



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	August 8, 2016
SUBJECT/REPORT NO:	Declaration of Surplus and Sale of Units 9 - 19, 1447 Upper Ottawa Street, Hamilton (PED16160) (Ward 6)
WARD(S) AFFECTED:	Ward 6
PREPARED BY:	John Hamilton (905) 546-2424 Ext. 7045
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Discussion of Confidential Appendix “B” to this 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.

RECOMMENDATIONS

- (a) That the lands municipally known as Units 9 - 19, 1447 Upper Ottawa Street, Hamilton, described as all of Units 9 - 19, Wentworth Condominium Plan No. 191 be declared surplus to the requirements of the City of Hamilton in accordance with the “Procedural By-law for the Sale of Land”, being By-law No. 14-204;
- (b) That an Offer to Purchase, executed on June 1, 2016, and scheduled to close on or before October 1, 2016, for the City to sell the land described in Recommendation (a) to Report PED16160, be approved and completed on terms and conditions outlined in Appendix “B” attached to Report PED16160 and the net proceeds be credited to Account No. 47702-3560150200 (Property Sales and Purchases);
- (c) That Appendix “B” to Report PED16160 remains confidential and not be released as a public document until the final completion of the real estate transaction;
- (d) That the Mayor and City Clerk be authorized to execute any necessary documents in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

This Report seeks Council approval to declare the subject property surplus to the requirements of the City and to approve the sale of the property, in accordance with City policy. This action completes the plan to consolidate Public Health Services to the downtown core as identified in McMaster Health Campus Proposal (PED11034(a)).

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The proceeds from this sale form part of the funding plan contained in the McMaster Health Campus Proposal (PED11034(a)). At that time it was resolved that Public Health Services would consolidate its administrative operations in the downtown core centred at the McMaster Health Campus and Robert Thompson Building, (110 King Street West). As part of the consolidation plan, Public Health Services was directed to dispose of the subject property once vacated.

The proceeds of the sale will be credited to Account No. 45408-3560150200 (Property Sales and Purchases); and,

Any applicable HST will be collected by the City and credited to Account No. 22828-00900 (HST Payable).

Staffing: There are no staffing implications related to this recommendation.

Legal: Legal Services Division will be required to assist in the preparation of the necessary closing documents.

HISTORICAL BACKGROUND

The subject property, comprising 11 industrial condominium units was acquired as new by Public Health Services in 1993. The aggregate size of 15,143 square feet was used as one large office area. Public Health Services also operated smoking cessation, dental and sexual health clinics from the premises, which are located along the east side of Upper Ottawa Street, mid-way between Stone Church Road and Rymal Road East.

On August 11, 2011 Council approved Report PED11034(a) which authorized and directed staff to negotiate a lease for dedicated and shared space at a new McMaster Health Campus for Public Health Services to consolidate into this downtown core location and to retain two downtown existing leased spaces. Public Health Services consolidation included the relocation of staff from the subject property and the closure of the office.

By July 2015 Public Health Services relocated all staff from the subject property and closed the office.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Portfolio Management Strategy – Real Estate Management Plan:

City Council, at its meeting of November 24, 2004, adopted the City's Portfolio Management Strategy Plan, which established a formalized process to be consistently applied across all areas of the City to guide the management of the City's real property owned, leased, to be sold and acquired.

In accordance with the City's Portfolio Management Strategy, By-law 14-202, property no longer required for municipal programs is declared surplus by Council and disposed of. The subject property is surplus to the City's needs and is disposed of in accordance with this policy.

RELEVANT CONSULTATION

- Legal Services Division, City Manager's Office;
- Public Health Services Department, Planning and Business Improvement;
- Public Works Department, Corporate Assets and Strategic Planning;
- Planning and Economic Development Department, Zoning; and,
- Ward Councillor.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The property was circulated to relevant stakeholders for review, the responses to the circulation confirmed that there was no long-term municipal need for the property. The property was advertised and put on the open market for any potential purchaser to submit an offer. Numerous offers were received and the recommended purchaser had the best offer.

Sale of the property will provide a financial benefit to the City and the property will also begin to generate property tax revenue.

Real Estate staff considers the terms and conditions of this sale to be fair, reasonable and at market value.

ALTERNATIVES FOR CONSIDERATION

Should Council decide not to declare the lands surplus, the parcel will remain in City ownership for an unknown period of time and continue as a liability and an unproductive asset 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.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED16160 – Location Map

Appendix “B” to Report PED16160 - Terms and Conditions (Confidential)

JH/lm