Subject: Land Exchange Agreement and Disposal– Portion of Jeanne d'Arc Boulevard for a Portion of 1015 Tweddle Road

File Number: ACS2024-SI-HSI-0004

Report to Finance and Corporate Services Committee on 2 July 2024

and Council 10 July 2024

Submitted on June 20, 2024 by Geraldine Wildman, Director, Housing Solutions and Investment Services, Strategic Initiatives Department

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Ward: Orléans East-Cumberland (1)

Objet : Entente d'échange de terrains pour la cession d'une partie du boulevard Jeanne-d'Arc contre une partie du 1015, chemin Tweddle.

Dossier : ACS2024-SI-HSI-0004

Rapport au Comité des finances et des services organisationnels

le 2 juillet 2024

et au Conseil le 10 juillet 2024

Soumis le 20 juin 2024 par Geraldine Wildman, Directeur, Bureau des biens immobiliers municipal, Services de la planification, des biens immobiliers et du développement économique

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Quartier : Orléans-Est-Cumberland (1)

#### **REPORT RECOMMENDATION(S)**

That the Finance and Corporate Services Committee Recommend City Council:

- 1. Approve the sale of the land described in Recommendation 2.a. to 1009 Trim Road Inc. in exchange for lands owned by 1009 Trim Road Inc. described in Recommendation 2.b. as well as \$276,148.00, pursuant to a Land Exchange Agreement that has been received.
- 2. Delegate authority to the Director, Housing Solutions and Investments to enter, conclude, execute, amend, and implement, on behalf of the City, the Property Acquisition and Disposal Agreement in the form of a Land Exchange with 1009 Trim Road Inc. as follows:
  - a. City to convey to 1009 Trim Road Inc. a portion of the Jeanne d'Arc Boulevard right-of-way, described as Part of Lot 30, Concession 1OS Cumberland, containing an area of 1,381.8 metres<sup>2</sup> (14,873.57 ft<sup>2</sup>) and shown as Part 1 on draft 4R-plan in Schedule A attached hereto, subject to any easements that may be required, and having a market value of Five hundred nineteen thousand and eighty-eight (\$519,088.00) dollars;
  - b. 1009 Trim Road Inc. to convey to the City a portion of lands known municipally as 1015 Tweddle Road, described as Part of Lot 30, Concession 1OS Cumberland, containing an area of approximately 646.7 metres<sup>2</sup> (6,961.02 feet<sup>2</sup>), subject to final survey and shown as Parts 4 and 5 on draft 4R-plan in Schedule A attached hereto, and having a market value of Two hundred forty-two thousand, nine hundred and forty (\$242,940.00) dollars; and
  - c. 1009 Trim Road Inc. to pay to the City the difference in market value between the lands referred to in Recommendation 2.a. and 2.b., being the amount of Two hundred seventy-six thousand, one hundred and forty-eight (\$276,148.00) dollars.

## **RECOMMANDATION(S) DU RAPPORT**

Que le Comité des finances et des services organisationnels recommande ce qui suit au Conseil municipal :

 Approuver la vente du terrain décrit à la recommandation 2.a à 1009 Trim Road Inc., en échange des terrains appartenant à 1009 Trim Road Inc. et décrits à la recommandation 2.b, ainsi que le versement d'une somme de 276 148,00 \$, conformément à l'entente d'échange de terrains qui a été reçue.

- 2. Déléguer au directeur, Solutions de logement et Investissements, le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la Ville, l'entente d'acquisition et d'aliénation de propriété sous la forme d'un échange de terrains avec 1009 Trim Road Inc. ainsi décrit :
  - a. La Ville cédera à 1009 Trim Road Inc. une partie de l'emprise du boulevard Jeanne d'Arc, décrite comme constituant une partie du lot 30, concession 10S, Cumberland, d'une superficie de 1 381,8 m2 (14 873,57 pi2) et illustrée comme étant la partie 1 sur le plan 4R préliminaire de l'annexe A ci-jointe, sous réserve de servitudes qui pourraient être nécessaires et dont la valeur marchande est de cinq cent dix-neuf mille quatre-vingt-huit (519 088,00 \$) dollars;
  - b. 1009 Trim Road Inc. cédera à la Ville une partie du terrain dont l'adresse municipale est le 1015, chemin Tweddle, décrite comme constituant une partie du lot 30, concession 1OS, Cumberland, d'une superficie d'environ 646,7 m2 (6 961,02 pi2), sous réserve d'un levé définitif et illustrée comme étant les parties 4 et 5 sur le plan 4R préliminaire de l'annexe A ci-jointe, et dont la valeur marchande est de deux cent quarante-deux mille neuf cent quarante (242 940,00 \$) dollars; et
  - c. 1009 Trim Road Inc. versera à la Ville la différence du montant de la valeur marchande entre les terrains visés par les recommandations 2.a. et 2.b., soit deux cent soixante-seize mille cent quarante-huit (276 148,00 \$) dollars.

