

Hamilton

SCHOOL BOARD PROPERTIES SUB-COMMITTEE REPORT 16-001

Friday, January 15, 2016

1:30 p.m.

Room 222, Second Floor

Hamilton City Hall

71 Main Street West

Present: Councillors M. Green, S. Merulla, C. Collins (Chair), T. Jackson, D. Conley, M. Pearson, J. Partridge (Vice Chair)

Also Present: Councillor A. VanderBeek

THE SCHOOL BOARD PROPERTIES SUB-COMMITTEE PRESENTS REPORT 16-001 AND RESPECTFULLY RECOMMENDS:

1. **Surplus School Property at 155 East 26th Street known as Eastmount Park Elementary School (PED15127(a)) (Ward 7) (Item 12.2)**
 - (a) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to present a bona-fide offer to purchase the surplus property located at 155 East 26th Street, legally described as Lots D, E, 324 – 330 and 393 – 399, Part Lots 331 and 392, Plan 608 as in HL193448; Part of East 27th Street, Plan 608 as in HL170834 and HL193448, Closed by Order as in HL167453; Part East 27th Street, Plan 608 as in HL240204, Closed by By-law 9904 as in HL219047 except AB24304; City of Hamilton, and further identified as PIN 17058-0027(LT); being 0.683 ha (1.687 acres) in size, more or less, as shown on Appendix “A” attached to Report (PED15127(a)) to the Hamilton-Wentworth District School Board (HWDSB), on terms and conditions acceptable to the General Manager, Planning and Economic Development;
 - (b) That the budget and funding for the property acquisition consisting of the market value of the land, including all Real Estate and Legal Services administrative fees, building condition abatement, demolition, site

remediation, contingency and other related costs, as detailed in Appendix "B" of Report (PED15127(a)) be approved;

- (c) That subject to a successful acquisition under Recommendation (a) of Report PED15127(a) :
 - (i) Staff be authorized and directed to demolish the existing surplus school structure and finish the property with a grassed area;
 - (ii) The Recreation Division be directed to complete a recreation needs assessment for Eastmount Park and the subject lands, including engagement of the Ward Councillor, adjacent Community and recreation stakeholders;
 - (iii) Any recommendations from the recreation needs assessment that include new parkland infrastructure will be funded through the **Wards 1-8** discretionary funding, other funding sources, or considered in the Open Space Development Capital Program;
 - (iv) The unopened road allowance located north of East 28th Avenue be deemed surplus (if determined feasible as per Recommendation (b) to Report PED15127) and Real Estate staff be authorized and directed to dispose of the surplus unopened road allowance in accordance with the "Sale of Land Policy By-law", being By-law 14-204; and
 - (v) Any net proceeds from the sale of the East 28th Avenue unopened road allowance be returned to Parkland Dedication Reserve Account No. 104090;
- (d) That Report PED15127(a) respecting Surplus School Property at 155 East 26th Street known as Eastmount Park Elementary School (PED15127(a)), remain confidential and not be released as a public document until following the completion of a transaction pursuant to an agreement of purchase and sale, and that the financial details outlined in Appendix "B" attached to Report PED15127(a) remain confidential and not be released as a public document; and
- (e) That the Mayor and Clerk be authorized and directed to execute all necessary documents for the proposal respecting the surplus school property 155 East 26th Street (PED15127(a)) in a form satisfactory to the City Solicitor.

2. **Surplus School Property at 31 Parkside Avenue, Dundas, known as Parkside Secondary School (PED15123(a)) (Ward 13) (Item 12.3)**

- (a) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to present a bona-fide offer to purchase the surplus property located at 31 Parkside Avenue, Dundas legally described as Part Lot 1, Registrar's Compiled Plan 1385; Part of Lots 5 and 6, Registered Plan 1444, former Town of Dundas and further identified as PIN 17584-0063 and being 1.66 ha (4.10 acres) in size, more or less, as shown on Appendix "A" attached to Report PED15123(a) to the Hamilton-Wentworth District School Board (HWDSB), on terms and conditions acceptable to the General Manager, Planning and Economic Development Department;
- (b) That the budget and funding for the property acquisition consisting of the market value of the land, including all Real Estate and Legal Services administrative fees, building condition abatement, demolition, site remediation, contingency and other related costs, as detailed in Appendix "B" of Report PED15123(a) be approved;
- (c) That Report PED15123(a) respecting Surplus School Property at 31 Parkside Avenue, Dundas, known as Parkside Secondary School (PED15123(a)), remain confidential and not be released as a public document until following the completion of a transaction pursuant to an agreement of purchase and sale, and that the financial details outlined in Appendix "B" attached to Report PED15123(a) remain confidential and not be released as a public document;
- (d) That subject to a successful acquisition under Recommendation (a) of Report PED15123(a):
 - (i) Staff be authorized and directed to demolish the existing school structure;
 - (ii) Staff be authorized and directed to pursue the use of a portion of the subject site for cemetery uses; and,
 - (iii) Any remnant parcel be deemed surplus and Real Estate staff be authorized and directed to dispose of the surplus remnant parcel in accordance with the "Sale of Land Policy By-law", being By-law 14-204;
- (e) That the Mayor and Clerk be authorized and directed to execute all necessary documents for the proposal respecting the surplus school Property 31 Parkside Secondary School (PED151123(a)) in a form satisfactory to the City Solicitor.

