



Corporate NO: R184

Report COUNCIL DATE: July 24, 2000

REGULAR COUNCIL

TO: Mayor & Council **DATE: July 19, 2000**

FROM: General Manager, Engineering **FILE: 5694-0292**

SUBJECT: Sale of City Property at 16976 - 106 Avenue

RECOMMENDATION

That Council approve the sale of the City property at 16976 - 106 Avenue by way of a Joint Venture Agreement, subject to the form of the agreement being approved by the City Solicitor.

BACKGROUND

This 1.88 ha (4.64 acre) City-owned property was acquired in 1932 for delinquent taxes. The site is currently zoned RS (Suburban Residential) and proposed Urban in the OCP. The surrounding lands have been developed into single family residential lots in accordance with the Fraser Heights Local Area Plan. Adjacent modern subdivisions to the east, west and south are known as Newfield Gate and Falcon Heights. An older, one acre residential subdivision is located to the north of 106 Avenue.

In 1994, Council authorized staff to proceed with the rezoning, subdivision and sale of the property based on a 17 lot yield. Preliminary Layout Approval for this subdivision was issued on August 18, 1999. There is potential for a total of 18 lots, however, a small land exchange with the neighbouring owner is required prior to the additional lot being attainable.

DISCUSSION

In March 2000, the City advertised the sale of the property in local newspapers. By the April 28 submission deadline, six offers were received, including a joint venture proposal. All of the submissions were either below the appraised value or subject to adjustments to the Building Guidelines.

The joint venture proposal offers the City a guaranteed amount for the land that will be paid to the City upon the sale of the lots. The joint venture partner will provide for all the necessary development costs and management of the project for a percentage of the net sales revenue from each of the developed lots. Depending on the market conditions

at the time of sale of the individual lots, there is a good opportunity for the City to realize additional return over and above the guaranteed amount.

The Assistant City Solicitor has reviewed the Joint Venture Agreement and has, with minor modifications, stated that the agreement, as proposed, is acceptable in form and content. If this proposed joint venture is successful, the City will look at other possible surplus City-owned lands that could be developed similarly.

CONCLUSION

As a result of the marketing of the City property at 16976 - 106 Avenue, the City received six offers, including a Joint Venture Agreement. All offers were either below market value or subject to amendments to the Building Guidelines. Based on the guaranteed return and the possibility of additional return to the City, it is recommended that Council approve the sale of the City land at 16976 - 106 Avenue by way of a Joint Venture Agreement.

Jorgen Johansen, P.Eng.

General Manager, Engineering

KSW/mpr

Appendices

- I. Location Map
- II. Site Map
- III. Aerial Photograph of Site