

Asset Management & Capital Works Report to
Council
2007 June 25

C2007-48
Page 1 of 2

**PROPOSED AMENDMENT TO PREVIOUSLY AUTHORIZED INITIATION OF
EXPROPRIATION – DOWNTOWN COMMERCIAL CORE – WARD 8 ALD. KING
FILE NO: 838 – 4 AVENUE SW (SQ)**

SUMMARY/ISSUE

Amendment to previously authorized Initiation of Expropriation.

Officer was appointed to conduct the Inquiry on 2007 April 26. The Inquiry Officer scheduled the Inquiry for 2007 June 7 and 8.

PREVIOUS COUNCIL DIRECTION/POLICY

2007 February 13 Council approved LAS2007-12, Proposed Initiation of Expropriation – Downtown Commercial Core.

During the time period leading up to the Inquiry both Corporate Properties & Buildings (CPB) and Law made several attempts to contact the solicitor for the Owner regarding a potential Section 30 Agreement. On each attempt that was made the solicitor indicated that the Owner had no desire to enter into such an arrangement and they wished to move forward with the inquiry.

ADMINISTRATION RECOMMENDATIONS:

That Council:

1. Authorize the amendment to previously authorized Initiation of Expropriation as outlined in Attachment 2; and
2. Direct that C2007-48 be dealt with at the in camera session of the 2007 June 25 Regular Council Meeting.

It was during this time period that both the Owner and CPB were having independent appraisals completed to be used in potential future negotiations. Inquiry Briefs were submitted to the Inquiry Officer by both the City's Law Department and the Owner's solicitor on 2007 June 01, copies of which were delivered to the lawyer for each party. The appraisals for both parties were also completed at about this same time. The Owner's solicitor contacted CPB and Law on 2007 June 06, requesting that, based on their review of The City's Inquiry Brief and the appraisal they had received, an agreement by way of Section 30 of the *Expropriation Act* (Alberta) be reached.

INVESTIGATION

The amount of the previously approved Proposed Payment needs to be amended to the new appraised value of \$1,100,000. The previously approved Proposed Payment was based on a value for land only with no consideration given to the income stream.

At the time of the valuation, in November 2006, we did not have the benefit of gaining access to the property or obtaining copies of the Owner's income/expense statement for the property. The appraisal that has just been completed, and forms the basis of our negotiations with the Owner, takes into account the current condition and the most recent income statements for the property. The Notice of Intention to Expropriate was filed at the Alberta Land Titles Office on 2007 April 03. The Owner served The City with a Notice of Objection to the intended Expropriation on 2007 April 23. An Inquiry

IMPLICATIONS

General

Approval of the amended Proposed Payment will allow CPB to proceed with concluding the Section 30 Agreement. Completion of the Section 30 Agreement will allow for possession of the property at the end of July 2007, which in turn will allow for redevelopment of the site to occur in a timely fashion. Development of this site will provide The City with the ability to combine market/affordable housing and Fire/EMS services in one development. This type of development

**PROPOSED AMENDMENT TO PREVIOUSLY AUTHORIZED INITIATION OF
EXPROPRIATION – DOWNTOWN COMMERCIAL CORE – WARD 8 ALD. KING
FILE NO: 838 – 4 AVENUE SW (SQ)**

helps to achieve "smart growth" by reducing the necessary footprint required to achieve specific priorities.

Social

Achieving an agreement by way of Section 30 will enable The City to replace the existing 1st Avenue affordable housing project that is in need of upgrading.

Environmental

The property has been reviewed in accordance with The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy. No concerns were identified.

Economic (External)

The creation of a comprehensive development it limits the need for new land and outward growth. The City's leadership on City owned property can serve as an example to other property developers as how creative solutions can be financially feasible and practical.

BUSINESS PLAN/BUDGET IMPLICATIONS

Funds are available in Fire Program #041.

The Proposed Payment represents the appraised market value of the Property and does not include other compensation which the Owner may ultimately be entitled to pursuant to the *Expropriation Act* (Alberta).

RISKS

Not approving the amended Proposed Payment amount will require that The City abandon the current Expropriation and reinitiate a new expropriation to allow the owner the opportunity to have their inquiry. Having to abandon the current expropriation and reinitiate will further delay possession of the property and redevelopment of the site.

VALUATION

The negotiated price of the Property was based on an external appraisal and has been approved by Corporate Properties & Buildings Valuations Committee comprised of accredited appraisers. The comparable sales analyzed are included in Attachment 4.

ATTACHMENTS

1. Site Map
2. Recommendations
3. Comparable Data Chart
4. LAS2007-12

RECOMMENDATIONS:

That Council authorize the proposed amendment to Recommendation 3 of LAS2007-12:

(d) PROPOSED PAYMENT:

\$1,100,000

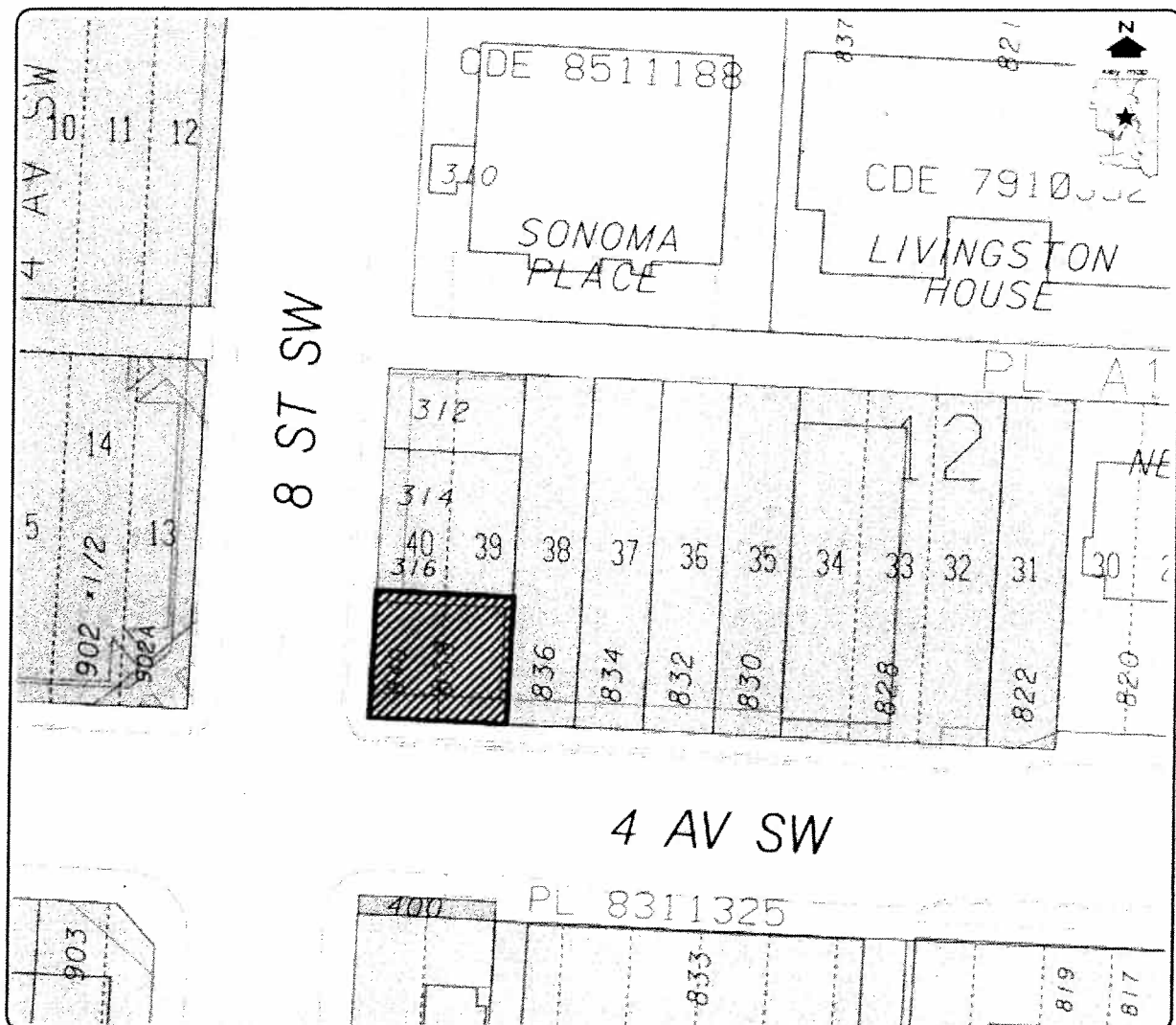
CONFIDENTIAL

COMPARABLE DATA CHART

Index	Address	Site Area (sq. ft.)	Building Size (sq. ft.)	Land Use	Date of Sale (mm/yy)	Sale Price (\$)	Land Area (\$/sq.ft)	Building Area (\$/sq.ft)	Comments
Subject	838 – 4 Avenue SW	2,364.59	4,316	DC	2007	1,100,000 (Proposed Payment)*	465.20	254.87	
1	538 – 19 Avenue SW	5,996	3,616	RM-3	02/07	1,090,000	182	301	Revenue Conversion
2	521 – 22 Avenue SW	4,556	2,094	RM-5	02/07	675,000	148	322	Revenue Conversion
3	934 – 15 Avenue SW	6,500	4,536	RM-7	12/06	1,125,000	173	248	Revenue Conversion
4	1925 – 5A Street SW	4,179	1,899	RM-2	09/06	660,000	158	348	Revenue Conversion, \$42,000 GI, \$23,100 NOI
5	531 – 19 Avenue SW	4,554	2,094	RM-3	07/06	654,000	144	312	Revenue Conversion
6	1727 – 12 Avenue SW	4,875	2,955	RM-3	06/06	735,000	151	249	Revenue Conversion \$37,368 GI, \$20,270 NOI
7	1724 – 13 Avenue SW	6,500	3,468	RM-2	05/06	765,000	118	221	Revenue Conversion
8	317 – 19 Avenue SW	8,666	4,559	RM-6	04/06	1,255,000	145	275	Two Revenue Conversions, \$63,720 GI, \$35,332 NOI
9	522 – 6 Avenue SW	6,150	8,840	CM-2	10/06	4,000,000	650	452	Pied Pickle
10	410 – 6 Street SW	3,240	2,132	CM-2	04/06	759,000	234	356	Commercial use in house

*Estimate based on internal valuation of independent appraisal

PROPOSED AMENDMENT TO PREVIOUSLY AUTHORIZED EXPROPRIATION
- DOWNTOWN COMMERCIAL CORE - WARD 8 (ALD. KING)



File No: 658 4 AV SW (SQ)



Subject Area



City Owned Lands

LAS2007-12

PROPOSED INITIATION OF EXPROPRIATION- DOWNTOWN
COMMERCIAL CORE - WARD 8 (ALD. KING) FILE NO: 838 - 4
AVENUE SW (SQ)

SUMMARY/ISSUE

Negotiations to acquire the property have not been successful. The proposed expropriation is required for a west downtown proposed fire station and market/affordable housing project

ADMINISTRATION RECOMMENDATIONS

1. That the Land and Asset Strategy Committee recommend that Council authorize the initiation of expropriation proceedings as outlined in Attachment 2.
2. That the Recommendation and Report remain confidential under Section 25(1) of the Freedom of Information and Protection of Privacy Act until the Report is published in the Agenda for the 2007 February 26 Regular Meeting of Council.