## Que le Comité des finances et des services organisationnels:

## BACKGROUND

1009 Trim Road Inc., hereinafter referred to as the "Purchaser", is the owner of a property located municipally at 1015 Tweddle Road. The property, situated at the northeastern corner of the intersection of Jeanne d'Arc Boulevard and Tweddle Road, is within proximity to the future Trim Light Rail Transit (LRT) station and abuts the lands that are the subject of this Agreement.

Revitalizing public realms and design within a Protected Major Transit Station Areas (PMTSA) is a primary objective of the City moving forward. With input from the City's Planning Development and Building Services staff, the Purchaser has proposed a mixed-

use development on their property consisting of four residential towers, with commercial and public amenity space on the ground floor hereinafter referred to as the "Development". For more information about the proposal refer to the related Zoning By-law Amendment, which was approved by Council on November 9, 2024 (<u>ACS2022-PIE-PS-0092</u>).

## DISCUSSION

In 2019, to maximize the site's development potential and strengthen the proposal's connection to the street and adjacent LRT, the Purchaser suggested a land exchange arrangement to acquire the City lands described in Recommendation 2a in exchange for certain lands owned by the Purchaser that were part of the overall development on 1009 Trim Road. City staff were not agreeable to that initial offer.

The Purchaser remained interested in the City lands as those lands would enable the inclusion of an underground parking facility and the addition of a fourth residential tower on their site. Over the last five years negotiations surrounding the City lands have been protracted, due to ongoing discussions over the valuation of the lands and various configurations of potential lands to be exchanged.

In February of 2024, the City and the Purchaser were able to reach a Land Exchange Agreement. The agreement provides for the exchange of a portion of Jeanne d'Arc Boulevard for two portions of the Purchaser's land along 1015 Tweddle Road, with the Purchaser responsible for paying the difference between the lands being exchanged.

The total area of the City lands subject to the land exchange is 1,381.8 m<sup>2</sup> (14,873.57 ft<sup>2</sup>) and shown as Part 1 of draft 4R-plan Schedule A attached, and hereinafter referred to as "City Lands". Part 1 will be integrated into the site plan for 1009 Trim Road, which will be submitted to the City following the resolution of the land exchange. Schedule B includes a concept plan of the proposed development, which will be refined through site plan control approval. A holding zone has been put in place through the zoning by-law amendment to ensure that the concept plan meets the objectives of the Official Plan and Orleans Corridor Secondary Plan.

The Purchaser's lands subject to the land exchange, are described in Recommendation 2.b. and shown as Parts 4 and 5 on the draft 4R-plan in Schedule A attached, hereinafter referred to as "Tweddle Lands". The lands abut the Tweddle Road right-of-way and are located north of intersection of Jeanne d'Arc Boulevard and Tweddle Road.

The following are key benefits to the City's land exchange with the Purchaser:

- The City's acquisition of portions along Tweddle Road would allow potential future widening of Tweddle Road and sidewalk treatments to improve the pedestrian experience.
- The Purchaser's acquisition of a portion of Jeanne d'Arc Boulevard would support the proposed underground parking garage and an additional 4<sup>th</sup> residential tower on the site. It would also enhance the streetscape, facilitate pedestrian connections and improve the public realm along Jeanne d'Arc Boulevard, in support of LRT.

The City commissioned an appraisal from internal City appraisers as well as an external appraisal. Following extensive negotiations, the City and the Purchaser have agreed to a market value unit rate of \$34.90/ft<sup>2</sup>. The agreement is conditional, as provided for in the Agreement of Purchase and Sale (APS), on the following terms:

- 1. The Purchaser must submit a road closing application with the City of Ottawa;
- The value of the land is predicated on an agreed unit rate (\$34.90/ft<sup>2</sup>) per square foot established on February 13, 2024 regardless of the registration date of the sale;
- 3. Should the land require a valuation in the future for City purposes (eg: Cash-inlieu, Community Benefit Charge, or other) that future valuation will be based upon the appropriate date in the future and this sale will have no impact upon its valuation;
- 4. The Purchaser cannot rely upon the valuations used in this Agreement for any subsequent negotiations or in any future legal proceedings, including but not limited to the Ontario Land Tribunal as the unit rate will be considered outdated;
- 5. The market value of the Real Property being sold by the City to the Purchaser and described in Paragraph 1 above is calculated on the basis of \$34.90/ft<sup>2</sup>; and
- 6. The parties agree that the transfer for the Real Properties will be the latter of:
  - a. When the Transit Services Department releases the contract lands; or
  - b. 3 years.

