SUBJECT: Declaration of Surplus Property and Sale of 255 West Avenue North, Hamilton, Being Lots 17, 18, 19 and 20 on Plan 286 (PED06352) (Ward 3)

RECOMMENDATION:

(a) That the City lands and building identified as 255 West Avenue North, being composed of Lots 17, 18, 19 and part of Lots 20 and 21 on Plan 286, having a frontage of 59.43 metres (195.0 feet) more or less along the western limit of West Avenue North and a depth of 42.67 metres (140.0 feet) more or less, comprising an area of 0.24 hectares (0.63 acres) more or less, PIN #17183-0085LT, (as shown on Appendix “A” to Report PED06352), known as the former West Avenue Public School, 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 Development and Real Estate Division of the Planning and Economic Development Department, be authorized and directed to offer for sale the subject lands and buildings, at market value, in accordance with the “Procedural By-law for the Sale of Land”, being By-law No. 04-299 and that as a condition of any sale by the City of Hamilton that the school building be subject to a heritage conservation easement.

(c) That the Housing Branch of the Community Services Department, as the Delivery Agent for various Federal and Provincial housing funding initiatives, be advised of the availability of the subject property and that the Real Estate Section will not offer the subject property for sale to the general public until Real Estate is notified
by the Housing Branch that there is no interest in the site for affordable housing (response by April 2007).

(d) That the net proceeds of any sale of the property be deposited in the Account No. 47702 3560150200 (Civic Property Purchases and Sales).

____________________________________
Lee Ann Coveyduck
General Manager
Planning and Economic Development Department

**EXECUTIVE SUMMARY:**

The purpose of this report is to request City Council’s approval to declare the subject former West Avenue public school property surplus to the requirements of the City of Hamilton, and to direct that any sale be subject to a heritage conservation easement on the school building. The easement would preserve the historic Victorian architectural component of the structure. The building is currently designated under Part IV of the Ontario Heritage Act.

First consideration for disposal of the property would be given to non-profit housing organizations. The City’s Housing Branch as a Delivery Agent for various Federal and Provincial funding initiatives would be the resource contact for the local affordable housing organizations. Should there be no interest in redeveloping the West Avenue School for this form of residential use, the property will be offered for sale to the general public.

**BACKGROUND:**

The subject property contains a 12 classroom, two storey brick public school building originally constructed in 1885 with classroom and gymnasium additions in 1921 and 1952. The zoning is “H” Commercial, subject to amendment “S-1081” which permits specific residential, institutional, public and commercial uses.

The City of Hamilton acquired the subject property from *The Board of Education for the City of Hamilton* on September 1, 1987 for a purchase price of $270,000. The building has been leased for a number years to the Social Planning and Research Council of Hamilton and District and to other non profit groups such as Hamilton Habitat, Welfare Action and Hamilton Christian Centre. The building is currently vacant and in poor condition.
A Condition Study of the structure indicates that within a 10-year period that funds in the amount of $2,500,000 will be required to deal with significant capital expenditures to repair or replace the roof, boiler, heating system, ducting, electrical and other various structural elements.

Pursuant to the City of Hamilton Real Property Sale Procedural By-law 04-299, and the Consolidation of Routine Real Estate Matters, staff circulated a notice dealing with this property to all City Departments and outside Boards/Agencies to solicit comments with respect to the proposed disposal of the property. The circulation did not identify any municipal core use for these lands and there were no objection to the disposal/sale of the subject property.

The Department’s Heritage Planning staff recommended, because of the significant historic nature of the building, that as a condition of any sale of the property, that a heritage conservation easement be registered on title. This has been included in Recommendation (b).

The Housing Branch of the Community Services Department has expressed an interest in the subject school property for potential residential redevelopment in this north-end Landsdale neighbourhood. The City of Hamilton is the Delivery Agent for many low-income housing programs including the current “Canada-Ontario Affordable Housing Program” (COAHP). This program promotes the development of new rental opportunities, at average market rents levels, by providing up to a $70,000 per unit capital grant. This funding is available to October 2006 and Housing staff has advised that various non-profit organizations have an interest in acquiring the West Avenue School as the redevelopment site for the COAHP funding.

Recent requests for proposals for other housing initiatives indicate substantial interest from community-led and private sector housing providers to construct new affordable housing or adapt older building, such as the West Avenue School, for residential use.

In April 2002, City Council adopted the “Consider Housing” policy applying to all surplus City-owned lands and lands offered to the City by Federal and Provincial agencies to facilitate and expedite affordable housing opportunities. Through the City’s Municipal Housing Facility By-law (03-148), the City can give, lend or lease property at less than market value or at no cost to a housing provider. This option provides an effective route of disposing of surplus and vacant/underutilized City properties that may have attracted interest in the marketplace and at the same time fulfill Council’s “Consider Housing” policy.

The City’s Housing Branch will advise the various local housing providers of the availability of the subject site. Should there be no housing interest in this property, the lands and buildings will be offered to outside Boards/Agencies and the public at market value.
Hamilton Heath Sciences (General Hospital) in the circulation also indicated an interest in the subject property due to the ongoing redevelopment of the General Hospital site on Barton Street East across the street from the subject.

**ANALYSIS/RATIONALE:**

The subject lands do not currently contribute to core business of the City of Hamilton. A circulation failed to identify any needs or uses for the subject lands. The City of Hamilton could receive a financial benefit from the sale of the subject and would eliminate any future liability and the significant maintenance costs.

**ALTERNATIVES FOR CONSIDERATION:**

If Council does not choose to declare the property surplus to the requirements of the City of Hamilton, there could be a large capital outlay to at least maintain the current building condition and prevent further deterioration.

**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:** Legal Services will be required to assist in the preparation of the necessary documents upon the disposal of the property.

**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 #04-299 that requires City Council must first declare surplus any lands to be disposed of by the City.

The City’s Municipal Housing Facility By-law (03-148) allows the City to give, lend or lease property at less than market value or at no cost to a housing provider.

**RELEVANT CONSULTATION:**

All City of Hamilton Departments, Boards and other government agencies have been notified of the surplus status of the subject lands and none have shown interest or objected to the sale of the subject lands. The Housing Branch of the Community Services Department and the Hamilton Health Sciences Corporation indicated an interest in the 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
Provision of surplus heritage building for possible new affordable community housing.

Environmental Well-Being is enhanced. ☑Yes ☐No
Re-adaptive uses of older school building for new residential or institutional uses.

Economic Well-Being is enhanced. ☑Yes ☐No
Additional residential development and investment in Hamilton is facilitated by the declaring of the school surplus to City requirements.

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

:VDP
Attach. (1)