



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

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	August 8, 2016
<b>SUBJECT/REPORT NO:</b>	Sale of 52 and 56 Charlton Avenue West, Hamilton (PED16163) (Ward 2)
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Frank Albrecht (905) 546-2424 Ext. 2656
<b>SUBMITTED BY:</b>	Jason Thorne General Manager Planning and Economic Development Department
<b>SIGNATURE:</b>	

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 an Offer to Purchase, for the sale of City-owned property, executed on June 26, 2016, and scheduled to close on or before October 27, 2016, for the sale of 52 and 56 Charlton Avenue West, Hamilton (as identified in Appendix “A” attached to Report PED16163), be approved and completed on terms and conditions outlined in Appendix “B” attached to Report PED16163;
- (b) That \$72,782 from the sale proceeds be credited to Account No. 45408-3560150200 (Property Sales and Purchases) for recovery of expenses including Real Estate, Appraisal, Property Management, Heritage Restoration Consultant and Legal administration fees;
- (c) That \$7,006 from the sale proceeds be credited to Account No. 59222-791508 (Civic Properties) for demolition and ancillary expenses of the hallway linking the two buildings should the Purchaser elect to purchase the properties as two separate parcels;
- (d) That \$150,000 of the net proceeds be credited to Capital Project No. 47702-44011356411 (Durand Park Redevelopment) and the balance of the net proceeds be credited to the City’s Unallocated Capital Reserve No. 108020;

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- (e) That Appendix "B" attached to Report PED16163 remain confidential and is not to be released as a public document until final completion of the real estate transaction;
- (f) 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 for the sale of 52-56 Charlton Avenue West, Hamilton in accordance with City policy.

***Alternatives for Consideration – See Page 4***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The sum of \$72,782 from the sale proceeds is to be credited to Account No. 45408-3560150200 (Property Sales and Purchases) for recovery of expenses including Real Estate, Appraisal, Property Management, Heritage Restoration Consultant and Legal administration fees.

Additionally, should the Purchaser elect to purchase the subject lands as two separate parcels, \$7,006 from the sale proceeds is to be credited to Account No. 59222-791508 (Civic Properties) for cost recovery of demolition and ancillary expenses of the hallway linking the two buildings.

The proceeds of this sale are to form part of the funding plan contained in Item 12, General Issues Committee (GIC) Report 15-010 wherein the subject property be declared surplus and the sale proceeds be credited to Durand Park Redevelopment project. As at June 30, 2016 the Capital Project No. 47702-4401356411 (Durand Park Redevelopment), budget equals \$893,100, was approximately \$100,000 over budget with additional minor expenses yet to be processed. With an additional \$150,000 in funding, this project will be fully funded.

Any applicable HST will be collected by the City and credited to Account No. 22828-009000 (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**

Pursuant to Item 12 of the General Issues Committee Report 10-022, passed by Council May 13, 2015, the subject property was declared surplus to the requirements of the City of Hamilton and that Real Estate Section staff of the Planning and Economic Development Department be authorized and directed to sell the subject lands.

The subject property, municipally known as 52 and 56 Charlton Avenue West, known as Charlton Hall has been a corporate asset since 1960. Formerly two properties, the multi-addressed parcel is comprised of 52 Charlton Avenue West and 56 Charlton Avenue West. 52 Charlton Avenue West was constructed as a single detached two and a half storey brick residence and 56 Charlton Avenue West was constructed as the eastern half of a semi-detached two and a half storey brick residence and detached garage at the rear. The buildings have been consolidated into a single property and are connected via a one storey link that was built circa 1970. To preserve the Cultural Heritage Value of the property, pursuant to Item 14 of Planning and Economic Development Committee Report 14-015 Council passed By-law 25-152 to designate the subject lands as Heritage.

## **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. 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 is disposed of in accordance with this policy.

## **RELEVANT CONSULTATION**

- Legal Services Division, City Manager's Office;
- Public Works Department, Corporate Assets and Strategic Planning;
- Planning and Economic Development Department, Zoning; Heritage Planning;
- Portfolio Management Committee; and,
- Ward Councillor.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Item 12(a) of GIC Report 15-010 declared the property surplus to municipal needs. Advertisement of the property on the open market drew considerable response. Of the offers received, the best offer is being presented for approval.

Sale of the property will fulfil Item 12(d) of GIC Report 15-010 and provide for the remaining funding for the Durand Park Redevelopment project.

The purchaser has the option to acquire the entire property as one parcel or elect within ten days of acceptance of the offer by the City to acquire the property in two parcels. If the buyer elects to acquire the property as two separate parcels, the City would sever the property and demolish the hallway which joins the two buildings at an established cost of \$7,006.

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 approve this sale, the parcel will remain in City ownership for an unknown period of time and continue as a liability and an unproductive asset.

### **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 PED16163 – Location Map

Appendix “B” to Report PED16163 - Terms and Conditions (Confidential)

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