



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: July 5, 2016
Contact: Jerry Evans
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RTS No.: 11554
VanRIMS No.: 08-2000-21
Meeting Date: September 20, 2016

TO: Vancouver City Council

FROM: General Manager of Real Estate and Facilities Management

SUBJECT: Direct sale of a portion of City-owned land located at 2701 Skeena Street for consolidation with 2741 Skeena Street and the registration of a No Build Covenant against Title to the City-owned land at 2701 Skeena Street

IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city.

RECOMMENDATION

- A. THAT Council authorize the Director of Real Estate Services to proceed with the direct sale of the approximately 2,992 square foot portion of City-owned lands as shown on Appendix A (the "Subject Property"), located at 2701 Skeena Street, and legally described as PID: 009-757-325 Amended Lot 2 (Explanatory Plan 4374) Except: Part Subdivided By Plan LMP45878; Block 4 South Half Section 38 Town of Hastings Suburban Lands Plan 9100 (the "Remainder Parcel") to Ferrari Holdings Ltd., Inc. No. 585128 (the "Buyer"), for consolidation with the Buyer's land at 2741 Skeena Street, legally described as PID: 009-797-670 Lot A (Reference Plan 6919) of Amended Lot 1 (Explanatory Plan 4374), Block 4 South ½ of Section 38 Town of Hastings Suburban Lands Plan 9100 (the "Buyer's Land"), for a purchase price of **s.17(1)**.
- B. THAT Council approve the registration of a No Build Covenant over the Remainder Parcel in connection with the sale that could be discharged upon consolidation with either the Buyer's Land or with 2828 Natal Street, legally

described as: PID 009-758 356 Lot 3 Block 4 South ½ Of Section 38 Town Of Hastings Suburban Lands Plan 9100 (the "Natal Lands").

- C. FURTHER THAT no legal rights or obligations will arise or be created between the Buyer and the City unless and until all legal documentation is fully executed on terms and conditions that are to the satisfaction of the Directors of Real Estate and Legal Services.

REPORT SUMMARY

The purpose of this report is to seek Council approval to sell the Subject Property to the Buyer for consolidation with the Buyer's Land and to register on title of the Remainder Parcel in connection with the sale a No Build Covenant that could be discharged upon consolidation with Buyer's Land or the Natal Lands.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Section 190 (1) (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 (2/3) of all members of Council for the disposition of property which exceeds \$400,000 in value.

Council policy is generally to dispose of City-owned land through a public tender process. However, Council policy provides for the direct sale of property where sales of small City sites are restricted to an adjoining owner, whereby the land is sold, subject to consolidation, as close to the fair market value as possible, keeping in mind the advantages to the City of the sale.

Council approval is required to grant encumbrances against City-Owned property.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Real Estate and Facilities Management recommends APPROVAL of the foregoing.

REPORT

Background/Context

The Remainder Parcel is an abandoned rail spur between Cornett Road and Skeena Street. It was built in 1955 by the City to enhance the value of industrial lands it was selling in the area. It is zoned I-2 industrial with an area of 10,678 square feet. In the 1970's when the heavy industrial users moved out of the area to the suburbs the usage of the track declined and it was abandoned. In 1999, Council approved the sale of the southern portion of the Remainder Parcel to Loomis Armoured Car Services for consolidation with their property.

Strategic Analysis

The Remainder Parcel, because of its irregular configuration, is an undevelopable property with no possible civic use. Its average width is 20 feet and it cannot be developed on its own which only allows it to be sold to the adjoining property owners at 2741 Skeena Street and 2828 Natal Street for consolidation with their properties. The Buyer approached the City to acquire the Subject Property in order to improve access to the back of their industrial building.

When the City removed the rail spur, the Buyer could no longer access the loading doors at the rear of his property and the proposed sale portion will facilitate the provision of a 20 foot drive isle which the Buyer can use for loading and for emergency exiting.

Following negotiations, the Buyer has agreed to purchase the Subject Property for s.17(1) for consolidation with the Buyer's Land. The City, at its cost, will prepare the consolidation plan and pay the subdivision fees; collectively said costs and fees are estimated to be s.17(1). The sale price is supported by a third party appraisal which estimated that the total market value of the City Lands was s.17(1) (s.17(1) per square foot) if all of it was sold to the Buyer for consolidation with the Buyer's Land. Since the Buyer is only purchasing a 2,992 square foot portion of the City-owned lands, using the per square foot rate of s.17(1) the estimated value of the Subject Property is s.17(1). s.17(1) s.17(1)

Implications/Related Issues/Risk (if applicable)

Financial

This report seeks approval for the sale of the Subject Property for s.17(1). The City Surveyor will prepare the consolidation plan and this cost and subdivision fees, estimated to be s.17(1), will be deducted from the sale proceeds.

