CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development and Real Estate Division

TO: Chair and Members
Economic Development and Planning Committee

WARD(S) AFFECTED: Ward 6

COMMITTEE DATE: October 5, 2010

SUBJECT/REPORT NO:
Declaration of Surplus Land and Sale of Easement to Union Gas Limited – Part of 1227 Stone Church Road East, Hamilton (PED10232) (Ward 6)

SUBMITTED BY:
Tim McCabe
General Manager
Planning and Economic Development

PREPARED BY:
John Hamilton
905-546-2424 Ext. 7045

SIGNATURE:

RECOMMENDATION

(a) That the subject lands, described as Parts 1, 2, 3 and 4, on Plan 62R-18781, being part of PIN 16984-0448 (LT), and forming part of 1227 Stone Church Road East, Hamilton, having an area of 11,550 square feet (0.265 acres) as shown on Appendix “A” attached to Report PED10232, be declared surplus to the requirements of the City of Hamilton in accordance with Procedural By-law 04-299;

(b) That an Offer to Purchase (Easement) by Union Gas Limited scheduled to close on or before November 25, 2010 for the land described in Recommendation (a) be approved and completed at the sale price of $1.00;

(c) That the sale price of $1.00 does not include the Harmonized Sales Tax; should HST be applicable and collected by the City, that the amount be credited to Account No. 22828 009000 (HST Payable);
(d) That the sum of $1,500.00 for Real Estate Administration fees in the amount $1,000.00 and appraisal fees of $500.00 be funded from Account No. 54375-7400341100 and credited to Account No. 47703-3560150200 (Capital - Property (Easement) Purchases and Sales) and to Account No. 45409-3560150200 (Appraisal Fees);

(e) That any disbursements, legal fees and expenditures incurred by Legal Services be funded from Account No. 52425-7400341100; and,

(f) That the Mayor and Municipal Clerk be authorized and directed to execute and issue a Certificate of Compliance in the form prescribed pursuant to Section 268 of the Municipal Act, incorporating the following:

(i) That as required by Section 3 (a) of By-Law 04-299, the subject lands be declared surplus by inclusion in this Report to City Council;

(ii) That an internal appraisal for the fair market value of the property to be sold was completed on September 20, 2010. Because the easement is for the sole benefit of and exclusive use of the Multi-Agency Training Centre, its conveyance will be at the nominal sum of $1.00; and,

(iii) That in accordance with the approved method of providing notice in the City of Hamilton By-Law No. 04-299 “Procedural By-Law for the Sale of Land”, Section 12 (a) (6), notice to the public of the proposed sale of land is given by inclusion of this recommendation to City Council.

EXECUTIVE SUMMARY

On September 30, 2009, Council approved construction of the Multi-Agency Training Centre and its supporting infrastructure, as part of the Infrastructure Stimulus Fund (ISF) Program. A Union Gas pipeline easement is required to provide natural gas service to several buildings located on the site. To formalize and secure its interests, Union Gas Limited requires an easement from the City.

The purpose of this Report is to request Council to declare the land covering the infrastructure as surplus and convey an easement over the lands described as Parts 1, 2, 3 and 4, Plan 62R-18781 to Union Gas Limited, at the nominal sum of $1.00.

Alternatives for Consideration – See Page 4
FINANCIAL / STAFFING / LEGAL IMPLICATIONS (For Recommendation(s) Only)

Financial: Lack of an easement would require installation of a gas meter at the front of the property, leaving the City responsible for extending gas service to the rear buildings at its own expense.

Staffing: There are no staffing implications arising from this recommendation, other than Real Estate and Legal staff working together on the sale of the easement to Union Gas Limited.

Legal: Legal staff is needed to assist Real Estate staff in preparing the Offer to Purchase (Easement) document and in completing the sale.

HISTORICAL BACKGROUND (Chronology of Events)

The land being developed for the Multi-Agency Training Centre is part of a larger site near the north-east corner of Upper Ottawa Street and Stone Church Road East. Initially the site of a landfill, the property has since been decommissioned and partially redeveloped with the Traffic Operations Centre. Land east of the Centre remained unused until September 2009, when the City approved the development of the Multi-Agency Training Centre. Four separate buildings are currently being erected on the site, which has a small frontage along the north side of Stone Church Road East. Three of the four new buildings are situated well back from the road making it necessary to extend natural gas north from Stone Church Road to the rear buildings.

Where utilities cross City owned lands that are not road allowances, an easement is required. None of the proposed easement is within a road allowance. Union Gas Limited has agreed to formalize its installation by acquiring an easement from the City. Because the servicing is for the sole benefit of the City, the transaction will be conveyed for $1.00 rather than at market value.

The City’s holding is fully serviced, with an industrial Official Plan designation. Zoning is “M13” – Industrial. The proposed easement, described as Parts 1, 2, 3 and 4 on Plan 62R-18781, forms a small part of this property. Placement of the Union Gas infrastructure will have minimal effect on the property in terms of future redevelopment.

POLICY IMPLICATIONS

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 04-299 that City Council must declare surplus any lands to be disposed of by the City.
RELEVANT CONSULTATION

- Public Works
- Hamilton Emergency Services
- Legal Services, City Manager’s Office
- Real Estate Section, Planning and Economic Development

ANALYSIS / RATIONALE FOR RECOMMENDATION

(Include Performance Measurement/Benchmarking Data, if Applicable)

Declaring the lands surplus would allow Real Estate staff to proceed with conveying an easement to Union Gas Limited, thereby legalizing the interests of the utility and shielding the City from liability.

ALTERNATIVES FOR CONSIDERATION

(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for Each Alternative)

Should Council deny the recommendation to declare the subject land surplus and conveying an easement to Union Gas Limited, the constructed infrastructure will have no legal status and the City would be exposed to liability.

Approval of the recommendation by Committee and Council will authorize Real Estate staff to proceed with sale of the lands required for this infrastructure.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


Financial Sustainability

- It is important to increase the number of industrial land options to meet the needs of new, relocating or expanding business.

Intergovernmental Relationships

- Maintain effective relationships with other public agencies.
- Opportunity to support growth in residential and industrial development with additional infrastructure.

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honest, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
APPENDICES / SCHEDULES

Appendix “A” to Report PED10232 – Location Map

JH/sd
Location Map

File Name/Number: 2005-180
Date: Sept. 10, 2010
Appendix "A"
Scale: N.T.S.
Planner/Technician: J.H./A.L.

Subject Property
- Part of 1227 Stone Church Road East, Hamilton
- Part of Pin #16934-0448
- Parts 1-4, Plan 62R-18781
- 11,550 square feet, (0.265 acres)
- Easement to Union Gas

Ward 6 Key Map

N.T.S.