COMMITTEE RECOMMENDATION

That the Administration Recommendations contained in Report LAS2007-12 be approved

Moved by Alderman McIver, Seconded by Alderman Chabot.

That the Land and Asset Strategy Committee Recommendation contained in Report LAS2007-12 be adopted

General Manager,
Asset Management &
Capital Works

Opposed: Alderman Larocque

CARRIED

**PROPOSED INITIATION OF EXPROPRIATION- DOWNTOWN COMMERCIAL CORE -
WARD 8 (ALD. KING)
FILE NO: 838 - 4 AVENUE SW (SQ)**

SUMMARY/ISSUE

Negotiations to acquire the property have not been successful. The proposed expropriation is required for a west downtown proposed fire station and market/affordable housing project.

PREVIOUS COUNCIL DIRECTION/POLICY

2006 October 16 Council approved
LAS2006-144, Proposed Method of
Disposition - Eau Claire & Downtown
Commercial Core.

INVESTIGATION

The City is in ownership of the balance of the surrounding property and has plans to move forward with redevelopment of this block. In order to accommodate the redevelopment of this block it is necessary to acquire this last remaining property.

The acquisition of this property would enable the comprehensive development of the market/affordable housing units and urgently required west downtown fire station to occur.

ADMINISTRATION RECOMMENDATIONS:

1. That the Land and Asset Strategy Committee recommend that Council authorize the initiation of expropriation proceedings as outlined in Attachment 2
2. That the Recommendation and Report remain confidential under Section 25(1) of the Freedom of Information and Protection of Privacy Act until the Report is published in the Agenda for the 2007 February 26 Regular Meeting of Council.

**RECOMMENDATION OF THE LAND AND
ASSET STRATEGY COMMITTEE DATED
2007 FEBRUARY 13:**

That the Administration Recommendations contained in Report LAS2007-12 be approved.

IMPLICATIONS

General

The ability to develop affordable housing unit goes towards one of Council's specific priorities. The ability to create a comprehensive development satisfying the City's need for market/affordable housing and fire services in one development will reduce the need for additional land.

Social

Acquisition of this property will enable the City to replace the existing 1st Avenue affordable housing project that is currently in need of upgrading.

Environmental

The property has been reviewed in accordance with The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy. No further investigation is required.

Opposition to Recommendations:

Opposed: Alderman Larocque

**PROPOSED INITIATION OF EXPROPRIATION- DOWNTOWN COMMERCIAL CORE -
WARD 8 (ALD. KING)
FILE NO: 838 - 4 AVENUE SW (SQ)**

Economic (External)

By creating comprehensive development it limits the need for new land and outward growth. The City's leadership on City owned property can serve as an example to other property developers as how creative solutions can be both financially feasible and practical.

BUSINESS PLAN/BUDGET IMPLICATIONS

Funds are available in Program #041.

The Proposed Payment represents the appraised market value of the Property and does not include other compensation which the owner(s) may ultimately be entitled to pursuant to the *Expropriation Act* (Alberta).

RISKS

The acquisition of this property is required to accommodate a proposed comprehensive redevelopment of the 4 Avenue SW block.

