

TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

FROM: P. DYCK, BUSINESS DEVELOPMENT OFFICER

NOTED: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT
Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE
C. LADD, CHIEF ADMINISTRATIVE OFFICER

RE: STATUS OF 60 WORSLEY STREET – PARKING LOT DISPOSITION

DATE: JUNE 5, 2017

The purpose of this Memorandum is to provide Council with an update regarding the intended sale of the parking lot adjacent to the downtown library, known municipally as 60 Worsley Street.

In March of 2016, City Council adopted motion 16-G-051, as follows:

1. That the property known as 60 Worsley Street (Part of PIN 588170150 to be described by future Reference Plan as depicted in Appendix "A" of Staff Report BDD005-16) be moved from the 'Hold' category to the category of 'Parcels that Advance Critical Mass in the Downtown' as outlined in the Strategy for the Rationalization of the Downtown City-owned Parking Lots adopted by Motion 15-G-160 and be declared surplus to the City's needs.
2. That the Executive Director of Invest Barrie be delegated the authority to determine the offer period, add or remove the subject property from the market, determine timing of the sale, to repeat the sale process or develop an alternate disposition method for the subject properties as set out in Paragraph 16 of Staff Report BDD005-16.
3. That the Director of Business Development (or her/his designate) be authorized to negotiate an agreement of Purchase and Sale for 60 Worsley Street that meets the criteria as set out in Staff Report BDD002-015 and with the goal of effectively maximizing the residential and/or employment density within the Downtown.
4. That staff report back with any negotiated Agreements of Purchase and Sale on the subject properties to General Committee for approval.
5. That a maximum amount of \$5,000 be funded from the Industrial Land Reserve, to complete the appraisal for the Property, and any proceeds from the sale of the Property first be returned to the reserve, with any additional proceeds being to the benefit of the Parking Reserve.
6. That as part of any staff report presented to General Committee regarding a proposed development proposal for 60 Worsley Street, staff identify an appropriate number of parking stalls in the H -Block and designate said stalls as short term parking for library patrons. (BDD005-16) (File: D00)

Staff commissioned an appraisal for the property and as of June 2016 the value range was determined to be between \$2.225 million and \$2.6 million.

On September 26th, 2016 staff issued a Property Information Package which provided the site specific information, outlined the offer process, and also included the City's standard agreement of purchase and sale. The offer period was for 60 days, which closed end of business day on November 25th, 2016. The asking price in the offer package was at the high end of the appraisal; \$2,600,000.

On the close of the offer period the City had received one (1) offer for the property in the amount of \$525,000.

The offer was conditional on a number of points, most notably:

- The Buyer satisfying itself, in its sole discretion, of the availability and potential cost of all services required for the development of its desired use and associated residential and commercial uses.
- The Buyer conducting any investigations it deems necessary and satisfying itself of the condition of the Property and its suitability for the development of its desired use and associated residential and commercial uses.

The parking lot at 60 Worsley Street is roughly 0.57 acres in size and allows development coverage of 6x for commercial and residential uses. The coverage allowance would mean a building of up to 149,000 square feet (excluding potential set-backs and other zoning requirements). The parking lot currently accommodates 65 parking stalls.

Several meetings were held with the prospective buyer and their broker concerning their intent for the property and the offer which was submitted. Since the City is required to sell its lands at fair market value, the significant gap between what was offered versus the appraised value could not be bridged during negotiations.

Other factors related to the development, including the parking requirement for the prospective purchaser's intended use, provided additional cost viability challenges to the proposed development. Consequently the buyer was advised that the City was not in a position to accept the offer and the sale of the property would not be proceeding at this time.

The property is currently off the market and will be re-evaluated under the delegated authority provided to the Executive Director of Invest Barrie to return it to the marketplace. Re-evaluation of the property will include valuation, updated parking demand, environmental outcomes from a Phase 1 and the overall disposition strategy.

Staff have expressed to the buyer that the City is interested in supporting their efforts to locate downtown and continues to engage with the buyer on other opportunities as they arise.

Staff will update Council accordingly of any changes to the property's status.