

DATE OF MEETING | September 9, 2019 |

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**SUBJECT                    PROPOSED ROAD CLOSURE – PART OF FIFTH STREET AND  
LAND EXCHANGE AT 900 FIFTH STREET**

## **OVERVIEW**

### **Purpose of Report**

To obtain Council approval for a land exchange with Vancouver Island University for a portion of their property at 900 Fifth Street, adjacent to Serauxmen Stadium, for a portion of City road on Fifth Street adjacent to 900 Fifth Street. |

### **Recommendation**

That Council authorize:

1. the road closure and disposition of a portion of Fifth Street adjacent to 900 Fifth Street in exchange for a portion of 900 Fifth Street;
2. the Mayor and Corporate Officer to execute the Land Exchange Agreement;
3. Staff to proceed with public notice of closure and disposition of a portion of Fifth Street;
4. “Highway Closure and Dedication Removal Bylaw 2019 No. 7290” (To provide highway closure and dedication removal of a portion of Fifth Street adjacent to 900 Fifth Street) pass first reading; and
5. “Highway Closure and Dedication Removal Bylaw 2019 No. 7290” pass second reading.

## **BACKGROUND**

In August 2017, the City acquired 745 Third Street and 640 Fourth Street (5.94ha [14.8 acres]), from School District 68 (SD68). The lands were acquired specifically for the Rotary Bowl and Serauxmen Stadium to ensure these assets remain public facilities. The City also acquired the “triangle” parcel at 640 Fourth Street (1.03 ha [2.5 acres]), which could support future development.

Since acquiring the properties, Staff have met with Vancouver Island University (VIU) to discuss the historical encroachments surrounding these properties and VIU’s use of City road adjacent to 900 Fifth Street.

VIU is interested in rectifying these historical property issues through a land exchange. There are two areas that are proposed to be exchanged between the City and VIU (Attachments A, B and C).

At the 2019-MAY-06 “In Camera” Council meeting, Council provided approval to enter into a Letter of Intent with VIU based on the following:

- The City Road Closure Area (City Land) is 3,160m<sup>2</sup> (34,014 sq. ft.) and is an existing public road right-of-way known as Fifth Street. The City Land is used by the VIU campus as a parking lot and the City has never formally closed this road. VIU wants to further develop the City Land under their VIU Initiatives Trust Program. In order to accomplish this, the City Land will need to be closed through the formal road closure bylaw process and then be transferred in fee-simple to VIU. The City Land will be consolidated with 900 Fifth Street and the City will be granted a right-of-way for the waterline located within this area. Shaw, Telus, and BC Hydro will also be granted rights-of-way over the City Land.
- The VIU Land Exchange Area (VIU Land) is 6,918m<sup>2</sup> (74,464 sq. ft.) and is part of the VIU’s land at 900 Fifth Street, and is adjacent to the City-owned property at 745 Third Street. The VIU Land contains the City’s Parkway Trail, the cat stream, part of the Serauxmen Stadium, and part of the parking lot being used by the public attending the Rotary Bowl and Serauxmen Stadium. The VIU Land contains six statutory rights-of-way (BC Hydro, Telus, Crown in Right of Canada and three City of Nanaimo utilities). The VIU Land will be consolidated with the City’s property at 745 Third Street.

## **DISCUSSION**

Staff are now returning to Council to request the authorization of the Land Exchange Agreement (Attachment D) and provide first and second reading to “Highway Closure and Dedication Removal Bylaw 2019 No. 7290” (the “Road Closure Bylaw”). The City and VIU have not worked on land issues together before. Although minor, this is a good opportunity to start a new relationship with VIU, which may lead to other projects.

Cunningham and Rivard Appraisals Ltd. have prepared an appraisal of the VIU and City Lands. Each area has an estimated market value of \$175,000. As the properties are of the same value, no compensation will be paid to either party for the land exchange.

The application fees and legal, surveying, and advertising costs are estimated at \$40,000 and will be shared between the City and VIU. The City’s costs will be paid out of the Real Estate Section’s annual cost center budget.

If Council approves the first and second reading of the Road Closure Bylaw, a Notice of Disposition will be published, as required by Sections 40 and 96 the *Community Charter*.

## **OPTIONS**

1. That Council authorize:
  1. the road closure and disposition of a portion of Fifth Street adjacent to 900 Fifth Street in exchange for a portion of 900 Fifth Street;
  2. the Mayor and Corporate Officer to execute the Land Exchange Agreement;
  3. Staff to proceed with public notice of closure and disposition of a portion of Fifth Street;

4. “Highway Closure and Dedication Removal Bylaw 2019 No. 7290” (To provide highway closure and dedication removal of a portion of Fifth Street adjacent to 900 Fifth Street) pass first reading; and
5. “Highway Closure and Dedication Removal Bylaw 2019 No. 7290” pass second reading

Advantages: The acquisition of the VIU Land is consistent with the City’s Sports Fields Strategy, and dealing with these encroachment issues will further the public use and enjoyment of these lands. The Parkway Trail is identified in the City’s Transportation Master Plan as providing a mobility spine between the north and south. Keeping this part of the Parkway Trail open is essential to promoting cycling. The land exchange will also enable the City to work consecutively with VIU on the management of the cat stream.

2. That Council:

1. deny entry into the Land Exchange Agreement; and
2. deny first and second reading of the Road Closure Bylaw.

Disadvantages: The City will have to request an agreement from VIU to continue to use the Parkway Trail, allow part of the Serausmen Stadium to remain, and allow for public parking use within the VIU Land. If Council decides not to support the land exchange, Staff will inform VIU. The City will need to request that VIU discontinue using the parking lot area or compensate the City for the use of the area. Denying approval would be inconsistent with the 2019-2022 Strategic Plan’s goal of *Governance Excellence*.

### **SUMMARY POINTS**

- In August 2017, the City acquired 745 Third Street and 640 Fourth Street (5.94ha [14.8 acres]) from School District 68. The lands were acquired specifically for the Rotary Bowl and Serausmen Stadium to ensure these assets remain public facilities. The acquisition included a “triangle” parcel at 640 Fourth Street (1.03 ha [2.5 acres]), which could support future development.
- Since acquiring the properties, Staff have met with VIU to discuss the historical encroachments surrounding these properties and the encroachment adjacent to VIU’s property at 900 Fifth Street. The City and VIU are prepared to enter into a land exchange agreement to mutually support rectifying the historical encroachments.
- There are two areas that are proposed to be exchanged between the City and VIU. The City Lands contain a parking lot currently being used by the VIU campus, and the VIU Lands contain the Parkway Trail and a parking lot used by the public attending the Rotary Bowl, Serausmen Stadium, and the cat stream.
- Council is being asked to approve the Land Exchange Agreement and give first and second reading to the Road Closure Bylaw.

**ATTACHMENTS:**

ATTACHMENT A: Location Plan

ATTACHMENT B: Aerial Plan

ATTACHMENT C: Land Exchange Street View Photos

ATTACHMENT D: Land Exchange Agreement

“Highway Closure and Dedication Removal Bylaw 2019 No. 7290”

**Submitted by:**

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