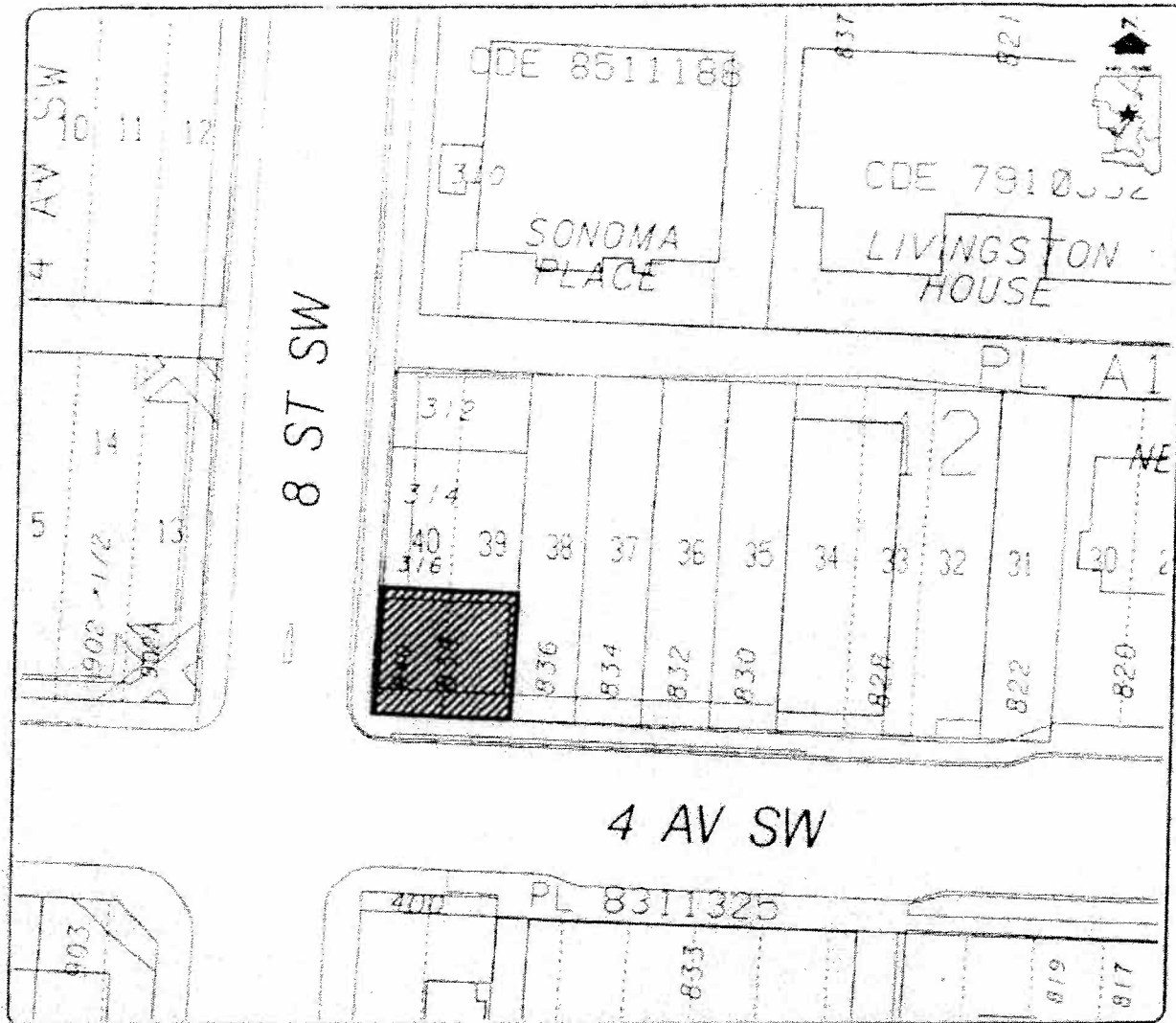
VALUATION

The negotiated price of the Property was based on an internal valuation and has been approved by Corporate Properties and Buildings Valuations Committee comprised of accredited appraisers. The comparable sales analyzed are included in Attachment 4.

ATTACHMENTS

1. Site Map
2. Recommendations
3. Summary of Additional Property Information
4. Comparable Data Chart Land Sales
5. LAS2006-144

ATTACHMENT 1
LAS2007-12



File No. 835 4 AV SW (SO)

 Subject Area

 City Owned Lands

RECOMMENDATIONS:

- (1) That the Land and Asset Strategy Committee recommend that Council authorize the commencement of Expropriation proceedings to acquire the following lands pursuant to the *Expropriation Act* (Alberta) subject to the following terms and conditions.

(a) PROPERTY

Plan "A1"
Block 12
The Southerly 47 Feet Throughout of Lots 39 and 40
Excepting Thereout all Mines and Minerals
together with buildings and improvements

Municipally known as 838 - 4 Avenue SW

(b) PARTIES:

Owner(s): John Wong (Businessman)
As to an Undivided 1/3 Interest

Leo Wong (Dentist)
As to an Undivided 1/3 Interest

Leo Wong
Executrix for George Dun Wong
As to an Undivided 1/3 Interest

Expropriating Authority: The City of Calgary

(c) EXPROPRIATED ESTATES & INTERESTS:

The fee simple estate of the Property, together with all tenancies and encumbrances, liens, estates or interests registered against the Property, excepting mines and minerals and any mortgages or financial instruments registered against the title.

(d) MUNICIPAL WORKS OR PURPOSES FOR WHICH THE PROPERTY IS BEING EXPROPRIATED:

The property is required for the consolidation of the Expropriating Authority's land holdings in Plan A1, Block 12 in order to achieve a comprehensive development comprising of a new west downtown fire station and market/affordable housing project.

- (2) That the Land and Asset Strategy Committee recommend that Council authorize the proper officer(s) for and on behalf of The City to register, advertise and serve Notice of Intention to Expropriate pursuant to the *Expropriation Act* (Alberta).
- (3) That the Land and Asset Strategy Committee recommend that Council authorize in the event that the Owners are prepared to consent to expropriation, the Parties may enter into an agreement pursuant to Section 30 of the *Expropriation Act* (Alberta) in a form and content satisfactory to the City Solicitor and the Director of Corporate Properties & Buildings and based on the following fundamental terms and conditions:

(a) PROPERTY:

Plan "A1"
Block 12
The Southerly 47 Feet Throughout of Lots 39 and 40
Excepting Thereout all Mines and Minerals
together with buildings and improvements

Municipally known as 838 - 4 Avenue SW

(b) PARTIES:

Owner(s):	John Wong (Businessman) As to an Undivided 1/3 Interest
	Leo Wong (Dentist) As to an Undivided 1/3 Interest
	Leo Wong Executrix for George Dun Wong As to an Undivided 1/3 Interest

Expropriating Authority: The City of Calgary

(c) EXPROPRIATED ESTATES & INTERESTS

The fee simple estate of the Property, together with all other encumbrances, liens, estates or interests registered against the Property excepting mines and minerals and any mortgages or financial instruments registered against the title.

(d) PROPOSED PAYMENT:

\$530,000

(e) EFFECTIVE DATE:

2007 April 30

(f) SPECIAL TERMS AND CONDITIONS:

- (i) The Purchaser to reimburse the Vendor for reasonable legal fees in connection with the negotiation, finalization, execution and completion of the transaction.
- (ii) The Purchaser to assume all tenancies respecting the Property not being terminated or surrendered.

(4) That the Land and Asset Strategy Committee recommend that Council authorize the letting of tenders for the demolition or removal of the improvements on the Property.

(5) That the Land and Asset Strategy Committee recommend that Council receive for information that there is an additional cost of \$15,600 for Corporate Properties & Buildings acquisition fees.

