SUBJECT: Holbrook Park Purchase from the Chedoke Health Corporation
559 Sanatorium Road (PW05150) - (Ward 8)

RECOMMENDATION:

(a) That the Real Estate Section of the Planning and Economic Development Department be authorized and directed to negotiate the purchase of the lands described as part of Lot 21, Concession 5 in the former Geographic Township of Barton, designated as Part 1 on Plan 62R-15857, as in Instrument WE83384, PIN# 1740-00300 having a municipal number of 559 Sanatorium Road, also known as Holbrook Park.

(b) That the acquisition cost for Holbrook Park be funded from the Unallocated Capital Levy Reserve account no.108020 in the amount of $210,000.

(c) That the additional annual maintenance costs associated with the new creative play structure, estimated at $3,700, be included in the Operations and Maintenance Division 2006 operating budget submission for Council’s consideration during the 2006 budget process.

EXECUTIVE SUMMARY:

This report requests approval to negotiate the land purchase of the existing leased Holbrook Park from the Chedoke Health Corporation (CHC) and to confirm a source of funding for the purchase.
Both the City’s Planning and Economic Development Department and Public Works recommends the transaction of purchasing the land for Holbrook Park as the Chedoke Health Corporation is terminating the current lease based on terms within that lease.

**BACKGROUND:**

The information/recommendations contained within this report primarily affects Ward 8.

Holbrook Park, the subject site, is located on the north side of Sanatorium Road to the east of Rice Avenue in the Westcliffe West neighbourhood, comprising an area of 0.962 hectares (2.38 acres). Holbrook Elementary School located at 440 Sanatorium Road is adjacent to the subject lands. See Appendix A Site Location Map.

City Council at its meeting of March 11, 1986 adopted Item #1 of the Seventh Report of Parks and Recreation Committee renewing the lease of Holbrook Park from Chedoke Health Corporation for a $1.00 per year for recreational purposes (baseball diamond). The lands had been leased by the City for a period of approximately 20 years prior to this renewal in 1986. The subject lease has a renewable year to year term, allowing the owners of the lands, the Chedoke Health Corporation, the annual option to give notice to the City to vacate Holbrook Park.

In May of 2004 the City was notified by the Chedoke Health Corporation of the intent to end the lease with the City, as is allowed under the current lease, and to sell Holbrook Park. CHC allowed the City, as tenant, the opportunity to negotiate satisfactory purchase terms as a courtesy to the City to have first right of refusal.

It is the intent of the Chedoke Health Corporation to use the funds derived from the sale of the Holbrook Park lands to fund non-profit housing projects of the Hamilton YWCA. Currently the YWCA Non-Profit Housing Corporation is interested in City owned surplus lands between Rymal Road and Eaglewood Drive.

As the City would be supportive of the sale of surplus lands to the YWCA, Chedoke Health Corporation would be prepared to negotiate a sale price of Holbrook Park to the City at less than market value.

Upon successful purchase of Holbrook Park, it would be the intent of staff to maintain Holbrook Park in the same condition as it is presently, and include the installation of a new creative play structure as approved for funding in the 2003 Capital Budget in the amount of $71,000 (Project ID 4400356111).

**ANALYSIS/RATIONALE:**

There is an existing deficiency of municipally owned parkland / open space in the Westcliffe West Neighbourhood. The requirement for parkland in this neighbourhood is 1.08 hectares (2.67 acres). Holbrook Park (0.96 hectares/2.37 acres) is the only parkland / open space area in the Westcliffe West Neighbourhood. Since the City of Hamilton does not own Holbrook Park there exists a deficiency of 1.08 hectares (2.67 acres).

If Holbrook Park were to be purchased the neighbourhood parkland deficit would be reduced to 0.12 hectares (0.30 acres), which is negligible. The Real Estate section supports the acquisition of Holbrook Park as it addresses the parkland deficiency in Westcliffe West Neighbourhood at a favourable purchase price. The City is being
offered a favourable purchase price of less than $85,000 per acre. Depending on the type, density and location of residential lands, current prices range from $200,000 to $500,000 an acre.

If the City did not purchase Holbrook Park and these lands are developed for residential purposes, the parkland deficiency in the Westcliffe West Neighbourhood would be increased.

In its investigation for this report, Public Works have noted at least five (5) other park areas which are leased by the municipality, as well as other lands which are leased by the municipality for purposes such as trail linkages. It is the intention of Public Works to analyze these lands which the municipality is the Licensor or the Licensee and prepare a report in 2006 on these lease agreements for Council’s consideration.

**ALTERNATIVES FOR CONSIDERATION:**

The alternative to not negotiating a purchase of the leased park lands would be the increase in the deficiency of parkland in this area and the loss of a site for sports activity and passive public uses. There are no other suitable lands available that could be provided as parkland.

