

**Subject: Land Exchange with Barrhaven Conservancy Strandherd Inc.**

**File Number: ACS2024-SI-HSI-0001**

**Report to Finance and Corporate Services Committee on 1 October 2024**

**and Council 16 October 2024**

**Submitted on September 9, 2024 by Geraldine Wildman, Interim Director, Housing Solutions and Investment Services, Strategic Initiatives Department**

**Contact Person: Peter Radke, Manager, Realty Initiatives and Development**

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**Ward: Barrhaven West (3)**

**Objet: Échange de terrains avec Barrhaven Conservancy Strandherd Inc.**

**Dossier : ACS2024-SI-HSI-0001**

**Rapport au Comité des finances et des services organisationnels**

**le 1er octobre 2024**

**et au Conseil le 16 octobre 2024**

**Soumis le 9 septembre 2024 par Geraldine Wildman, Directeur,**

**Personne ressource: Peter Radke, Gestionnaire, Initiatives immobiliere et développement, Strategic Initiatives Department**

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**Quartier: Barrhaven Ouest (3)**

**REPORT RECOMMENDATION(S)**

**That the Finance and Corporate Services Committee Recommend City Council:**

- 1. Approve a land exchange with Barrhaven Conservancy Strandherd Inc., pursuant to a Land Exchange Agreement that has been received, as follows:**
  - a. City to convey non-viable portions of land located at 4235 McKenna Casey Drive, described as part of Lot 15, Concession 4, Rideau Front, geographic Township of Nepean now in the City of Ottawa, containing approximately 1.06 hectares (2.617 acres), subject to final survey, and shown as Parcel 1 and Parcel 2 on Document 1 attached, subject to easements that may be required to Barrhaven Conservancy Strandherd Inc., having a total value of One Million, Three Hundred and Seventy Three Thousand, Nine Hundred and Twenty Five Dollars (\$1,373,925) in exchange for;**
  - b. Barrhaven Conservancy Strandherd Inc. conveying to the City lands known municipally as 3150 Borrisokane Road, described as part of Lot 15, Concession 3, Rideau Front, geographic Township of Nepean, now in the City of Ottawa having an area of approximately 0.52 hectares (1.28 acres), subject to final survey and shown as Parcel 1 on Document 2, attached, subject to easements that may be required, having a market value of One Million, Two Hundred and Eighty Five Thousand, and Thirty Four Dollars (\$1,285,034) pursuant to a land exchange agreement that has been received.**
  - c. Barrhaven Conservancy Strandherd, Inc. to submit a security to the City in the amount of \$88,891.00 representing current development land market value for Parcel 2, to be held by the City until the parcel is approved to be removed from the floodplain.**
- 2. Delegate authority to the Interim Director, Housing Solutions and Investment Services 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 Barrhaven Conservancy Strandherd Inc.**

