
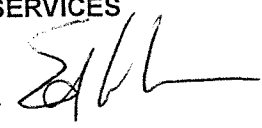


TO: GENERAL COMMITTEE

SUBJECT: SALE OF 10-14 COLLIER STREET

PREPARED BY AND KEY CONTACT: K. GRAY, MANAGER, REAL ESTATE SERVICES, EXT 4452

SUBMITTED BY: I. PETERS, DIRECTOR OF LEGAL SERVICES 

GENERAL MANAGER APPROVAL: E. ARCHER, CMA, GENERAL MANAGER OF CORPORATE SERVICES 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: JON M. BABULIC, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the City Clerk be authorized to execute Agreements of Purchase and Sale for the City owned property known municipally as 10-14 Collier Street described legally as Part of Lots 64, 65 and 66 of Plan 2, now further described as Parts 1,2,3,4,5,6 and 8 of Plan 51R-17218 and Part 1, Plan 51R-19316 being all of PINS 588170165 and 588170123 to any Buyer who wishes to participate in the Request for Information as to the availability of office space for lease in downtown Barrie issued by the Public Works and Government Services Canada subject to the following conditions:
 - a) The purchase price of the property shall be set at \$900,000.00 for all prospective Buyers;
 - b) The offer will be conditional on the Buyer being awarded a contract with the Department of Public Works and Government Services initiated by Project Reference Number 194733 – Solicitation Number 531624 – Barrie;
 - c) The City will indemnify the Buyer for the cost of any environmental mitigation required on site; and
 - d) That the form of Agreement of Purchase and Sale be prepared to the satisfaction of the Director of Legal Services.
2. That the proceeds from the sale of the property be deposited in the Tax Capital Reserve Account.

PURPOSE & BACKGROUND

3. The recommendation in this staff report has been brought forward in response to a time sensitive opportunity involving the interest of the Federal Government in consolidating two Canada Revenue Agency (CRA) locations into one location. Currently, CRA is located at 81 Mulcaster Street and 136 Bayfield Street.
4. During the week of April 12th, Public Works and Government Services Canada (PWGSC) issued a Request for Information as to the availability of office space for lease in downtown Barrie. They are looking for 3,778 square meters of office space to be available on or about September 1, 2012 for a long term lease. Notice of the request for information was published in the Barrie Advance. The complete listing is available for review on the MERX website which lists public

tenders for the Federal and Provincial government as well as participating municipal, academic, school boards and hospitals. Submissions are due to PWGSC by May 5, 2010.

5. City staff have been contacted by various interested parties with experience in providing public office space to senior levels of government. They are interested in any properties that the City may have which could be developed to meet the space requirements of the PWGSC.
6. Staff are recommending that the City owned property at 10-14 Collier Street be made available for this opportunity in the method described by this staff report on a time limited basis.

ANALYSIS

7. Appendix "A" provides details regarding the site and the planning parameters which apply.
8. Collier Street between Mulcaster and Bayfield was been identified in the Downtown Commercial Master Plan (DCMP) as the "Professional Services and Financial" neighbourhood. The City's vision for this corridor was quickly implemented with the construction of the parking garage and two new commercial buildings which are now home to two regional banking centres banks - TD Canada Trust and Scotiabank. The City constructed a new median along Collier to further enhance the attractiveness of this corridor.
9. In 2006, the City issued a Request for Expressions of Interest for four city owned properties in the downtown to encourage the development of the downtown in keeping with the DCMP. The property at 10-14 Collier was included in the 2006 offering and is perfectly suited for an opportunity such as that proposed by PWGSC. The City did enter into a Letter of Intent for this site for the construction of a multi-level office building; however, the developer was unable to secure an anchor tenant and stepped away from the opportunity.
10. The City commissioned an appraisal on this site and wishes to offer the property for sale for \$900,000. The property has been declared surplus by Council Motion 06-G-491 and has given public notice of its interest in selling the site through the 2006 Request for Expression of Interest. These three elements are required to satisfy the City's Surplus Land By-law 95-104 as amended.
11. The methodology proposed in this report creates a fair and equitable process to respond to a unique opportunity. It is similar to a process undertaken recently by the Town of New Tecumseth in the offering of a municipally owned site for the construction of a new OPP station constructed through a provincial RFP. The City will not be participating in the PWGSC's review of submissions and determination of next steps. The City will complete the Agreement of Purchase and Sale with the successful proponent should they be awarded the contract by PWGSC.
12. The Director of Legal Services will approve the final form and content of the Agreement of Purchase and Sale which all potential Buyers will be required to complete. No exceptions will be accepted to ensure a fair and equitable process for all interested Buyers.