The market value of the lands to be exchanged are shown in the table below:

Part on Plan	Ft <sup>2</sup>	Unit Rate	Market Value

1	14,873.57	х	\$34.90	=	\$519,088.00
4 and 5	6,961.02	Х	\$34.90	=	\$242,940.00

A further exchange of funds is required in the land exchange agreement. It is understood by both parties that the difference in value between the respective parcels of land shall be borne by the Purchaser as per the calculation below. The funds for the sale of the City lands to the Purchaser represents a financial benefit of Two hundred seventy-six thousand, one hundred and forty-eight (\$276,148.00) dollars to the City.

Part 1 \$519,088.00 – Part 4 and 5 \$242,940.00 = **\$276,148.00** 

The sale price of City Lands and the acquisition price of the Purchaser's lands, supported by internal and external appraisals, are considered fair and reasonable and are recommended for acceptance.

The recommendations of this report and the actions of staff comply with the Disposal of Real Property Policy. Once a road closing by-law is passed on the Jeanne d'Arc Boulevard right-of-way, it can be deemed non-viable given its irregular configuration and the presence of existing Hydro Ottawa and Rogers Telecon easements. Additionally, the Director of HSIS shall declare the parcel surplus to City requirements provided that:

- The Ward Councillor concurs with such declaration.
- An Appraisal is obtained for the Non-Viable Real Property.
- The Disposal of the Non-Viable Real Property is at Market Value.

Pursuant to the City Council meeting of December 3, 2014, Disposition 68, the following information is provided:

- 1. Only one offer has been received as this property is a sale of a non-viable property to an abutting owner.
- 2. This is a sale of a non-viable property and no public notification is required.
- 3. The purchaser is 1009 Trim Road Inc.

Recommendation 2 requests the Director, Housing Solutions and Investment Services, be delegated the authority to finalize a Land Exchange Agreement with the Purchaser as outlined in this report.

## AFFORDABLE HOUSING LAND AND FUNDING POLICY

The Affordable Housing Land and Funding Policy approved by City Council on 26 April 2017, advances the vision and targets established in the 10-Year Housing and Homelessness Plan, the Official Plan and other Council-approved affordable housing initiatives. The Policy also requires that the Official Plan target of 25 per cent affordable housing be met on any City owned property where existing or proposed zoning allows for residential uses. These zones include:

- All residential zones (R) Village and rural residential zones (RR, RU, VM, V1 V3)
- Mixed use/Commercial Zones (TM, AM, GM, MC, MD and TD); and
- Institutional zones (I1 and I2).

Where property is disposed of without a condition requiring an affordable housing component in any of the above zones, 25 per cent of the net proceeds from the sale are to be credited to Housing account to be used for the development of affordable housing elsewhere in the City.

In this case, the subject property is zoned R5A [2384] -h, Residential Development subzone 5 and is within the terms of the Affordable Housing Land and Funding Policy. Therefore, 25 per cent of the net proceeds (\$69,037.00) from the sale will be set aside for future affordable housing.

# PARKLAND ACQUISITION AND FUNDING THROUGH PROPERTY DISPOSAL POLICY

The Parkland Acquisition and Funding Through Property Disposal Policy approved by City Council on July 6, 2022 requires that a portion of the net proceeds from the sale of City lands be directed towards the development of municipal parkland and recreation facilities to meet the targets of the Parks and Recreation Facilities Master Plan (2021).

The policy applies to the sale of surplus City owned land that, at the time of disposal is not zoned as parkland, considered municipal parkland, or used as a parks and recreation facility.

When a property is disposed that meets the policy application, 25 per cent of the net proceeds from the sale are to be credited to the Parkland account for the development of municipal parks and recreation facilities, or a minimum of 25 per cent of the City's net proceeds from sale are to be transferred to the fund designated for municipal parks and

recreation. Alternatively, 25 per cent of the land area subject to disposal can be retained by the City for recreation uses.

The City Lands recommended for disposal in this report fall within the policy application; Therefore, 25 per cent of the net proceeds (\$69,037.00) from the sale will be applicable in this case.

