



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 7, 2016
SUBJECT/REPORT NO:	Acquisition of Land from Ridgecrest Estates Inc., 50 Albright Road, Hamilton (PED16249) (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:	

RECOMMENDATION

- (a) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to purchase part of 50 Albright Road, Hamilton, from Ridgecrest Estates Inc., lands described as Part of Part 2 on Plan 62R-10588, comprising an area of 0.079 acres and further identified as part of PIN 17102-0064(LT), and shown on Appendix "A" attached to Report PED16249 as Parcel "D" at the consideration of \$60,000;

- (b) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to exercise its option to purchase part of 50 Albright Road, Hamilton, pursuant to Item 23, General Issues Committee (GIC) Report 12-035, adopted on December 12, 2012 and Item 15, GIC Report 13-020, adopted on October 9, 2013, for the lands now held by Ridgecrest Estates Inc. and described as Part 3 on Plan 62R-19657, comprising an area of 0.617 acres and further identified as part of PIN 17102-0064 (LT), as shown as Parcel "C" on Appendix "A" attached to Report PED16249 at the consideration of \$355,356;

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- (c) That staff be authorized and directed to reimburse Ridgecrest Estates Inc. for the gym demolition as part of their overall demolition of the former Bishop Ryan Secondary School situated on the lands described in Recommendation (b) at an upset cost of \$155,500 plus cost of any unforeseen site conditions;
- (d) That the funding for the property acquisition / demolition 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" attached to Report PED16249 be approved;
- (e) That the City Solicitor be authorized and directed to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions on such terms as she considers reasonable;
- (f) That the Mayor and Clerk be authorized and directed to execute all necessary documents in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The City of Hamilton operates the Sir Wilfred Laurier Recreational Center adjacent to the subject properties. In February 2014, the City of Hamilton acquired from the Hamilton-Wentworth Catholic District School Board 2.8 acres of land at 50 Albright Road, the site of the former Bishop Ryan Secondary School. The acquired lands are identified as Parcels "A" and "B" on Appendix "A". Along with this purchase, the City entered into an Option to Purchase Agreement for the lands identified as Parcel "C" on Appendix "A"; this option will terminate as of February 19, 2019. The acquisition is in accordance with the terms of the agreement between the Hamilton-Wentworth Catholic District School Board and the City.

Hamilton-Wentworth Catholic District School Board has since transferred Parcel "C" and other lands to Ridgecrest Estates Inc., subject to the Option Agreement in favour of the City of Hamilton. Ridgecrest Estates Inc. is proceeding with its plans for a residential townhouse development along the easterly limit of Parcel "C" including demolition of the former Bishop Ryan school structures (exclusive of the gymnasium).

The option agreement stipulates that the City's option to acquire Parcel "C" is only exercisable if the existing school gymnasium is demolished by the purchaser of Parcel "C". Accordingly, City staff is proposing to proceed with the acquisition of Parcel "C" and demolition of the gymnasium for the purpose of clearing the site.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: On June 10, 2015 Council approved through Report FCS15043, the following funding formulae for the purchase of Parcels “A” and “B” in the amount of \$1,415,000 (per Council direction (refer December 12, 2013, Report 12-035)):

- 25% from the Parkland Dedication Reserve (104090), \$436,000;
- 50% area rated to Hamilton, \$870,000; and,
- 25% from the Parkland Acquisition Reserve (108050), \$436,000.

Also, it was approved that the 2015 operating costs of approximately \$5,000 associated with maintaining the school property be funded from the Tax Stabilization Reserve (110046) and be referred to the annual budget process thereafter.

Staff, is recommending that the same funding ratios apply to land parcels “C” and “D” per Appendix “B”:

- 25% from the Parkland Dedication Reserve (104090), \$155,356;
- 50% area rated to Hamilton, \$310,713; and,
- 25% from the Parkland Acquisition Reserve (108050), \$155,356.

The area rated funding is based on a five-year amortization (1.51% plus .25 for administration) which equals \$65,500 per year for five-years. The annual financing costs of approximately \$65,500 would be area rated to Wards 1 to 8 for five-years which would have a property tax impact of 0.01% or \$0.04 on a house with an average assessed value of \$242,500. This method of funding is consistent with several other property purchases in other City Wards.

Staffing: N/A

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

HISTORICAL BACKGROUND

In September 2015, the Hamilton Wentworth Catholic District School Board transferred to Ridgecrest Estates Inc. the site of the former Bishop Ryan Catholic Secondary School, except those lands identified as Parcels “A” and “B” in Appendix “A”, which were sold to the City of Hamilton in 2014. As part of that conveyance, the City secured an option to purchase (within five years) the lands described as Parcel “C” at the fixed

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consideration of \$355,356 reflecting the same value per acre (\$575,000 / acre) as paid for Parcels “A” and “B”.

In developing its residential development plans, Ridgecrest Estates Inc. has identified a narrow parcel that extends from the north limit of Parcel “C” a distance of 160 ft. by a width of 21 ft. (0.079 acres) which it has offered to the City for \$60,000. This acquisition would realign the City’s easterly limit of Parcel “C” to match the west limit of the Ridgecrest holding and provide additional parking for the recreation centre; the offered price is confirmed to be at fair market value.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Real Estate Portfolio Management Strategy

RELEVANT CONSULTATION

- Financial Planning and Policy Division, Corporate Services Department;
- Legal Services Division, City Manager’s Office;
- Facilities Management and Capital Programs Division, Public Works Department;
- Portfolio Management Committee; and,
- Ward Councillor.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Sir Wilfrid Laurier Recreation Centre building components and services were separated from Bishop Ryan high school in 2016 for \$1.648 M (WIP PID 71014554710). The former school gymnasium is no longer serviced in terms of utilities and is no longer available to the community. Ridgecrest Estates Inc. has plans to demolish the entire former Bishop Ryan Secondary School including the gymnasium, situated on Parcel “C”, on the lands described in Recommendation (b). In order to acquire those lands, the City can reimburse Ridgecrest Estates Inc. for the cost of the demolition of the gymnasium.

Once demolished, there is a plan detailed in the 2017 Capital Budget to replace the gymnasium (previously available in the old high school) through the expansion of Sir Wilfrid Laurier Recreation Centre.

Acquisition of Parcel “C” is required by the City to provide a direct connection from Albright Road to Parcel “A” which will serve as the Recreation Centre’s parking area. The additional sliver of land (Parcel “D” – measuring 21 ft. x 160 ft.) being offered for \$60,000 will enhance the City’s holding by aligning the east limit of the Recreation Centre property with the west limit of the lands held by Ridgecrest Estates Inc. This additional land could be used as dedicated parking area.

The cost of acquiring Parcels “C” and “D” would amount to \$465,925 for the real estate (including Land Transfer Tax and real estate / legal fees), plus demolition costs for removal of the gymnasium estimated at \$155,500.

ALTERNATIVES FOR CONSIDERATION – N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Location Map

Appendix “B” – Financial Terms

DC/lm