Executive Summary:

In September 2016, Council endorsed a concept plan for 671 Brock Street which included a parkland block, an affordable housing block and a private market block. Council also directed staff to sell the affordable housing block to Kingston Frontenac Housing Corporation (KFHC) which has provincial funding allocated for this development. At its June 6th meeting, Council approved the sale of the property to KFHC.

The concept plan for 671 Brock Street, approved by Council in September 2016, tried to balance a number of priorities by including affordable housing, parkland and a private market block which would ensure non-tax revenues to the city. At the time of developing the concept plan, staff identified the need for more parkland in Williamsville but also recognized that there were financial challenges in dedicating most of the property as parkland. Therefore, staff currently has a direction from Council, which cannot be reconsidered until November 2017, to sell the private market block.

Following approval of the concept plan, city staff reached out and engaged with members of the community to discuss potential options of how the market block could be sold while meeting Council direction, but also ensuring some community support. Discussions ranged from including development conditions on the sale of the property to issuing a request for proposal with development criteria.

Recently, city staff were approached with an unsolicited letter of interest by a local developer to purchase the market block property at fair market value and to deed it back to the City as an off-site parkland conveyance contribution toward parkland dedication and/or community benefits.
that would otherwise be required in developments located elsewhere in the city, if applicable. This developer owns land in Williamsville and has submitted planning applications for land development that, if approved, would require off-site conveyance of parkland or cash-in-lieu of parkland as the properties are not large enough to provide for parkland within their limits. This parkland conveyance would not remove the need to provide some parkettes along Princess Street as per the Williamsville Main Street Study.

Staff consulted with community members and believe that this approach could help to address concerns expressed by the community in regards to providing more parkland and would also follow the Council direction to sell this block and generate non-tax revenues. Should the city put the property on the open market, it would most likely be purchased for residential development; therefore, staff are recommending that Council direct staff to initiate discussions and negotiations directly with the developer as it relates to the unsolicited interest.

As per city practices, details regarding the negotiation of terms and a purchase price would be provided to Council in closed session with reporting out on the sale in open session should negotiations be successful.

**Recommendation:**

**That** Council direct staff to initiate discussions and negotiations with the developer that submitted an unsolicited letter of interest to purchase the market block of 671 Brock Street for parkland purposes and report back on the details of negotiations in closed session and report out any sale in open session.
Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER
Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER
Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:
Denis Leger, Commissioner, Corporate & Emergency Services  ✔
Jim Keech, President and CEO, Utilities Kingston Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer Not required
Options/Discussion:

On September 6, 2016, Council endorsed the following motion:

That Council endorse in principle the concept plan, as presented as Exhibit B at the September 6, 2016 Council meeting, and direct staff to undertake the implementation of the concept development plan through the submission of applications for all necessary planning approvals as it relates to the affordable housing development and parkland block; and

That Council direct staff to provide a notice to declare surplus, in accordance with the City’s public notice and disposition policies, the portions of the site not to be used for future parkland; and

That Council direct staff to negotiate the sale of a portion of the property to Kingston & Frontenac Housing Corporation and report back to Council on property negotiations; and

That staff report back to Council after public consultation; and

That Council direct staff to undertake the necessary planning for the future development of the new park block and include the cost for those planning services as part of the 2017 capital budget for consideration.

A reconsideration of this motion took place on November 1, 2016 and lost; therefore, it can only be reconsidered by Council in November 2017 based on the city’s procedural by-law. The direction from Council is to sell the property on the open market. At the November 15, 2016 meeting, Council approved a report to declare surplus and sell municipal property, being the private market and affordable housing blocks on the southern portion of 671 Brock Street.

KFHC submitted a development application which was endorsed by Council and later on appealed at the Ontario Municipal Board. A hearing date has not yet been established. At its June 6, 2017 meeting, Council approved the sale of a portion of 671 Brock Street property to KFHC.

During the past number of months, staff had multiple meetings with representatives of the community to initially discuss and review details of the KFHC planning application and then discuss options for the sale of the private market block. Options for the disposal of the private market block considered the Council direction to generate non-tax revenue and also what type of future residential development would be acceptable from a community perspective. Staff, with the support of community members, reviewed options such as conditions on the sale of the property which included maximum height/storeys, sale of individual parcels (3 parcels) with development in compliance with the zoning by-law, defined lot coverage, etc. Discussions also included the possibility to put the property on the market through a Request for Proposal (RFP) which would include a list of criteria related to the future development of the property.
Staff and community members focused on options and criteria related to residential
development as it is likely that any buyer from the open market would pursue residential
development on the property.

Staff were recently approached by a developer who owns a number of properties in the
Williamsville area and has submitted planning applications for some of these properties. The
developer proposes to purchase the private market block at fair market value and that this
property and value be applied to future development parkland dedication/cash-in-lieu of
parkland and community benefits, if applicable. This would enable the city to sell the private
market block and generate non-tax revenue while ensuring additional parkland in the
Williamsville area. It is important to note that this additional parkland in Williamsville area would
not remove the requirement for some parkettes along Princess Street as per the Williamsville
Main Street Study.

Section 5 of the City of Kingston’s Parkland Dedication By-Law (By-Law Number 2013-107)
provides the city with the ability to accept parkland conveyance off-site of a land development
project. For the purpose of off-site conveyance, the valuation of lands to be credited against the
development requirement is outlined in the by-law under Sections 19 and 20.

The intent, in this case, would be to negotiate with the developer to buy and then deed back the
parkland and count it towards parkland dedication requirements of one or more of their
development projects, located elsewhere in the city. Alternately, the land conveyance could be
counted as a form of community benefit or combination of parkland contribution and community
benefit. The developer has identified that the intent would be to assign the credit to one or more
of their project(s) in Williamsville.

Off-site conveyance traditionally occurs at the time of the approval of a development project. In
this proposal, however, it is intended that the land would be deeded over to the city in advance
and then credited to a development project at the time of the project’s approval.

Staff have consulted with members of the community who have expressed strong support for
this option.

Existing Policy/By-Law:

Not applicable

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable
Financial Considerations:

The revenue from the private market block sale will be directed to complete the reimbursement of funds to the Municipal Capital Reserve Fund from the original purchase of the overall former school property. The remainder of the revenue will be directed to reimburse the Natural Land/Parkland Reserve Fund.

Contacts:

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Other City of Kingston Staff Consulted:

Luke Follwell, Director, Recreation & Leisure Services

Neal Unsworth, Manager, Parks Development, Recreation & Leisure Services

Paige Agnew, Director, Planning, Building & Licensing Services

Mary C. Rae, Senior Legal Counsel, Legal Services

Exhibits Attached:

Not applicable