**RECOMMANDATION(S) DU RAPPORT**

**Que le Comité des finances et des services organisationnels recommande au Conseil municipal :**

- 1. Approuver l'échange de terrains avec Barrhaven Conservancy Strandherd Inc., conformément à l'entente d'échange de terrains qui a été reçue, comme suit :**
  - a. La Ville doit céder des parties non viables du terrain situé au 4235, promenade McKenna Casey, décrit comme faisant partie du lot 15, concession 4, façade rivière Rideau, canton géographique de Nepean, qui fait désormais partie de la Ville d'Ottawa, couvrant une superficie d'environ 1,06 hectare (2,617 acres), sous réserve d'un levé définitif et représenté comme étant les parcelles 1 et 2 dans le document 1 ci-joint, sous réserve de servitudes qui pourraient être nécessaires à Barrhaven Conservancy Strandherd Inc., et dont la valeur totale est d'un million trois cent soixante-treize mille neuf cent vingt-cinq dollars (1 373 925 \$), en échange de;**
  - b. Barrhaven Conservancy Strandherd Inc. doit céder à la Ville un terrain connu situé au 3150, chemin Borrisokane, décrit comme faisant partie du lot 15, concession 3, façade rivière Rideau, canton géographique de Nepean, qui fait désormais partie de la Ville d'Ottawa, couvrant une superficie d'environ 0,52 hectare (1,28 acre), sous réserve d'un levé définitif et représenté comme étant la parcelle 1 dans le document 2 ci-joint, sous réserve de servitudes qui pourraient être nécessaires et dont la valeur marchande est d'un million deux cent quatre-vingt-cinq mille trente-quatre dollars (1 285 034 \$), conformément à une entente d'échange de terrains qui a été reçue.**
  - c. Barrhaven Conservancy Strandherd Inc. doit déposer à la Ville une garantie d'un montant de 88 891,00 \$ représentant la valeur marchande actuelle du terrain à aménager pour la parcelle 2, qui sera détenue par la Ville jusqu'à ce qu'il soit approuvé que la parcelle soit retirée de la plaine inondable.**
- 2. Déléguer au directeur par intérim, 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 Barrhaven Conservancy Strandherd Inc.**

## **BACKGROUND**

Barrhaven Conservancy Development Corporation (BCDC), an affiliate of Barrhaven Conservancy Strandherd Inc. (BCSI) and Caivan are developing residential subdivisions known as Caivan's Barrhaven Conservancy East (D07-16-20-0021 and D027-16-22-0028); draft plan approved December 7, 2022, and Caivan's Barrhaven Conservancy West (D07-16-21-0036); draft plan not yet approved, hereinafter referred to as the "Development". The Development is located southwest of and abutting the City-owned lands described in Recommendation 1.a.

Caivan and the City entered negotiations in 2019 due to the City property needs associated with the Strandherd Drive reconstruction and the railway overpass. During negotiations, Caivan proposed a land exchange to meet some of their subdivision design requirements south of the City lands. The City-owned lands subject to the exchange form part of a larger property of about 21.23 hectares (52.46 acres). The larger property encompasses a storm water management facility, a multi-use pathway and future recreational lands, and is municipally known as 4235 McKenna Casey Drive.

The total area of the City lands subject to the land exchange is approximately 1 hectares (Parcel 1: 2.37 ac. + Parcel 2: 0.247 ac. = 2.6 acres) and shown as Parcels 1 and 2 on Document 1 attached, and hereinafter referred to as "City Lands". The City Lands are considered non-viable as Planning Staff has confirmed that development of these parcels cannot occur independently. Parcel 2 is part of the floodplain and considered non-viable for residential development, however it is BCSI's intent, upon taking ownership of the City Lands, to apply to the Rideau Valley Conservation Authority (RVCA) for approval to have Parcel 2 removed from the floodplain.

Parcels 1 and 2 will be integrated into the BCSI's subdivision design allowing for a more efficient community layout. This will enable pedestrian mobility and access to the Foster Pond open space, the development's active parks, and the planned Jock River corridor pedestrian system.

## DISCUSSION

BCSI's lands subject to the land exchange, described in Recommendation 1.b. and shown as Parcel 1 on Document 2 attached, hereinafter referred to as "BCSI Lands", abuts 4235 McKenna Casey Drive southeast of the City property. The lands are located southwest of the intersection of Strandherd Drive and Borrisokane Road.

The following are key benefits to the land exchange with BCSI:

- To facilitate pedestrian connections and intersection modifications along Strandherd Drive. Intersection modifications along Strandherd Drive required additional land from the BCSI triangle at Borrisokane to provide user-separated areas of safe transit and appropriate sightlines for pedestrians, cyclists, and vehicles at the busy intersection.
- Provides efficient access to municipal lands and facilities, including the Gregory Casey stormwater management facility.
- Creates a land assembly with contiguous municipally owned lands at Strandherd Drive and Borrisokane Road.
- Advances the potential of the lands for either City use or disposal for future development.
- Enhances the frontage of the remainder of the City's property at 4235 McKenna Casey Drive by providing frontage along Strandherd Drive and Borrisokane Road.

