

May 14, 2009

MEMO TO: HIS WORSHIP THE MAYOR AND MEMBERS OF COUNCIL

FROM: FRED MANSON, CHIEF ADMINISTRATION OFFICER

SUBJECT: TRANSFER OF CITY OWNED LAND TO HABITAT FOR HUMANITY (MID-VANCOUVER ISLAND) SOCIETY – LOT 20, D.L. 74, NANOOSE DISTRICT, PLAN VIP66777 – 745 HUMPHREY ROAD

Issue:

Transfer of City owned land to Habitat for Humanity

Executive Summary:

Approval is required by Council to transfer Lot 20, District Lot 74, Nanoose District, Plan VIP66777 [745 Humphrey Road] to Habitat for Humanity (Mid-Vancouver Island) Society for affordable housing. Further, as the land was originally acquired by the City with the use of Open Space Development Cost Charge Reserve funds, approval is required to reimburse the Reserve Fund from General Revenue Fund Prior Years Surpluses with either the fair market value of the property at the time of disposition or, at the very minimum, the original purchase price plus any interest that the funds would have earned had they remained in the reserve.

Background:

At the April 20, 2009 meeting of Council, Resolution No. 09-097 approved in principle the transfer of 745 Humphrey Road to Habitat for Humanity (Mid-Vancouver Island) Society for the sum of \$1 and staff were directed to post the required notice of the proposed disposition of property in accordance with Section 26(3) of the Community Charter. The required notice was advertised April 28 and May 5, 2009 and there was no response from the public. The next step is for Council to pass a resolution that would approve the actual transfer of City owned land.

The subject lot was obtained by the City in 1998. The apparent purpose of the acquisition was to both add to existing adjacent parkland and to restrict access on to Humphrey Road from lots created from the then proposed Saunders Subdivision. This purchase was part of a three way acquisition for what is now the Humphrey Road Park. This included:

1. A land exchange between the City and the developer for the Saunders Subdivision (what is now Clarkson Place) which saw approximately .3 hectares of City land located along the eastern boarder of the subject property adjacent to Pym Street and an equivalent area along the western boarder of the subject property fronting on Humphrey Road.

2. The 5% parkland dedication upon subdivision. This is generally described as a portion of those lands between the parcel received as described above and the remainder of the Saunders Subdivision directly adjacent to the western borders of 378, 382 and 386 Clarkson Place including the pan handle connecting the Humphrey Road Park to Clarkson Place.
3. The acquisition of 745 Humphrey Road.

The purchase price for 745 Humphrey Road was \$46,000 and was funded from Open Space Development Cost Charges authorized through "City of Parksville Development Cost Charges Reserve Funds Expenditure Bylaw, 1997, No. 1293".

OPTIONS

1. That Council agrees to transfer Lot 20, District Lot 74, Nanoose District, Plan VIP66777 [745 Humphrey Road] to Habitat for Humanity (Mid-Vancouver Island) Society for the purpose of providing affordable housing.
2. Deny the transfer of City owned land to Habitat for Humanity (Mid-Vancouver Island) Society.

ANALYSIS

Because the subject property was not received as dedicated parkland at the time of subdivision, the provisions under Section 27 of the *Community Charter* for the disposal of parkland do not apply. Had Section 27 applied, the property could have only been disposed of by bylaw and the bylaw could only have been adopted with the approval of the electors.

However the acquisition of the parcel was funded through the use of Open Space Development Cost Charge Reserve Funds. Accordingly upon disposition of the property, the Open Space Development Cost Charge Reserve should be reimbursed with either:

- o The fair market value of the property at the time of disposition.
- o Or, at the very minimum, the original purchase price plus the interest that the funds would have earned had they remained in the reserve.

A current market appraisal of the property has not been done. The best current market estimate at this time is the 2009 assessed value of \$143,000.

A review of the Open Space Development Cost Charge Reserve Fund interest earnings has determined that the reimbursement required to bring the fund to a neutral position under the assumption of the original purchase price having remained in the reserve would be \$69,062.35.

