



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 30, 2015
SUBJECT/REPORT NO:	City Repurchase of 10 and 12 Grafton Avenue, Hamilton from Sharifa Ali and 1651979 Ontario Limited (Sharifa Ali) (PED15036) (Ward 5)
WARD(S) AFFECTED:	Ward 5
PREPARED BY:	Darlene Cole (905) 546-2424 Ext. 7910
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATIONS:

- (a) That the City Solicitor be authorized and directed to repurchase 10 and 12 Grafton Avenue, described as Lots 37 and 38, Plan 497, being all of PIN Nos. 175690245 and 175690246 as shown on Appendix "A" attached to Report PED15036, pursuant to the restrictive covenants contained in the conveyances to Sharifa Ali and to 1651979 Ontario Limited registered as Instrument Nos. VM264076 and VM264078;
- (b) That, as a condition of the repurchase, the City Solicitor be directed to deduct all outstanding municipal property taxes and local improvement charges from the purchase price;
- (c) That the repurchase price of \$33,000 per lot (minus outstanding municipal property taxes and local improvement charges) be charged to Account No. 59259-3561250201 (Beach Properties Sales and Maintenance). The funding for this purchase is to be transferred from the Beach Park Development Reserve No. 108037;
- (d) That the Mayor and the City Clerk be authorized and directed to execute the necessary documents in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

Sharifa Ali is the personal and corporate owner of 10 and 12 Grafton Avenue, two residential building lots acquired from the City in 2005. These conveyances were subject to building covenants that prescribed development within two years. Shortly after closing, Sharifa became ill and has yet to recover. Burdened with a long-term illness, development of these parcels by the current owner has not and will not be realized, and she has requested the City to repurchase both parcels.

Staff is supportive of this request and seeks Council approval to proceed.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Funding for the repurchase of 10 and 12 Grafton Avenue will be sourced from the Beach Park Development Reserve No. 108037.

Staffing: N/A

Legal: Legal Services will be required to assist in the preparation of the necessary documents required to complete the transaction as set out herein.

HISTORICAL BACKGROUND

The Hamilton Beach Neighbourhood Plan evolved from an assembly of 159 properties formerly held by the Hamilton Regional Conservation Authority together with 10.32 ha (25.49 ac) of surplus Ministry of Transportation (MTO) lands.

From this assembly, 68 parcels were declared surplus by City Council on June 27, 2000. Many of these being buildable lots, were to be sold for residential development while any parcels considered unbuildable due to irregular shape or being undersized, were to be offered to abutting owners at market value.

As a condition of sale, the purchaser was required to commence construction of single family dwellings on each lot by March 31, 2006 and complete construction by March 31, 2007. Early in January 2015, Ms. Ali contacted Real Estate staff advising that she was unable to move forward with her development plans for these parcels. In turn, staff agreed to request Council for approval to repurchase the two lots at the original purchase price, in accordance with the following covenants contained in the registered deeds:

- “14. The Purchaser covenants and agrees to redevelop the property with a single detached dwelling, construction of said new building shall be commenced within 12 months and completed within 24 months (as evidenced by the approval of Occupancy by the City), from the date this transaction is completed.
15. No transfer of the said lands shall be made by the Purchase until the Vendor confirms that the covenants in Paragraph 14 have been complied with.
16. If the Purchaser fails to comply with the condition in Paragraph 14 within the time required, then the Vendor (City) shall have the option, which option is granted to the Vendor by the Purchaser for good and valuable consideration, to repurchase the property and to receive a conveyance of it free and clear of all charges and encumbrances, liens, claims or adverse interests whatsoever, and the Vendor agrees to pay the Purchase the original purchase price for the said lands, less the deposit, less real estate commission, less arrears of realty taxes, penalty and interest (including local improvement charges), less amounts required to discharge and mortgages, liens, charges or other encumbrances against the said lands and less the costs of the Vendor incurred in entering on the land and retaking and reselling the land and without increase or compensation for any improvements, additions, alterations in, on, or under the said lands.”

The total repurchase price is calculated at \$33,000 per lot, being the original sale price. Any arrears of realty taxes, penalty and interest will be adjusted on closing. Upon repurchase, the parcels will be returned to the City’s inventory of lands available for sale.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Real Estate Portfolio Management Strategy
- Growth Related Integrated Development Strategy
- Building a Strong Foundation
- Provincial Policy Statement
- Places to Grow

RELEVANT CONSULTATION

- Legal Services Division, City Manager’s Office
- Ward 5 Councillor Chad Collins, Councillor’s Office

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Demand for residential building lots in the Beach neighbourhood is strong, stimulated in part by proximity to Lake Ontario, the waterfront trail and beach amenities along with

easy access to the major highways. Investors coming from the Greater Toronto Area are attracted by the unique character of this neighbourhood, the number of new builds, affordability, and recreational opportunities in the immediate area.

Given the level of interest expressed by investors and the number of lots sold during 2014, 10 and 12 Grafton Avenue will likely be absorbed within a short term and developed by others.

ALTERNATIVES FOR CONSIDERATION

Should the City choose not to repurchase, Sharifa Ali would be unable to sell the property on the open market due to the restrictive covenants registered on title. These lots would remain undeveloped for an unknown period of time.

Considering the development community's interest in this neighbourhood, reselling the property would be beneficial by creating assessable, productive parcels.

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

- 1.5 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).

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED15036 - Location Map

DC/sd