



City of
Peterborough

TO: Members of the Committee of the Whole

FROM: Malcolm Hunt, Director of Planning and Development Services

MEETING DATE: October 31, 2011

SUBJECT: Report PLPD11-059
Surplus Declaration and Potential Sale of Part of 550 The Kingsway

PURPOSE

A report to recommend that the approximately 9 acres of property at 550 The Kingsway be declared as surplus to the needs of the Municipality and offered for sale through a public process.

RECOMMENDATION

That Council approve the recommendations outlined in Report PLPD11-059 dated October 31, 2011, of the Director of Planning and Development Services as follows:

- a) That a portion of the property described as Part of Part 1 on Plan 45R-1605, known Municipally as 550 The Kingsway and being approximately 9 acres in size, as illustrated on Appendix A to Report PLPD11-059 be declared surplus to the needs of the Municipality.
- b) That the value of the surplus property be established by a qualified commercial appraiser.
- c) That the City Real Estate Manager be authorized to negotiate the sale of approximately 7 of the 9 acres to Roshan Holdings Inc, in order to facilitate the development of a large format building products establishment.

- d) Pending a negotiated purchase and sale agreement satisfactory to City Council, that public notice be prepared disclosing:
- i) the City's intent to sell approximately 7 acres of 550 The Kingsway to Roshan Holdings,
 - ii) the sale price of the property,
 - iii) any conditions of sale of public interest,
 - iv) the date of the council meeting that Council will consider a bylaw to authorize the sale of the property,
 - v) the opportunity for public input, and

that the form of notice be in accordance with the intent of the City's property disposal bylaw 95-62.

BUDGET AND FINANCIAL IMPLICATIONS

There are no budget or financial implications arising out of the adoption of these recommendations. The proceeds of any sale will be deposited in the General Property Reserve account.

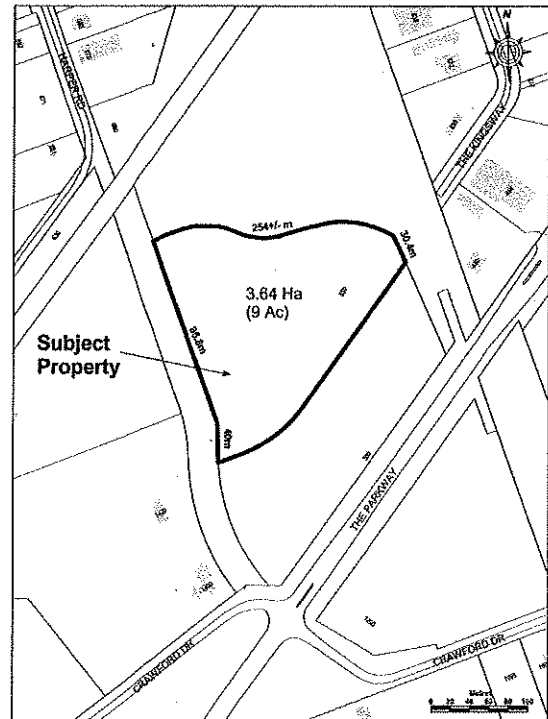
BACKGROUND

On September 7, 2010 Council authorized the purchase of the former Dunford property at 586 Harper Road. (see Planning Report PLPD10-076, attached as Appendix C). The property was specifically purchased to secure a superior site for a future GO Station than other properties in the vicinity and to provide a road linkage opportunity for alterations to the area road network due to anticipated growth. The subject property, known municipally as 550 The Kingsway was acquired by the City decades ago. Since 1993 the lands have been depicted in the Lansdowne West Secondary Plan as a future site for an intercity transportation facility due to its proximity to Highway 115 and the CPR mainline. With the acquisition of the former Dunford property, 550 The Kingsway is no longer required in its entirety by the City.

The City has been formally contacted by an abutting property owner (letter at Appendix B), with a request to purchase approximately 7 acres of 550 The Kingsway to support a major development opportunity that cannot be accommodated on the land they presently own immediately south of 550 The Kingsway.

There may also be an opportunity to sell some additional property along the frontage of the future extension of Harper Road connecting the existing Harper Road with the Crawford Drive / Parkway intersection.

