SUBJECT: Purchase of Property at 124 Province Street, Hamilton) (PW08027) - (Ward 4)

RECOMMENDATION:

(a) That staff of Public Works and Planning and Economic Development be directed to proceed with negotiations for the purchase of the property at 124 Province Street described as PLAN 497 PT LOT 453 RP;62R5773 PARTS 1 & 2 (PIN# 172420092);

(b) That the budget for the purchase of the properties listed in Recommendation (a) totalling $185,652 be funded from the Parkland Dedication Reserve account 104090;

(c) That the Mayor, Clerk and Legal Services be directed to execute all documents related to the purchase of properties identified in Recommendation (a);

(d) That upon the vacant possession of 124 Province Street North, the Director of Energy, Fleet & Facilities be authorized and directed to take all the necessary steps, for the demolition of the subject dwelling and that the cost for the demolition and any ancillary expenses be charged to account number 104090, (Parkland Dedication Reserve), as per Recommendation (b);

(e) That the related maintenance costs for the 124 Province Street North property be expensed within the existing 2008 Operations and Maintenance Budget and noted as an unfunded expenditure for 2008, and further that the full year operating expense of $1,200 be included as an operating pressure to the 2009 Operations and Maintenance budget submission.

Scott Stewart, C.E.T.
General Manager
Public Works Department
EXECUTIVE SUMMARY:

This report requests approval to negotiate the land purchase of existing residential land at 124 Province Street North and requests approval of the source of funding for acquisition, demolition of the dwelling at 124 Province Street North and related maintenance.

Both the City’s Planning and Economic Development Department and Public Works Department recommend this transaction pursuant to the future development of parkland in the Crown Point East neighbourhood, where there is currently a parkland deficiency.

The conversion of this residential land at 124 Province Street North to parkland is in accordance with the existing Neighbourhood Plan, approved by the former City of Hamilton Council on March 11, 1980. The Neighbourhood Plan identified a prospective/future neighbourhood park located to the south of Roxborough Avenue comprising thirteen (13) residential properties for conversion from private residential to public parkland. Pursuant to this, the City has already purchased three (3) of the residential properties in this block and seeks to purchase ten (10) more residential properties in order to create a 0.36-hectare (0.88 acres) park. The subject land at 124 Province Street North is one (1) of the ten (10) noted properties that the City plans to acquire on a willing seller basis.

BACKGROUND:

The information and recommendations contained in this report primarily affect Ward 4.

The subject land, 124 Province Street North, is 0.02 hectares (0.04 acre) in size, located south of Queen Mary Elementary School and Roxborough Avenue in Ward 4, in the Crown Point East Neighbourhood. The Crown Point East Neighbourhood is bounded by Kenilworth Avenue North, Main Street East, Ottawa Street North and the CN Railway. See Appendix A, Site Location Map.

On March 11, 1980, the former City of Hamilton Council approved a Neighbourhood Plan for the Crown Point East Neighbourhood, which was updated on November 13, 1984. This Neighbourhood Plan depicts a prospective/future neighbourhood park located to the south of Roxborough Avenue comprising the conversion of thirteen (13) residential properties to park and recreational land use. These thirteen (13) properties sit at the north end of a residential block bounded by Province Street North, Roxborough Avenue, Graham Street North, and Dunsmure Road. The purpose of the conversion is to remedy an extant parkland deficiency in the neighbourhood. See Appendix B, Crown Point East Approved Neighbourhood Plan.

The properties identified for conversion to park and recreational land use in the Council approved Neighbourhood Plan, in this neighbourhood block are: 108, 110, 112, 114, 116, 120, 122, and 124 Province Street, as well as 103, 105, 107-113 (currently one land parcel that was formerly three separate properties) 115, and 119 Graham Avenue. Please refer to Appendix C, Ownership of Properties.

Three (3) of the thirteen (13) properties identified in the Neighbourhood Plan have been purchased into City ownership, and remain as such. The three (3) in City ownership are 112 and 122 Province Street, and 107-113 Graham Avenue (formerly 3 separate sites). The subject land (124 Province Street North) is one of ten (10) properties that are
currently in private ownership. The subject land has become available for purchase. See Appendix C, Ownership of Properties.

The intent of the approved Neighbourhood Plan is to create a park in a neighbourhood where there was and still is a deficiency. In order to continue the successful implementation of the Plan the City needs to acquire the noted lands as they become available for sale to the City on a willing seller basis. Previous and current practice is for staff to prepare a recommendation report to Council to notify Council that a land parcel has become available. The report also recommends a funding source.