In addition to the above, it is staff's understanding that Council's expectation of this transfer will be the immediate construction of an "affordable housing" residential unit. Accordingly, staff would also recommend that the transfer agreement also include provisions for the property to be returned to the City with no compensation to the Habitat for Humanity Society in the event the property is not used for the purpose intended within a reasonable period of time (maximum of 18 months).

FINANCIAL IMPLICATIONS

Section 935 (3) (b) (i) of the *Local Government Act* states that money in development cost charge reserve funds may be used only to pay the capital cost of acquiring park land. Accordingly it is staff opinion that if land that was acquired with the use of Open Space Development Cost Charge Reserve Funds is subsequently disposed of, then the Reserve Fund should be reimbursed as outlined above. Accordingly, at a minimum a transfer from the General Revenue Fund Prior Years Surpluses in the amount of \$69,062.35 should be made to the Open Space Development Cost Charge Reserve Fund.

These funds are available in the General Revenue Fund Prior Years Surplus Reserve Account which projections currently estimate will have a balance in excess of \$3.7 million as at December 31, 2013.

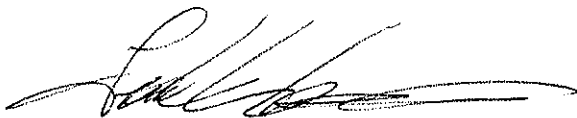
RECOMMENDATION

THAT the report from the Chief Administrative Officer May 14, 2009 entitled "Transfer of City Owned Land to Habitat for Humanity (Mid Vancouver Island) Society, be received;

AND THAT the transfer of Lot 20, District Lot 74, Nanoose District, Plan VIP66777 (745 Humphrey Road) to the Habitat for Humanity (Mid-Vancouver Island) Society for use as affordable residential housing for the sum of \$1, be approved subject to the inclusion of provision for the property to be returned to the City with no compensation to the Habitat for Humanity Society in the event the property is not used for the purpose intended within a reasonable period of time;

AND THAT the Mayor and Corporate Officer be authorized to sign all agreements and documents required for the transfer;

AND FURTHER THAT \$69,062.35 be transferred from General Revenue Fund Prior Years Surpluses to the Open Space Development Cost Charge Reserve Fund.



Fred C. Manson, C.G.A.
Chief Administrative Officer

DIRECTOR OF FINANCE'S COMMENTS:

It seems to me that \$69,000 is a high price to pay for one affordable housing unit. With limited funds available for such assistance, we should make sure we get the most out of our funding.



Lucky Butterworth, C.G.A.
Director of Finance

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PLAN OF SUBDIVISION OF LOT A, DISTRICT LOT 74,
NANOOSE DISTRICT, PLAN VIP66437

B.C.G.S. 92F039
Scale = 1:500



LEGEND

- denotes center monument found
- denotes standard iron post found
- denotes non-standard round iron post found
- denotes standard rock post placed
- CM denotes block outside control monument.

The registered owner(s) designated herein hereby declare that they have entered into a condition of agreement with the City of Parksville under Section 219 of the Land Title Act. (THE DOCUMENTS)

The registered owner(s) designated herein hereby declare that they have entered into a Statutory Right of Way agreement in favour of the City of Parksville under Section 219 of the Land Title Act. (THE DOCUMENTS)

REGISTERED OWNER
407258 B.C. 112
nr. No. 407258

John Paul Macdonald
Authorized Signatory/John Paul Macdonald

Authorized Signatory

Witness as to signatures
ANTHONY R. C. McLEGGY
Barrister and Solicitor
LONG BUILDING CORPORATION & SONS
Occupation 750-752 West Georgia Street
P.O. Box 11177
VICTORIA, B.C. V8W 4M7
329411 Telephone (604) 684-7111

