



CITY OF HAMILTON

PUBLIC WORKS DEPARTMENT
Engineering Services Division

and

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: Wards 1 and 2
COMMITTEE DATE: September 5, 2013	
SUBJECT/REPORT NO: Declaration of Surplus and Sale of 241 Stuart Street, Hamilton to Canadian National Railway Company (PW13067/PED13158) - (Wards 1 and 2)	
SUBMITTED BY: Gerry Davis, CMA General Manager Public Works Department Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: Gary Moore (905) 546-2424, Extension 2382 Keith Anderson (905) 546-2424, Extension 7634
SIGNATURE:	

RECOMMENDATIONS

- (a) That the subject land known as 241 Stuart Street, an irregular shaped 6.6 acre vacant industrial site situated adjacent to the Stuart Street Rail Yard and described as Parts 1 to 17 on Plan 62R-8505 and forming PIN 17580-0105 (LT) and Roll No. 251802012558450, as shown on Appendix "A" attached to Report PW13067/PED13158, be declared surplus to the requirements of the City of Hamilton in accordance with Procedural By-law for the Sale of Land, being By-law 04-299;

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- (b) That an Offer to Purchase to be executed by Canadian National Railway Company, for the lands described in Recommendation (a), be approved and completed for the sale price of \$1,320,000 to be credited to Project Account No. 4030941910 (Street Snow Disposal);
- (c) That the deposit cheque in the amount of \$50,000, be held by the General Manager of Finance pending acceptance of this transaction;
- (d) That the sale price of \$1,320,000 does not include the Harmonized Sales Tax (HST). Should the HST be applicable and collected by the City, that the HST amount be credited to Account No. 22828-009000(HST Payable);
- (e) That the sum of \$20,000 from the sale proceeds be credited to Account No. 45408-3560150200 to recover expenses including Real Estate administration, appraisal fees and legal expenses;
- (f) That the City acquire/retain an easement across the lands to be sold to Canadian National Railway Company designated as Part 2 on Plan 62R-14660 for maintenance, repair and replacement of an existing 1200 mm combined sanitary/storm sewer;
- (g) That the City acquire/retain an easement across the lands to be sold to Canadian National Railway Company, yet to be designated on a reference plan, traversing the southerly portion of the property and being 6 to 8 metres in width, to form part of a multi-use trail connection between Bay Street North and Dundurn Park, as identified in the Setting Sail Secondary;
- (h) That as a condition of the land sale, the City stipulate and the Purchaser (Canadian National Railway Company) agrees to undertake, to construct an earth berm along the north side of the trail easement within two years of closing, to create a buffer between rail yard operations and the proposed multi-use trail and other land uses to the south, as envisioned by policies in the Setting Sail Secondary Plan;
- (i) That as a condition of the land sale, the Purchaser (Canadian National Railway Company), shall agree and acknowledge that the 150 metre setback from the Stuart Street Rail Yard, applicable to residential and other sensitive land uses, shall be measured from the existing limits of the rail yard, and in this respect, the Purchaser shall not interpret the area of the subject property as part of the rail yard (Class III Industrial Facilities);
- (j) That the City grant Canadian National Railway Company an Authority to Enter to conduct inspections, surveys and tests, and after all conditions are satisfied or waived and the purchase agreement is firm, to place, construct or erect any railway structure or infrastructure necessary as part of Canadian National Railway Company expansion project;

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- (k) That the Mayor and City Clerk be authorized and directed to execute and issue a Certificate of Compliance in the form prescribed pursuant to Section 268 of the Municipal Act, incorporating the following:
- (i) That as required by Section 3 (a) of By-Law 04-299, the subject lands be declared surplus by inclusion in this Report to City Council;
 - (ii) An external appraisal of the fair market value of the real property intended to be sold was completed on July 3, 2013, and the sale price equates to the appraised value estimate; and,
 - (iii) That in accordance with the approved method of providing notice in the City of Hamilton By-Law No. 04-299 "Procedural By-Law for the Sale of Land", Section 12 (a) (5), notice to the public of the proposed sale of land, is given by inclusion of the land sale in a report of a Committee recommending to City Council the sale of the land.

