

ADMINISTRATIVE REPORT

Report Date: May 17, 2012
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Meeting Date: May 29, 2012

TO: Vancouver City Council

FROM: General Manager of Engineering Services in consultation with the Director of Real Estate Services

SUBJECT: 5515-5665 Boundary Road, 5448-5666 Ormidale Street and 3690 Vanness Avenue - Closure and Sale of Lane and Sale of City-Owned Lot

RECOMMENDATION

- A. THAT Council close, stop-up and convey to the owners of 5515-5665 Boundary Road and 5448-5666 Ormidale Street (BJW Holdings Ltd.) that approximately 1079 square metre portion of lane (hereinafter, the "City Lane"), as generally shown hatched on the sketch attached as Appendix "B", to be subdivided with the abutting lands subject to the terms and conditions as noted in Appendix "A".
- B. THAT Council close, stop-up and convey to BJW Holdings Ltd. that approximately 116 square metre portion of road legally described as That Part of Lot C (Shown on Plan LMP47050) Block 6 District Lot 36 Group 1 New Westminster District Plan 13894 (hereinafter, the "Road Portion"), as generally shown cross-hatched on the sketch attached as Appendix "B", to be subdivided with the abutting lands subject to the terms and conditions as noted in Appendix "A".
- C. THAT Council convey to BJW Holdings Ltd. the City-owned property at 3690 Vanness Avenue legally described as Lot C Except: Part in Plan LMP47050 Block 6 District Lot 36 Group 1 New Westminster District Plan 13894 (hereinafter, the "City Lot"), as generally shown dotted on the sketch attached as Appendix "B", to be subdivided with the abutting lands subject to the terms and conditions as noted in Appendix "A".
- D. THAT the sale proceeds for the City Lane and 0.1 square metre of the Road Portion be credited to the Capital Fund for \$2,555 and to the Property Endowment Fund ("PEF") for \$2,377,700.
- E. THAT the sale proceeds for the City Lot be credited to the Capital Fund for \$219,433 and to the PEF for \$909,467.

REPORT SUMMARY

The purpose of this report is to seek Council authority to close and stop-up the City Lane west of Boundary Road, south from Vanness Avenue and the Road Portion and convey the City Lane, the Road Portion and the City Lot to the abutting owners; namely, BJW Holdings Ltd. ("BJW"), in support of the 5515-5665 Boundary Road, 5448-5666 Ormidale Street and 3690 Vanness Avenue CD-1 Rezoning application (the "Rezoning Application") approved in principle by Council on November 1, 2011.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The authority for closing and disposing of streets and lanes is set out in the Vancouver Charter.

Section 190(b) of the Vancouver Charter authorizes Council to dispose of City-owned property deemed to be surplus to the City's needs and requires an affirmative vote of two-thirds of all members of Council for the disposition of property which exceeds \$400,000 in value.

It is Council policy that property held in the Capital Fund but deemed surplus to civic needs be transferred to the Property Endowment Fund (PEF) to be held as investments or sold. Council has provided exceptions to this policy in circumstances where the proceeds are appropriately applied to achieve a benefit related to the disposition.

On September 20, 2011, Vancouver City Council (In Camera) approved the following:

- A. THAT Council authorize the Director of Real Estate Services to enter into exclusive negotiations with BJW Holdings Ltd. for the sale of the City-owned lot located at 3690 Vanness Street, legally known as Lot C, except part in Plan LMP47050, Block 6, District Lot 36, Group 1, New Westminster District Plan 13894, (PID 003-541-002) ("Lot C"), and the adjacent lane as described and shown approximately in Appendix A (together forming the "Subject Lands") of the Administrative Report dated September 12, 2011, entitled "Potential Sale of 3690 Vanness Avenue and proposed closure and sale of adjacent lane".

FURTHER THAT, if the Director of Real Estate Services can successfully conclude such negotiations with BJW Holdings Ltd. Council authorize the Director of Real Estate Services to enter into a Contract of Purchase and Sale, satisfactory to the Director of Legal Services, such sale being subject to Council approval;

AND FURTHER THAT, no legal rights or obligations will arise or be created between BJW Holdings Ltd. and the City unless and until a legally binding Contract of Purchase and Sale is successfully negotiated and executed and delivered by BJW Holdings Ltd. and the City through its authorized signatories, the Director of Real Estate Services and approved by Council.

- B. THAT a Council decision to enter into a Contract of Purchase and Sale with BJW Holdings Ltd will not in any way limit Council or the City and its officials, including the Approving Officer and Director of Planning, in exercising their discretion with respect to any related rezoning or permits.

On November 1, 2011, Vancouver City Council approved, in principle, the rezoning of 5515-5665 Boundary Road, 5448-5666 Ormidale Street and 3690 Vanness Avenue subject to conditions including but not limited to the closure and sale of the City Lane.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager and the General Manager of Engineering Services are in agreement with the recommendations.

REPORT

Background/Context

In concert with the Rezoning Application, and following Council authorization, the Director of Real Estate Services has negotiated the sale of the City Lane, Road Portion and City Lot to BJW.

The City Lane is 20 feet wide and was dedicated to the City as lane upon registration of Plan 2889 circa 1910, Plan 8825 in 1953 and Plan 13894 in 1970. The City Lane contains City and outside utility company infrastructure that must be accommodated by the proposed development.