Staff has spoken with the Planning and Economic Development Department with respect to investigating other similar parkland deficit situations identified within the respective City Neighbourhood Plans.

In this regard, the Planning and Economic Development, Public Works and Community Services Departments are currently working on a report responding to a March 21, 2006 direction from the Emergency and Community Services Committee. This direction specifically indicated,

“Staff (Culture and Recreation) was directed to communicate with staff from Long Range Planning and Development and Real Estate Divisions, as well as the Open Space Development Section, respecting the City’s strategy to manage greenspace and open space deficiencies”.

The report that is currently being prepared by staff will define how parks and open space are planned, located, related standards and parkland deficiencies with respect to acquisitions. It is the intent of the report to recommend a strategy for responding to the identified parkland deficiencies. The report is expected to be completed by the summer of 2008.

Community Services Housing Division was contacted to determine if they were interested in utilizing the existing dwelling at 124 Province Street North for social housing, until the park moves forward. The Portfolio Management Committee did discuss the potential use of the dwelling recently. City Housing Hamilton had undertaken an assessment of the building and determined that the dwelling is not suitable for its rental program. Specifically, the required repairs on the dwelling versus the potential rent revenue from the two-bedroom dwelling resulted in a financial model that was not financially feasible for their program.

This action is in keeping with the recommendations of the March 26, 2006 Council approved Report PED06077. Specifically, recommendation (a), which states, “That City Council adopt the Policy and Guidelines, as set out in Appendix A attached to Report PED06077, under which the City of Hamilton will consider demolition and leasing of residential buildings on a short term, lease basis.” The attachment referred to in recommendation (a) identifies the requirement to provide the Portfolio Management Committee with a written report regarding a lease versus demolish assessment, for their review and consideration.

Given the above investigation and analysis by the Community Services Housing Division, Real Estate staff have recommended that there is no need to return to the Portfolio Management Committee to obtain consent to demolish the building. Real Estate staff has further recommended that the existing dwelling should be removed
immediately following purchase to eliminate concerns with vandalism, fire and retaining a property that is not occupied. As the subject property is on the corner of Roxborough and Province Streets, the adjacent property to the south (#122 Province Street) is vacant City owned land. Demolition of the dwelling at 124 Province Street will result in a vacant parcel of land at the North West corner of the proposed park block.

ANALYSIS/RATIONALE:

Typically, parkland in new and developing neighbourhoods is identified through the applicable planning process. During the Secondary Plan and Neighbourhood Plan planning process, the location of parks on a City Wide, Community and Neighbourhood classification are identified. In addition, any natural features such as Environmentally Significant Areas, watercourses, hazard lands, woodlots are identified as open space. Through the Secondary and Neighbourhood planning process, new park locations are identified in both new communities and revitalization exercises in older neighbourhoods. Neighbourhood parks primarily cater to the recreational needs and interests of the residents living within its general vicinity. Generally, neighbourhood parks are located within the interior of the neighbourhood, creating a neighbourhood focus. Often, neighbourhood parks are located adjacent to schools, local open spaces, and utility corridors to enhance this focus element of the neighbourhood, to complement the community use of open space, to maximize green space in one location and to create opportunities for open space linkages. In some cases, the unique physical attributes of a neighbourhood, such as the configuration of roads, existing uses, and natural areas and grading, may also influence the location of parks. In older neighbourhoods, the location of new parks may be deemed more by the availability of suitable land and its potential for acquisition rather than the characteristics identified above.

Parkland needs are determined by the new standards set out in Section C.1.1 of the City’s Official Plan (Official Plan Amendment No. 205 to the former City of Hamilton Official Plan, June 2006) and are based on neighbourhood population (0.7 hectares required per 1000 population for neighbourhood, and community parks). The parkland needs for each neighbourhood are determined for neighbourhood and community parks only; City wide parks serve a broad area beyond the local community and have not been included in the calculations of needs and deficiencies.

The acquisition of parkland is an essential element in guaranteeing the future access of Hamilton’s citizens to open space. The provision of parkland/open space is fundamental in the quality of life for the residents of the City and as a result, land acquisition represents the major priority of park expenditures.