EXECUTIVE SUMMARY

The purpose of this Report is to request City Council's approval to declare the subject property surplus and to sell the land to the adjoining owner, Canadian National Railway Company (CNR), at fair market value of \$1,320,000. This property is required by CNR to accommodate the relocation of facilities that currently exist within the Stuart Street Rail Yard but are being displaced by the new track that will service the development of the James Street North GO rail station. The subject property would accommodate new rail tracks across the north portion, a new office building within the east portion near Stuart Street and an enclosed compound for storage of equipment and materials in the central portion. A multi-use trail easement is being retained by the City that would cross the southern part of the property from east to west for future use.

Alternatives for Consideration - See Page 6

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: The sale of the subject property will facilitate the development of the James Street North GO rail station by Metrolinx by providing additional land to CNR to replace lands it will be required to give up within the Stuart Street Rail Yard, in order to accommodate the new GO station. Monies from the sale will be applied to find replacement premises for the Roads Operations Division of Public Works, which will have its snow storage facility displaced as a result of the sale of 241 Stuart Street.

Staffing: There are no staffing implications arising from this recommendation.

Legal: Legal Services will assist Real Estate staff in completing the sale.

HISTORICAL BACKGROUND

The City was approached originally through GO/Metrolinx in regard to the purchase of the property, on behalf of CNR, in regard to the operational needs of the James Street North GO station. CNR's schedule for track and associated works requires the relocation of the existing buildings as soon as possible. These buildings must be moved in order to accommodate the new track necessary to service the GO station at James Street North. An external appraisal prepared for Metrolinx determined the fair market value of the subject property at \$1,320,000 (\$200,000/acre). City Real Estate staff have reviewed the appraisal report and concur with the value opinion. The offer to purchase from CNR to the City is at a price that reflects the appraised market value.

POLICY IMPLICATIONS

The initiatives of Setting Sail are not affected by this sale.

RELEVANT CONSULTATION

- Public Works Department: Corporate Assets & Strategic Planning (Landscape Architectural Services and Facilities Management & Capital Programs); Engineering Services (Geomatics & Corridor Management); Hamilton Water (Infrastructure and Source Water Planning); Operations (Roads & Maintenance).
- City Manager's Office: Legal Services.
- Planning and Economic Development Department: Economic Development (Real Estate); Planning (Community Planning) and Development Engineering (Engineering Approvals).
- Metrolinx

As a result of circulating the proposal to declare the subject property surplus, the following comments were received from City departments. Other departments, divisions and agencies not noted had no objection or no comments (e.g. Parking, Fire, Water, Recreation, Union Gas, Horizon).

Planning and Economic Development Department

Community Planning: "The majority of the property is designated "Commercial" in the Setting Sail Secondary Plan. North of a line projected westerly along Stuart Street, the property is designated "Utilities and Transportation" where rail operations are permitted (recognized as a Class III Industrial Facility). Rail yard operations are not contemplated uses in the "Commercial" designation. The vision for the area is to see a decline in industrial activities and ultimately relocation of the rail operations. Expanding the rail yard may impact other residential and sensitive land use designations by rendering them within 150 metres of the rail operation. Residential and sensitive land uses are not permitted within 150 metres of the rail yard. The Secondary Plan also contains

policies requiring the preparation of noise and vibration studies for all development in the vicinity of the Stuart Street Rail Yard.

Also, Schedule M-5 (Public Realm) of the Secondary Plan illustrates a potential open space linkage within the subject lands, intended to connect Dundurn Park to Bay Street North. Opportunities to provide for this connection should be considered.