Both City Lands and BCSI Lands are currently zoned DR, Development Reserve Zone.

A Land Exchange Agreement has been reached between the City and BCSI. The agreement provides for the disposition of the City lands to BCSI whereby BCSI is responsible for covering all costs associated with the transaction including appraisal and legal fees.

City infrastructure, such as pathways and landscaping within the stormwater management area, that need to be relocated onto the City's remaining lands will be completed by BCSI at its sole cost and expense, and in accordance with City standards.

The agreement is conditional, as provided for in the Agreement of Purchase and Sale on the following terms:

1. BCSI must submit a final concept plan of the new pathway and landscape design of the pond block to the General Manager of the Planning Development and Building Department for review and approval. BCSI's draft concept plan is shown on Document 3 attached; and
2. BCSI must provide securities to the City prior to the commencement of the Works in the amount of the total construction costs equal to the draft concept plan, herein after referred to as "Securities". The cost estimate of the draft concept plan is approximately \$128,961 plus applicable taxes.
  - a. If BCSI has not completed the Works on or before August 31, 2025, BCSI accepts that the Securities will be cashed by the City to undertake the Works on behalf of BCSI, and BCSI shall be liable for all additional costs to the City to complete the Works.

The City and BCSI each commissioned their own appraisals for both the City's Lands and BCSI's Lands. BCSI acquired external appraisals and the City's Valuation Unit completed an internal appraisal.

Following negotiations, the City and BCSI have agreed to a market value of \$1,285,034 for BCSI's Lands (\$1,003,933 per acre of commercial land).

The City's internal appraisal for City Lands was based on contribution to the abutting residential lands of the Barrhaven Conservancy (West) Development. BCSI's external appraisal concurred with the City's value for Parcel 1 (2.37 ac x \$525,000 = \$1,244,250), however they attributed a value based on greenspace/open space for Parcel 2 (0.247 ac x \$65,000 = \$16,055) as it currently part of the floodplain. Having a future potential for residential subdivision development if removed from the floodplain, it is BCSI's intent to apply to the RVCA for approval to have it removed.

The parties acknowledged that removing Parcel 2 from the floodplain will amend its potential and therefore it is assessed at the same market value as Parcel 1. The difference in suggested value for Parcel 2 being \$525,000 per acre (residential) vs. \$65,000 per acre (greenspace).

Negotiations have resulted in the parties agreeing to proceed on the basis that Parcel 2 will be removed from the floodplain and therefore holds the same value as Parcel 1. The difference in suggested value for Parcel 2 is approximately \$88,891. The City will hold the difference in value as security until it has been determined if the lands can be removed from the floodplain. BCSI shall have five years from the date of conveyance to

seek the approval of RVCA to have the lands removed from the floodplain. If successful, the security, plus the increase in market value at the time of approval as determined by an independent appraisal, shall be paid to the City. The security will not be discounted should the appraised value fall below today's current value.

If not successfully removed from the floodplain, the security will be released to BCSI and the City will have received a financial benefit in land value from the acquisition of BCSI's Lands of approximately \$24,729.

The sale price of City Lands and the acquisition price of BCSI Lands, supported by an external appraisal, are considered fair and reasonable and are recommended for acceptance.

An internal and utility circulation was undertaken on March 28, 2022, to determine if the City Lands were surplus to City requirements. The circulation comments received, as detailed in the Consultation section of this report, have been addressed and no objections to the report recommendations have been received.

The Disposal of Real Property Policy states that Non-Viable Real Property shall be declared surplus by the Director, Housing Solutions and Investment Services 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.

The recommendations of this report and the actions of staff comply with the Disposal Policy.

Pursuant to 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 Barrhaven Conservancy Strandherd Inc.

It is recommended the Director, Housing Solutions and Investments Services be delegated the authority to finalize a Land Exchange Agreement with BCSI 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 Ten-Year Housing 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 810125-507320 to be used for the development of affordable housing elsewhere in the City.

