

<p>5. ACQUISITION OF PART OF SHEA ROAD WOODS</p> <p>ACQUISITION D'UNE PARTIE DU BOISÉ DU CHEMIN SHEA</p>
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COMMITTEE RECOMMENDATIONS

That Council:

- 1. Approve the acquisition of a fee simple interest in lands owned by CRT Development Incorporated shown as Parcel 2 on Document 1 being the “Fee Simple Lands,” for the total net consideration of \$3,002,602 plus applicable taxes and closing costs.**
- 2. Delegate authority to the General Manager, Planning, Real Estate and Economic Development to enter into, conclude, execute, amend and implement, on behalf of the City, the Property Acquisition Agreement for the acquisition of the Fee Simple Lands, as described in this report.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

- 1. Approuve l’acquisition en fief simple du terrain appartenant à CRT Development Incorporated, illustré comme étant la parcelle 2 sur le document 1 et représentant le « terrain en fief simple », pour une contrepartie nette totale de 3 002 603 \$, taxes applicables, négociations connexes et frais de clôture en sus.**
- 2. Délègue au directeur général de Planification, Immobilier et Développement économique le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la Ville, l’entente d’acquisition de propriété du terrain en fief simple, comme le décrit le présent rapport.**

DOCUMENTATION/DOCUMENTATION

1. Director's report, Corporate Real Estate Office, Planning, Real Estate and Economic Development Department, dated April 22, 2022, (ACS2022-PIE-CRO-0004)

Rapport du directeur, Bureau des bien immobilier municipal, Services de la biens immobiliers municipal, Direction générale de la planification, de l'immobilier et du développement économique, daté le 22 avril 2022, (ACS2022-PIE-CRO-0004)

Subject: Acquisition of Part of Shea Road Woods

File Number: ACS2022-PIE-CRO-0004

**Report to Finance and Economic Development Committee on 3 May 2022
and Council 11 May 2022**

**Submitted on April 22, 2022 by Derrick Moodie, Director, Corporate Real Estate
Office, Planning, Real Estate and Economic Development Department**

**Contact Person: Robin Souchen, Manager, Realty Services, Corporate Real Estate
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Ward: Stittsville (6)

Objet : Acquisition d'une partie du boisé du chemin Shea

Dossier : ACS2022-PIE-CRO-0004

Rapport au Comité des finances et du développement économique

le 3 mai 2022

et au Conseil le 11 mai 2022

**Soumis le 22 avril 2022 par Derrick Moodie, Directeur, Bureau des bien immobilier
municipal, Services de la biens immobiliers municipal, Direction générale de la
planification, de l'immobilier et du développement économique**

**Personne ressource: Robin Souchen, Gestionnaire, service immobiliere, Bureau
des biens immobiliers municipal**

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Quartier: Stittsville (6)

REPORT RECOMMENDATIONS

**That the Finance and Economic Development Committee recommend that
Council:**

- 1. Approve the acquisition of a fee simple interest in lands owned by CRT Development Incorporated shown as Parcel 2 on Document 1 being the “Fee Simple Lands,” for the total net consideration of \$3,002,602 plus applicable taxes and closing costs.**
- 2. Delegate authority to the General Manager, Planning, Real Estate and Economic Development to enter into, conclude, execute, amend and implement, on behalf of the City, the Property Acquisition Agreement for the acquisition of the Fee Simple Lands, as described in this report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande ce qui suit au Conseil :

- 1. Approuver l’acquisition en fief simple du terrain appartenant à CRT Development Incorporated, illustré comme étant la parcelle 2 sur le document 1 et représentant le « terrain en fief simple », pour une contrepartie nette totale de 3 002 603 \$, taxes applicables, négociations connexes et frais de clôture en sus.**
- 2. Déléguer au directeur général de Planification, Immobilier et Développement économique le pouvoir de conclure, de signer, de modifier et de mettre en œuvre, au nom de la Ville, l’entente d’acquisition de propriété du terrain en fief simple, comme le décrit le présent rapport.**

BACKGROUND

Shea Road Woods is a 5.061 hectare (12.506 acre) woodlot on the east side of Shea Road between Abbott Street and Fernbank Road in Stittsville, see Document 1, Parcels 1 and 2. The woodlot was identified by the Planning Department as Urban Natural Area (UNA) 193 – Shea Road Woods. The woodlot is owned by CRT Development Incorporated (CRT) though it is used by the community for passive activities such as walking, running, and dog walking.

On May 24, 2009, City Council approved the [Fernbank Community Design Plan](#) (CDP). The CDP identified the City’s intention to acquire and to protect UNA 193 – Shea Road Woods. On October 23, 2013, Council approved an update to the [Urban Natural Features \(UNA\) Strategy](#) (Report Number [ACS2013-PAI-PGM-0178](#)), which reaffirmed

a commitment to acquire Shea Road Woods. To facilitate the protection of Urban Natural Features and other areas, Council established, and funded, the Environmental Resource Area Acquisition Reserve Fund.

In October 2017, the City reached agreement-in-principle with CRT for the acquisition UNA 193 – Shea Road Woods, through a combination of parkland dedication and a cash purchase. On November 8, 2017, City Council, in report number [ACS2017-PIE-EDP-0033](#), approved a Memorandum of Understanding (MOU) for the acquisition of and allocated \$1,647,573 from the Environmental Resource Area Acquisition Reserve Fund for the acquisition.