SUMMARY OF ADDITIONAL PROPERTY INFORMATION

SITE DETAILS:

<u>Land:</u>		<u>Improvements:</u>	
Area:	219,678 sq. m. (2,364.59 sq. ft.)	Type:	Low Rise Walk-up Apartment Building
Topography:	Level	Size:	401.0 sq. m. (4,316.0 sq. ft.)
L.U. Designation:	DC	Age:	unknown (estimated to be prior to 1930)

Assessment:
Roll No: 067018200
Property: \$440,500 (2006)
Assessment Comments: The
assessment reflects a valuation date of
2005 July 1 for the entire property.

Taxes:
Current Year: \$3,384.50 (2005)
Arrears: n/a
L.I. Levy: n/a

GROSS COST OF THE PURCHASE:

\$530,000	Purchase Price
\$ 15,600	Acquisition Fee
\$	GST
\$	Estimated Other Costs
\$545,600	Gross Cost of Purchase

Number of Properties Still Required: 0

This report and the resulting decision are solely recommendations and authorizations communicated between the Administration. It is not intended to provide representations or warranties to be acted upon by any other party or to be deemed or construed as an offer and an acceptance by The City.

COMPARABLE DATA CHART
LAND SALES

Index	Address	Site Area (sq. ft.)	Land Use	Date of Sale (mm/yy)	Sale Price (\$)	Land Area \$/sq. ft.	Comments
Subject	838 - 4 Avenue SW	2,364.59	DC		530,000 (Proposed Payment)	224.14	Older eight (8) unit walk-up apartment building located in the Downtown Commercial Core. The value Highest and Best Use of the subject property is as a redevelopment and has been valued as such. Based on Highest and Best Use of the subject property the site has been valued as land.
1	1127 - 8 Avenue SW	6,490	DC	08/06	1,500,000	231.13	Excellent redevelopment site located in the heart of downtown.
2	917 to 919 - 10 Avenue SW	9,750	DC	05/06	1,800,000	184.02	This parcel is located on the southeast of 10 th Avenue SW, mid-block between 8 th and 9 th Streets SW. The site is surface parking and was acquired with intentions to redevelop the site with a residential condominium project at a proposed density of 11.0 FAR.
3	919 - 5 Avenue SW	9,750	CM-2	04/06	1,950,000	200.00	This parcel is located on the south side of 5 th Avenue SW between 8 th and 9 th Streets SW. The site is used for surface parking for 28 vehicles. In 2003 the site was approved (DP2003-3841) for the development of a 140 unit apartment condominium project at a density of 14.5 FAR.
4	1114 - 12 Avenue SW	3,250	RM-7	03/06	650,000	200.00	This parcel is located on the north side of 12 th Avenue SW between 10 th and 11 th Streets SW. At the time of the sale the site was improved.

Index	Address	Site Area (sq. ft.)	Land Use	Date of Sale (mm/yy)	Sale Price (\$)	Land Area \$/sq. ft.	Comments
5	510 - 10 Street SW	1,651.24	DC	02/06	480,000	290.69	with an older single storey retail building. The purchaser is developing a twin tower residential condominium project known as Stella and Nova and has assembled lands in the block.
6	508 - 10 Street SW	1,560.54	DC	02/06	463,000	308.45	The parcel is located in the west end of downtown and is surrounded by newer residential condominium developments. The property was purchased as a holding property with future redevelopment potential. There is some remaining value in the improvements.
7	337 - 20 Avenue SW, 340 - 21 Avenue SW and 2004 - 4 Street SW	39,378	RM-6 / C-3	11/05	7,118,222	180.76	The parcel is located in the Mission district on the east side of 4 th Street SW between 20 th and 21 st Avenues SW. At the time of the sale the site was partly constructed with the failed "Colonnade" mixed use residential condominium and main floor retail project.
8	801 - 12 Avenue SW	6,500	RM-7	10/05	1,260,000	193.84	This parcel is located on the south corner of 12 th Avenue and 7 th Street SW. At the time of the sale the site was improved with a circa 1932 apartment building.
9	140 - 2 Avenue SW	10,500	DC	09/05	1,800,000	171.43	This parcel is located in the Chinatown district of Downtown Calgary on the north east corner of 2 nd Avenue and 1 st Street SW. At the time of sale the site was improved with a circa 1985, 7,437 sq. ft. two-storey office building.
10	522, 526, 530 and 540 - 12	35,750	DC	02/05	7,400,000	206.99	This parcel is located on the north east corner

Index	Address	Site Area (sq. ft.)	Land Use	Date of Sale (mm/yy)	Sale Price (\$)	Land Area \$/sq. ft.	Comments
	Avenue SW						of 12 th Avenue and 5 th Street SW. At the time of sale the site was improved with a vacant four-storey office building, a vacant two-storey retail building and a surface parking lot. The purchaser is renovating the office building and adding three additional floors and intends to develop a 18 storey, 106 unit apartment condominium project on the east end of the site.

*Estimate based on internal valuation or independent appraisal

LAS2006-144

PROPOSED METHOD OF DISPOSITION - EAU CLAIRE &
DOWNTOWN COMMERCIAL CORE - WARDS 7 & 8 (ALD. FARRELL &
KING)
FILE NO: 727- 1 AVENUE (JR&LC)

SUMMARY/ISSUE

Authorization to negotiate a sale by direct negotiation as a result of the Mayor's Roundtable on Affordable Housing.