550 The Kingsway is a parcel of land with challenging site conditions. The potential disposal of a portion of 550 The Kingsway has been reviewed with Otonabee Conservation (ORCA). Because the property is adjacent to Byersville Creek, a tributary of Harper Creek and is covered by a dense cedar woodlot it is proposed that approximately 9 acres of the property be made available to support additional development and the balance be left in its natural state for conservation purposes. At a preliminary level ORCA staff have advised that the interest of both organizations can be satisfied under this scenario. Additionally the lands left as conservation lands will serve the City's interest long term as the opportunity to improve the cold water fishery in the Harper Creek tributary provides habitat compensation opportunities for future municipal undertakings.



The City must follow a public process in declaring any portion of the property as surplus and subsequent sale of the property. The recommendations of this report outline a process that fulfills the objectives of the City's Property Disposal Bylaw 95-62.

In this circumstance, Staff recommends an accredited commercial appraiser be engaged to value the property and that direct negotiations with the adjacent land owner be permitted to facilitate the development of a large format building products establishment on the expanded site. By doing so, the City's property can generate a positive community impact including assessment and employment growth and speed of project delivery.

In order to establish realistic parameters for the future use of the City's property being offered for sale staff will assume during negotiations that a preferred use of the City property will not require an amendment to the City's Official Plan, however, an amendment to the zoning by-law is a possibility. In this way Council will keep a comfortable distance between its role as the Planning Authority and the vendor of land. The Official Plan sets out the broad land use objectives of the City. The zoning bylaw gives greater clarity to the land use objectives on a specific parcel of land.

Submitted by,



Malcolm Hunt, MCIP RPP
Director of Planning and Development Services

Alex McLeod, Ec.D
Real Estate Manager

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Alex McLeod

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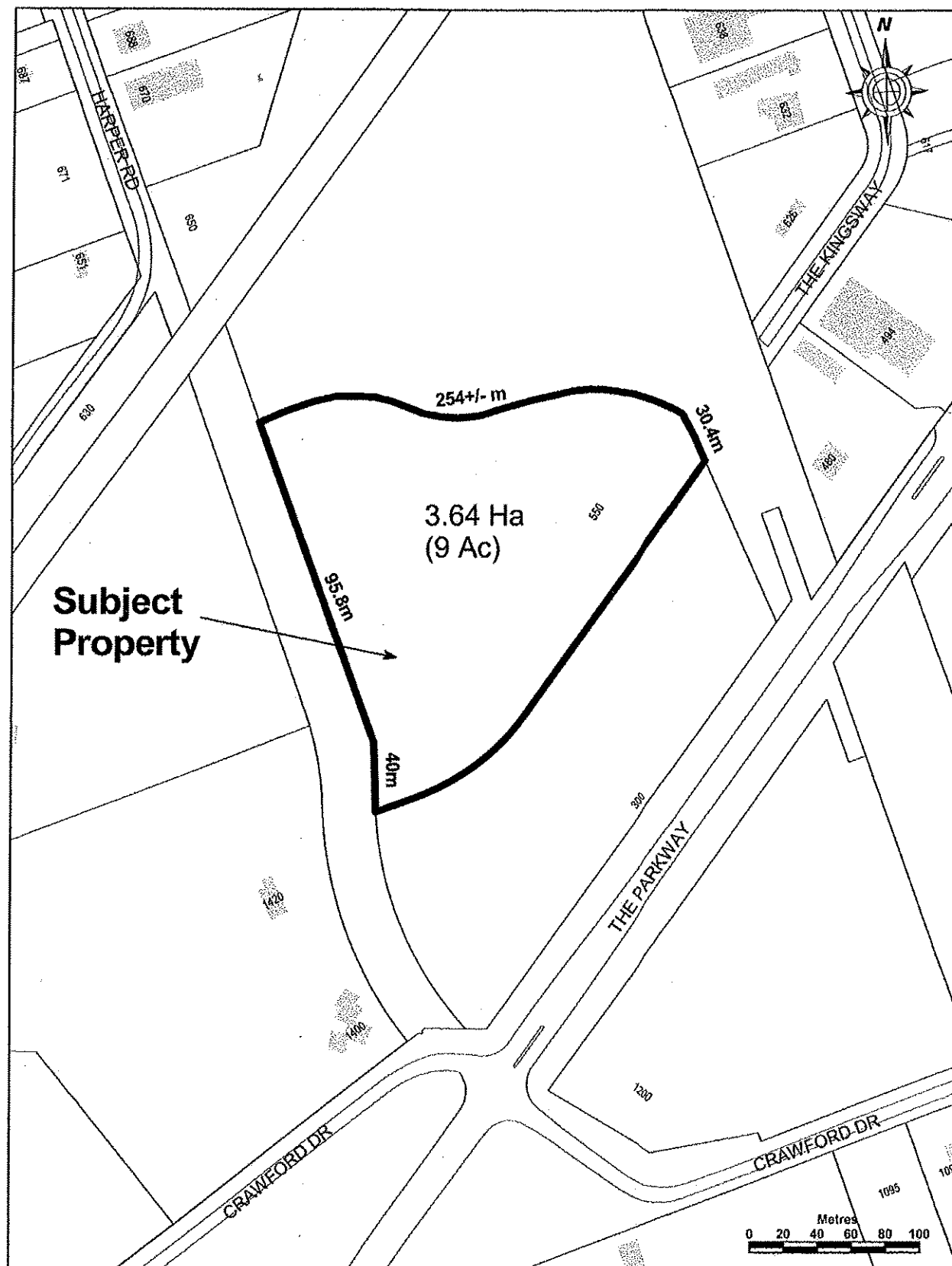
Attachments:

