

Meeting Date: March 18, 2024
Department: Building, By-law & Planning
Report No.: BBP-2024-29
Submitted by: Jennifer Huff, Director, Building & Planning
Approved by: Trisha McKibbin, Chief Administrative Officer

SUBJECT: Report on Surplus Lands

RECOMMENDATION: THAT: Council receive BBP-2024-29 on surplus lands for information.

BACKGROUND:

On February 5, 2024, Council made the following resolution:

Moved by: Councillor Pammer
Seconded by: Councillor Hipple

THAT: Staff provide Council with a report listing municipally owned lands within the urban settlement boundary that could be appropriate for possible future housing developments.

Carried

POTENTIAL MUNICIPAL LANDS FOR HOUSING

GIS, Planning and the Senior Leadership team have worked together to come forward with the list of municipal properties within Strathroy and Mt. Brydges that could potentially be available for possible future housing developments, as illustrated on **Attachment 1** (Maps) of this report.

Staff have provided servicing, planning and additional commentary on each of the properties within **Attachment 2** (List of Surplus Lands Table) of this report.

It is noted that the inclusion of the properties in the mapping does not mean that all of the properties are necessarily appropriate for development at this time and, further, the list does not contain all of the properties owned by the Municipality (i.e. does not include Town Hall at 52 Frank

St) as staff are not aware of circumstances that would warrant their inclusion. However, a further update to the list could be made upon receiving Council direction.

Staff have compiled this information for Council's consideration and direction. More detailed site investigation would be required if Council directs staff to proceed further.

PROCESS OPTIONS AND CONSIDERATIONS FOR HOUSING DEVELOPMENT

1. Common Practices Related to the use of Surplus Lands for Housing

Attachment 3 to this report contains a summary of the steps used by 5 municipalities in supporting development of housing through the disposal of 'surplus lands'. The following list highlights observations based on these examples, as well as staff's knowledge of best practices, for Council's consideration.

- Public engagement is often used to assist in the decision whether to declare lands surplus and setting the vision for the future use of the lands.
- An Expression of Interest (EOI) can be used to solicit a range of options and gauge interest. And EOI can be as prescriptive as desired (i.e. drafted to allow for any / all possibilities or drafted to key requirements).
- An architect / engineer is often engaged to assist Municipalities in the development of 'options or scenarios' for consideration prior to the completion of a Request for Proposals (RFP). Landing on a preferred option can guide the terms of reference for the RFP, guide planning applications and enables informed servicing decisions / expenditures.
- CMHC may have seed funding available to undertake pre-development preparations / investigations.
- Some municipalities undertake municipally-initiated planning applications before the property is disposed of, others require the purchaser to undertake the applications. Internal or external planners could be used to process the applications in either scenario.
- If the municipality undertakes the planning applications before the property is transferred, the successful bidder will still have to go through site plan approval and further planning approvals may be required once a building is designed.
- The Municipality can dispose of lands to a private developer, enter long-term lease arrangements with private housing providers/developers or maintain ownership of the unit given the CHC.
- Pre-development work and site servicing can be the responsibility of the Municipality.
- The Municipality can set the expectations early as part of an EOI / RFP for affordability / energy efficiency targets and these can be enshrined in purchase and sale agreements.

- Draft agreements can be published early so that potential partners / developers understand the Municipality's expectation early in process when bidding / developing a pro-forma.
- While some municipalities can purchase surplus school sites, there are no school properties that staff is aware of that may become surplus in the near future. However, having a "Surplus School Site Evaluation and Acquisition Policy" could assist the municipality in the event a school site is deemed surplus in the community.

2. Use of Parkland

In regards to the use of parkland for housing development, the 2022 Parks and Recreation Master Plan offers the following guidance regarding the use of parkland for other uses:

- The Parks and Recreation Master Plan identified the need for the Municipality of Strathroy-Caradoc to have an additional 22.5 ha of active parkland to its inventory to accommodate projected population growth over the next 25 years.
- Although the Municipality will require additional parkland to serve future growth, it is noted that some existing parks are too small or too large for their intended use, are disconnected, or have overlapping service areas, resulting in duplication of service. Sub-optimal locations and park configurations limit public benefits and use. A recent municipal initiative considered the potential to convert less prominent park sites into attainable housing.
- Through the Master Plan's community consultation process, several residents expressed concern over the potential disposal of parkland. The Master Plan recommended that if the Municipality considers declaring any park parcels as surplus (in whole or in part) and disposing of them, this should follow a prescribed process and be evaluated using a set list of criteria, which may include:
 - an assessment of the recreational value/need for the site and its requirement to meet parkland accessibility targets;
 - the potential to relocate amenities/activities to other Municipally-owned lands, as well as the operational benefits to be achieved through consolidation;
 - past investment in the site and the condition of existing amenities, vegetation and landforms;
 - development potential, adjacent uses and applicable land use policies; and
 - community input.

Any revenue generated from a sale of surplus parkland should be allocated to investments in the parks and recreational system.

3. Process to Declare Municipal Lands Surplus

The Municipality currently has a by-law that prescribes the disposal of surplus lands process, being By-law 64-20, the 'Sale and Disposition of Land By-law' <https://www.strathroy-caradoc.ca/en/city-hall/resources/BYLAWS/By-law-64-20-Sale-and-Disposition-of-Land-By-law.pdf>

Key steps in this process include, unless otherwise directed by Council, the following:

- Decision to identify lands to be disposed
- Identification of the method of disposal (direct / RFP / tender)
- Disposal decision will assist to determine the need for an appraisal or survey of the land
- Obtain legal description of the land
- Declaration of lands as surplus
- Advertising lands as surplus and available for disposal (depending on the method of disposal)
- Circulation to agencies
- When selling the lands, the Municipality may use a number of methods, including direct negotiation, tender, listing with a relator, public auction

It is noted that certain types of land uses are exempted from this particular process (i.e. open or unopen road allowances).

FINANCIAL CONSIDERATIONS:

Potential upfront operational expenditures could include costs related to pre-development work such as: development of 'housing development options' by an architect / engineer; environmental assessments/remediation; survey and appraisal work; servicing / infrastructure upgrades or extensions; advertising; and legal fees, etc. However, some, or all, of these costs could be reflected in the purchase price of the lands being disposed of.

CONSULTATION:

The Municipality's Senior Leadership Team (SLT) consulted and provided comment on the listed properties.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

Growth Management: Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources.

ATTACHMENTS:

Attachment 1: Maps of Potential Surplus Lands within Strathroy-Caradoc

Attachment 2: List of Surplus Lands Chart

Attachment 3: Examples from other Municipalities using surplus lands for Housing