

TO: CITY MANAGER **DATE:** 2006 January 17

FROM: DIRECTOR PLANNING AND BUILDING **FILE** 49500 20
Reference Rez #03-69

SUBJECT: SALE OF CITY LAND – LOUGHEED HIGHWAY/BETA AVENUE/DELTA AVENUE REZONING REFERENCE #03-69 (SKETCH ATTACHED) BRENTWOOD TOWN CENTRE, SUB-AREA 5

PURPOSE: To obtain Council's approval of the sale of City land related to a major redevelopment proposal in the Brentwood Town Centre area.

RECOMMENDATION:

1. **THAT** Council approve the terms of sale for City land related to Rezoning Reference #03-69 as outlined in this report.

REPORT

On 2005 March 07, Council gave Second Reading to the subject rezoning application, which proposes a significant multiple family redevelopment involving six four storey frame buildings and one 26-storey apartment tower at the northwest corner of Lougheed Highway and Delta Avenue. A component of the proposed redevelopment are six townhouse units at the podium level of the tower fronting the Lougheed Highway which are to be owned by the City achieved through the density bonus process, and which are to be used for non-market housing.

The report which sought Council approval to advance the subject rezoning to a Public Hearing indicated that development of the subject site would necessitate the sale of considerable City land, both in the form of fee simple land parcels and unopened road rights-of-way. The following provides an approximate break-down of the ownership composition of the subject site (to be confirmed by a detailed survey).

Total Gross Site	-	41,220m ² /443,702 sq.ft.
Dedications	-	2,165m ² / 23,302 sq.ft.
Total Net Site	-	39,055m ² /420,400 sq.ft.
Western Lot (Lot A)	-	19,175m ² /206,406 sq.ft.
Eastern Lot (Lot B)	-	19,880m ² /213,994 sq.ft.
<i>Total City-Owned</i>	-	24,322m ² /261,812 sq.ft.
City-Owned Parcels	-	14,414m ² /155,158 sq.ft.
Closed Roads	-	9,908m ² /106,654 sq.ft.
<i>Total Private Land</i>	-	14,733m ² /158,588 sq.ft.

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It is proposed that the City sell land (approximately 24,322m²/261,812 sq.ft.) as outlined above to the applicant in order that the required site assembly be achieved, hence permitting the subject development to proceed, and recognizing the applicant's controlling interest in the remainder of the privately owned portion of the development site. Typically, the Public Hearing report would outline the terms of the sale of City land, however in the case of the subject rezoning application, negotiations were concluded only very recently, and thus the details of the sale could not be included in the aforementioned report.

Due to the significant amount of City land to be purchased, the applicant is seeking a modified agreement for sale which would allow him a phased payment schedule. The agreement reached basically includes:

- The price of the land has been established by the Legal and Lands Department based on per square foot buildable rates of \$27 and \$47 each for the site's RM5 and RM3 portions respectively. These values take into consideration the very high servicing costs of the sites. The total value of the proposed sale is in the range of \$13.6M, depending on the final subdivision layout and detailed surveys.
- It is proposed that the City transfer its RM3 holdings in the eastern portion of the development site in return for the developer's RM3 holdings in the western portion, resulting in the City being the single land owner of the western lot. Full payment for the balance owing on the eastern lot (approximately \$2.9 M) is expected prior to Final Adoption of the rezoning bylaw. This land transfer approach would result in the applicant being the sole owner of the 19,880m²/213,994 sq.ft. eastern lot, thus allowing him to pursue subdivision and construction of the first phase of development, which includes the apartment tower and two low-rise buildings.
- It is noted that the above mentioned land transfer process would result in the City being the single land owner of the 19,175m²/206,406 sq.ft. western lot, which is valued at approximately \$10.7M. In terms of its acquisition by the developer, a \$1,000,000 deposit will be required prior to Final Adoption of the rezoning bylaw. Thus, at the time of Final Adoption, the City will continue to retain full ownership of the western lot. A further \$500,000 deposit would be required 12 months later to extend the closing date for an additional 6 months, leaving a balance of approximately \$9.2M. The usual interest rate of Royal Bank Prime + 2.5% (a current total of 7.5%) would apply for the time the City holds the western lot (up to eighteen (18) months from the time of Final Adoption). Ownership of the western lot would not transfer until the final payment, including interest, is received. All deposits are non-refundable.
- The developer will be required to service the entire development site, both the eastern and western lots, including all necessary roads, as well as internal common road and ramp, sewers and utilities as required through rezoning and subdivision, including a Servicing Agreement. In the event that the applicant is unable to complete the purchase of the western lot, the City will not be required to compensate the applicant for the costs of

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services attributable to the western lot installed as a requirement of rezoning and subdivision.