Appendix A – Property Location

Appendix B – Developer Letter

Appendix C - Report PLPD10-076, dated August 30, 2010

APPENDIX A– PROPERTY LOCATION



APPENDIX B – DEVELOPER LETTER (1 of 1)

Roshan Holdings Inc.
161 Chisholm Drive,
Milton ON
L9T 4A6

June 15, 2011

Dear Mr. Alex McLeod,

RE: Development of The Parkway & Crawford Drive

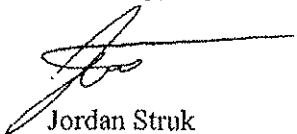
As you are aware we have been actively pursuing tenants for our commercial development at The Parkway and Crawford Drive. It has been a challenging process with the site constraints and general market conditions. On a positive note, we have recently been negotiating with a large organization that is very interested in establishing a major service facility to the Greater Peterborough area. This service provider will support the local economy and offer employment to a significant number of Peterborough residents.

In order to accommodate this organization it is essential that we acquire approximately 7.0 acres of the adjacent lands currently owned by the City of Peterborough.

Can you please commence the process to acquire this property.

Should you require any additional information please do not hesitate to contact the undersigned.

Sincerely,



Jordan Struk
Director of Development
Roshan Holdings Inc.
161 Chisholm Drive,
Milton ON
L9T 4A6



City of
Peterborough

**APPENDIX C TO REPORT
PLPD11-059**

TO: Members of the Committee of the Whole

FROM: Malcolm Hunt, Director, Planning and Development Services

MEETING DATE: August 30, 2010

SUBJECT: Report PLPD10-076
Dunford Purchase – 586 Harper Road

PURPOSE

A report to recommend the acquisition of 586 Harper Road for long-term municipal purposes.

RECOMMENDATIONS

That Council approve the recommendations outlined in Report PLPD10-076 dated August 30, 2010, of the Director of Planning and Development Services, as follows:

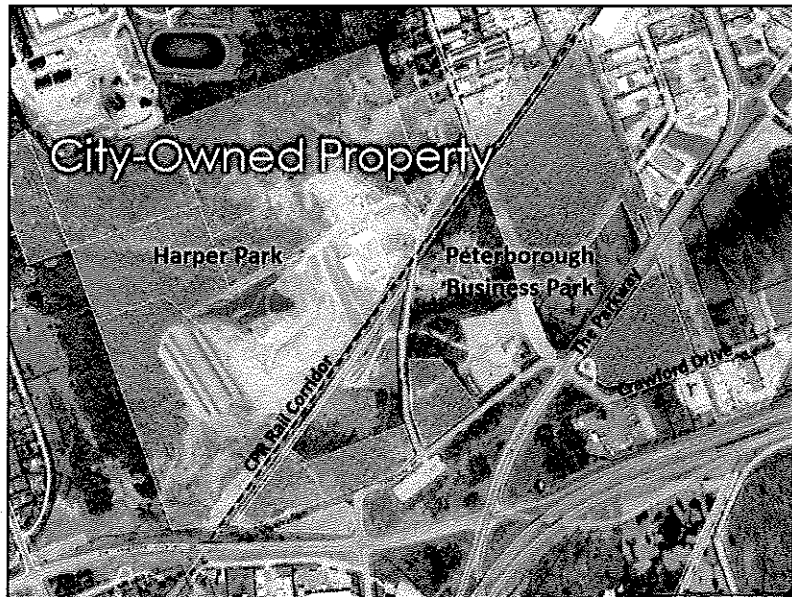
- a) That a by-law be passed to authorize the purchase of 586 Harper Road, part of Lot 9, Concession 11, formerly in the Township of North Monaghan, being approximately 7.9 acres in area, from Floyd George Dunford, at a purchase price of \$987,500.
- b) That Capital Project 7-1.01, Property Acquisitions, be used as the funding source for this acquisition, and that staff be directed to explore opportunities to restore the available funding for a “strategic downtown purchase” as contemplated by Capital Project 7-1.01.

