

REPORT

COUNCIL MEETING

MEETING DATE: FEBRUARY 23, 2015

FROM: Legal Department and Chief Administrative Officer

DATE: February 16, 2015

SUBJECT: Former Public Works Site - 2264, 2274 and 2320 Trafalgar Road

LOCATION: 2264, 2274 and 2320 Trafalgar Road

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RECOMMENDATION:

1. That the report of the Legal Department and the C.A.O. dated February 16, 2015 in respect of the former public works site at 2264, 2274 and 2320 Trafalgar Road ("the site") be received.
2. That staff be authorized to retain a multi-disciplinary team to prepare a viable development strategy and implementation plan for the site in order to provide best value for money and project certainty for achieving the intent of the Official Plan.
3. That no offers, or any letters of intent or other expressions of interest in acquiring and/or developing the site be accepted or presented to Council for direction until after the work of the multi-disciplinary team has been completed and the results of the work reported back to Council.

KEY FACTS:

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

- Despite being openly available for acquisition and development for many years, the approximately 17.7 acre (7.16 ha) Town-owned site of the former public works facility at 2264, 2274 and 2320 Trafalgar Road has long remained dormant with some periodic interest.
- In recent weeks, however, a number of serious expressions of interest in acquiring and developing the site has been received by staff, including one formal offer of purchase and sale.

- The site represents the single largest developable land-holding of the Town and represents a significant gateway location to the Uptown Core, one of the primary Growth Areas within the Town.
- Staff are recommending that rather than accepting any current offers or pursuing any letters of intent or other expressions of interest, that a multi-disciplinary team be engaged to assess the options for ensuring a viable development and recommending a strategy and implementation plan for the site that secures the best value to the Town and project certainty for achieving the vision and intensification policies under the Town's Official Plan.

BACKGROUND:

The Town-owned 17.7 acre, while long dormant, has in recent weeks been the object of heightened interest in the development community. That interest has manifested in a number of expressions of interest, including draft and final form letters of intent and a formal offer of purchase and sale. A summary of the key elements of these expressions of interest and the offer is included in the Confidential Appendix A to this report.

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.

Under the current Livable Oakville policies, the site is located within the Urban Neighbourhood District of the Uptown Core and is designated Urban Core, contemplating primarily a residential area of tall mixed use buildings with a minimum of 8 storeys and a maximum of 12 storeys in height. Increases of up to four storeys beyond the maximum permitted building height may be allowed in compliance with the applicable bonusing policies, without amendment to the Official Plan.

Notwithstanding the applicable designations and zoning restrictions, however, expressions of interest to date have consistently sought opportunities to introduce some scope for additional or alternative low and medium density residential development on the site.

COMMENT/OPTIONS:

The recent expressions of interest in the site present both a valuable opportunity and an important challenge. The failure of the market to date to take up and

implement the planned function for the site, together with the consistent theme of inquiries seeking flexibility in the development options for the site, highlight the importance of responding appropriately and strategically to the current surge of interest.

A balance needs to be struck between maximizing the return from an important asset for the overall benefit of the Town, while maintaining some measure of control over a development outcome that implements Council's vision for the community. An unrestricted open bid process may serve to maximize the former objective, but has the potential of placing the latter at risk, or potentially involving the Town in future Board hearings in disputes over development applications.

Alternatively, there may be options to establish other forms of public-private joint venture partnerships or municipally-controlled development corporate structures, for example, to engage in or oversee the site's future development, taking advantage of the value uplift that occurs as property proceeds through various stages of development, but subject also to the caveat that too many restrictions on the land, or too much control or inflexibility by the public sector, may serve to hamper the ultimate developability, marketability and value of the site.

In view of these competing interests, and to assist in formulating recommendations in the face of growing and varied interest in this site, staff are recommending that no current or outstanding offer, letter of intent, or other expression of interest in acquiring and/or developing it be accepted or pursued at this time, pending the formulation and adoption by Council of a strategic approach to the future development of the site.

To that end, staff are recommending that a multi-disciplinary team be retained to prepare a viable development and implementation plan for the former public works site that will provide best value for money and project certainty.

It is anticipated that a team with expertise in the areas of land use development, project management, urban design, development financing, risk analysis, planning, engineering and specialized legal advice will be retained to identify and analyze constraints and options for a viable development plan for the site, including:

- a) An assessment of the various land disposal/partnership options and strategies;
- b) Analysis of a risk/reward profile of the various options;
- c) A finalized development plan and pro forma; and,
- d) A recommended implementation plan, including overall project schedule, roles and responsibilities through the implementation process.

This work of identifying the development and implementation strategy will constitute the first of three phases in proceeding with the development of the site. Subsequent phases in developing the site are anticipated to include implementing the approved strategy through a competitive market process and on-the-ground execution of the plan, potentially over a period of several years.

The first phase will conclude with staff reporting back to Council with the outcome of the multi-disciplinary team's work, seeking adoption by Council of a proposed development strategy and authorization to proceed with next steps to implement and execute the strategy. By this approach, staff consider that the Town will be strongly positioned to implement Council's policies while taking best advantage of the increased market interest in the site.

CONSIDERATIONS:

(A) PUBLIC

The public will have an opportunity to participate in the future development of the site through the Town's normal development processes.

(B) FINANCIAL

The first phase of work is anticipated to cost in the range of \$250,000. A capital project will be set up to track the costs with funding for the project from the tax stabilization reserve. Budgets for the subsequent phases will be identified in the staff report to Council at the conclusion of the first phase. The tax stabilization reserve will be reimbursed from the proceeds of the land development/sale.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Town departments and commenting agencies will be consulted and provided an opportunity to participate through the Town's normal circulation and commenting processes.

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- enhance our economic environment
- be innovative in everything we do
- be fiscally sustainable
- be the most livable town in Canada

(E) COMMUNITY SUSTAINABILITY

The successful development of the former public works site will contribute to the economic and social sustainability of the community.

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APPENDICES:

Confidential Appendix A:

Confidential Memorandum of the Legal Department regarding current offer and expressions of interest in respect of the former public works site (See Confidential Agenda)

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Submitted by:

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Chief Administrative Officer