ENVIRONMENTAL MATTERS

13. The property is the site of a former gas station. The station was removed in the 1980's however the site still needs to be mitigated for residual contamination issues. The City has undertaken a number of studies to understand the issues and to determine the best approach for mitigation in conjunction with a redevelopment of the site. The City is prepared to participate in the cost of mitigation to attract the right development to the site and is prepared to indemnify the Buyer for those costs related to environmental contamination. It is recommended that the City confirm its position on this matter to attract the best possible development option going forward.

ALTERNATIVES

14. There are two alternatives available for consideration by General Committee:

Alternative #1

General Committee could reject the recommendation and direct staff to not limit the offering of the site for the specific purposes of the PWGSC opportunity.

This alternative is not recommended as it does not take advantage of a unique opportunity for a significant new development in the City's downtown. The site has been available since 2006. The City entered into one Letter of Intent and has numerous discussions with other interested parties, however, the lack of commitment from an anchor tenant has prevented these opportunities from being advanced.

Alternative #2

General Committee could reject the recommendation and direct staff to include other City owned properties such as 36 Mulcaster, the Foodland site at 90 Collier and/or 1/15 Bayfield Street.

This alternative is not recommended as these sites are either not suited for the description of space being requested by PWGSC and/or have other issues which would not make them available for development in the time frame defined by PWGSC.

- a) The property at 36 Mulcaster is smaller, a portion of it is occupied by the historic Armories building and a laneway on the west side of the property is subject to third party interests. This property would need a longer timeframe and consultation with other interests before the City could commit to making it available for a use as contemplated by the PWGSC offering.
- b) The Foodland site is the subject of an ongoing RFP process with two proponents. The proponents may wish to submit a proposal to the PWGSC to augment their proposals, however, it is not appropriate for the City to accept other proposals for redevelopment at this time.
- c) The DCMP has identified the 1/15 Bayfield property as the future site of a signature waterfront development which may include a hotel and convention centre. While 3,778 square metres of office space could be an attractive component for a multi-use site, a more complex development is envisioned for the site which a potential Buyer would need to address in a short period of time to be successful in meeting PWGSC's timeline.

FINANCIAL

15. The motion recommends a fixed sale price of \$900,000 or \$40 psf for the property based on the 2006 appraisal conducted by an independent third party for the City for a similar proposal. Given the current market conditions and a quick scan of the market including discussion with local realtors, the proposed sale price of \$900,000 is deemed to be reasonable fair market value for the opportunity being offered.

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

16. The recommendation included in this Staff Report support the following City Council's Strategic Priorities:

- | | |
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| <input checked="" type="checkbox"/> Attract, Retain and Expand Business for Barrie | <input checked="" type="checkbox"/> Implement revitalization plans for the City Centre |
| <input checked="" type="checkbox"/> Position Barrie at the Forefront of Environmental Issues | |

APPENDIX "A"

10 – 14 Collier Street

<u>Item</u>	<u>Note/Comment</u>
Legal Description	Part of Lots 64, 65 and 66 of Plan 2, now further described as Parts 1,2,3,4,5,6 and 8 of Plan 51R-17218 and Part 1, Plan 51R-19316
Frontage	Collier Street – 40.25 m Clapperton Street – 49.98 m
Area	2,051 m ²
Current Use	Municipal Parking Lot
Planning	C1-2 Commercial The current maximum permitted height of the site is 45 m. The maximum gross floor area is 600%. Currently parking for commercial development is not required. This is currently under review. The site currently provides 66 public parking spaces. Parking is 1 space per 30m ² for office and retail uses. Parking is 1.5 spaces per unit for residential uses. Permitted uses include but are not limited to: retail, office, restaurants, hotel, private club, and banks. Residential uses in conjunction with commercial uses is permitted.
Commercial Master Plan Neighbourhood	"Professional Services Financial"
Access	Property is a corner site with access to both Collier and Clapperton Street.
Development Potential	This site is considered underutilized and represents an excellent redevelopment opportunity which takes advantage of a rapidly emerging professional and financial district along Collier Street. The site is located in close proximity to the new 237 space public Collier Street Parking Garage and two regional banking centers – TD Canada Trust at 33 Collier Street and Scotiabank at 44 Collier Street. The site is directly across the street from several other professional office buildings. The site was occupied until the mid 1980's by a gas station and has not been mitigated for residual contamination issues. The City is prepared to participate in the cost of mitigation for the right development opportunity on this site. The continued use of the site as a municipal parking lot as an interim use is desirable.



Servicing Capacity for 10-14 Collier Street