

IN-CAMERA COUNCIL MEETING

MARCH 13, 2013

DECISIONS AND REPORTS RELEASED

Potential Sale of City-owned land located in Area 3A of SEFC and Proposed Non-Market Housing Building on Area 3B of SEFC

- A. THAT Council authorize the Director of Real Estate Services to negotiate a sole source sale to Concert Real Estate Corporation or a company affiliated with Concert for the purposes of developing the subject lands ("Concert"), of the south east portion of the City-owned lands located in the area referred to in the Southeast False Creek Official Development Plan ("SEFC ODP") as Area 3A and known as 1600 Ontario Street and shown in Appendix B to the Administrative Report dated March 7, 2013, entitled "Potential Sale of City-owned land located in Area 3A of SEFC and proposed Non-Market Housing Building on Area 3B of SEFC", legally described as PID: 026-497-654, LOT 307, except part on Plan BCP 20721 False Creek, PLAN BCP 20720 (the "City Property"). Such negotiations to be based on the following terms and conditions:
- i. the City to sell the City Property to Concert for a price of s.17(1), net of remediation costs, closing costs and taxes (the "Purchase Price");
 - ii. the City successfully negotiating the terms of a development agreement with Concert within 12 months (the "Development Agreement"), on terms subject to final Council approval, in which Concert agrees to build a non-market housing building comprising not less than 113,000 gross sq.ft and associated parking (the "Non-Market Housing Building") with a projected unit count of 133 units; however, the final unit count, tenant mix, selection of a non-profit operator, and terms of the operating agreement to be reported back and approved by Council; such Non-Market Housing Building to be constructed pursuant to construction specifications approved by the City. The Non-Market Housing Building will be built on the adjoining Concert lands referred to in the SEFC ODP as Area 3B (currently described as 95 East 1st Avenue and legally described as PID: 008-765-146, LOT 1, DISTRICT LOT 200A, PLAN VAP 12958) (the "Concert Lands"). The land for the Non-Market Housing Building will be subdivided and transferred to the City in fee simple;
 - iii. that the City's maximum contribution towards funding the Non-Market Housing Building will be s.17(1), subject to

Recommendations A(iv) and F on terms further set out in the Administrative Report; and

- iv. should staff determine that more than one level of parking is required, and the cost for the Non-Market Housing Building exceeds the budget of s.17(1), that Council approve a parking cost contingency of up to s.17(1) in order to construct a second level of parking structure. Source of funds to be further set out in the report.
- B. THAT, if the Director of Real Estate Services can successfully conclude such negotiations with Concert on the land sale in A(i), subject to D and E, Council authorize the Directors of Legal and Real Estate Services to enter into a Contract of Purchase and Sale, such agreements being subject to the SEFC ODP being amended and the City Property being rezoned.
- C. THAT, if the Director of Real Estate Services can successfully conclude such negotiations with Concert on the Development Agreement in A(ii), Council authorize the Directors of Legal and Real Estate Services to enter into a legally binding Development Agreement, such agreement being subject to the SEFC ODP being amended and the City Property being rezoned and final City Council approval.
- D. THAT Council authorize the creation of an environmental project management budget of up to s.17(1) (the "Environmental Consultant Budget") to be used to fund an environmental consultant to provide the City with an assessment of the remediation requirements of the City Property, an estimate of the cost and monitoring of such remediation, and other related consulting services (source of funds to be the PEF); with such cost estimate to be reported back and approved by Council.
- E. THAT subject to approval by Council of the remediation cost estimate pursuant to D, Council authorize the Director of Real Estate Services to pay for the costs of soil remediation of the City Property from the Purchase Price.
- F. THAT Council authorize the creation of a 2013-2016 project management budget of s.17(1) (the "Project Management Budget") to be used to fund City project management services, expert consultants, Quantity Survey expenses, Land Title registration fees, overhead and administration expenses and related consulting costs as set out in this Report; source of funds to be as further set out in Administrative Report dated March 7, 2013, entitled "Potential Sale of City-owned land located in Area 3A of SEFC and proposed Non-Market Housing Building on Area 3B of SEFC".
- G. THAT Council authorize the Director of Real Estate Services, General Manager of Financial Services Group, and the Managing Director of Social Development to:

- a. prepare a strategy for optimizing the value of a prepaid lease to the future non-profit operator;
- b. further negotiations with BC Housing to provide low cost mortgage financing as part of the Development Agreement; and
- c. report back to Council with recommended prepaid lease options.

H. THAT a Council decision to enter into a Development Agreement or Contract of Purchase and Sale with Concert will not in any way limit Council or the City and its officials, including the Approving Officer, in exercising their discretion with respect to any related rezoning, permitting, or subdivision of the City Property or Concert Lands, or amendments to the SEFC ODP.

I. THAT no legal rights or obligations will arise or be created between Concert and the City unless and until a legally binding Development Agreement, and Contract of Purchase and Sale are successfully negotiated and executed and delivered by Concert and the City through its authorized signatories, the Director of Legal Services and the Director of Real Estate Services.

J. THAT, if the Director of Real Estate Services is at any time during the 12 month negotiation period of the view that terms cannot be successfully concluded with Concert, the City Manager and Director of Real Estate Services report back to Council for further direction.

* * * * *