BUDGET AND FINANCIAL IMPLICATIONS

This purchase can be funded from Capital Project 7-1.01. Recommendation b) acknowledges that \$900,000 of the available funding in Project 7-1.01 was intended for a strategic downtown purchase. There is presently no downtown property under active purchase consideration.

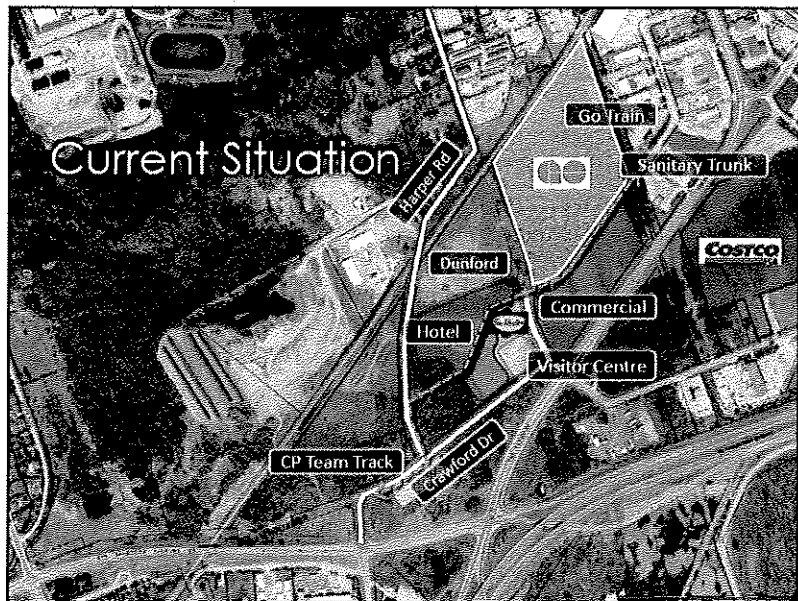
BACKGROUND

The City of Peterborough has progressively assembled approximately 200 acres of land over the past 40 years in the vicinity of Harper Road and Crawford Drive. In the early days of acquisition the objective was to establish Harper Park, a large natural area supporting a cold-water fishery. Generally this area is west of Harper Road and north of the CPR rail corridor. In the 80's and 90's considerable land was acquired south of the rail corridor to support the creation of the Peterborough Business Park. The area was also recognized for its locational significance, being placed strategically at the gateway entrance to the city. The acquisitions included a 20-acre parcel at the southwest corner of the CPR rail corridor and Byersville Creek for a future intercity commuter facility (GO Station), surplus Ministry of Transportation property around The Parkway/Crawford Drive intersection and a number of light industrial properties along Harper Road. In the early 90's the City adopted the Lansdowne West Secondary Plan, which formally established these long range-planning objectives as part of the City's Official Plan.



The City released approximately 16 acres of land at The Parkway/Crawford Drive intersection following the updating of the City's commercial policies in 2000 to support the development of the Visitor Centre. The Visitor Centre development blended the objectives of the Peterborough Business Park with a community need to establish a welcoming, convenient visitor reception area at the City's gateway.