FOR THE INFORMATION OF COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the Agenda.

The agenda for the January 15, 2016 meeting of the School Board Properties Sub-Committee was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) November 10, 2015 (Item 3.1)

The Minutes of the November 10, 2015 meeting of the School Board Properties Sub-Committee were approved, as presented.

(d) PRIVATE AND CONFIDENTIAL (Item 12)

(i) Closed Session Minutes – November 10, 2015 (Item 12.1)

As the School Board Properties Sub-Committee determined that no discussion, respecting the Closed Session Minutes of November 10, 2015, meeting was required, the Minutes were approved in Open Session, as shown below:

(a) The Closed Session Minutes of the November 10, 2015, meeting of the School Board Properties Sub-Committee be approved, as presented; and,

(b) The Closed Session Minutes of November 10, 2015, meeting of the School Board Properties Sub-Committee, remain confidential and restricted from public disclosure.

The Committee moved into Closed Session, at 1:37 p.m. respecting Items 12.2: Surplus School Property at 155 East 26th Street known as Eastmount Park Elementary School (PED15127(a)) (Ward 7), and 12.3 Surplus School Property at 31 Parkside Avenue, Dundas, known as Parkside Secondary School (PED15123(a)) (Ward 13), pursuant to

Section 8.1, Sub-section (c) of the City's Procedural By-law 14-300, and Section 239, Sub-section (c) of the *Ontario Municipal Act, 2001*, as amended, as the subject matters pertain to a proposed or pending acquisition or disposition of land for City purposes.

(ii) **Surplus School Property at 155 East 26th Street known as Eastmount Park Elementary School (PED15127(a)) (Ward 7) (Item 12.2)**

Due to a typographical error in sub-section (c)(iii), the following phrase was amended by deleting the phrase "Ward 7", and replacing it with "Wards 1-8", to read as follows:

- (iii) Any recommendations from the recreation needs assessment that include new parkland infrastructure will be funded through the **Wards 1-8** discretionary funding, other funding sources, or considered in the Open Space Development Capital Program;

For disposition of this matter, please refer to Item 1.

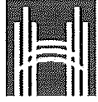
(e) **ADJOURNMENT (Item 13)**

That there being no further business, the School Board Properties Sub-Committee adjourned at 1:48 p.m.

Respectfully submitted,

Councillor J. Partridge, Vice-Chair
School Board Properties
Sub-Committee

Loren Kolar
Legislative Coordinator
Office of the City Clerk



Hamilton

CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
 Economic Development Division

TO:	School Board Property Sub-Committee
COMMITTEE DATE:	January 15, 2016
SUBJECT/REPORT NO:	Surplus School Property at 31 Parkside Avenue, Dundas, known as Parkside Secondary School (PED15123(a)) (Ward 13)
WARD(S) AFFECTED:	Ward 13
PREPARED BY:	Keith Anderson (905) 546-2424 Ext. 7634
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Discussion of this Confidential Report in closed session is subject to the following requirement(s) of the City of Hamilton's Procedural By-law and the *Ontario Municipal Act, 2001*:

- ♦ A proposed or pending acquisition or disposition of land for City purposes;

RECOMMENDATION

- (a) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to present a bona-fide offer to purchase the surplus property located at 31 Parkside Avenue, Dundas legally described as Part Lot 1, Registrar's Compiled Plan 1385; Part of Lots 5 and 6, Registered Plan 1444, former Town of Dundas and further identified as PIN 17584-0063 and being 1.66 ha (4.10 acres) in size, more or less, as shown on Appendix "A" attached to Report PED15123(a) to the Hamilton-Wentworth District School Board (HWDSB), on terms and conditions acceptable to the General Manager, Planning and Economic Development Department;
- (b) That the budget and funding for the property acquisition consisting of the market value of the land, including all Real Estate and Legal Services administrative fees, building condition abatement, demolition, site remediation, contingency and other related costs, as detailed in Appendix "B" of Report PED15123(a) be approved;

