SUBJECT: Option to Purchase, 925, 941 and 0 Nebo Road, Glanbrook, for the Dartnall Road Extension Within the North Glanbrook Industrial Business Park (PED06354) (Ward 11)

RECOMMENDATION:

(a) (i) That an Option to Purchase, executed by Joseph Kozina, Irene Oleksuik, Theresa MacDonald, Edward Oleksuik, Richard Oleksuik, Kimberley Fennema, David Kozina and Jason Kozina on August 1, 2006, and scheduled to close on or before December 14, 2006, for the purchase of the lands described as: part of Lot 14, Concession 2 of the former geographic Township of Glanford, formerly in the Town of Glanbrook, now in the City of Hamilton, known municipally as 925 Nebo Road, Hamilton (attached as Appendix “A” to Report PED06354), be approved and completed, and the purchase price of $1,329,270.00 be charged to Account No. 59259 5160507001 (North Glanbrook Industrial Business Park Services).

(ii) That an Option to Purchase, executed by Richard John Oleksuik on August 1, 2006, and scheduled to close on or before December 14, 2006, for the purchase of the lands described as: part of Lot 14, Concession 2 of the former geographic Township of Glanford, formerly in the Town of Glanbrook, now in the City of Hamilton, known municipally as 941 Nebo Road, Hamilton (attached as Appendix “B” to Report PED06354), be approved and completed and the purchase price of $242,000.00 be charged to Account No. 59259 5160507001 (North Glanbrook Industrial Business Park Services).

(iii) That an Option to Purchase, executed by Joseph Kozina, Irene Oleksuik, Theresa MacDonald, Edward Oleksuik, Richard Oleksuik, Kimberley Fennema, David Kozina and Jason Kozina on August 1, 2006, and scheduled to close on or before December 14, 2006, for the purchase of the lands described as: part of Lot 14, Concession 2 of the former geographic Township of Glanford, formerly the Town
of Glanbrook, now in the City of Hamilton, known municipally as 0 Nebo Road (attached as Appendix “C” to Report PED06354), be approved and completed, and the purchase price of $1,511,150.00 be charged to Account No. 592595160507001(North Glanbrook Industrial Business Park Services).

(b) That as consideration, the amount of $2.00, paid to the owner pursuant to the agreement, be deducted from the purchase price as noted in (a) (i), (ii) and (iii).

(c) That the three (3) Options to purchase noted above in (a) (i), (ii) and (iii) shall close concurrently and contemporaneously.

(d) That completion of the Option to Purchase documents, as detailed above in (a) (i), (ii) and (iii), are conditional upon the City of Hamilton being satisfied with the results of an Environmental Assessment to be completed on the properties before the closing date.

(e) That upon the closing date, the City will lease the lands at 925 Nebo Road, as described in (a) (i), back to the property owner at nominal ($2.00) consideration until the earlier of the Owner vacating the premises or November 1, 2007. The owner shall be responsible for paying all costs of utilities, property insurance premiums, minor maintenance and repairs.

(f) That consideration be given to incorporate the name “Kozina” for any future road development within the North Glanbrook Industrial Business Park.

(g) That the Director of Fleet and Facilities Division be authorized and directed to make all the necessary applications for the demolition of all structures located on 925 and 941 Nebo Road.

(h) That the costs for the demolition related to 925 and 941 Nebo Road be charged to Account No. 592595160507001. (North Glanbrook Industrial Business Park Services)

(i) That the internal land appraisals and administration costs related to these transactions, in the amount of $3,000, be charged to Account No. 592595160507001 and that this amount be credited to the Real Estate Division, Account No. 477023560150200.

(j) That the Mayor and Clerk be authorized and directed to execute the necessary documents, in a form satisfactory to Corporate Counsel.

_____________________________
Lee Ann Coveyduck
General Manager
Planning and Economic Development Department
EXECUTIVE SUMMARY:

The information and recommendations contained in this report have City wide implications, but primarily affects Ward 11, where the subject properties are located.

The purpose of this report is to facilitate infrastructure improvements within the North Glanbrook Industrial Business Park in accordance with the Transportation Master Plan. The properties being acquired are necessary for the extension of Dartnall Road, which complies with the Master Plan and the preferred transportation network for the area.

BACKGROUND:

One of City Council’s strategic goals has been to create more “shovelready” Industrial lands to generate more opportunities for jobs and municipal assessment. In 2004-2005, Council established a Capital Budget Program of approximately $8 Million to provide for infrastructure and servicing improvements to the North Glanbrook Industrial Business Park (NGIBP). During 2005, the City also secured a Provincial grant in the amount of $20 Million to augment the Capital Budget Program for this Industrial Park.