In this case, the subject property is zoned DR – Development Review Zone and is not within the terms of the Affordable Housing Land and Funding Policy. Therefore, 25 per cent of the net proceeds from the sale would not be applicable in this case.

### **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; HSIS staff have consulted with Recreation, Culture, and Facility Services Department and they have requested 25 per cent of the net proceeds from the sale be credited to Parkland Reserve account 820080-507320.

### **FINANCIAL IMPLICATIONS**

In addition to the exchange of lands, the exchange represents potential revenue in the amount of \$88,891.00, including a potential increase subject to the future market value of the Lands. The Parkland Acquisition and Funding through Property Disposal applies on this sale. Should BCSI be successful in removing Parcel 2 from the floodplain, the revenue will be allocated as follows: \$66,668.25 to the City Wide Capital account 820052, and \$22,222.75 to the Parkland account 820080, subject to any proportionate adjustments at closing. If it is not successfully removed from the floodplain, the security will be released to BCSI and the City will have received a financial benefit in land value on the exchange, at approximately \$24,729.

### **LEGAL IMPLICATIONS**

There are no legal impediments to implementing the recommendations set out in this Report.

### **COMMENTS BY THE WARD COUNCILLOR(S)**

The Ward Councillor is aware of the recommendations in this report and his office has provided the following comment.

*“Councillor Hill is aware of the report and concurs. He is supportive of the land exchange and is appreciative of the work from staff as it allowed for the completion of a sidewalk and MUP before winter. This land exchange will allow for the building of more homes in Barrhaven and gives the city needed road access to a prime parcel of land in Barrhaven.”*

## **ADVISORY COMMITTEE(S) COMMENTS**

This section contains any comments or recommendations made by one or more Advisory Committees relating to this report.

## **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 a City mandated program.

Comments were received from the following Departments:

**Transportation Engineering Services** confirmed a requirement that the multi-use pathway (MUP) must meet all AODA requirements which include manageable slopes and rest areas if required. The MUP must connect the future adjacent subdivision as it will provide an off-road connection to the east side of Strandherd Drive and the pathways onwards from there.

**Public Works and Environmental Services** supports the land exchange and identified that any pathway adjustments to be completed by Caivan must be to the same standard that would be required for any pathway relocation as approved by the City.

**Natural Systems and Rural Affairs** advised that any plantings would need to be reviewed and approved by Forestry Services as well as by Parks Planning and/or Stormwater staff depending on the location(s) proposed. Tree planting undertaken as part of this proposed real estate transaction must be clearly understood to be separate from any tree plantings that may be required through the development application process.

**Environmental Remediation Unit confirmed** a Phase I ESA from 2014 indicated that there were no identified sources of environmental impacts to the property. No new environmental reports were available to assess potential impacts between 2014 and the present.

**Hydro Ottawa** advised that they currently have an overhead pole line along McKenna Casey Drive running in the east/west direction which conflicts with Parcel 1. This pole line contains poles, overhead guy wire, primary and secondary conductor. A survey will have to be completed to determine if any Hydro Ottawa asset(s) falls within the property in question. If this does occur, Hydro Ottawa will need easements for all assets identified.

All comments received and requirements identified through the circulation have been addressed in the land exchange agreement with BCSI.

### **ACCESSIBILITY IMPACTS**

There are no accessibility impacts associated with the report recommendation.

### **ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications associated with the report recommendation.

### **CLIMATE IMPLICATIONS**

There are no climate implications associated with the report recommendation.

### **ECONOMIC IMPLICATIONS**

There are no economic implications associated with the report recommendation.

### **ENVIRONMENTAL IMPLICATIONS**

The Environmental and Remediation Unit (ERU) has a Phase I ESA from 2014 indicating that there were no identified sources of environmental impacts to the property.

### **INDIGENOUS GENDER AND EQUITY IMPLICATIONS**

There are no indigenous gender and equity implications associated with the report recommendation.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk implications associated with the report recommendation.

### **RURAL IMPLICATIONS**

There are no rural implications associated with the report recommendation.