SUBJECT: Surplus School Property at 31 Parkside Avenue, Dundas, known as Parkside Secondary School (PED15123(a)) (Ward 13) - Page 2 of 7

- (c) That the entirety of Report PED15123(a) remain confidential and not be released as a public document until following the completion of a transaction pursuant to an agreement of purchase and sale, and that the financial details outlined in Appendix "B" attached to Report PED15123(a) remain confidential and not be released as a public document;
- (d) That subject to a successful acquisition under Recommendation (a) of Report PED15123(a):
 - i) Staff be authorized and directed to demolish the existing school structure;
 - ii) Staff be authorized and directed to pursue the use of a portion of the subject site for cemetery uses; and,
 - iii) Any remnant parcel be deemed surplus and Real Estate staff be authorized and directed to dispose of the surplus remnant parcel in accordance with the "Sale of Land Policy By-law", being By-law 14-204;
- (e) That the Mayor and Clerk be authorized to execute all necessary documents for the proposal respecting the surplus school Property 31 Parkside Secondary School (PED151123(a)) in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

Parkside High School was recently declared surplus by the Hamilton-Wentworth District School Board (HWDSB). The property is an irregular shaped 4.1 acre parcel improved with a 94,830 sq. ft. two storey high school built in the 1960s. HWDSB circulated a statutory notice to preferred agencies including the City of Hamilton on November 12, 2015, providing for a 90 day period within which to submit an offer to purchase the property.

On September 9, 2015, City Council approved report PED15123 directing staff to undertake due diligence and report back on the potential acquisition and funding sources of the subject property.

City staff recommend the acquisition of the former school site to: accommodate the City's requirement for approximate 2 acres of land for a cemetery in Dundas; expand the Dundas Driving Park with a small sloped buffer land area; and, dispose of the remaining lands subject to suitable restrictive covenants to protect the character of the neighbourhood and to partly offset the costs of the acquisition.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The estimated costs related to this potential property acquisition are itemized in Appendix “B” of Report PED15123(a) and include the estimated net market value acquisition price, building abatement costs (disposal of hazardous materials and designated substances), demolition, site remediation, Real Estate and Legal fees, survey and contingency. All costs are to be funded from Account Number 59259-2051550501.

Staffing: Real Estate staff will draft the Offer to Purchase and submit it to the HWDSB. Upon acquisition, the property will be maintained by existing Public Works staff. Future operations requirements of a cemetery will be identified in future budget submissions.

Legal: Legal Services will assist in completion of the property acquisition.

HISTORICAL BACKGROUND

On March 6, 2014, the HWDSB circulated a Public Meeting notice that it was considering declaring the property surplus. Real Estate staff circulated a memo to other City departments and stakeholders requesting comments and whether there was any interest in acquiring the property. Based on this circulation to stakeholders and consideration by the Portfolio Management Committee (PMC), staff deemed the potential acquisition of the property not to be of interest to the City. City Council requested that a community impact assessment from the closure of Parkside Secondary School be prepared.

In the summer of 2015, it was anticipated that a statutory notice would imminently be circulated. Community concerns respecting the nature of possible redevelopment of the property should it be sold to a private developer and the desire to control the future use, height and density of development on the property to protect the character of the community have been expressed to the local Councillor. Real Estate staff was requested to consider the possibility of the City acquiring the property and imposing conditions of development prior to re-selling on the open market.

On September 9, 2015, City Council approved Report PED15123 authorizing staff to conduct due diligence work in preparation for a potential property acquisition, including an appraisal of market value, estimation of demolition costs, investigation of possible building abatement, site remediation, etc. Staff was directed to report on an acquisition and funding strategy following the receipt of the notice of sale from the HWDSB.

In September 2015, the City retained consultants to undertake the due diligence. The investigations were delayed because HWDSB was doing work in the school and cleaning up the premises and did not allow access. Access was permitted in early November 2015, at the time the Phase II protocol notice was circulated to the City and

other preferred agencies. Accordingly, as of the date of the preparation of this Report the appraisal and due diligence studies have not been finalized but will be prior to the matter being considered by Committees and Council.

An Information Report was submitted to Council in November 2015 concerning the Community Impact Assessment of the Closure of Parkside Secondary School – Report PED15171. Essentially, it was staff's opinion that there were no impacts on the community or impacts that could be measured due to the short duration of the study.

On November 10, 2015, the Cemetery Section, Environmental Services Division, Public Works Department submitted a business case in support of the acquisition of a portion of the property. The Portfolio Management Committee has reviewed the business case and recommends the requested acquisition.