In conclusion, Community Planning states: "Those lands designated "Utilities and Transportation" could be declared surplus and sold for rail operations without impacting surrounding sensitive land use permissions. In the event that the lands that are designated "Commercial" are declared surplus, and recognizing the intended rail operation of the property, it should be understood that the lands will not be interpreted as part of the rail yard, and therefore, not a Class III Industrial Facility to ensure that there will be no impact on the residential permissions or noise requirements on surrounding land that are currently setback 150 metres from the rail yard."

Engineering Approvals: There is an existing 1200 mm combined sewer that traverses the property in a north-south direction and therefore, a 12 metre wide sewer easement will need to be established in favour of the City.

Public Works Department

Corporate Assets & Strategic Planning, Landscape Architectural Services, Open Space: Also identified the preferred pedestrian linkage through the property, as referenced in the Waterfront Trail Pedestrian Connection Municipal Class EA.

Corporate Assets and Strategic Planning, Facilities Management & Capital Programs: "This property is utilized by the Operations Division as a snow disposal facility for the lower City. Site improvements are planned for implementation in 2013 to facilitate the ongoing use of this site for snow melting operations. In the event that all or part of the property is disposed of, alternate snow disposal facility location(s) will be required, key issues will include operational continuity and source funding for incremental project costs (i.e. property acquisition, site improvements, etc.)."

Engineering Services, Geomatics & Corridor Management (Surveys): "There are existing City services though this property that need to be fully defined and protected through the correct easement documentation at the time of any sale."

Hamilton Water, Infrastructure and Source Water Planning: Notes that a 1200 mm sewer crosses the property beyond the north end of the north-south section of Queen Street and an easement, width to be determined, will need to be retained over the sewer for operations and maintenance purposes.

ANALYSIS / RATIONALE FOR RECOMMENDATION

Given the City priority for all day GO service and given the commitment from GO to build a station at the James Street North location and given that CNR has indicated this

is the only alignment for the new tracks feasible in the time frame required, the sale of this land must proceed in order for the GO station to proceed as currently planned.

ALTERNATIVES FOR CONSIDERATION

Should Council not approve the Offer to Purchase, the Offer will become null and void and the construction of the proposed James Street North GO rail station by Metrolinx, in time for the Pan Am Games in 2015, would be in jeopardy. CNR's requirement to relocate its existing Stuart Street Rail Yard facilities is necessary in order to accommodate Metrolinx and the James Street North GO station.

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.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.

