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# Corporate Report

NO: R074

COUNCIL DATE: April 14, 2003

#### REGULAR COUNCIL

TO: Mayor & Council DATE: April 10, 2003

FROM: General Manager, Engineering FILE: 0910-40/34

SUBJECT: Sale of City Property at 11287 - 158A Street (Map 4)

### RECOMMENDATION

That Council accept the highest offer submitted for the purchase of the City property located at 11287 - 158A Street.

### BACKGROUND

## A. Property Description

The subject site is a 17.6 acre parcel of vacant land located at the northwest end of 158A Street in the Fraser Heights area. The land slopes fairly steeply towards the north, and excellent views are available from most points. The site has been partially cleared and has low brush and grass coverage. Several natural watercourses impact the site, leaving only the eastern  $\pm 1/3$  of the property developable. The City acquired the site in 1954 for gravel extraction purposes.

### B. Zoning Plan Designations and Land Use

The property is zoned RA (One Acre Residential) and is designated suburban in the Official Community Plan. The property is within the North Slope Study area. The lands directly to the east were subdivided in 1991, creating 45 half-acre gross density lots. The lands north of 112 Avenue slope fairly steeply towards the north, providing a sweeping view of the northerly mountains, Port Coquitlam, and the Fraser River below. The lands below the escarpment are owned by CN Rail and are largely undeveloped, with the exception of the railway, which follows the shoreline of the Fraser River.

### **DISCUSSION**

In November 2002, the City received an unsolicited proposal for the development of the subject land. Based on the interest in the development of the property and the favourable residential real estate conditions, the City marketed the lands in early December 2002. Due to the significant servicing and geotechnical issues related to this site, the offering period was left open for three months. By the February 27, 2003 submission deadline, 10 offers had been received.

Seven of the offers were subject to rezoning, with the other three being subject to the purchaser conducting a feasibility study on the lands. The offer that provides the highest return to the City, based on projected lot values, is a joint venture proposal (J/V). The J/V proponent will provide for all the necessary development and management costs of the project for a percentage of the sales revenue from each of the

developed lots. Depending on the market conditions at the time of sale, this type of offer provides the greatest opportunity for the City to realize the highest return on the land. The proponent's proposed finished lot values have been confirmed to be reasonable by an independent appraisal prepared on the City's behalf.

### **CONCLUSION**

As a result of the marketing of the City property at 11287 - 158A Street, the City received 10 offers, including one Joint Venture proposal. Based on the expected revenue to be received by the City, it is recommended that Council approve the sale of the City land at 11287 158A Street to the highest bidder by way of their proposed Joint Venture Agreement.

Paul Ham, P.Eng. General Manager, Engineering

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### **Appendices**

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