

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE  MEETING ON AUGUST 26, 2014</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>HURON HEIGHTS PUBLIC SCHOOL 1245 MICHAEL STREET</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director of Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, with respect to the notification received from the Thames Valley District School Board indicating the Huron Heights Public School site has been declared surplus and is now being offered for sale, the following action be taken:

- a) the Civic Administration **BE DIRECTED** to take no further action in regards to the surplus declaration and related circulation.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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None

<b>BACKGROUND</b>
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### **Background**

The Thames Valley District School Board (TVDSB) on June 18, 2014 notified the City of London through Realty Services that the Huron Heights Public School has been declared surplus to the Board's needs and will be offered for sale to public bodies.

The City of London, as a public body may submit an offer to purchase the property at fair market value from the school board.

The City has until **September 16, 2014** to act in the context of contemplating and/or putting forth an Agreement of Purchase and Sale.

### **Subject Property**

The property is located at 1245 Michael Street, in London, Ontario.

See Schedule "A" attached for the location map.

### *Subject Site*

The subject property is located at 1245 Michael Street and is known as Huron Heights Public School. The parcel is 8.42 acres and is improved with a one story school building.

A summary description of the property is set out below:

Address	:	1245 Michael Street
Owners Name	:	Thames Valley District School Board
Legal Description	:	Block "C" Plan 795, and Part North ½ Lot 7 Concession 2; City of London, County of Middlesex, Ontario
Roll Number	:	030400041000000
Property Size	:	8.42 acres
Improvements	:	Public school
Official Plan	:	Low Density Residential, Medium Density Residential
Zoning	:	NF, Neighbourhood Facility
Highest & Best Use	:	Immediate development for low and medium density residential uses

### **Municipal Need for the Property**

Realty Services circulated a Property Inquiry Liaison to all civic departments including UTRCA, London Hydro, London Transit and London Police on July 9, 2014 to identify any existing or future municipal need. Parks and Recreation Services have provided input with regard to the City's need the baseball diamond.

### Current Comments

*Parks & Recreation Services* – The Parks and Recreation have expressed the desire to retain the use of the baseball diamond located at 1245 Michael Street if at all possible and if cost effective. Further to this demonstrated interest Realty Services solicited feedback from the TVDSB as to whether consideration would be given to a partial disposition of the site. The response indicated that a partial disposition would not be considered at this time.

### **Acquisition of Property Process**

#### School Board Disposition Process

Under the *Education Act* – Ontario Regulation 444/98 governs the Disposition of Surplus Property of the School Boards.

If a District School Board proposes to sell, lease or otherwise dispose of real property, the Board must first adopt a resolution that the property is not required for the purpose of the board.

The District School Board then must offer the property at fair market value to the following bodies on the same day:

1. The French-language public district school board in the jurisdiction;
2. The English-language separate district school board or Roman Catholic school authority in the jurisdiction;
3. The French-language separate district school board in the jurisdiction;
4. The Board of Protestant separate school in the jurisdiction;
5. The English language college;
6. The French language college as specified;
7. The University as specified;
8. The Crown in right of Ontario;
9. The Municipality;
10. The Upper Tier Municipality;
11. The Local Services Board;
12. The Crown in right of Canada.

The District School Board cannot accept or reject any offers before the expiration of ninety (90) days from which the proposal was issued.

After the ninety (90) days, the Board can accept the offer at fair market value by the body that has the highest priority among the bodies that made offers. If there are multiple offers, then the Board may attempt to negotiate the fair market value with the highest priority or within a thirty (30) day period elect to have fair market value determined through binding arbitration.

If the District School Board does not receive an offer from a priority body to which the proposal was issued before the expiration of ninety (90) days the Board can dispose of the property at fair market value to any other body or to any person.

### City of London Acquisition Policy

The City of London Real Property Acquisition Policy governs the framework for the purchase of real estate for municipal purposes. The Policy applies where real property rights are acquired by the City of London and includes any right, interest or benefit in land including, but not limited to fee simple acquisitions, leases, licenses, options, air rights, density transfers, permanent easements, rights-of-way, linear corridors, and other limited interests such as joint-use agreements, temporary working easements, permissions to enter and construct, and any other legal binding agreement related to the acquisition of real property rights.

The Policy calls for a Service Needs Assessment prior to initiating any type of acquisition subject to very few exceptions. The Needs Assessment includes such things as:

- Justification and rationale for acquisition
- Definition of municipal need
- Evaluation of the Cost of Ownership
- Risk and Benefits
- Acquisition Options
- Other factors including Policy considerations

Funding is a key consideration under the Policy. A source of funds is required to be identified. No source of financing has been identified to this point. (See budget section). The associated life cycle costs and operating costs need definition in addition to the capital cost.

Taking advantage of the Municipalities preferred status as a government agency is allowed for under the Policy.

The Acquisition process is prescriptive under the Policy. Items required under the Policy include Due Diligence Activities such as Appraisals, Environmental Review, Compliance Activities, and Legal review. It should be noted that with each acquisition potential liabilities and risk are assumed by the municipality.

Responsibilities under the Policy are also defined for various Service areas in the context of a potential Acquisition.

As a matter of practice other civic service areas, including Finance, are included in the process and solicited for feedback in order to further define the municipal need and/or provide any objections to the potential acquisition.

Unless otherwise provided for by By-law, City Council approval is required for the acquisition of real property rights in accordance with the provisions of this Policy and any and all applicable By-laws and Legislation. In accordance with the approval authority, executing authority is then delegated to the appropriate City officials.

Significant staff time and municipal resource is employed in the acquisition process.

### **Budget**

There is currently no budget allocated to acquiring this property.

**Conclusion**

Although a requirement for additional playing fields has been identified for the area, there is currently no identified municipal need that is fully supported by a complete Needs Assessment as stipulated in the City of London's Real Property Acquisition Policy. There is currently no identified source of financing to participate in a potential acquisition. Further, the TVDSB will not entertain the disposition of a portion of the site. Therefore it is recommended that the Civic Administration take no further action at this time.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY :</b>
<b>BILL WARNER MANAGER OF REALTY SERVICES</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

August 7, 2014  
Attach.

File No. P-2429

- cc: Bill Coxhead, Managing Director, Parks & Recreation  
John M. Fleming, Managing Director, Planning and City Planner  
Martin Hayward, Managing Director Corporate Services and City Treasurer, Chief Financial Officer  
Lynne Livingstone, Managing Director of Neighbourhood, Children and Fire Services  
David G. Munteer, Solicitor II  
Art Zuidema, City Manager

# SCHEDULE "A" – Location Map