Presently, the only neighbourhood park that exists in Crown Point East is R.T. Steele Park, which is 0.59 hectare (1.46 acres) in size. The requirement for parkland in this neighbourhood based on the current population of 5253 persons and the neighbourhood park requirement of 0.7 hectare (1.73 acres) per 1000 population is 3.68 hectares (9.09 acres). Parkland deficiency for this neighbourhood is 3.09 hectares (7.64 acres). The subject property is 0.02 hectare (0.04 acre). The 3 properties in City ownership total 0.11 hectare (0.28 acre). The remaining 10 properties total 0.24 hectare (0.6 acre). The total size of parkland, once these properties are acquired and merged will be 0.4 hectare (0.88 acre), which assists in reducing the deficiency. Please refer to table below for parkland deficiency summary.
Crown Point East Neighbourhood

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<tbody>
<tr>
<td>2006 Population</td>
<td>5253</td>
</tr>
<tr>
<td>Neighbourhood Park Requirement (0.7 ha/1000 population)</td>
<td>3.68 ha (9.09 ac)</td>
</tr>
<tr>
<td>Existing Neighbourhood Park</td>
<td>0.59 ha (1.46 ac)</td>
</tr>
<tr>
<td>Parks Deficiency</td>
<td>3.09 ha (7.94 ac)</td>
</tr>
</tbody>
</table>

As noted, the direction at the neighbourhood scale for the creation of additional park and recreational land was approved by the former City of Hamilton Council on March 11, 1980 in the form of an approved Neighbourhood Plan for Crown Point East.

At the time, the City had envisioned the creation of a 0.5-hectare (1.2 acres) park adjacent to Queen Mary Elementary School. The Neighbourhood Plan also identified the potential closure of a portion of Roxborough Avenue where it runs between the school board lands, and the 124 Province Street and 119 Graham Avenue. See Appendix B – Crown Point East Approved Neighbourhood Plan. Closure of this portion of Roxborough Avenue would not be considered until all of the noted thirteen (13) properties had been acquired.

Staff has recently learned that one (1) property within the identified park and recreational land use block, specifically 124 Province Street North, as shown in Appendices A and C, is available for purchase by the City. The acquisition of this property would continue the City's efforts to acquire additional parkland in a neighbourhood where a parkland deficiency currently exists. This property has been previously identified by the City as a suitable location for a park through the Council approval Crown Point East Neighbourhood Plan. It is vital that the opportunity to purchase the property is not missed, as the City is working toward amassing enough properties within this identified block, as required, to develop parkland in keeping with the approved Neighbourhood Plan. Details of costs of acquisition are outlined in the Financial Implications section of this report.

The property at 124 Province Street North is currently listed for sale on the MLS of the local real estate board for an asking price of $122,900. Based on an analysis of sales of similar dwellings in the neighbourhood, the market value of 124 Province St. N. is estimated to fall within a range between $110,000 and $115,000. The City should be able to negotiate a purchase price within this range, and certainly within 5% of this range.

**ALTERNATIVES FOR CONSIDERATION:**

The intent of the Crown Point East Neighbourhood Plan is to create parkland in a neighbourhood where there is currently a deficiency (see Appendix B). Conversion of the noted properties from residential to park and recreational land use, benefit the residents of Ward 4, particularly those within the immediate neighbourhood. These benefits warrant action by the City, and are consistent with the previous direction from Council in the approval of the Crown Point East Neighbourhood Plan.
Failure to acquire this property will not further the intent to address a parks deficiency and would not be consistent with previous acquisitions, triple bottom line and City visions. Staff does not support the “do nothing” option.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The estimated cost to acquire this land is **$185,652**. The costs are broken down in the table below. Corporate Finance recommends the property purchase and associated expenses be funded from the Parkland Dedication Reserve account 104090.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
<td>Purchase Cost and Legal Fee</td>
<td>$130,500</td>
</tr>
<tr>
<td>Real Estate Fee</td>
<td>$3,075</td>
</tr>
<tr>
<td>Administration and ESA Allowance</td>
<td>$10,200</td>
</tr>
<tr>
<td>Demolition</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$168,775</strong></td>
</tr>
<tr>
<td>Contingency</td>
<td>$16,877</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$185,652</strong></td>
</tr>
</tbody>
</table>

Funding is required immediately to take advantage of the opportunity to purchase this land.

Demolition and site restoration costs are estimated at $25,000 that would be undertaken by Energy, Fleet & Facilities of Public Works.

The process of parkland design and development would be undertaken once all thirteen properties (13) had been acquired by the City. Parkland design and development costs for the resultant 0.4-hectare (0.88 acre) park are estimated at $150,000 (in 2008 dollars).

The costs of acquisition of all ten (10) properties indicated as “Non City Owned Land” in Appendix C are estimated at $1.8M to $2.5M, 2008 dollars. In keeping with the Approved Neighbourhood Plan, it is the intention of staff to acquire these lands as they become available for sale to the City on a willing seller basis. As these lands become available, staff would notify Council as to a funding source.