An Engineering Services review of this matter has concluded that the City Lane and Road Portion are not required for civic purposes if the utilities presently located within the City Lane are relocated and most of the Road Portion is dedicated back to the City as shown on Appendix B. Accordingly, a temporary statutory right of way over the City Lane will be registered to protect the lane and utilities therein until they have been abandoned or relocated. Site servicing arrangements will be secured by way of the rezoning prior-to enactment conditions. The City Lane and Road Portion will be subdivided with the abutting lands to form a single parcel at a minimum and the dedication of road, the same as generally shown within heavy bold outline on Appendix "B", to the satisfaction of the Director of Legal Services and the Approving Officer.

The Road Portion, shown cross-hatched on Appendix B, was established as road by Council Resolution on August 16, 2000. As a requirement of rezoning, BJW is to dedicate a portion of the site along Vanness Avenue to accommodate a lengthened left turn bay and standard boulevard width. A small part of the Road Portion is not required for the improvements and if left as is would result in an irregular jog in the Vanness Avenue property line. In order to avoid the irregular property line, and for simplicity and clarity, Recommendation B seeks to close, stop-up and convey the Road Portion to BJW. All but 0.1 sq. metres (1 sq. ft.) of the Road Portion will be dedicated back to the City upon the subdivision required under item #1 in Appendix A Terms and Conditions of Conveyance.

The City Lot comprises of approximately 3,203 sq.ft. (297.6 sq. m) and was originally acquired for the road widening of Vanness Avenue. The widening has since been achieved (as the Road Portion) and the City Lot represents the remainder and is surplus to City requirements.

The removal and relocation of the existing storm sewer connection pipes located on the north side of the property at 5573 Boundary Road that drain surface water from Boundary Road is to be addressed in the servicing agreement as part of the rezoning enactment.

Metro Vancouver (GVS&DD) sewer infrastructure currently exists within the development site and City Lane, and is to be addressed as part of the rezoning enactment.

Strategic Analysis

This report is in support of the Rezoning Application approved in principle at the Public Hearing on November 1, 2011 and the purchase and sale agreement between the City and BJW.

Implications/Related Issues/Risk (if applicable)

Financial

The Director of Real Estate Services has negotiated the sale of the City Lot for \$1,128,900 plus applicable taxes of which a deposit of \$225,780 has been paid to the City. The Director of Real Estate Services advises that the sale price of \$1,128,900 for the City Lot represents premium assembled market value as currently zoned, reflecting the value enhancement that a larger land assembly creates. \$219,433 of the sale proceeds will be used to repay the Capital Fund for the original purchase cost of the property. Net proceeds of \$909,467 will be credited to the PEF.

The Director of Real Estate Services has also negotiated the sale of the City Lane and a part of the Road Portion for \$2,380,255 plus applicable taxes. The Director of Real Estate Services advises that the sale price of \$2,380,255 represents fair market value for the City Lane and a part of the Road Portion to be conveyed. \$2,555 of the sale proceeds will be used to repay the Capital Fund for the book value of the property. Net proceeds of \$2,377,700 will be credited to the PEF.

CONCLUSION

The General Manager of Engineering Services in consultation with the Director of Real Estate Services RECOMMENDS approval of the Recommendations contained in this report.

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TERMS AND CONDITIONS OF CONVEYANCE

1. The City Lane and Road Portion are to be subdivided with Lots 10-24, 29-34 and 36-44 District Lots 36 and 49 Plan 2889, Lot A District Lot 36 Plan 8825, Lot D District Lot 36 Plan 13894 and Lot C Except part in Plan LMP47050 District Lot 36 Plan 13894; all of Block 6 Group 1 New Westminster District ("Block 6") to form a single parcel at a minimum and dedication of road, the same as generally shown within bold outline on Appendix "B", to the satisfaction of the Director of Legal Services (DLS) and the Approving Officer;
2. BJW to pay \$2,380,255 plus applicable taxes for the approximately 1079 square metre City Lane and the resultant 0.1 square metre part of the Road Portion in accordance with the recommendation of the Director of Real Estate Services;
3. BJW to pay \$1,128,900 plus applicable taxes for the City Lot in accordance with the recommendation of the Director of Real Estate Services;
4. As to City Lane, a temporary statutory right of way over the City Lane in favour of the City for all utilities, to the satisfaction of the General Manager of Engineering Services and the Director of Legal Services, to be released when all public utilities have been relocated;
5. As to City Lane, the provision of written confirmation from all outside utility companies (including BC Hydro, Telus, and Shaw Cable) that arrangements have been made to accommodate their services and that they have no objection to the lane closure to the satisfaction of the General Manager of Engineering Services (GMES);
6. As to City Lane the provision of written confirmation from Metro Vancouver that arrangements have been made to contend with the existing GVS & DD storm and sanitary sewers within Block 6 and the City Lane to the satisfaction of the GMES and DLS;
7. BJW to be responsible for all necessary survey plans, documents, and Land Title Office fees;
8. Any agreements are to be to the satisfaction of the Director of Legal Services;
9. The Director of Legal Services or the Director of Real Estate Services, as applicable, be authorized to execute all plans, transfers, and documents as required;
10. No legal right or obligation shall be created and none shall arise hereafter, until the documents are executed by the parties thereto.