HWDSB circulated a statutory notice to preferred agencies including the City of Hamilton on November 12, 2015, providing for a 90 day period within which to submit an offer to purchase the property.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

HWDSB has an established property disposal protocol for Board owned properties to be declared surplus. Through informal and formal means as governed by Section 194(3) of the *Ontario Education Act* and Ontario Regulation 444/98, the City is engaged at various stages of the process of property disposition by HWDSB.

Under Phase 1 of the Property Disposition Protocol, HWDSB officially informs the City of Hamilton and local community in advance of declaring a property surplus and its potential disposition. Under Phase II of the Property Disposition Protocol, HWDSB circulates a notice of the proposed property disposition to preferred agencies (as per Ontario Regulation 444/98) which includes the City. Said agencies may submit an offer to purchase the property within the statutory 90 day period specified in the notice.

City Council adopted principles (Portfolio Management Strategy, 2004) for property acquisition states "Property will be acquired in support of an approved program only. A budget item must be approved for the program, including the costs of the real property and operational impact, before action is taken to acquire property." Further, the investment decision must be supported by market surveys (i.e. appraisal) and appropriate due diligence.

In keeping with the general municipal protocol related to potential surplus school properties, the School Board Properties Sub-Committee is to establish and recommend direction with respect to all surplus school sites that may come available.

RELEVANT CONSULTATION

Real Estate circulated a notice to City departments, agencies and utilities after receiving the first notice from HWDSB referred to as the Phase I protocol, in March 2014. A further notice was circulated in June 2015, involving all schools including the subject property, that were identified by HWDSB as having been identified in the Accommodation Review Committee (ARC) process for potential surplus declaration and disposition. The Ward Councillor expressed an interest in the City acquiring Parkside School but no interest was received from others until November when Real Estate staff received a business case submission from the Cemetery Section. The Portfolio Management Committee is supportive of the recommended actions.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The property is an irregular shaped 4.1 acre parcel improved with a 94,830 sq. ft. two storey high school. It is designated "Neighbourhoods" in UHOP and is zoned "I2" – Community Institutional which permits single detached dwellings, semi-detached dwellings, townhouses dwellings, duplex dwellings and public uses such as museums, educational establishments, recreation, place of worship and social services establishments.

Staff recommend the City purchasing the property on the basis that:

- It would allow the City to exert greater control over the future development use, form, building height and density on the property, to protect the interests of the community. Said control could be exercised by the City after acquisition by imposing conditions of development including retaining certain development rights or property interests prior to re-selling on the open market. Whereas control through regulations under the *Planning Act* is less certain.
- It would provide additional land to accommodate future cemetery space in the community of Dundas which is quickly running out of cemetery space. Public Works Report PW15075 – City of Hamilton Cemeteries; Business Plan Strategy and Land Needs Assessment, was approved by Council on November 11, 2015. Recommendation (g) states: "That staff continue to consider land options for Dundas in consultation with the Ward Councillor and report back to Council as necessary." The Report identifies a need to acquire lands to accommodate future cemetery uses within the next five years. Finding suitable land for this purpose is difficult, and the subject property appears to be a solution. Staff recommend that 2 acres be acquired to accommodate the need and the adjacent Dundas Driving Park is a compatible use.
- A small portion of sloping lands may be severed from the east side of the property to add to the lands of Dundas Driving Park.

The proposed recommendations would allow for the following actions:

- City to acquire the surplus school site and demolish the existing school structure.
- Approximately 2 acres of the site will be developed by Cemetery Services. Future Capital requirements for this action would be brought forward as part of the required Budget cycle.
- A small portion of the site would be severed and added to the Dundas Driving Park.
- The remainder of the site would be sold to a developer through regular real estate procedures subject to suitable restrictive covenants securing the community's character and interest. The revenue from this sale will partially offset the acquisition costs.

ALTERNATIVES FOR CONSIDERATION

The City does not submit an offer to purchase the property to HWDSB. In that case assuming no offers to purchase are made by other preferred agencies, the property will be advertised for sale on the open market and most likely purchased by a residential land developer for an infill housing project. Housing form, height and density would be as usual, subject to *Planning Act* policies and regulations. Unfortunately, any decision made by Council could be appealed to the Ontario Municipal Board, hence less control by the community / City over the type of development that may occur.

Further, by not purchasing the property, the City loses the opportunity to use part of the property for a new cemetery. Vacant land suitable for development is scarce in Dundas and it would be a strategically prudent to acquire land now for cemetery purposes, given that additional cemetery land must be obtained within five years and development ready in less than 15 years.

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

- 1.2 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 #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED15123(a) - Location Map

Appendix "B" to Report PED15123(a) - Financial Terms

KA/sd