Strategic Priority #3

Leadership & Governance

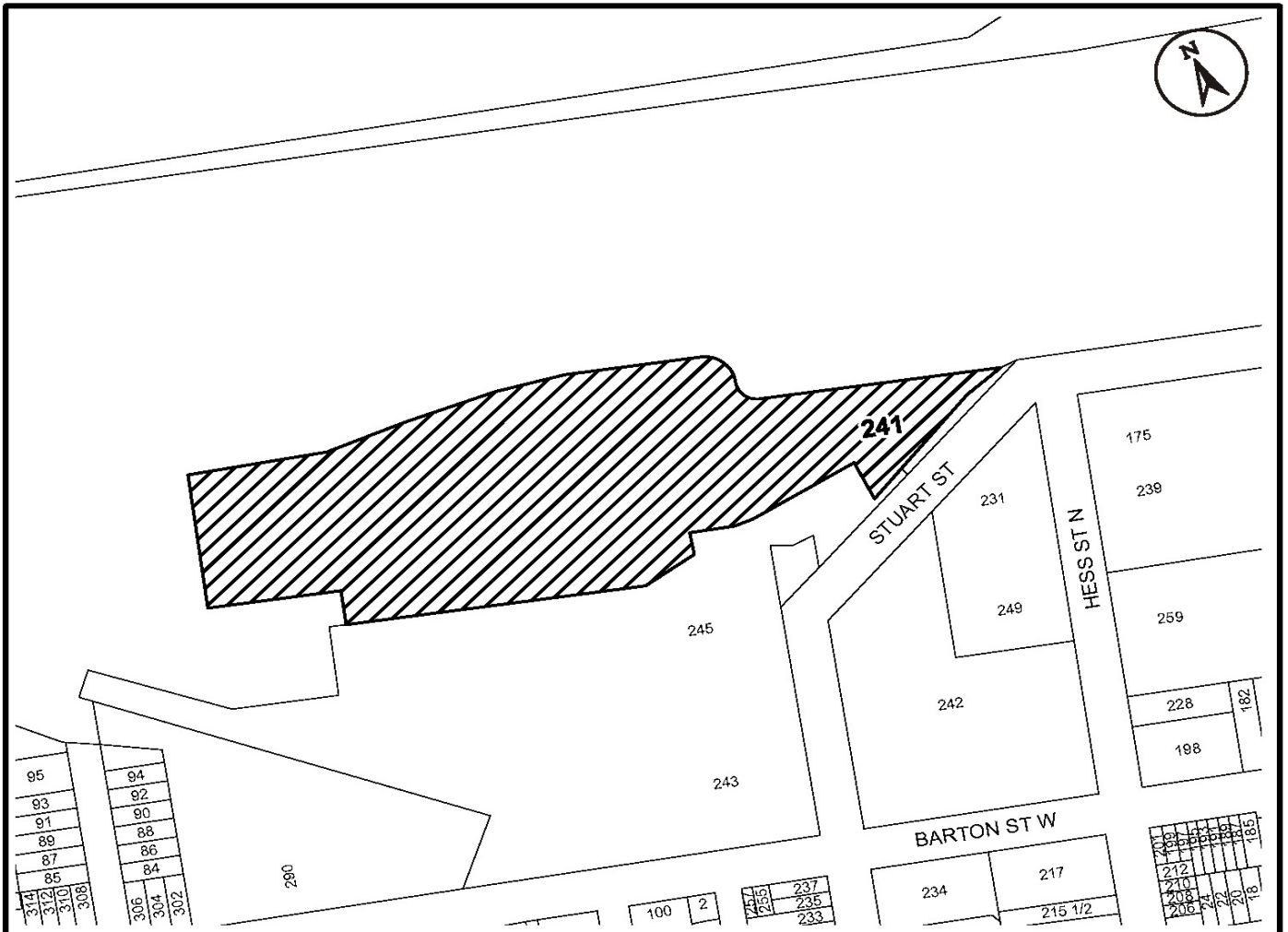
WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

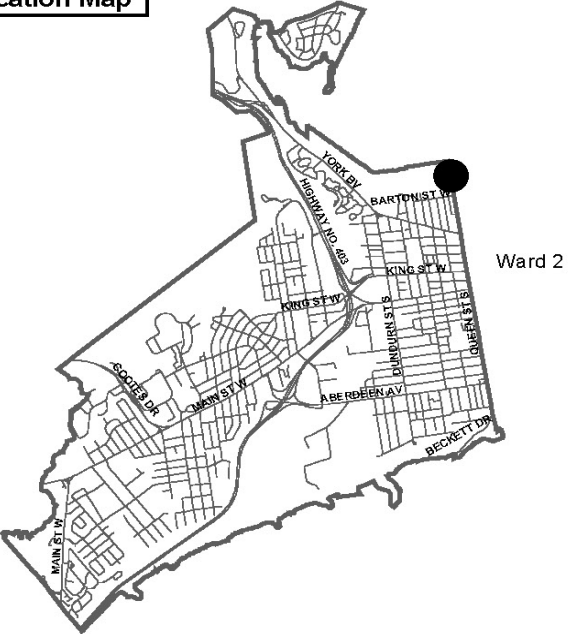
- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

APPENDICES / SCHEDULES

Appendix "A" - Location Map



● Location Map



Ward 2

Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
241 Stuart Street

Date:
August 21, 2012

Appendix "A"

Scale:
N.T.S.

Planner/Technician:
KA/MS

Subject Property

 241 Stuart Street

Ward 1 Key Map

N.T.S. 