

6. SALE OF SURPLUS LAND, MCKINLEY DR., KANATA

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Approve entering into an “Option to Purchase” agreement for 5.44 acres of vacant land, described as part of Block 12, Plan 4M-755, being Parts 3, 4, 5, 6, 7, 10 and 11, on Reference Plan 4R-8067, as shown on Annex A, with Algonquin College of Applied Arts and Technology for the sum of \$ 92,562.50 for a period of one year from July 1, 2000 to June 30, 2001; and**
- 2. Approve the conditional sale of lands described in Recommendation 1, to Algonquin College of Applied Arts and Technology for the sum of \$ 1,481,000, subject to the conditions outlined in the body of this report.**

DOCUMENTATION

- 1. Planning and Development Approvals Commissioner’s report dated 05 June 00 is immediately attached.**

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
 MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
 RAPPORT

Our File/N/Réf. 18-96-70045-000
 Your File/V/Réf.

DATE 5 June 2000

TO/DEST. A/Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **SALE OF SURPLUS LAND,
 MCKINLEY DRIVE, KANATA**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council:

- 1. Approve entering into an “Option to Purchase” agreement for 5.44 acres of vacant land, described as part of Block 12, Plan 4M-755, being Parts 3, 4, 5, 6, 7, 10 and 11, on Reference Plan 4R-8067, as shown on Annex A, with Algonquin College of Applied Arts and Technology for the sum of \$ 92,562.50 for a period of one year from July 1, 2000 to June 30, 2001; and**
- 2. Approve the conditional sale of lands described in Recommendation 1, to Algonquin College of Applied Arts and Technology for the sum of \$ 1,481,000, subject to the conditions outlined in the body of this report.**

PURPOSE

This report deals with the disposition of land owned by the Region located on McKinley Drive and March Road within the South March Community of the City of Kanata.

BACKGROUND

The Assisted Housing Land Bank Fund was approved by Regional Council in 1990 as one of several measures to facilitate the provision of non-profit and cooperative housing projects. The fund was

established as part of the 1991 budget and purchases were to be guided through a Council approved strategic plan. The fund was designed to operate at no cost to the Regional Municipality of Ottawa-Carleton through full cost recovery of all capital and carrying costs associated with the property from the date of purchase.

The subject property was acquired by the Region from 977762 Ontario Ltd. (President, William MacQuarrie) on December 22, 1992 through the Assisted Housing Land Bank Fund, Project No. 912-19905 for \$ 875,000. The purchase was approved by Council on November 12, 1992 for the purpose of holding the land for future acquisition by a non-profit or cooperative housing corporation in accordance with the objectives of the program.

At that time, the Cooperative Housing Federation of Eastern Ontario had proposed the Region acquire the site on their behalf. The Region had indicated they would be given priority in the ultimate disposal of the site, in keeping with the strategic directions of the land bank fund. The Cooperative Housing Federation of Eastern Ontario subsequently facilitated the formation of the Beechmount Housing Co-op, who in turn submitted an offer to purchase the lands from the Region for \$875,000 in May 1995. At its meeting of June 28, 1995, Regional Council declared the lands surplus to Regional needs and approved the sale to Beechmount Housing Co-op for \$875,000.

In July 1995, the Provincial Government announced the cancellation of 385 social housing projects in Ontario including the Beechmount project. As a result, the transaction was cancelled between the Region and the Beechmount Housing Co-op. In early 1996 it was determined that the lands were no longer required for a Housing Co-operative and the property was circulated internally and externally to establish whether there was any interest for other programs. No interest was shown.

The property was listed for sale through the Real Estate Board of Ottawa-Carleton on July 2, 1996 for \$950,000 based on an independent appraisal report commissioned by the Region. An offer of \$ 837,000 was received from William MacQuarrie, In Trust. It was subject to the lands being rezoned to commercial. Discussions with the City of Kanata suggested that the City would not support a rezoning at that time. The purchaser withdrew the offer. Two subsequent offers were received for \$ 300,000 and \$ 400,000, both based on medium density residential uses. Neither offer was recommended for approval by staff due to the low price. No other offers were received and the property was taken off the market in July 1997.

In November 1997 an offer was submitted by William MacQuarrie, In Trust for \$ 1.4 M, subject to obtaining a rezoning of the property to a commercial use. An independent planning consultant, Meloshe & Assoc. was retained to conduct a planning study. That study confirmed that a rezoning to commercial was reasonable in today's market considering the changes and increased market activity that have taken place within Kanata North. Discussions with the City indicated that a rezoning to commercial might now be given more favourable consideration.

As a result of these findings, staff offered the property on the open market based on the commercial potential. The property was advertised in the Ottawa Citizen, the Ottawa Sun and LeDroit on February

18, 1998 and a "For Sale" sign was placed on the property. Eleven information packages were requested as a result of the direct marketing efforts.

This process ultimately resulted in a conditional sale to William MacQuarrie, In Trust for \$1,455,000 which was subject to close on or before June 28, 1999 with a non-refundable deposit of \$10,000. A further non-refundable deposit of \$ 10,000 was paid in January 1999. The property was subsequently rezoned to CG - Commercial General as per Bylaw 164-93 in 1999. The purchaser was not able to close on June 28, 1999 and an extension was granted until March 30, 2000 subject to non-refundable monthly payments of \$ 6,062.50 per month to cover holding costs. Total revenue to the Corporation for the deposits was \$ 62,437.50 On March 30th, the purchaser confirmed they would not be completing the transaction.

Current Status

In April, Algonquin College contacted the Region to express their interest in acquiring the subject property. The College is planning to build a “Corporate Training Centre” for hi-tech employees. The proposed building will consist of 50,000 sq.ft. which will serve the training needs for the hi-tech community. Through their site selection analysis, this site was the preferred location.

As a result, staff have negotiated an agreement with the College for this property. The highlights of the agreement are summarized below:

- Proposed purchase price of \$ 1,481,000 (\$272,243/ac) which is based on a recent appraisal completed by an independent firm;
- 1 year option with monthly non-refundable payments of \$ 7,713.54 commencing July 1, 2000. On an annual basis, this represents \$ 92,562.50 (annual return of 6.25% on purchase price). The College requires a one-year option to secure site plan approval and funding from the Province; and
- Proposed closing date on or before June 30, 2001

NEW CITY IMPACT - TRANSITION BOARD

The property is not required for accommodation or any active regional or municipal use. The sale of property will not affect or in any way impact the land or facility requirements of the New City.

In accordance with Ottawa Transition Board Regulation 100/2000 - Financial Guideline No. 1, Section 5.2 e), this transaction requires the approval of the Transition Board.

PUBLIC CONSULTATION

The lands were previously circulated to all internal and external stakeholders. The property was unsuccessfully offered for sale through the local Real Estate Board and was subsequently marketed directly by Regional staff. More recently, discussions with Algonquin College has resulted in this recommendation.

EXPENDITURE JUSTIFICATION

The sale of Regional lands will allow Algonquin College to proceed with the potential development of a Corporate Training facility to serve the educational needs of the growing hi-tech community.

FINANCIAL STATEMENT

This transaction represents revenue of \$ 1,481,000 to the Corporation which will be credited to the Assisted Housing Land Account 900039.

FINANCIAL IMPLICATIONS

The site was purchased by the Region in December 1992 for \$875,000. The option monies and sale proceeds will assist in defraying the original purchase and carrying costs.

*Approved by
Nick Tunnacliffe, MCIP, RPP*