A number of planning and engineering initiatives have commenced to attain as much “shovelready” Industrial land as soon as possible including the North Glanbrook Industrial Business Park Transportation Master Plan. A preferred transportation network was endorsed by City Council in July, 2006. As such, the layout and alignment of all major arterial and secondary roads within the North Glanbrook Industrial Business Park have been essentially established as outlined in Appendix “D” hereto attached. In the case of proposed Dartnall Road extension southward, land acquisitions for the municipal road allowance need to be purchased to facilitate the construction of the full urban industrial standard, road infrastructure including underground servicing.

To that end, the southern most properties, municipally known as 925 and 0 Nebo Road is where the proposed Dartnall Road will intersect with Dickenson Road and where Nebo Road will be re-aligned and re-constructed to full urban industrial standards. These properties total approximately 64 acres and are strategically located where a number of municipal roads will be constructed and re-aligned to create a gateway to the North Glanbrook Industrial Business Park and access to both the Hamilton International Airport to the southwest and the Red Hill Parkway to the north. Most of the subject lands are vacant with the exception of a single detached dwelling and other structures which will need to be demolished in order to facilitate the construction of the proposed road network.

Although only a portion of the subject properties (64 acres) are required to construct the proposed road infrastructure, the landowners prefer to sell their whole property to the City. The landowners have indicated that the proposed road network fragments their properties into several irregular shaped parcels, some of which cannot be readily utilized for resale without assembling additional lands around these parcels. Since there are other City-owned lands in the general vicinity north of the subject lands, we can take advantage of the additional land and frontage to augment the size, saleability and value of our existing holdings in the North Glanbrook Industrial Business Park. Since the costs
of expropriation proceedings could be higher than the proposed net purchase price for the whole property, staff would recommend the City purchase all of the subject lands, subject to the usual sale conditions. The lands are being purchased at a price acceptable to Real Estate staff, which is in the range of market value.

**ANALYSIS/RATIONALE:**

Approval of the recommendation by Committee and Council will authorize Real Estate staff to advise Joseph Kozina, Irene Oleksuik, Theresa MacDonald, Edward Oleksuik, Richard Oleksuik, Kimberley Fennema, David Kozina and Jason Kozina that the City will accept title to the subject lands, subject to the sale conditions outlined in this report.

**ALTERNATIVES FOR CONSIDERATION:**

The alternative to the outright purchase of the entire property would be to only purchase the land area required to facilitate the construction of the Dartnall Road extension as well as the re-construction of Nebo Road. Initially the City did propose this alternative but the landowners were not interested since it leaves their property fragmented into several irregular shaped parcels, some of which cannot be readily utilized for resale without assembling additional lands around these parcels. Since there are other City-owned lands in the general vicinity north of the subject lands, we can take advantage of the additional land and frontage to augment the size, saleability and value of our existing holdings in the NGIBP. Since the City does not have a willing seller for this alternative and the costs of expropriation proceedings could be higher than the proposed net purchase price for the whole property, staff would not recommend the City pursue this alternative.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:** The financing for the proposed Option to Purchase has been included as a component of the Capital Budget Program approved by Council for the municipal servicing of the North Glanbrook Industrial Business Park (NGIBP). Any lands in excess of what is required to construct the extension of Dartnall Road and the re-construction of Nebo Road can be re-sold as fully-serviced land. This will recoup the initial acquisition cost and likely provide an opportunity to improve profitability to the City. Any recovered costs would be returned to the Capital Budget Program to help service the remainder of the NGIBP.

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

**Legal:** Legal Services will be required to assist in the preparation of the necessary documents upon the purchase of the lands.
POLICIES AFFECTING PROPOSAL:

As the purchase price exceeds the limits set out by City Council under Delegation of Authority, approval is required by City Council.

The proposed purchase, on a willing buyer, willing seller basis, is consistent with the adopted policies established by City Council.

RELEVANT CONSULTATION:

Staff from the Development and Real Estate Division and the Planning and Economic Development Department have been working together to secure the acquisition of the subject property.

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
A City of Growth and Opportunity.
The public are involved in the definition and development of local solutions.

Environmental Well-Being is enhanced. ☑Yes ☐No
A sustainable transportation network provides many options for people and goods movement.

Economic Well-Being is enhanced. ☑Yes ☐No
A City that spends wisely and invests strategically.

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

GP:KA
Attaches. (4)
Nebo Road

LOCATION PLAN

KEY MAP

LOCATION PLAN
CITY OF HAMILTON
PLANNING & ECONOMIC DEVELOPMENT
REAL ESTATE SECTION

LEGEND
SUBJECT LAND

SCALE
NOT TO SCALE
DATE
2006-08-24

REFERENCE FILE NO:
2006 094
Figure E-1: Preferred Transportation Network