

DATE OF MEETING JULY 9, 2018

AUTHORED BY NANCY SKEELS, PROPERTY AGENT, REAL ESTATE

**SUBJECT PROPERTY DISPOSITION – PART IN PLAN 174RW OF LOT 7 – NANAIMO RIVER ROAD**

## **OVERVIEW**

### **Purpose of Report**

To obtain Council approval for the sale of City-owned land known as Part in Plan 174RW of Lot 7 – Nanaimo River Road.

### **Recommendation**

That Council:

1. approve the disposition of City-owned land known as Part in Plan 174RW of Lot 7 – Nanaimo River Road to Lafarge Canada Inc. for the sum of \$16,500; and,
2. direct the Mayor and Corporate Officer to execute the necessary documents to effect the transaction.

## **BACKGROUND**

Part in Plan 174RW of Lot 7 – Nanaimo River Road (the “Property”) (Attachment A) is City-owned land that is located within the Regional District of Nanaimo. The Property was conveyed to the City of Nanaimo in 1931 and was later transferred to the Greater Nanaimo Water District (“GNWD”). The GNWD has since dissolved and the Property is under ownership of the City.

The Property is 20 meters wide and is 0.28ha (0.70 acres) in size. The land is vacant, land-locked, and is not visible from Nanaimo River Road. The Property was originally used by the GNWD for a water main right-of-way that has now been abandoned. Lafarge Canada Ltd. (“Lafarge”) owns the remainder sections of DL 7 (Attachment B). Lafarge would like to purchase the Property as they have been granted a gravel extraction permit on their property and want to include the City Property within their permit. If Council approval is received for the disposition, Lafarge will purchase the Property as is.

At the 2018-JUN-11 “In Camera” Council meeting, Council provided ‘Approval in Principle’ to dispose of the Property and directed Staff to publish a Notice of Disposition. The Notice has now been published.

Staff have reviewed the application against all City standards and have ascertained the Property to be surplus to City requirements.

### **Disposition Value**

An appraisal has been prepared that estimates the land value at \$7,000. A report was prepared by DR Coell to review gravel operations on Vancouver Island to determine the raw value of a cubic meter of gravel. The value for the extracted gravel is estimated at \$13,525 per acre.

When applied towards the Property area, the rounded value for the extracted gravel is \$9,500. When added to the appraisal value, the total disposition value is \$16,500.

## OPTIONS

### A. That Council:

1. approve the disposition of City-owned land known as Part in Plan 174RW of Lot 7 – Nanaimo River Road to Lafarge Canada Inc. for the sum of \$16,500; and
2. direct the Mayor and Corporate Officer to execute the necessary documents to effect the transaction.
  - **Budget Implication:** The Property has an appraised market value of \$7,000. The gravel extraction is estimated at \$9,500 for a total disposition price of \$16,500. Lafarge will be responsible for their own legal fees and have paid for the appraisal cost. The funds from the disposition of the lands will go back into the Property Reserve Fund and can be used to support other Council property acquisitions.
  - **Legal Implication:** The City solicitor will prepare the Offer to Purchase and undertake the conveyance.
  - **Policy Implication:** Staff have published a Notice of Disposition as required by Section 26 of the *Community Charter*.
  - **Engagement Implication:** Staff have reviewed the application against all City standards and have ascertained the Property to be surplus to City requirements.

### B. That Council not approve the disposition of City-owned land known as Part in Plan 174RW of Lot 7 – Nanaimo River Road to Lafarge Canada Inc. |

- **Budget Implication:** The City will not benefit from the \$16,500 in property disposition.
- **Engagement Implication:** Staff would convey this message to Lafarge. The Property will remain as is and owned by the City.

## SUMMARY POINTS

- The City owns a 0.28ha (0.70 acres) land-locked, vacant piece of land located within the Regional District of Nanaimo.
- The Property was originally used by the Greater Nanaimo Water District for a water main right-of-way. The water main has since been abandoned. Lafarge Canada Ltd. owns the adjacent property and has been granted a gravel extraction permit for their property. They would like to purchase the City property to include with their permit.
- The land value for the Property has been appraised at \$7,000 and the extracted gravel value has been estimated at \$9,500, for a total disposition price of \$16,500. The proceeds from the sale will be placed in the Property Sales Reserve Fund.
- At the 2018-JUN-11 “In Camera” Council meeting, Council provided ‘Approval in Principle’ to dispose of the Property and directed Staff to publish a Notice of Disposition. The Notice has now been published.
- Staff have reviewed the application against all City standards and have ascertained the Property to be surplus to City requirements.

**ATTACHMENTS**

ATTACHMENT A: Location Plan  
ATTACHMENT B: Property Ownership Location Plan

<b>Submitted by:</b>	<b>Concurrence by:</b>
Bill Corsan	Dale Lindsay
Deputy Director, Community Development	Director, Community Development