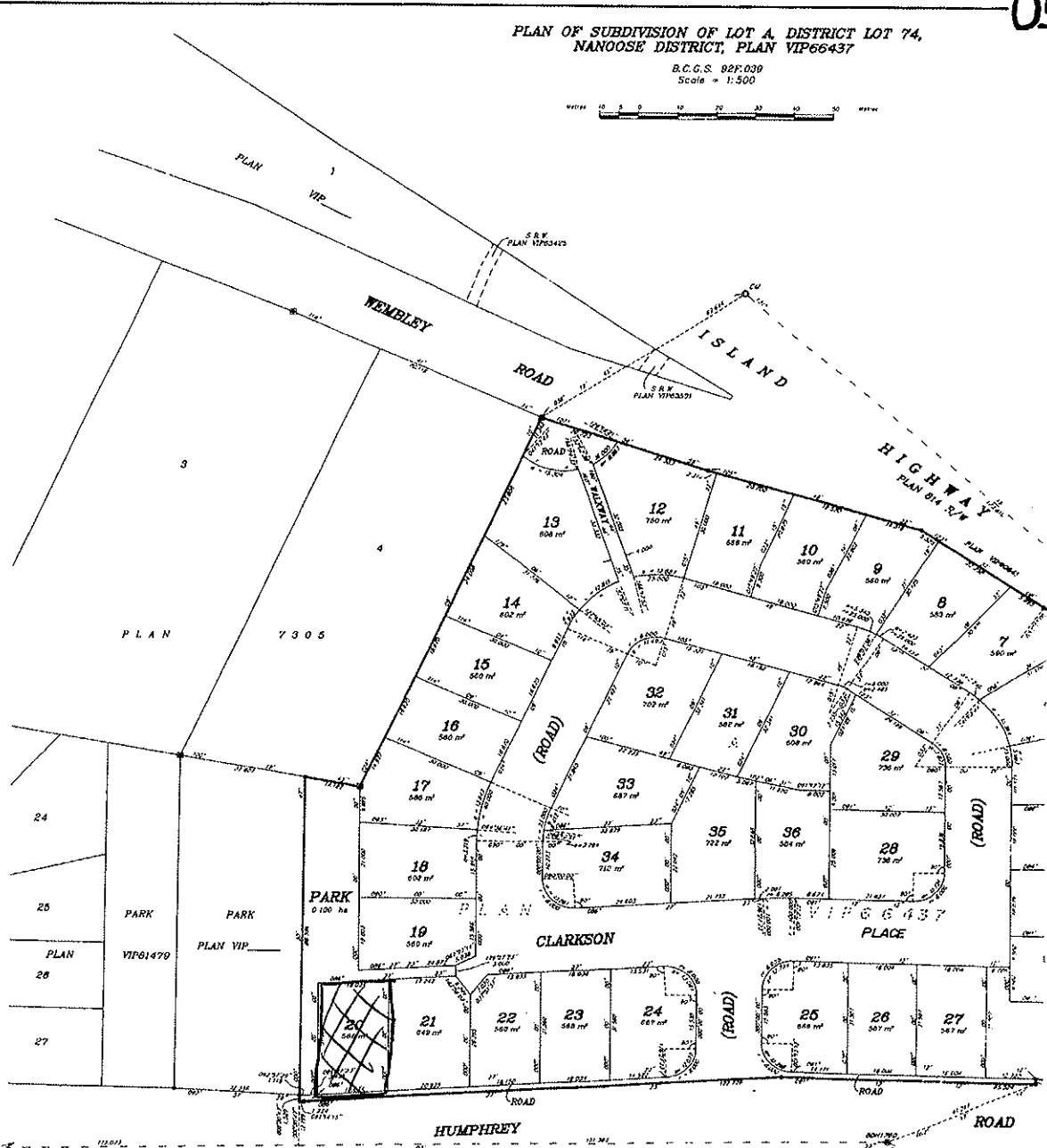
MORTGAGEE
THE TORONTO-DOMINION BANK

J. Ross Gwynne
Authorized Signatory

Authorized Signatory

Witness as to signatures
VANCE WILKINSON
COMMERCIAL BANKING
SERVICES OFFICER
Occupation

3415 KING GEORGE HWY
SURREY, B.C. V4W 1A1
305611



35	34	33	32	31	30	29	28	27
PLAN			37619	PLAN	35500			