



REPORT

Council

Meeting Date: May 29, 2023

FROM: Legal Department

DATE: May 16, 2023

SUBJECT: **Former Public Works Site Transfer to Oakville Municipal Development Corporation – May 29, 2023**

LOCATION: 2274 Trafalgar road

WARD: Ward 5

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RECOMMENDATION:

1. That the policy for dispositions of real property from the Town to the Oakville Municipal Development Corporation attached to this report as Appendix “A” be approved and adopted.
2. That staff be authorized to transfer the former public works site at 2274 Trafalgar Road to the Oakville Municipal Development Corporation on the principles set out in this report entitled “Former Public Works Site Transfer to Oakville Municipal Development Corporation – May 29, 2023”, and the Town Solicitor be authorized to execute all documentation required to effect such transaction.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Attached to this report as Appendix “A” is a proposed policy for dispositions of real property from the Town to the Oakville Municipal Development Corporation (“**OakvilleMDC**”).
- OakvilleMDC was created to, among other things, act as a master developer to maximize profit and provide development certainty for the disposal of surplus Town sites such as the former public works site (the “**Property**”).
- Council approved a master plan (the “**Master Plan**”) for the Property to provide OakvilleMDC with guidance on the future development.
- In order for OakvilleMDC to move forward with the development of the Property, the Town should transfer the ownership of the lands to OakvilleMDC and provide OakvilleMDC with guidance as to what non-

financial objectives the Town wishes to achieve with the Property other than maximizing profit.

- Staff are recommending the following non-financial objectives be given to OakvilleMDC:
 - Establish the height limits for the Property through an OPA and once Council has approved the OPA, ensure this is not appealed and future development applications are consistent with the OPA and Council approved Master Plan for the site;
 - Produce 100 affordable housing units on the Property;
 - Where possible provide parkland space through easements or strata ownership instead of cash in lieu; and
 - If the Property is sold or used in a joint venture, OakvilleMDC shall ensure future purchasers/partners comply with these non-financial objectives.
- Staff are recommending holding back a parcel for parkland purposes to ensure there is sufficient open space retained for this site.
- The transfer of the Property would be at a nominal sale price for tax reasons, but staff will obtain an appraisal to determine the baseline value of the Property at the time of transfer so the value added by OakvilleMDC in its development work can be measured.

BACKGROUND:

Attached as Appendix “A” is a proposed disposition policy for transferring lands to the OakvilleMDC. Staff are recommending adopting this policy for this disposition and all future dispositions of land to the OakvilleMDC.

The former public works site at 2274 Trafalgar Road was declared surplus by Council on June 7, 2000. Although it had been potentially available for acquisition for a period of time and some offers were received, the site remained predominantly dormant. Because of the importance of this land-holding to the Town, both as a valuable asset and as an opportunity to further Council’s policies and vision for the future development of the community, the Town has long proceeded with care and caution with a view to securing the best financial and development outcome.

On March 30, 2015, Council directed staff to stop considering offers for the site until a multi-disciplinary team had prepared a viable development strategy and implementation plan for the site. A business case was then presented to Council for the creation of a municipal development corporation to maximize the value of this site and other Town lands. Council decided to create OakvilleMDC on December 5, 2016.

On June 11, 2018, Council approved a master plan and an Official Plan amendment for the Property. The purpose behind the Master Plan and Official Plan amendment was to provide guidance to OakvilleMDC in the future redevelopment of the site.

OakvilleMDC has completed the first stage of redeveloping the site by securing a buyer for the 0.9 acre medium density residential block at the corner of Glenashton Drive and Trafalgar Road known as “Block 7”. The Town completed the sale of Block 7 to a Times Group company on April 12, 2021. OakvilleMDC is now preparing to move forward with a subdivision plan for the remainder of the Property.

COMMENT/OPTIONS:

The next step for the development of the Property is for OakvilleMDC to act as a master developer and bring forward planning applications to define the development of the Property. Before this can happen, the Property should be transferred to OakvilleMDC and direction provided from the Town on the non-financial objectives OakvilleMDC must take into account in addition to its objective to maximize profit. The following objectives are recommended by staff and will have an impact on the potential profit OakvilleMDC would otherwise be able to make on the development of the Property, but they will help accomplish other important goals of the Town.

Objective # 1 – Master Plan and OPA

The Master Plan is a comprehensive review of the Property and it sets out guiding principles to protect the established neighbourhoods, knit together missing transportation linkages, promote a network of parks and open spaces, and support retail and commercial opportunities. A challenge presented through the Master Plan process was to provide sufficient predictability to the future development of the site without limiting the potential for innovation and creativity in achieving the overarching principles. It is the intent of the Master Plan to provide OakvilleMDC with direction that allows complementary development throughout the site.