## **TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with the report recommendation.

## **TERM OF COUNCIL PRIORITIES**

Indicate the report's direct impact on the 2023-2026 Term of Council Priorities:

- A city that has affordable housing and is more liveable for all;
- A city that is more connected with reliable, safe and accessible mobility options
- A city that is green and resilient
- A city with a diversified and prosperous

## **SUPPORTING DOCUMENTATION**

Document 1 – Sketch of Lands to be conveyed by the City to BCSI

Document 2 – Sketch Lands to be conveyed by BCSI to the City

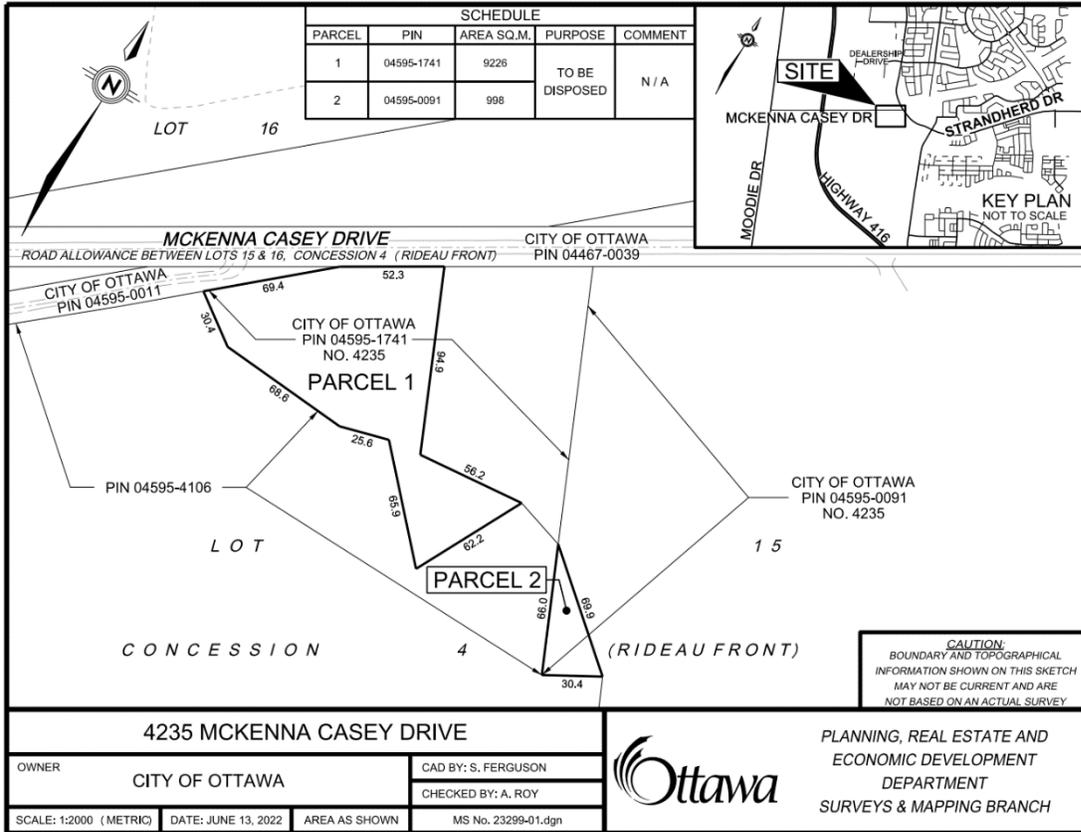
Document 3 - Draft Concept Plan of New Pathway and Landscaping Design of Pond Block; also outlines frontage of McKenna Casey Drive, Strandherd Drive and Borrisokane Road; Shows City and BCSI's lands subject to the land exchange.