The Subject Property is held in the Property Endowment Fund (PEF), and the net sale proceeds of approximately s.17(1) will be credited to the PEF.

CONCLUSION

The Director of Real Estate Services considers the sale price of s.17(1) to represent fair market value for the Subject Property. Sales proceeds will be credited to the PEF.

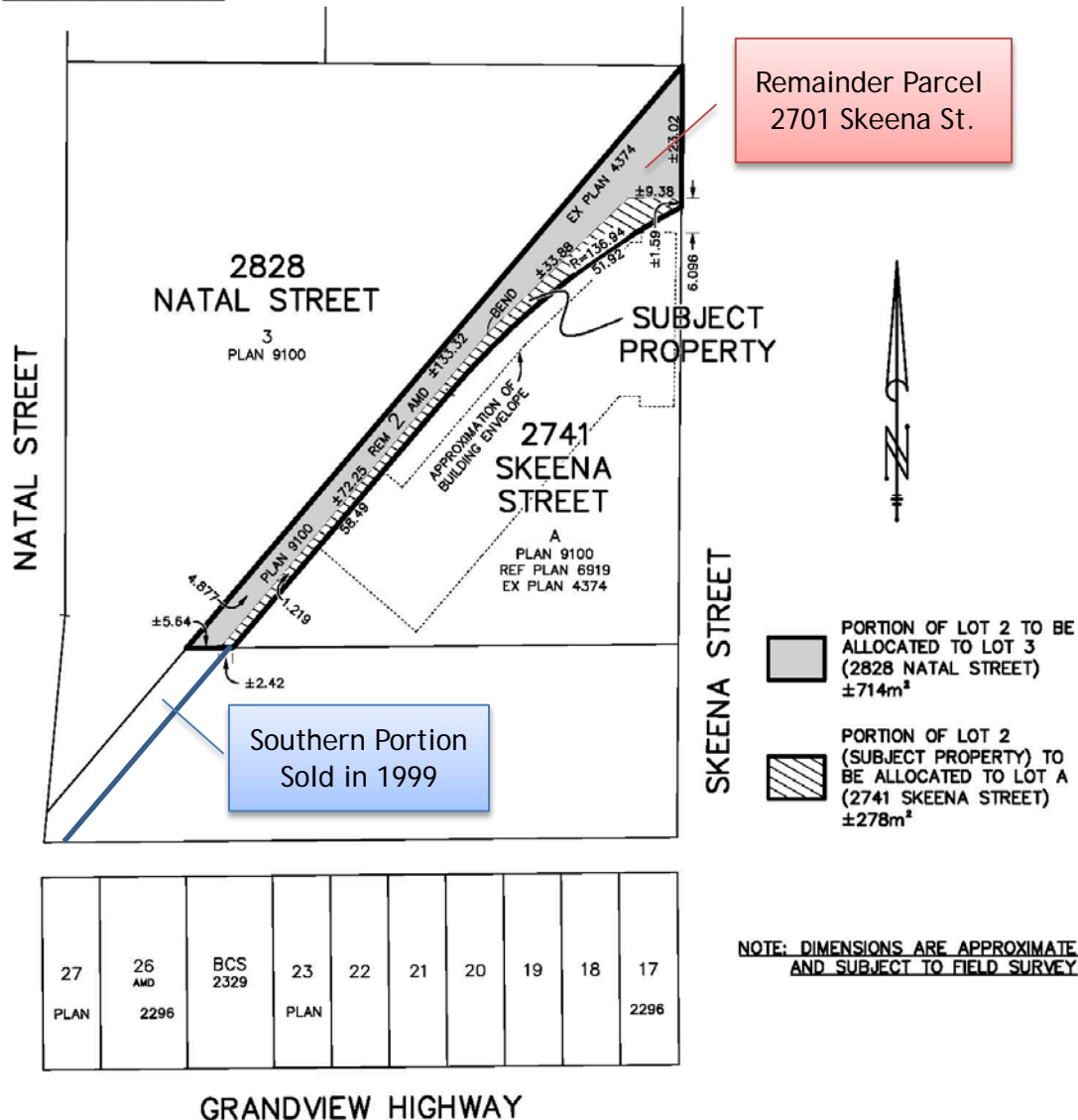
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APPENDIX A

LF12035

SKETCH PLAN SHOWING AREAS OF PROPOSED ALLOCATION OF PORTIONS OF AMENDED LOT 2 (EXPLANATORY PLAN 4374), EXCEPT PART SUBDIVIDED BY PLAN LMP45878, BLOCK 4, SOUTH HALF SECTION 38, THSL, PLAN9100, GROUP 1, NEW WESTMINSTER DISTRICT.

ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF
DRAWING NOT TO SCALE



AFP MAP: W-13

THIS PLAN LIES WITHIN THE GREATER VANCOUVER REGIONAL DISTRICT

ENGINEERING SERVICES
AUGUST 16, 2016