## FINANCIAL IMPLICATIONS

In addition to the exchange of lands, the exchange represents revenue in the amount of \$276,148.00. The Affordable Housing Land and Funding Policy and the Parkland Acquisition and Funding Through Property Disposal Policy are both applicable on this sale. The revenue will be allocated as follows: \$138,074.00 to the City Wide Capital account 820052, \$69,037.00 to the Housing account 820055, and \$69,037.00 to the Parkland account 820080, subject to any proportionate adjustments at closing.

## LEGAL IMPLICATIONS

There are no legal implications associated with implementation of the report recommendations.

## COMMENTS BY THE WARD COUNCILLOR(S)

Ward 1 - Orléans East-Cumberland: Councillor Luloff has received a copy of this report and concurs with the report recommendations.

## CONSULTATION

In accordance with policies approved by City Council on 17 April 2020, the availability of the subject property was circulated to all City Departments, including the Housing Branch and the Ward Councillor to determine if the property was required for City mandated programming. The lands were determined to be surplus to City needs. All comments received and requirements identified through the circulation have been addressed as a part of this sale and will not impact the exchange and sale of the lands.

## ACCESSIBILITY IMPACT

There are no accessibility impacts associated with the recommendations.

## ASSET MANAGEMENT IMPLICATIONS

There are no direct Asset Management Implications that result from recommendations of this Committee Report. It is noted that the future development site includes lands with slopes greater than 8m in height that include sensitive marine clay soils. The City is currently updating its Slope Stability Design Guidelines for Development Applications to include policies where retrogressive landslide risks may exist. Future development applications in the area of this site will be required to conform to the City's updated guidelines.

## **ENVIRONMENTAL IMPLICATIONS**

Neither of the available environmental reports (from the developer of 1015 Tweddle Rd or the City) cover the two triangle pieces (i.e. no boreholes or monitoring wells within these triangle).

The ERU's recent investigation included a few boreholes and monitoring wells along Jean d'Arc Blvd & Tweddle Rd outside of both triangles and thus, it is not conclusive re the environmental quality of these pieces for the swap purposes.

Therefore, extending the conclusions of the environmental reports completed for 1015 Tweddle Rd is the only tool available to ERU for interpretation. Based on these reports, the main source of contamination at this site is the fill material used for ground leveling purposes. The amount of such fill material is minimum along Jean d'Arc Blvd. The source of fill material on the City land is supposed to be different than the development land although no environmental data is available.

As a recommendation, ERU suggests requesting the owner of 1015 Tweddle Rd to fully remove all fill material from the triangle parcel that is proposed to be transferred to the City along Tweddle Rd before the proposed land exchange.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk implications associated with the report recommendation.

## **RURAL IMPLICATIONS**

There are no rural implications associated with the recommendations.

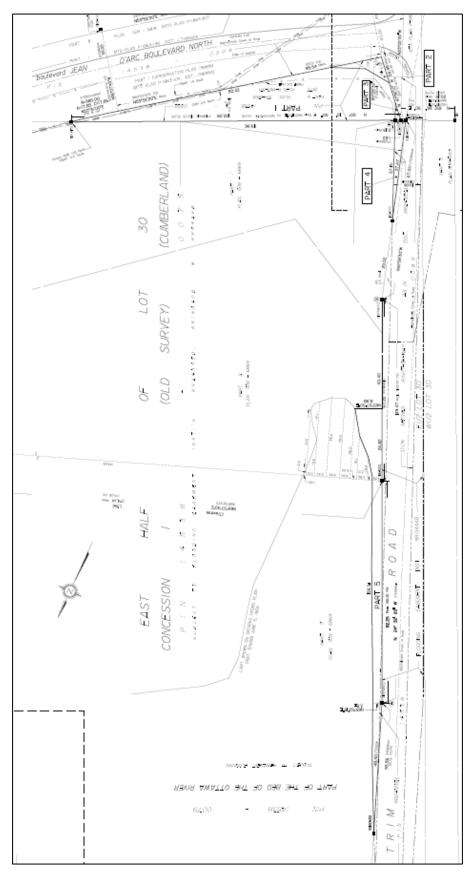
## SUPPORTING DOCUMENTATION

Schedule A – Draft 4R-Plan

Schedule B – Concept Plan

## DISPOSITION

Following approval, Housing Solutions and Investment Services and Legal Services will initiate action to complete the Land Exchange Agreement.



Schedule A – Draft 4R-Plan



Schedule B – Concept Plan