ADMINISTRATION RECOMMENDATIONS

That the Land and Asset Strategy Committee recommend that Council:

1. Authorize the method of disposition, recommendation as outlined in Attachment 2.
2. Direct Administration to work with the proponent to determine if a satisfactory agreement can be achieved. This agreement may include direct sale of one or more of the subject parcels at full market value.
3. Direct Administration to submit the recommended terms and principles for evaluating unsolicited proposals prior to recommending any further direction on the subject proposal.
4. Direct that Attachment 4 be removed from this report prior to being forwarded to the 2006 October 16 Combined Meeting of Council and that Attachment 4 remain confidential pursuant to Section 24 (1)(g) of the Freedom of Information and Protection of Privacy Act and that Council consider Attachment 4 in camera if requested by Council.
5. That the Recommendations and Report remain confidential under Section 25(1) of the Freedom of Information and Protection of Privacy Act until the report is published in the Agenda for the 2006 October 16 Combined Meeting of Council.
6. That report LAS2006-144 be forwarded as an item of urgent business to the 2006 October 16 Combined Meeting of Council.

Committee Recommendation

That the Administration Recommendations contained in Report LAS2006-144 be approved.

Moved by Alderman Farrell, Seconded by Alderman Chabot,

<ol style="list-style-type: none">1. That the Land and Asset Strategy Committee Recommendation contained in Report LAS2006-144 be adopted; and2. That Attachment 4 remain confidential pursuant to Section 24 (1)(g) of the <u>Freedom of Information and Protection of Privacy Act</u> and that Council consider Attachment 4 in camera if requested by Council.	General Manager, Asset Management & Capital Works
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OPPOSED: Aldermen Larocque and McIver
CARRIED

**PROPOSED METHOD OF DISPOSITION – EAU CLAIRE & DOWNTOWN COMMERCIAL
CORE – WARDS 7 & 8 (ALD. FARRELL & KING)
FILE NO: 727- 1 AVENUE (JR&LC)**

SUMMARY/ISSUE

Authorization to negotiate a sale by direct negotiation as a result of the Mayor's Roundtable on Affordable Housing

PREVIOUS COUNCIL DIRECTION/POLICY

On 2003 June 9 Council approved C2003-44 Affordable Housing Implementation Plan and Funding. It was this plan that identified that The City target was for 200 units while the community target was an additional 200 units.

On 2004 July 24 Council approved LAS2004-178 Affordable Housing Sustainable Resource Management Plan - Phase 2: Short Term Development Strategy 2004. Council directed Administration to "take a leadership role in the development of 200 units of affordable housing annually to maximize the Affordable Housing Partnership Initiative funding"

On 2005 December 12, Council approved 2006 Corporate Goals in APA200538a where they identified "through direct development and partnerships, initiate development of 200 units of non-market housing (pending available senior government funding) for 2006, 2007, 2008 respectively.

On 2006 June 12, LAS2006-78 Affordable Housing Strategic Financial Plan was approved.

ADMINISTRATION RECOMMENDATIONS:

That the Land and Asset Strategy Committee recommend that Council:

1. Authorize the method of disposition, recommendation as outlined in Attachment 2.
2. Direct Administration to work with the proponent to determine if a satisfactory

agreement can be achieved. This agreement may include direct sale of one or more of the subject parcels at full market value.

3. Direct Administration to submit the recommended terms and principles for evaluating unsolicited proposals prior to recommending any further direction on the subject proposal.
4. Direct that Attachment 4 be removed from this report prior to being forwarded to the 2006 October 16 Combined Meeting of Council and that Attachment 4 remain confidential pursuant to Section 24 (1) (g) of the Freedom of Information and Protection of Privacy Act and that Council consider Attachment 4 in camera if requested by Council.
5. That the Recommendations and Report remain confidential under Section 25(1) of the Freedom of Information and Protection of Privacy Act until the report is published in the Agenda for the 2006 October 16 Combined Meeting of Council.
6. That report LAS2006-144 be forwarded as an item of urgent business to the 2006 October 16 Combined Meeting of Council.

**RECOMMENDATION OF THE LAND AND
ASSET STRATEGY COMMITTEE DATED
2006 OCTOBER 10:**

That the Administration Recommendations contained in Report LAS2006-144 be approved.

Opposition to Recommendation

OPPOSED: Alderman McIver

**PROPOSED METHOD OF DISPOSITION - EAU CLAIRE & DOWNTOWN COMMERCIAL
CORE - WARDS 7 & 8 (ALD. FARRELL & KING)
FILE NO: 727- 1 AVENUE (JR&LC)**

INVESTIGATION

In 2004 the Mayor lead a roundtable on affordable housing. The roundtable included a broad cross section of stakeholders including Council members, developers, administration, advocacy groups and representatives from the Calgary Housing Company. One of the central elements of the roundtable was discussion that focused on identifying ways to encourage the private sector participation in the affordable housing market. Out of the roundtable initiative, the City received three proposals for affordable housing. Due to location, program details and overall budget considerations, only one proposal was deemed to have substantive opportunity.

The substantive proposal is the subject of this report. Submitted by The LaCaille Group, the proposal calls for the sale of the existing 72 unit affordable housing project at 727 1st Avenue SW and redevelopment of an existing City owned parcel located at 4th Avenue and 8th Street SW. The existing affordable housing project on 1st Avenue is in significant need of repair and has numerous operational challenges. The LaCaille Group proposes to develop approximately 90 units of affordable housing on the 4th Avenue property as part of an agreement which would see them take ownership of the 1st Avenue property.

Having received and reviewed the merits of the proposal, Administration feels that there is a significant opportunity to create both new units and replace ones requiring significant repair.

Since receiving the LaCaille Group proposal, the need for a west downtown fire station has emerged as an urgent requirement. Administration has considered the matter and believes a creative and cost effective solution can be found that would include a fire station,

non-market housing development and a market housing development. The project would include the entire 4th Avenue property and the sale of the 1st Avenue property.