The MOU contained business principles addressing the future development density on the adjacent CRT subdivision lands and the use of additional CRT lands impacted with a hydro easement to be dedicated to the City. The City and CRT were unable to reach a final agreement for the acquisition in 2018 and the MOU lapsed. The allocated funds of \$1,647,573 remain unspent.

As a result of the MOU lapsing, the City considered other options to acquire the woodlot thereby protecting an important urban greenspace, increasing tree canopy cover and ensuring a continued access to this active and passive outdoor recreation space.

The development density in Phase 3 of the CRT Westwood subdivision, to be built adjacent to the woodlot, is greater than originally planned. As a result, Parks Planning recommend an increase in the amount of parkland that CRT should be required to convey to the City as a condition for their subdivision. Based on the updated plan the portion of Shea Road Woods to be dedicated to the City in the subdivision registration process is 2.374 hectares (5.866 acres) shown as Parcel 1 on Document 1.

The City will be required to purchase from CRT the remaining 2.687 hectares (6.639 acres) shown as Parcel 2 on Document 1. Corporate Real Estate Office (CREO) staff resumed negotiations in August 2020 with CRT to acquire this part of the woodlot subject to approval by Council.

DISCUSSION

Negotiations with respect to the recent property acquisition were supported by two appraisals. An independent appraisal, as well as a second appraisal completed by the Realty Services Branch's Valuation Unit, were commissioned to provide an estimate of

market value attributable to the subject lands in its highest and best use for future residential development.

The appraisers relied on the Direct Comparison Approach and the subject property was compared to suburban residential development acreage sites that had recently sold or been offered for sale at the valuation date. Both appraisals resulted in a market value estimate of \$700,000 per acre (\$1,729,700 per hectare) as of April 27, 2021. Applying the vacant land market value unit rate of \$700,000 per acre (\$1,729,700 per hectare) to the area of 6.639 acres (2.687 hectares) of Parcel 2 produces a market value of \$4,647,300.

In a plan of subdivision, when land is dedicated to the City for park purposes, the developer is responsible for the design and construction of the park. In the acquisition UNA 193-Shea Road Woods, the City's preference is to acquire the property in its natural state. The developer will not be required to develop the park as active parkland. The cost savings to CRT is estimated at \$1,644,697 as calculated by Parks Planning. This cost avoidance is considered a credit to the City and is applied against the acquisition cost of Parcel 2.

Final negotiations for the acquisition of all of 5.061 hectares (12.506 acres) of Shea Road Woods are:

- CRT will convey 2.374 hectares (5.866 acres) of Shea Road Woods (Parcel 1) to the City for no cost as a condition of approval for the Phase 3 Westwood Plan of Subdivision.
- City will purchase 2.687 hectares (6.639 acres) of Shea Road Woods (Parcel 2) at the fee simple market value of \$700,000 per acre (\$1,729,700 per hectare) for an unadjusted purchase price of \$4,647,300; and
- The City will receive a \$1,644,697 credit from CRT towards the purchase price of Parcel 2,

Deducting the park development credit of \$1,644,697 results in a net purchase price for Parcel 2 of \$3,002,603 plus applicable tax and reasonable legal and appraisal fees incurred by the owner.

Staff recommend that Council firstly approve the acquisition from CRT Development Incorporated the fee simple interest in Parcel 2 for a net consideration of \$3,002,603

plus applicable taxes and related negotiation and closing costs; and secondly delegate the General Manager of Planning, Real Estate and Economic Development the authority to complete the transaction.

RURAL IMPLICATIONS

There are no rural implications related to implementing the recommendations in this report.

CONSULTATION

The Corporate Real Estate Office did not conduct public consultation with respect to this project.

COMMENTS BY THE WARD COUNCILLORS

The subject property is in Ward 6 – Stittsville. The Ward Councillor, Glen Gower, has received a copy of this report and provided the following comment: Shea Woods is an important recreation and natural area for the Stittsville community. Thank you to City staff for their diligence in finalizing the agreement to acquire this land, so that it can remain as a public asset. I look forward to working with the community to ensure that this forest remains healthy and cared for in the years to come.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

There are no risk implications to implementing the recommendations of this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with this report.

FINANCIAL IMPLICATIONS

Funds are available within 909165 Shea Road Woods UNA193 and 909865 Natural Area Acquisitions (Urban).

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with implementing the recommendations of this report. The park and related facilities will meet all accessibility standards.

ENVIRONMENTAL IMPLICATIONS

The Environmental Remediation Unit within the Corporate Real Estate Office retained a consultant to complete a Phase One Environmental Site Assessment (ESA) to support the City's plan to acquire these lands. Based on the results of the Phase One ESA, no areas of potential environmental concern were identified at the property and a Phase Two ESA was not recommended. The City's environmental due diligence for acquisition of the lands is considered satisfied.

TERM OF COUNCIL PRIORITIES

The recommendations in this report support the City Council priorities of Thriving Communities and Environmental Stewardship.

SUPPORTING DOCUMENTATION

Document 1 Property Sketch

DISPOSITION

Following approval by Council, Legal Services, Planning Services and Corporate Real Estate Office staff will implement the recommendations in this report.

Document 1 – Property Sketch

Parcel 1 – 2.374 hectares (5.866 acres) to be conveyed to the City as the parkland dedication required as a condition of approval of the Westwood Phase 3 Subdivision Application.

Parcel 2 – 2.687 hectares (6.639) acres to be purchased.

