



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	April 16, 2014
<b>SUBJECT/REPORT NO:</b>	Declaration of Surplus and Sale of 193 King Street East, Hamilton (Sandbar Tavern), described as Lot 12, Plan 1393 (PED14068) (Ward 2)
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Frank Albrecht (905) 546-2424 Ext. 2656
<b>SUBMITTED BY:</b>	Neil Everson Acting General Manager Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That City land described as Lot 12, Registrar's Compiled Plan 1393, municipally known as 193 King Street East, Hamilton and forming PIN 17168-0048 and Roll No. 251802015250610, as shown on Appendix "A" attached to Report PED14068, be declared surplus to the requirements of the City of Hamilton, in accordance with Procedural By-Law 04-299;
- (b) That Council rescind City Council approved agenda Item 10.1 (c) of September 27, 2006, *"That the appropriate City staff enter into negotiations with Hamilton Realty Corporation Inc. (HRCI) for the purposes of transferring 193 King Street to the HRCI and that staff report back to Council on any proposed agreement"*;
- (c) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to sell the subject lands at fair market value;
- (d) That the proceeds of sale be credited to Account No. 47702-3560150200 (Land and Property Sales) for recovery of expenses including Real Estate administration fees, appraisal and legal expenses.

## **EXECUTIVE SUMMARY**

The purpose of this Report is to request City Council to declare the subject property surplus to the requirements of the City and to direct Real Estate staff to dispose of the property in accordance with City policy.

***Alternatives for Consideration – See Page 3***

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** The subject parcel is to be sold at fair market value.

**Staffing:** There are no staffing implications arising from this recommendation, other than Real Estate and Legal Services staff working together to complete the sale of the property.

**Legal:** Legal Services Division will be required to assist in the preparation of the necessary closing documentation upon disposition.

## **HISTORICAL BACKGROUND**

On September 27, 2006, City Council approved Agenda Item 10.1 which authorized acceptance by the City of a Transfer/Deed of Land from the Crown in Right of Ontario, at no consideration, for the property known municipally as 193 King Street East, being the site of the former Sandbar Tavern. This transfer was made in accordance with the “*Remedies for Organized Crime and Other Unlawful Activities Act*”. Together with the foregoing authorization, Council declared the property surplus and directed City staff to enter into negotiations with Hamilton Realty Corporation Inc. (HRCI) for the purpose of transferring the property to HRCI, now Hamilton Realty Capital Corporation (HRCC).

As a means of attracting private investment for the renewal and revitalization of Downtown Hamilton, Council on June 23, 2006 endorsed the Unanimous Shareholders Agreement and executed same on July 12, 2006 with HRCI. HRCI is a private for profit joint venture between the City and private investor(s), wherein the City offers loans, matched by investors, to fund restorations and redevelopments within the Downtown Hamilton Community Improvement Area.

The property is improved with a four storey mixed use commercial/residential building currently zoned “D2 – Prime Retail Streets”. Vacant since 2006 and in a state of disrepair, the City reached an agreement with HRCC on April 27, 2010 in the hopes of redeveloping the subject property in conjunction with the property to the north at 140 King William Street, a municipal holding known as Municipal Car Park Lot No. 5. The proposed redevelopment was to consist of mixed commercial/residential and institutional uses, along with a parking structure. Unable to secure tenants to make the

redevelopment feasible, HRCC in September 2011, allowed the terms contained in the Agreement of Purchase and Sale to lapse.

Other redevelopment options for the subject property included incorporating the site with the Hamilton Police Services (HPS) future Forensic Lab as well as a Light Rail Transit (LRT) hub. HPS has purchased a site for the proposed Forensic Lab, and development of the LRT hub remains dependent upon a funding commitment from the Province.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

As no municipal need has been identified for the subject property, Council's direction is being sought to allow staff to declare the subject property surplus and dispose of the land, in accordance with the City's Real Estate Portfolio Strategy Plan.

## **RELEVANT CONSULTATION**

Real Estate staff circulated notice of the surplus lands to relevant City of Hamilton staff. Consultation was also carried out with staff in the following City Departments:

- Ward 2 Councillor;
- Public Works Department;
- Planning and Economic Development Department, Planning Division; and,
- City Manager's Office, Legal Services Division.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

In the absence of a discernible public use for the property, the City of Hamilton will receive a financial benefit from the sale of the subject lands. Upon its disposition, the property will generate additional property tax revenue and indemnify the City from potential liability and eliminate maintenance costs.

## **ALTERNATIVES FOR CONSIDERATION**

Should Council decide not to declare the lands surplus and approve disposition, the parcel will remain in City ownership for an unknown period of time and continue to be an unproductive asset and a liability for the City of Hamilton.

## **ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN**

### **Strategic Priority #1**

A Prosperous & Healthy Community

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

### **Strategic Objective**

- 1.1 Continue to grow the non-residential tax base.
- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

### **Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

### **Strategic Objective**

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PED14068 – Location Map

FA/sd