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**Subject:** CSD 66-2017 - Proposed Disposition of Lands in the City of St. Catharines

**Report to:** Corporate Services Committee

**Report date:** Wednesday, October 18, 2017

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## **Recommendations**

1. That the Regional owned lands legally described as Lots 31, 32 & 34, Corporation Plan 5 more particularly described as Part 6 on Reference plan 30R-7563 in the City of St. Catharines (the “Surplus Property”) and shown on Appendix ‘I’ attached hereto, **BE DECLARED** surplus to the Region’s needs;
2. That staff **BE AUTHORIZED** to proceed with the disposal of the Surplus Property in accordance with the Region’s Disposal of Land By-law 26-2011;
3. Council **APPROVES** that staff undertake a divestiture approach to the public that considers factors other than price, specifically the sales process should consider economic development factors such as employment and investment.
4. That staff **BE AUTHORIZED** to create a development plan for the property to ensure that the property can attract further investment in order to maximize economic development.
5. That the Acting Commissioner of Enterprise Resource Management Services **BE AUTHORIZED** to negotiate the terms and execute Agreements of Purchase and Sale, conditional upon final approval by Regional Council; and
6. That staff **BE DIRECTED** to report back to Corporate Services Committee and Council for approval of the sale, once an acceptable Agreement of Purchase and Sale has been received for the Surplus Property.

## **Key Facts**

- The subject land shown on Appendix ‘I’ are three parcels of land which total approximately 22.26 acres and are currently zoned E2 – General Employment. The land was initially acquired in 2003 & 2005 for the intended use of wastewater treatment facility. The lands are identified as three individual properties under the following PIN’s;

- Parcel 'A' – 463010393 (18.472 ac)
  - Parcel 'B' - 463010391 ( 1.84 ac)
  - Parcel 'C' - 463010210 ( 1.95 ac)
7. The land represents a significant portion of the City of St. Catharines remaining developable employment land.
8. The property is subject to a previously Council approved sale of approximately 10.75 acres. This previous instruction was outlined in the Planning and Economic Development Committee Confidential report ED 13-2017.
- The severance of would therefore be considered and disposed of as described;
    - 10.75 acres to be disposed of as per the Planning and Economic Development Committee Confidential report ED 13-2017. The exact nature and location of this land is currently still subject to negotiation.
    - 7.72 acres to be declared surplus and disposed of in accordance with the Region's Disposal of Land By-law 26-2011,
    - The actual location of the severance on Parcel 'A' will be in accordance to allow existing facilities (Water/Waste Water) within the area of Seaway Haulage Road to service the subject lands after severance has occurred.
  - The whole of Parcel 'A' is currently under a lease agreement – File (08) L.04.087 with Meyers Fruit Farms Inc.
    - The current lease term is March 1, 2016 to February 28, 2021
    - The annual compensation is \$5,720+HST
    - Section 12.2 (Rights to Termination) – “...the Landlord or the Tenant may terminate this lease without cause by giving six (6) months written notice of such termination to the other.”
  - Staff will provide appropriate notice to the tenant prior to the sales process, and will work with the tenant to assist in mitigation efforts.
  - Parcel 'B' (14 Broadway Ave) is currently vacant land
  - Parcel 'C' is currently vacant land.
  - This report is seeking approval to declare all of the property surplus and dispose of the Surplus Property, all in accordance with the Region's Disposal of Surplus Land By-law 26-2011. As noted a portion of the land was directed to be disposed previously by Council.
  - Staff have circulated the property to departments of the region and no internal requirement was identified.
  - Staff have also circulated the property to Boards and Agencies, the City of St. Catharines, School Boards and the Provincial and Federal governments and no interest has been expressed;

