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## **1120 Haist Street Long Term Plan and Financial Implications**

May 6, 2019

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#### Executive Summary:

On April 1, 2019 Council passed a resolution requesting a report on the long term plan for 1120 Haist Street and the financial implications associated with the sale/retention of the former Pelham arena lands. This report outlines the Planning Act requirements, financial considerations including how the proceeds from the sale of land are intended to be used against the carry forward 2018 capital projects and the financial and planning implications if the lands are not sold.

#### Approved Plan for 1120 Haist Street:

In June, 2018 official plan and zoning by-law amendments were approved by Council to implement the preferred plan for the proposed redevelopment of a portion of 1120 Haist Street that was supported by the preferred plan established during of the community design charrette that had previously been undertaken. The preferred plan provided for 13 single detached residential dwelling units and 28 townhouse units on the area generally occupied by the arena building, parking area, storage area and multi-purpose court.

Three of the proposed single detached lots would front on Haist Street and 10 single detached lots would be internal to the site and back onto existing single detached lots that are on Welland Avenue. The 28 townhouses would also be internal to the site.

The area occupied by the soccer pitches, paddle tennis club, playground, treed area along the west property line, and a portion of the parking area are to be retained by the Town and were not declared surplus.

The official plan amendment approved designated the lands that are subject to the proposed redevelopment to the Urban Living Area land use designation to permit the proposed residential development and the lands that are proposed not to be sold retained the Open Space designation so that they can continue to be used for parks purposes.

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The approved zoning by-law amendment zoned the lands to site specific Residential (R1-282), Residential Multiple (RM1-283) and Residential (R22-284) zones to permit the single detached and townhouse residential units proposed.

### *Proposed Development Plan:*



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If sold to a developer, the developer would be responsible for obtaining subdivision approval process under the Planning Act from the Town for the creation of the roadways and lots. This will require an approval of Council. If a developer wishes to make changes to the development plan, amendments to the approved Official Plan and Zoning By-law may be required depending on the nature of the amendments, which would also require approval from Council.

Prior to declaring that portion of the land surplus, staff did take into consideration the use of the lands for other municipal uses and no alternative uses were identified. One suggestion for the use of the former arena and the land was to possibly build a new Town Hall in the future. The current Town Hall has adequate space for the current staff levels in that building since the Recreation, Culture and Wellness staff moved to the Meridian Community Centre in July 2018. If ever there was a need for additional space for Town Hall staff, the latest addition to the building (where the Council Chambers is located) was designed to support a second floor.

A request was made by Council to review all the existing list of vacant Town-owned land that is declared active and in inactive. This is listed in Appendix A. These values have been updated by MPAC as at December 31, 2018.

The plan for the 1120 Haist Street is to sell a portion of the lands (1.80 ha) for single detached and townhouse residential purposes and to retain a portion (1.56 ha) for continued park, recreation and open space use and associated parking. The proceeds from the sale of the lands are intended to be applied against the carry forward 2018 capital projects in the amount of \$2.6 Million. Council is also advised that the existing portables on the arena site are being sold and will be listed on a government auction site.

### Financial Implications:

The objective of the Town is to obtain Financial Sustainability by replenishing cash reserves and eliminating bank indebtedness. The goal of using surplus land sales is fourfold: (1) dispose of a structurally unsafe facility that would require at least \$2 million to retrofit (2) have a developer incur the additional costs required to demolish the building and remediate the soil (which could be up to \$1 million); (3) build residential units that will generate a minimum of \$80,000 of property tax revenue in perpetuity; and (4) use the cash proceeds to pay off capital obligations in the amount of

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\$2.6 Million (see Appendix B) that currently do not have cash reserves to fund them. If the land is not sold and the cash proceeds are not received, then the Town will either have to take on debt to fund these carryforward approved capital projects and raise additional taxes in future years to fund the debt for the interest and principal payments. The land sale will replace a run-down, not needed facility for residential units.

### Staff Comments:

If Council chose not to sell the lands, Council would then have to determine what the alternative use would be for the land and direct staff to undertake the appropriate processes to amend the official plan and zoning by-law to implement the new alternative use. Also, if Council chose not to sell the lands that were declared surplus, Council would also need to pass a By-law to rescind By-law 4010(2018) that declared Parts 1-4 on 59R-16173 surplus. Should Council choose to not sell the lands, Council is advised that there will be increased risk and liability associated with retaining the existing building given its current condition and there would be future costs associated with retrofitting the building or demolishing the building and remediating the soils.

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### Alternatives:

Council could choose to not sell the lands and assume the risk and liability associated with the current building and increase the financial burden on the Town.

### Recommendation:

**THAT** Committee of the Whole receive this report on 1120 Haist Street Long Term Plan and Financial Implications; and

**THAT** Committee recommend that Council proceed with the sale of the lands that were declared surplus with respect to 1120 Haist Street.