It is believed that the foregoing approach to the sale of City land is a balanced one, accounts for its relatively large scope (10.19 acre site) by permitting a phased completion schedule, and meets the City's objectives of having this key site developed adjacent to the Brentwood Town Centre core. Moreover the proposed land sale approach protects City interests through requiring large nonrefundable deposits and the guaranteed servicing by the developer of the western lot. Based on this rationale, it is recommended that Council approve the sale of City lands related to the subject rezoning application as outlined in this report.

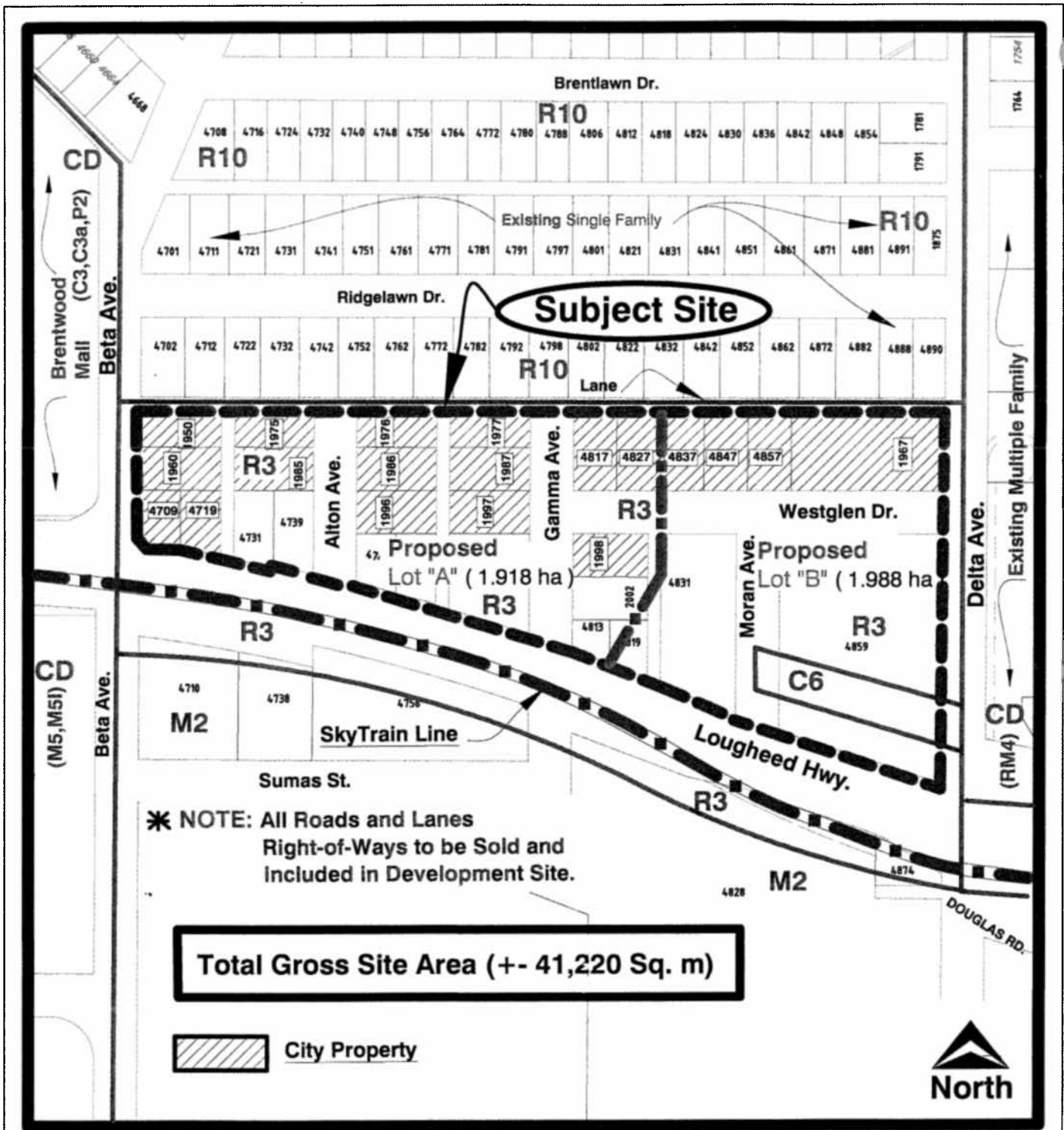


J.S. Belhouse
DIRECTOR PLANNING AND BUILDING

EK:gk
Attach

cc: Director Finance
City Solicitor
Director Engineering

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Planning and Building Department

Scale: 1 : 3000

Drawn By: J.P.C.

Date: January 2006

REZONING REFERENCE # 03 -- 69
Beta,Delta,Lougheed

Sketch # 1