The Property is located in a growth area and it is expected that the current height limits set out in the OP and Master Plan will need to be increased to support the growth in Oakville. OakvilleMDC will be responsible for bringing forward an OPA that is consistent with the guiding principles of the Master Plan. Council will decide on the height limits for the Property through the OPA process and OakvilleMDC will not appeal Council’s decision.

It is expected that future development applications for blocks on the Property will be required to go through a re-zoning process to tailor the zoning regulations to the proposed development. OakvilleMDC will be responsible for these future zoning applications along with the future subdivision application. Staff are recommending that the first objective for OakvilleMDC in the development of the Property is to

ensure that these future development applications are consistent with the Council approved Master Plan and the future OPA.

Objective # 2 – Affordable Housing

Staff are recommending that OakvilleMDC produce a minimum of 100 units of affordable housing in the development of the Property. The Town is committed to producing affordable housing within Oakville and using OakvilleMDC to accomplish this objective at the Property is one way to fulfill this commitment.

Objective # 3 – Parkland

The site has good opportunities to connect with the local and adjacent network of parks. The Master Plan identifies some unstructured parkland that can be provided which responds to the needs of immediately adjacent residents by offering space for social gatherings, community events and tying these spaces into the overall trail network that extends to the east and west. The trail locations can be coincident with the existing pipeline locations since these areas will remain intact without any development in those rights-of-way.

The acquisition of parkland and parkland policies will be dealt with through the development process applying all the tools available including private open space (publicly accessible) and strata parks available to maximize the amount of open space and parkland. However, with recent Provincial legislative changes related to the manner and amount the municipality can acquire in parkland and cash-in-lieu of parkland, the Town should retain Blocks 5 and 6 (see Appendix C) to ensure that these blocks can contribute to the overall parks plan for the area contained in the Master Plan. Block 6 was originally identified in the Master Plan as a development block, but through discussions with OakvilleMDC it was determined that it would be better used for parkland.

There are various pipeline and hydro easements (approx. 0.61 hectares) that run between Blocks 5 and 6 that would restrict development on these easement lands. Staff are recommending holding back all of Blocks 5 and 6, and the easement lands (collectively, approx. 1.07 hectares) to use for future parkland and open space. This will provide good connectivity through the site and linkage with Windfield Park to the west of the site. OakvilleMDC will be responsible for providing any additional parkland needed to satisfy the Master Plan objectives at the time of the development applications with a preference for providing open space instead of cash in lieu.

Objective # 4 – Certainty with Private Developers

One of the reasons for having OakvilleMDC act as the master developer is to provide the Town with certainty that the approved zoning and Official Plan will be protected. If OakvilleMDC sells a block to a developer or enters into a joint venture, staff are recommending OakvilleMDC ensure the approved zoning and Official Plan

are protected and the Town is not subject to a future OPA. OakvilleMDC should also ensure the other non-financial objectives are complied with by future purchasers or partners.

The purpose of this report is to seek Council approval for the transfer of the Property to OakvilleMDC and confirm the non-financial objectives that will guide OakvilleMDC in the development and sale of the Property. If Council approves these recommendations, staff will work with OakvilleMDC to ensure these objectives are met. The transfer will take place once OakvilleMDC is ready to accept the lands and move forward with the subdivision application.

The sale price will be set at a nominal amount for tax reasons. However, staff have initiated an appraisal for the Property to establish a baseline for the value of the lands at the time of the transfer to OakvilleMDC. This will allow the Town to measure the value added by OakvilleMDC in the difference between the baseline and the proceeds received by OakvilleMDC in its development of the site. This value added amount less expenses will be the profits shown by OakvilleMDC in its financial statements. The baseline price and the net proceeds will return to the Town through the dividend process.

CONSIDERATIONS:

(A) PUBLIC

The inclusion of this report in Council agenda will provide public notification.

(B) FINANCIAL

The sale price will be set at a nominal amount for tax reasons. Once the Town receives a dividend from OakvilleMDC, these proceeds will be added to the Town's general capital reserve, some of which are required to replenish the capital reserve for the funds used for the construction of the Central Operations facility.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Executive staff from all commissions have been briefed and are in concurrence with recommendations of the report.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal to be the most livable Town in Canada.

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

Appendix A – Disposition Policy for lands transferred to OakvilleMDC

Appendix B – Location map showing the Property

Appendix C – Block Plan showing the retained park space

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