To acquire an alternative park site in this neighbourhood similar to the Holbrook Park site would either require:

(a) the City purchase other lands owned in this neighbourhood from Chedoke Health Corporation (the only land owner in the area) or

(b) the purchase, expropriation, relocation, and demolition of a block of single-family dwellings (22 to 28 homes) with a cost in the $5,000,000 to $8,000,000 range. Based on a per acre average the cost would be at least in the $2,000,000 to $3,000,000 range per acre.

If the present site is not acquired by the City, the likelihood is that the subject lands could be developed for housing, which would further add to the parkland deficit in the Westcliffe neighbourhood.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**
The acquisition cost is recommended to be funded from the Unallocated Capital Levy Reserve 108020 in the amount of $210,000.

The Parks Maintenance Section of the Operations and Maintenance Division in Public Works have advised the proposed creative play structure for Holbrook Park will increase the annual maintenance budget (labour, materials, equipment) by $3,700.

As the creative play structure is scheduled for installation during the spring of 2006 the full impact on the operating costs will not be realized until the 2006 budget year. Staff recommends that full year operating costs be included in the Division’s 2006 Maintenance Budget Submission in the total amount of $3,700.

**Staffing**
The Parks Maintenance Section have indicated there are no identified staffing implications arising out of this recommendation.
Legal
Legal Services will be required to assist in the preparation of the necessary documents required to complete the purchase/transaction as set out herein.

POLICIES AFFECTING PROPOSAL:

The recommendation to negotiate the purchase of the lands known as Holbrook Park is consistent with the Real Estate Management Portfolio Strategy Plan, as approved by Council (By-Law 04-299) on November 24, 2004, to acquire property in support of municipal programs/needs. Section 6 of the Report details the following principle strategy:

“Except where Council specifies otherwise, all City of Hamilton real property transactions, including leases, will be based on fair market value, even when the other party to the transaction is another level of government, public sector agency or non-profit organization providing services to City residents. In the latter case, the City may choose to use its grant process to wholly or partially offset the amount involved”.

RELEVANT CONSULTATION:

The following City Departments were consulted in the preparation of this report:

1. Planning and Economic Development Department
   - Development and Real Estate provided Recommendations to be authorized and directed to negotiate the purchase of the lands known as Holbrook Park based on information in this report’s Background, Analysis/Rational, and Alternatives for Consideration sections. Development and Real Estate consulted with Legal Services and Corporate Counsel to assist in the preparation of the necessary documents required completing the purchase/transaction as set out herein.
   - Long Range Planning and Design provided parkland/open space surplus/deficit statistical information related to the Westcliffe West Neighbourhood.

2. Corporate Services
   - Finance, Budget, and Taxes provided Recommendations based on reserve account information to fund the property acquisition and increased maintenance costs for the creative play structure.

3. Public Health and Community Services
   - Culture and Recreation provided information related to the recreational usage of the baseball diamond at Holbrook Park and indicated the diamond is used by the West Mountain Baseball Association each weekday evening during the summer months.
   - Housing Development and Partnerships Branch indicated that they have no involvement and no comment on the affordable housing transaction as proposed by the YWCA.

4. Public Works
   - Parks Operations and Maintenance provided information related to increased maintenance costs for the creative play structure.
   - Capital Planning and Implementation provided Recommendations related to the installation of the new creative play structure equipment following the City of
Hamilton’s purchase of Holbrook Park, as the playground was approved for funding in the 2003 Capital Budget in the amount of $71,000.

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 development/redevelopment of cultural institutions, public facilities and parks and open space which inspire community pride and sense of place,
- the development/redevelopment of open space that will have recreational, social and health benefits to the entire community,
- the improvement of one’s personal health status,

Environmental Well-Being is enhanced. ☑ Yes ☐ No
- the promotion of the City of Hamilton's environment as a desirable place to live and work,

Economic Well-Being is enhanced. ☑ Yes ☐ No
- to develop our economic, social and physical environments so as to enable the participation of all citizens and communities in local and regional community life,

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No
- one’s community well being, environmental well-being and economic well-being are all enhanced
- the development/redevelopment of cultural institutions, public facilities and parks and open space which inspire community pride and sense of place,

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No
- the options create a respectful, desirable and supportive workplace,
- the promotion of the City of Hamilton's environment as a desirable place to live and work
SUBJECT: Holbrook Park Purchase from the Chedoke Health Corporation
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HOLBROOK PARK
SITE LOCATION MAP

Capital Planning and Implementation,
Open Space Development and Park Planning

Appendix A
September 2005
N.T.S.