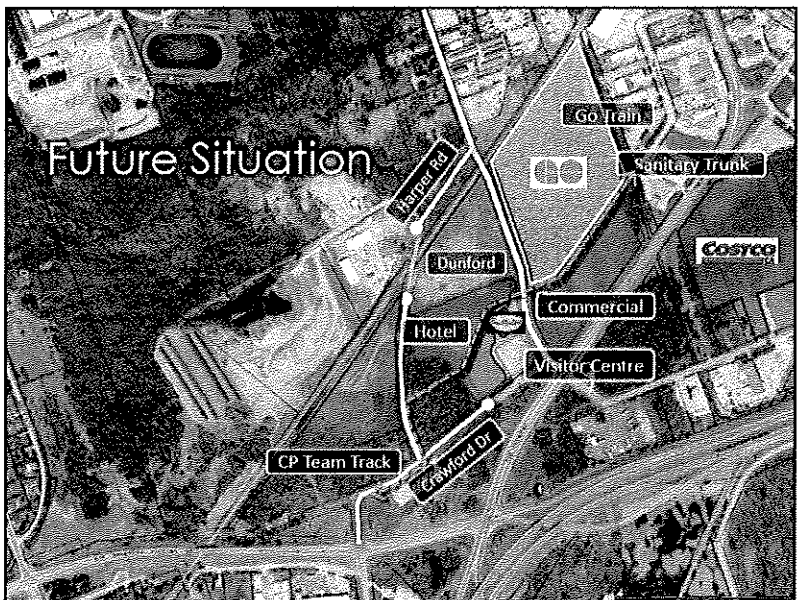
The Dunford property, situated at 586 Harper Road, remains privately owned. It is approximately 7.9 acres in area and lies between the Visitor Centre and the CPR rail corridor. For much of its history it has been used for a number of light industrial activities, most recently a yard for landscape products. The parcel has been somewhat disguised due to its limited frontage on Harper Road and the extensive tree cover of abutting properties.



THE FUTURE:

Road Network Changes:

It has been understood that growth in traffic volumes attributed to the ongoing development of Major Bennett Industrial Park, The Visitor Centre and related hospitality services, and additional south-end commercial development would require changes to the existing transportation infrastructure. The current expansion of capacity of the Highway 115/The Parkway interchange is part of that program. In the City's capital budget forecast major adjustments to The Parkway/Crawford Drive intersection will also be required in order to extend Harper Road directly to the Crawford Drive /The Parkway intersection. This will necessitate the closure of the west leg of Crawford Drive to eliminate the interference with the through movement of north south traffic so close to the intersection. Even the limited traffic associated with the Visitor Centre and Tim Horton's is beginning to cause congestion. Further commercial development at the Visitor Centre site will necessitate



the completion of the Harper Road extension and elimination of the west leg of Crawford Drive.

The new north-south extension of Harper Road introduces a new crossing of the CPR rail corridor. Staff believe that this new crossing will be permitted on the assumption that the existing Harper Road crossing is eliminated. To "reconnect" the area west of the Visitor Centre site, including the commuter parking lot and the industrial park, to the Harper Road corridor, without forcing it all through the Parkway/115 interchange, will require a new east-west road to be built to replace the function presently provided by the west leg of Crawford Drive. The Dunford property may be ideally located for this road corridor.

Changing Requirements for an Intercity Transportation Solution:

A. *COST and ENVIRONMENTAL CONSIDERATIONS:*

The 20-acre city-owned parcel immediately north of the west side of the Visitor Centre site has been long designated as the future intercity commuter facility or GO Train station. The City-owned site is similar in character to the adjoining Visitor Centre lands. It is reasonable to assume that for the property will be as physically challenging as was experienced at the Visitor Centre site. In contrast, a significant portion of the Dunford property is already disturbed and the site is higher in elevation than the lands to the east.

B. *FUTURE FLEXIBILITY:*

The 20-acre city-owned property is further constrained as a GO Train site given that the available track frontage will be confined between the new Harper Road extension and Byersville Creek. While sufficient frontage is likely available for the initial phases of development, as time passes and additional rail capacity is required, there is a concern that the station site will become landlocked. An attractive alternative is the Dunford property. Assuming the Harper Road extension is built, the Dunford Property, in association with the existing CPR and other City-owned lands will create an uninterrupted railway frontage three (3) times longer than what is available at the existing designated "GO" site.

THE OPPORTUNITY:

It is the recommendation of staff that the 7.9 acre Dunford property be purchased at a price of \$125,000 per acre for a total acquisition price of \$987,500.

It is recommended that the purchase be funded using a special contribution of \$900,000 secured through the 2010 budget process for a "strategic downtown purchase". There are no active negotiations on downtown property acquisition at this time. The total purchase price can be accommodated through the Property Acquisitions budget, drawing upon the General Property Reserve.

The Dunford property may have immediate use for another municipal activity on an interim basis. This matter would be evaluated by staff and reported on at a future date.

SUMMARY

This purchase is being recommended for its long-term strategic interests to the City. The property has a likely role to play completing the road network following the extension of Harper Road. The property is a more viable Go Station location from an environmental and cost perspective. It also provides far more flexibility for rail expansion over time. It is a purchase that may provide an interim solution for another municipal purpose.

Submitted by,

Malcolm Hunt, MCIP, RPP
Director of Planning and Development Services

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