



Corporate Report

Report from Financial Management Services, Property Management

Date of Report: July 4, 2013

Date of Meeting: July 22, 2013

Report Number: FMS-193-2013

File: 16.7.99

Subject: Property Matter – Disposal (In Camera Pursuant to By-law 2007-311, Section G5.3(c) A Proposed or Pending Acquisition or Disposition of Land by the Municipality), Realty File No. 05-02

The City's Procedural By-law 2007-311, in accordance with Section 239 (2) of the *Municipal Act, 2001*, as amended, provides that matters affecting "a proposed or pending acquisition or disposition of land by the municipality or local board" may be considered by Council during a meeting or part of a meeting which is closed to the public. Since the matter forming the subject of this report relates to the disposition of real property, it will be considered by Council during an "In Camera" session of this meeting.

Recommendation

That Council approve the Staff recommendation contained in the report from Financial Management Services Department, dated July 4, 2013, regarding an Agreement of Purchase and Sale. FORTHWITH

Staff Recommendation

That the Property Manager be authorized to reject the offer to Purchase 140 King Street received by the City from Leo Di Fabio "in Trust" for a purchase price of one hundred and thirty thousand (\$130,000.00) dollars.

Background

The City owns a parcel of land on the corner of King Street and Carlisle Street abutting the City's parking garage. An offer to purchase has been received on the property.

Report

The property at 140 King Street was purchased by the City in 2010 for the market price of \$130,000. The property was purchased to facilitate construction of the new parking garage and for future considerations related to downtown development and the parking garage.

An Agreement of Purchase and Sale was received from Leo Di Fabio, "in Trust", for the purchase price of \$130,000. Staff does not recommend acceptance of the offer for the following reasons:

- The Agreement of Purchase and Sale is “in Trust” for another party. There is no indication for whom the property would be held in trust or what their intentions are with the property.
- The Purchaser “in trust” is known to be a real estate salesman under *the Real Estate and Business Brokers Act* (the “Act”), however there is no statement in the offer to this effect, as is required under the Act.
- There is no anti-flip clause in the Agreement of Purchase and Sale.
- The property has not been declared surplus by the City, as required under the City’s Sale of Real Property By-law 2007-309, as amended.
- The purchase price is less than the current market value, as appraised by an independent qualified appraiser last month (June 2013).
- The property value is anticipated to climb as the Downtown redevelopment continues.
- There is a shortage of land in the area that can be used for storage of equipment, site trailers and other related construction uses.
- There may be potential to use this site to help attract a tenant of the ground floor of the Parking Garage or facilitate the build out of the space.
- There is potential that the site be joined with the abutting property at 132 King Street for a new combined development.
- If Staff determines that there are no other development or construction related requirements, the site could be opened as a City surface parking lot until the site is developed.

It is proposed by Staff that this property be held by the City for the next few years during redevelopment of the area.

Financial Implications

Not applicable

Prepared by:

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Approved by:

Shelley Chemnitz, Director/City Treasurer