SUBJECT: Declaration of Surplus Property and Sale of City Lands Known as 140 King William Street, Hamilton to Hamilton Realty Capital Corporation Inc. (PED09226) (Ward 2)

RECOMMENDATION:

(a) That an L-shaped parcel described as Parts 1 and 2, Plan 62R-12500 and Lots 20 and 21, Registrar’s Compiled Plan 1393, owned by the City and operating as Car Park Lot 5, known municipally as 140 King William Street as shown on Appendix “A” attached to Report PED09226, having a frontage of 303 feet more or less along the south limit of King William Street and a depth of 228 feet along Walnut Street, identified as PIN 17168-0056, be declared surplus to the requirements of the City of Hamilton in accordance with the “Procedural By-law for the Sale of Land”, being By-law No. 04-299.

(b) That the Real Estate Section of the Economic Development and Real Estate Division of the Planning and Economic Development Department be authorized and directed to sell the subject lands to Hamilton Realty Capital Corporation Inc. at fair market value.

(c) That the required deposit of 10% of the purchase price be held by the General Manager of Finance and Corporate Services pending acceptance of the transaction.

(d) That the sale proceeds, less real estate and legal administrative costs, be deposited in Account No. 47702-108021 (HMPS Parking Capital Reserve).

(e) That the fair market value of the subject property be determined by an independent, professional appraiser in good standing with the Appraisal Institute of Canada, and that the fees for the appraisal be expensed to Hamilton Realty Capital Corporation Inc.
(f) That the Hamilton Realty Capital Corporation Inc. and the City’s Parking and By-Law Services Division work in collaboration to develop terms for the operation of a new parking facility, failing which, the Option to Purchase shall become null and void. Hamilton Realty Capital Corporation Inc. will apply for all applicable zoning and site plan approvals at its own expense.

(g) That the City Clerk be authorized and directed to execute and issue a Certificate of Compliance for this transaction in the form prescribed pursuant to Section 268 of the Municipal Act, incorporating the following, if required:

i) That the subject lands be declared surplus by inclusion of Report PED09226 to City Council.

ii) That in accordance with the approved methods of giving Notice to the Public in the Real Property Sales Procedural By-law No. 04-299, Section 12(a) (6), sufficient notice to the public is given by way of Report PED09226 to City Council.

Tim McCabe
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

The information and recommendations contained in this report primarily affect Ward 2 where the subject property is located.

The purpose of this report is to request Council’s approval to declare the subject property surplus to the requirements of the City of Hamilton and direct conveyance of this property to Hamilton Realty Capital Corporation Inc. (HRCC).

HRCC proposes to redevelop the site with a retail/commercial/institutional development together with a multi level parking structure, all in accordance with the Downtown Transportation Master Plan. Hamilton Municipal Parking System (HMPS) is currently operating Car Park Lot No. 5 on the site, consisting of 127 spaces.

BACKGROUND:

As a means of attracting private investment for the renewal and revitalization of Downtown Hamilton, Council on July 12, 2006 entered into an agreement with the Hamilton Realty Capital Corporation (HRCC). HRCC is a private for profit joint venture between the City and private investor(s), wherein a City loan of up to $2,000,000 would be matched by private investment. The Corporation aims to fund restorations, renovations and developments within the Downtown Hamilton Community Improvement
Project Area, in keeping with the Hamilton Downtown Secondary Plan – Putting People First. Funds from the Corporation are to flow on a project-by-project basis in accordance with the Municipal Act, reflecting the imperatives of “developing community economic activity” or “fostering economic growth”. The Downtown and Community Renewal Division will act as administrators of the Corporation.

The subject property is the site of a proposed redevelopment plan on the southwest corner of King William Street and Walnut Street; the property has a frontage of 303 feet on the south limit of King William Street and 228 feet on the west limit of Walnut Street. Current zoning is “D3” – Downtown Mixed Use according to new City of Hamilton By-law 05-200.

HRCC will purchase the subject parcel from the City at fair market value, as determined by an independent professional appraiser. Appropriate zoning and site plan approvals will be covered at the expense of the HRCC. To offset the loss of parking spaces resulting from the sale of the subject property and the loss of Car Park Lot No. 1 at 76 John Street North (designated as John/Rebecca Street Urban Park), HMPS will explore the possibility of a leaseback arrangement for space in the new parking facility. There may also be an opportunity for a partnership between HMPS and HRCC for the operation of the new parking facility. Should this become an option, HMPS would collaborate with HRCC in the design of the parking structure forming part of the proposed redevelopment.

The Real Estate Section has completed a circulation to all City Departments and no municipal interest was expressed except for Hamilton Municipal Parking System’s desire to retain the existing parking lot, unless the lands were to be re-developed as a parking structure by/or in partnership with the City. Real Estate staff is now moving forward to declare the lands surplus and dispose of subject lands to the Hamilton Realty Capital Corporation Inc.

**ANALYSIS/RATIONALE:**

Except for continuing to operate the subject property as a municipal parking lot, there is no municipal requirement.

The sale of the subject property would allow for development intensification of the subject lands and is in keeping with Municipal Act imperatives of “fostering economic growth”. A circulation failed to identify any needs or uses for the subject lands with the exception of providing parking for the Downtown core. The City of Hamilton will receive a financial benefit from the sale of the subject lands and the proposed redevelopment would generate additional property taxes.

**ALTERNATIVES FOR CONSIDERATION:**

Should Council decide not to declare the lands surplus and approve the sale, the parcel will remain in City ownership and the HRCC would seek an alternative development site.
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**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial: There are no financial implications arising from this recommendation.

Staffing: There is no staffing implication arising from this recommendation.

Legal: The Legal Services Division will be required to assist in the preparation of the necessary documents upon the sale of the lands.

**POLICIES AFFECTING PROPOSAL:**

This recommendation is consistent with the Real Estate Management Portfolio Strategy Plan, as approved by City Council on November 24, 2004, and the “Procedural By-law for the Sale of Land”, By-law No. 04-299.

**RELEVANT CONSULTATION:**

Real Estate staff has circulated the subject lands to relevant City of Hamilton staff. Input was received from both the Downtown and Community Renewal Division and the Hamilton Municipal Parking System. With the exception of the Hamilton Municipal Parking System, there were no objections to the sale.

The Hamilton Municipal Parking System will retain the parcel in the event the lands are not redeveloped with a parking facility component.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑Yes ☐No
The sale of the lands will facilitate more intensive development of said lands.

Environmental Well-Being is enhanced. ☑Yes ☐No
Using vacant lands to house space thereby avoiding building elsewhere.

Economic Well-Being is enhanced. ☑Yes ☐No
The lands, when redeveloped, will increase tax revenue.

Does the option you are recommending create value across all three bottom lines? ☑Yes ☐No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐Yes ✓No

FA/sd
Attach. (1)