



INFORMATION REPORT

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	April 19, 2016
SUBJECT/REPORT NO:	Update on Redevelopment of a City of Hamilton Owned Surface Parking Lot (PED16104) (Ward 2) (Outstanding Business List Item)
WARD(S) AFFECTED:	Ward 2
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SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Discussion of matters contained in Confidential Appendix “B” to this Report PED16104 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.

Council Direction:

On May 20, 2014, City Council approved the following motion concerning the redevelopment of a City of Hamilton Surface Parking lot:

“(a) That Planning and Economic Development Department staff be directed and authorized to report back to Planning Committee by September, 2014 on:

A Request for Proposals process for the redevelopment of a City of Hamilton owned surface parking lot in which the City of Hamilton will facilitate the process through the conveyance of the City of Hamilton lands for the best offer subject to the successful project meeting the City of Hamilton’s requirements including, but not limited to, matters of design, timing, density and affordability;

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- (b) That in preparing the Request for Proposal, Planning and Economic Development Department staff report include a cost-benefit analysis on the redevelopment of the City-owned lands;
- (c) That Planning and Economic Development Department staff report back on the process for the evaluation and assessment of the Request for Proposals, including a stakeholder advisory committee and the composition of the committee;
- (d) That the intent is to maximize the capital return to the City of Hamilton.”

Information:

Prior to initiating any disposition process of a City-owned parking lot, staff embarked on a review of all City-owned parking lots in the downtown area. Included in the review is the list of lots identified below. Appendix “A” attached to Report PED16104 illustrates the location of each of the lots, along with other lots and properties with potential parking downtown. Excluded from the list for the purposes of this review are the City Hall lot (Carpark Lot 40 - retention for future use), the Convention Centre Parking (Carpark Lot 37 - commitments), and the York Boulevard Parkade (lease commitments).

Carpark Lot #	Reference Location	Address
1	John / Rebecca	76 John St N
5	King William / Mary	140 King William St
7	Main / Ferguson	171 Main St E
8	King / Jarvis	293 and 297 King St E, 12 Jarvis
13	James / Wilson	96 James St N
22	King / Locke	451 King St W
36	James / Mulberry	22 Mulberry St
49	Barton / Caroline	167 Barton St W
62	Vine / MacNab	14 Vine St
66	Bay / Cannon	106 Bay St N
69	Lot next to York Parkade	12 York Blvd
70	Hughson / Robert	207-211 Hughson St N
73	King William / Wellington	253 King William St
74	King / Hess	263 King St W
76	Catharine / Hunter	75 Catharine St S
81	King / Ferguson	11 Ferguson Ave N

A staff working group composed of Real Estate, Parking, Planning, Finance and Urban Renewal examined each lot on the basis of real estate metrics (eg. value in use versus highest and best use), financial performance, site factors, community and strategic planning / policy considerations, and parking supply impacts of disposition. Based on the outcome of the review, each of the lots was categorized as either retain, hold for future consideration, or divestiture candidate. Generally, lots that may be impacted by priority City initiatives such the LRT or West Harbourfront were placed on hold for future consideration pending the finalization of the property requirements for those initiatives.

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Confidential Appendix “B” provides more detailed information respecting the assessment of each of the lots currently considered a potential candidate for disposition.

Disposition Process

In accordance with the City’s Portfolio Management Strategy, the first step in disposition for the purposes herein would be the internal circulation of any candidate lots, confirmation of results by Portfolio Management Committee, and declaration of surplus by Council. Phase 1 environmental assessment, land title confirmation and valuations would then be conducted on sites declared surplus. Following this step, and in accordance with the direction set out by Council, staff would carry out an open, public real estate offering process to dispose of any surplus carpark lots. The process will include participation by a stakeholder advisory committee, and will establish minimum development performance standards as conditions of sale (such as those already identified, being matters as design, density, affordability and timing).

Three alternative approaches may be employed in the disposition process:

- **Structured Sale** – the stakeholder advisory committee would be engaged to assist staff and the local councillor in establishing minimum performance standards and sale conditions to which a proponent would be prepared to agree. This would set the framework for a binding real estate offering – the proposed offer that best meets the framework and maximizes the return to the City would be chosen to enter into an agreement of purchase and sale. This is a one-step process.
- **Staged Negotiated Offering** – as a first step in a two-step process, the stakeholder advisory committee would be engaged to assist staff and the local councillor in establishing preliminary performance metrics that should be achieved on the site. A non-binding request for expressions of information / interest would be used to test the marketplace for proof of concept, the results of which would be used to refine the concept, and to narrow the number of potential proponents with which to then negotiate with, ultimately resulting in a final and best offer from a maximum of three proponents from which to make a selection.
- **Development Approval and Sale** – in consultation with the stakeholder advisory committee, the City would act as the developer, taking a lot through a development approvals process, including retaining consultants/architects to formulate the general building design and plans, public consultation, and rezoning of the property. This process was employed on the former City Motor Motel site. Following this process the property would be placed on the open market for sale.

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Specific tactics of each of these approaches would be established in consultation with the stakeholder advisory committee. In general, from top to bottom, the approaches take longer but offer a greater degree of control over the outcome.

This Information Report fulfils the Planning Committee Outstanding Business List Item.

RK/FA/sd