IMPLICATIONS

General

The ability to develop affordable housing units goes towards one of Council's specific priorities. The ability to create a comprehensive development program should aid this by intensifying density and reducing the need for more land.

Social

The existing 1st Avenue affordable housing project has substantive upgrading requirements and significant operational challenges evidenced by continued substance abuse, property crime and illegal behavior. Removing the project and creating a new environment at a different location may help in creating a more desirable form of affordable housing.

Environmental

Any environmental review required pursuant to the S.A.L.E. Policy will be conducted prior to sale.

Economic (External)

By creating comprehensive development it limits the need for new land and outward growth. The City's leadership on City owned property can serve as an example to other property developers as how creative solutions can be both financial feasible and practical.

BUSINESS PLAN/BUDGET IMPLICATIONS

The proposed fire station is part of an existing capital budget program. Any potential costs associated with the affordable housing component will be considered part of the financial plan approved by Council.

**PROPOSED METHOD OF DISPOSITION – EAU CLAIRE & DOWNTOWN COMMERCIAL
CORE – WARDS 7 & 8 (ALD. FARRELL & KING)
FILE NO: 727-1 AVENUE (JR&LC)**

RISKS

The proposal relies upon \$100,000 per door funding from the Affordable Housing Partnership Initiative (AHPI). An application for this funding has not been submitted.

This is the first step towards developing a property detailed agreement. At any point either party may decide the agreement no longer works in their respective favour and thus the agreement would not proceed.

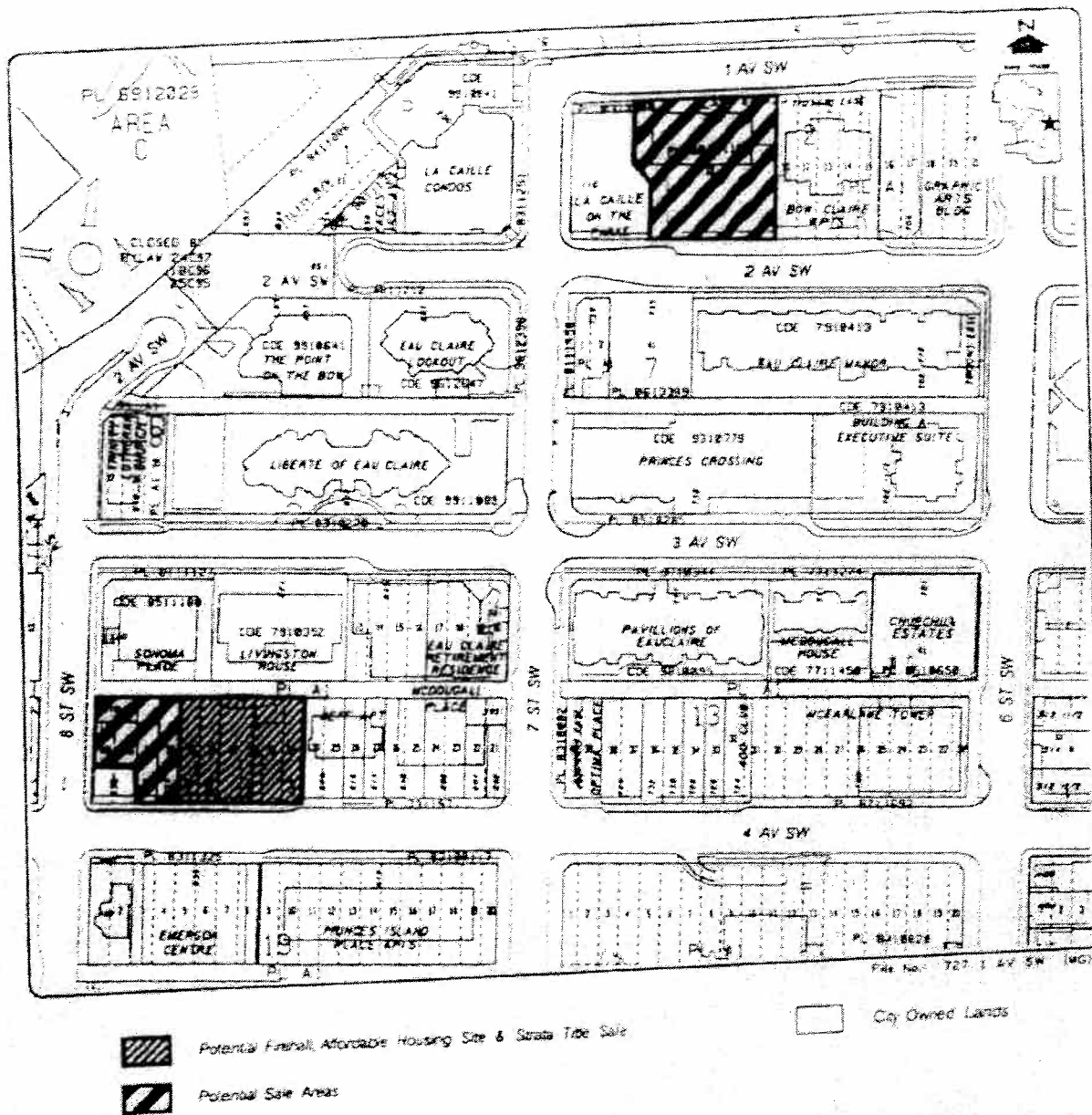
VALUATION

The reserve price of the Property will be based on an external appraisal and will be approved by Corporate Properties and Buildings Valuations Committee comprised of accredited appraisers.

