to cover the City's staff time expenses will be paid for by the purchaser.

The property value will be determined by an appraisal, taking into account the current market value of vacant land (disregarding the existence of servicing to account for the fact that the servicing was installed by the purchaser). The proceeds of the sale will be placed in the Property Development Reserve.

Consultations:

Land Management Committee
Manager – Planning

Attachments:

Appendix A – General Location Map



Appendix A -
General Location Map

Appendix B – Map



Appendix B -
Map.pdf

Appendix C – Aerial Photo



Appendix C -
Aerial.pdf

Appendix D – Map of Wilson Staples Holdings Ltd. Property



Appendix D - Map
(Wilson Staples Holc

Appendix E – Map of Servicing



Appendix E - Map
(Servicing).pdf

Department Head E-mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: L06-20-RS034