Document 4 – BCSI's Draft Plan of Subdivision

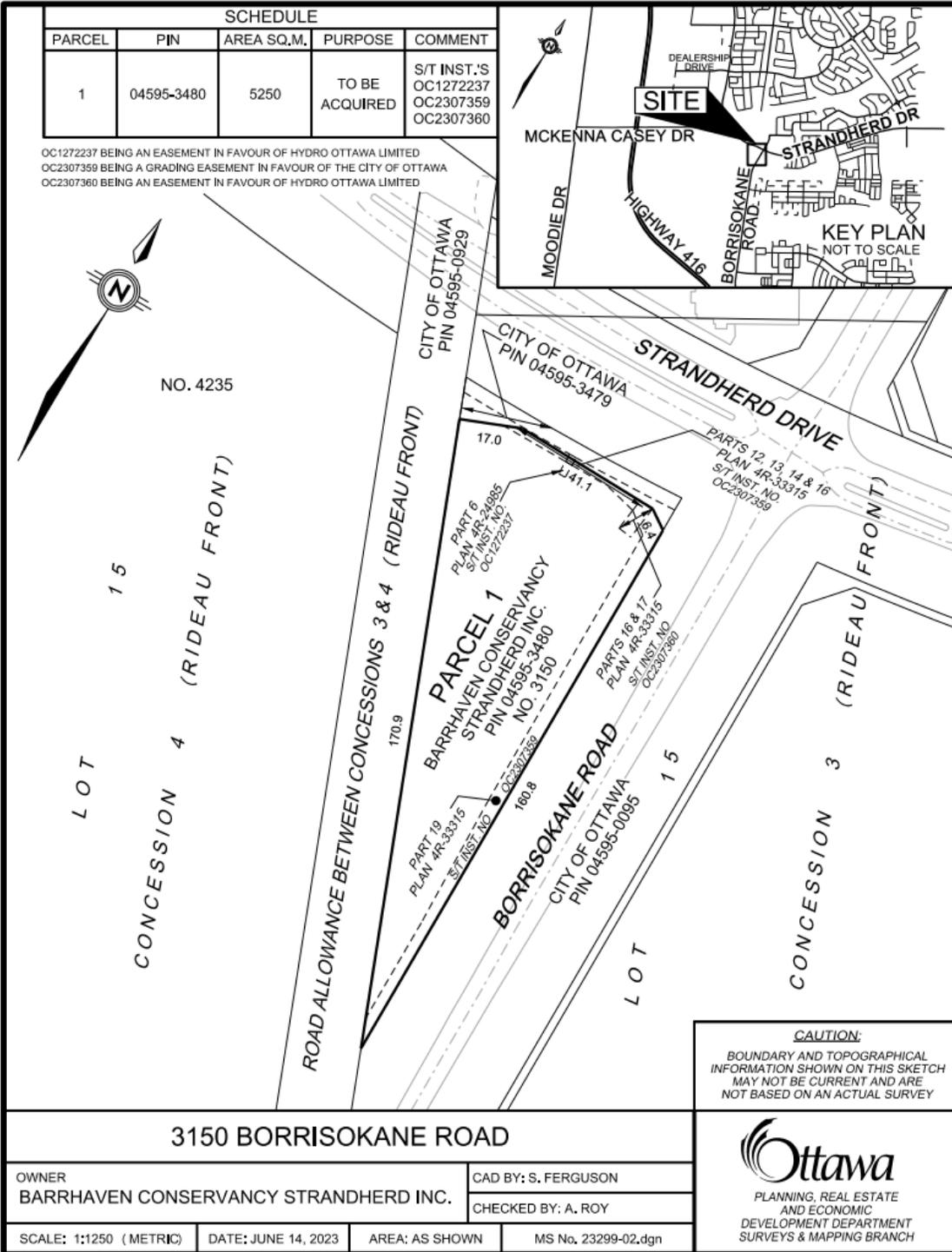
## **DISPOSITION**

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

Document 1 - Sketch of land being conveyed by City to BCSI



Document 2 - Sketch of land being conveyed by BCSI to City





Document 4 - BCSI's Draft Plan of Subdivision

The following sketch details BCSI'S Plan of Subdivision.