## Financial Considerations

- In accordance with the Region's Disposal of Land By-law 26-2011 (section 9), the subject lands have undergone a Fair Market Value Appraisal to determine the highest and best use of the property.
- The costs associated with the disposal of the Surplus Property will be offset by the proceeds of the sale of the property. The lands have been appraised by D.J. Penwarden Appraisals Ltd., and the Fair Market Value are identified as;
  - Parcel 'A' – 463010393 (18.472 ac) = \$2,450,000 (\$132,633/acre)
  - Parcel 'B' - 463010391 ( 1.84 ac) = \$ 455,000 (\$247,956/acre)
  - Parcel 'C' - 463010210 ( 1.95 ac) = \$ 490,000 (\$251,540/acre)
- The above appraisal had some scope limitations, as more investigation is made into the land and its conditions certain aspects of the valuation may require adjustment.
- A portion of Parcel 'A' to be considered and disposed of in accordance with Planning and Economic Development Committee Confidential Report ED 13-2017.
- The sale and disposition of all remaining subject lands will be in accordance with section 23 of the Region's Disposal of Land By-law 26-2011 to determine the most appropriate method of Sale of surplus Land to the public.
- With the approval of Council as required by section 21 of the Region's Disposal of Land By-law 26-2011, staff will undertake a process that will consider net proceeds along with economic development criteria.

The Net Sales Proceeds will be credited to Surplus Properties.

## Analysis

The Surplus Property consists of three Vacant Industrial land properties further identified in Appendix 'I'. The three parcels of land total approximately 22.26 acres and are currently zoned E2 – General Employment. In accordance with the Region's Disposal of Land By-law 26-2011, the subject lands have undergone a Fair Market Value Appraisal to determine the highest and best use of the property.

Planning and Economic Development Committee Confidential Report ED 13-2017 outlines a proposed investment for 10.75 acres of Parcel 'A'.

The sale and disposition of all remaining subject lands will be in accordance with section 23 of the Region's Disposal of Land By-law 26-2011 which will allow the Region to maximize the value of the land and long term benefits of employment and economic development.

During the circulation process in accordance with the Region's Disposal of Land By-law 26-2011 no interest was expressed in the purchase of Surplus lands from the Provincial or Federal governments, however the St. Lawrence Seaway will be granted an Easement for an existing Dry Dock Discharge Culvert which occupies the south west portion of Parcel 'A' (Appendix '2'). The encumbrance could pose land development concerns pending an encroachment agreement from SLS to the property owner and/or any further site plan requirements from the City of St. Catharines. Parcel 'A' (Appendix '2') is also currently encumbered by an easement registered for Gas in 1960.

No interest was expressed in the Surplus lands from the Public and/or Service Users

Notice of the Region's intent to declare the property as Surplus Land and the intention to dispose of the Surplus Land will have been posted on the Region's website no less than 14 days prior to the meeting in which the Corporate Services Committee considers this report.

It is proposed that the lands be declared surplus by the Region and disposed of in accordance with the Region's Disposal of Land By-law 26-2011.

Due to the size and nature of the property and the previous direction to sell 10.75 acres, staff is required to undertake a plan in order to ensure that the property as a whole can be properly serviced and developed. Initial review has identified certain limitations related to water, sewer, and gas servicing.

Staff will report back to Corporate Services Committee and Council for approval of the sale, once an acceptable Agreement of Purchase of Sale has been received for the Surplus Property.

### **Alternatives Reviewed**

The alternative of not declaring the property surplus would not align with the strategic goals of encouraging investment and growth in the Region.

### **Relationship to Council Strategic Priorities**

This supports Council's strategic priority of "Investment, Innovation and Entrepreneurship".

### **Other Pertinent Reports**

Planning and Economic Development Committee Report ED 13-2017

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**Prepared by:**

Bart Menage  
Director, Procurement & Strategic  
Acquisitions  
Enterprise Resource Management  
Services

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**Recommended by:**

Jason Burgess  
Acting Commissioner of Enterprise  
Resource Management Services  
Enterprise Resource Management  
Services

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**Submitted by:**

Carmelo D'Angelo, BSc, MPA  
Chief Administrative Officer

*This report was prepared in consultation with Frank Fucile, Real Estate Officer.*

**Appendices**

Appendix I – Surplus Property  
Appendix 2 – Property Encumbrances

## Appendix 'I' – Surplus Property





## Appendix '2' – Property Encumbrances



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- Approximate location of the St. Lawrence Seaway Dry Dock Discharge Culvert
  - Approximate dimensions:
    - Width (2.44m) x Height (2.9m) chamber
    - Depth (approximately 40' - to be verified by survey)
  - SLS has verified this culvert is active and is an important part of the dry dock operations
  - Culvert chamber is pending survey to determine actual location on Parcel 'A'

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- Property location subject to Gas Easement from 1960