ATTACHMENTS

1. Site Map
2. Recommendations
3. Summary of Additional Property Information
4. Removed as per direction of Committee

ATTACHMENT 1
LAS2006-144



RECOMMENDATIONS:

- (1) That the Land and Asset Strategy Committee recommend that Council approve the proposed Method of Disposition of the following :

(a) PROPERTY:

Plan 0011110
Block 2
Lot 22
Excepting thereout all mines and minerals
Municipally known as 727 1 Avenue SW

Plan "A1"
Block 12
Lot 31
Excepting thereout all mines and minerals
Municipally known as 822 4 Avenue SW

Plan "A1"
Block 12
Lots 32,33 and 34
Municipally known as 828 4 Avenue SW

Plan "A1"
Block 12
Lot 35
Municipally known as 830 4 Avenue SW

Plan "A1"
Block 12
Lot 36
Municipally known as 832 4 Avenue SW

Plan "A1"
Block 12
Lot 37
Municipally known as 834 4 Avenue SW

Plan "A1"
Block 12
Lot 38

Municipally known as 836 4 Avenue SW

Plan "A1"

Block 12

The North 30 Feet Throughout of Lots 39 and 40

Municipally known as 312 8 Street SW

Plan "A1"

Block 12

The Northerly 53 Feet of the Southerly 100 feet Throughout
Lots 39 and 40

Municipally known as 314 8 Street SW

(b) METHOD OF DISPOSITION :

Direct Sale to La Caille Group Inc.

(c) RESERVE PRICE:

- (i) To be established by independent appraisal and reported back to Land and Asset Strategy Committee and Council.

SUMMARY OF ADDITIONAL PROPERTY INFORMATION

SITE DETAILS: 727 – 1 Avenue SW

Land:

Area: 0.27 HA (0.66 Ac)
Topography: Level
L.U. Designation: DC

Improvements:

Type: Mid-rise Apartment
Size: 65,870 sq.ft.
Age: 34 years

Assessment:

Roll #: 067248104
Property: \$5,790,000
Assessment Comments: The
assessment reflects a valuation date of
2005 July 1 for the entire property.

Taxes:

Current Year: Exempt (2005)
Arrears: \$
L.I. Levy: \$4,604.37

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 822 4 Avenue SW

Land:

Area: 0.03 HA (0.07 Ac)
Topography: Level
L.U. Designation: DC

Improvements:

Type: None
Size:
Age:

Assessment:

Roll #: 067017301
Property: 488,500.
Assessment Comments: The
assessment reflects a valuation date of
2005 July 1 for the entire property.

Taxes:

Current Year: \$Exempt (2005)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 828 4 Avenue SW

Land:

Area: 0.09 HA (0.22 Ac)
Topography: Level
L.U. Designation: DC

Improvements:

Type: Commercial building
Size: 4,400 sq. ft.
Age: 50 yrs +

Assessment:

Roll #: 067017509
Property: 1,460,000 (2006)
Assessment Comments: The assessment reflects a valuation date for the entire property.

Taxes:

Current Year: \$27,778.40 (2006)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 830 4 Avenue SW

Land:

Area: 0.03 HA (0.07 Ac)
Topography: Level
L.U. Designation: DC

Improvements:

Type: None
Size:
Age:

Assessment:

Roll #: 067017608
Property: 488,500
Assessment Comments: The assessment reflects a valuation date of 2005 July 1 for the entire property.

Taxes:

Current Year: \$9,294.34 (2006)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 832 4 Avenue SW

Land:

Area: 0.03 HA (0.07 Ac)
Topography: Level
L.U. Designation: DC

Improvements:

Type: None
Size:
Age:

Assessment:

Roll #: 067017707
Property: \$488,500
Assessment Comments: The assessment reflects a valuation date of 2005 July 1 for the entire property.

Taxes:

Current Year: \$9,294.34 (2006)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 834 4 Avenue SW

Land:

Area: 0.03 HA (0.07 Ac)
Topography: Level
L.U. Designation: DC

Improvements:

Type: None
Size:
Age:

Assessment:

Roll #: 067017806
Property: 488,500
Assessment Comments: The assessment reflects a valuation date of 2005 July 1 for the entire property.

Taxes:

Current Year: \$9,294.34 (2006)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 636 4 Avenue SW

Land:

Area: 0.03 HA (0.07 Ac)
Topography: Level
LU. Designation: DC

Improvements:

Type: None
Size:
Age:

Assessment:

Roll #: 067017905
Property: 488,500.
Assessment Comments: The assessment reflects a valuation date of 2005 July 1 for the entire property.

Taxes:

Current Year: \$9,294.34 (2005)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 312 8 Street SW

Land:

Area: 0.01 HA (0.03 Ac)
Topography: Level
LU. Designation: DC

Improvements:

Type: None
Size:
Age:

Assessment:

Roll #: 067018002
Property: 225,000
Assessment Comments: The assessment reflects a valuation date of 2005 July 1 for the entire property.

Taxes:

Current Year: \$4,280.92 (2006)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

SITE DETAILS: 314 8 Street SW

Land:

Area: 0.02 HA (0.06 Ac)
Topography: Level
LU. Designation: DC

Improvements:

Type: None
Size:
Age:

Assessment:

Roll #: 067018101
Property: 397,500
Assessment Comments: The
assessment reflects a valuation date of
2005 July 1 for the entire property.

Taxes:

Current Year: \$7,562.95 (2006)
Arrears: \$
L.I. Levy: \$

PROCEEDS OF THE SALE:

Purchase Price: To Be Determined

Unit Value: To Be Determined

This report and the resulting decision are solely recommendations and authorizations communicated between the Administration. It is not intended to provide representations or warranties to be acted upon by any other party or to be deemed or construed as an offer and an acceptance by The City.