Maintenance Implications:

As this report is recommending the purchase of 124 Province Street North and if approved, the immediate removal of the existing dwelling. Parks Operations has therefore, estimated an annual budget impact of $1,200 to maintain the remaining grass lot at 124 Province Street North.

Full park maintenance costs would be realized once all (13) thirteen properties are acquired and developed into parkland in the future.

The total land area of all thirteen properties (13) is 0.36 hectare (0.88 acre). This would result in an estimated annual increase to maintenance costs of $3,658 (2008 dollars) upon completion of the entire park in the future.
POLICIES AFFECTING PROPOSAL:

The 2007 Public Works Strategic Plan fundamental purpose is to provide safe, strategic and environmentally conscious services that bring our communities to life. Vision 2017’s goal is to be recognized as the centre of environmental and innovative excellence in Canada. The acquisition of 124 Province Street North for future parkland supports the Public Works Strategic Plan and the plan’s priority of being a Leader in the “greening” and stewardship of the City. Staff has also consulted the Planning and Economic Development Department, the Community Services Housing Division, Corporate Services and Operations and Maintenance, which further supports the Strategic Plan’s priority of working in cross-departmental teams to address park planning issues and opportunities.

The City of Hamilton Official Plan (OP), Section C.1.1 – Parkland Policies sets out the overall direction for parks planning within the City. The OP provides policy direction for parks classification, size and location standards, authority and direction for the acquisition of parkland and/or cash in lieu contributions. All municipal and private actions regarding the planning and acquisition of parkland must comply with the Official Plan. The proposed recommendation for the purchase of 124 Province Street for parkland purposes is in accordance with the directions set out in the Official Plan for parkland standards, requirements, surplus lands, neighbourhood design and land acquisition. Specifically, the following subsections apply: Parkland Standards, subsection 1.1.9, regarding park classifications and parkland requirement calculations; subsection 1.1.14, regarding the amount and type of parkland required; and subsection 1.1.16, which identifies the criteria for evaluating whether or not lands should be acquired to satisfy parkland requirements and deficiencies.

Policy and Guidelines for the Renting and Demolition of Residential Buildings Owned by the City of Hamilton, as approved by Hamilton City Council on March 26, 2006. Content of this Policy and Guidelines provides direction with regard to: the leasing and demolition of properties that are owned by the City; procedure for the issuance of demolition permits on such properties; the transfer of management of such properties to CityHousing Hamilton Corporation; and that properties designated under the Ontario Heritage Act are not included in the Policy and Guidelines.

RELEVANT CONSULTATION:

Internal:

Planning and Economic Development Department - Community Planning and Design Section:

Consulted regarding Official Plan policies, designations, the Neighbourhood Plan for the park location, and standard practice for dealing with park and open space deficiencies

Planning and Economic Development Department - Real Estate:

Consulted regarding the costs of acquisition of all ten (10) properties including the property at 124 Province Street, and on the policy and guidelines for renting and demolition of residential buildings owned by the City of Hamilton.
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Public Works Department - Energy, Fleet and Facilities:
Consulted regarding the cost to demolish the existing house at 124 Province Street and regarding the approved procedures for the leasing and demolition of properties owned by the City of Hamilton.

Public Works Department - Operations and Maintenance:
Consulted regarding the maintenance implications of the acquisition of the property at 124 Province Street North

Community Services Department - Housing Division - Housing Property Management Operations Section:
Consulted regarding the potential management of this property within their housing program.

Corporate Services Department - Finance Section:
Consulted regarding the funding requirements of this proposal.

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.

The purchase of land for the development of parkland where a neighbourhood currently has a deficiency is consistent with Vision 2020 principles of:

Community Well-Being is enhanced. ☑ Yes ☐ No
- Develops a social and physical environment that allows citizens to participate in community life.
- Develops a public park and open space which inspires community pride and a sense of place.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
- Develops a natural area that could provide for the growth and development of native plants and wildlife, and provides access for citizens of Hamilton.

Economic Well-Being is enhanced. ☑ Yes ☐ No
- Promotes Hamilton’s environment as a desirable place to live and work.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No
- Community Well-Being, Environmental Well-Being, and Economic Well-Being are enhanced.

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No
- These recommendations create conditions where the involved employees can excel in their service to the community.
- The recommended initiative provides the involved employees with challenging and, therefore, fulfilling works in their pursuit of excellent public service.

City of Hamilton Vision Statement
The recommendations in this report align with the City’s new Vision “To be the best city in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities”.
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