

DATE OF MEETING July 26, 2021

AUTHORED BY NANCY SKEELS, PROPERTY AGENT, REAL ESTATE

SUBJECT PROPERTY DISPOSITION – 4220A AND 4200A VICTORIA AVENUE

OVERVIEW

Purpose of Report

To seek Council approval for the property disposition of City-owned land at 4220A and 4200A Victoria Avenue to the owner of 4220 and 4200 Victoria Avenue.

Recommendation

That Council

1. approve the property disposition of 4220A and 4200A Victoria Avenue for \$134,000 to Karin Parakin; and
2. authorize the Mayor and Corporate Officer to execute the Purchase and Sale Agreement.

BACKGROUND

For years, many private property improvements have encroached upon the Lake Road right-of-way (the Loudon Walkway). The encroachment issues arose prior to the City's amalgamation in 1975, when the Wellington Improvement District did not undertake building inspections. As a result, parts of houses, decks, sheds, and private landscaping fronting Long Lake ended up encroaching on Lake Road. A private concrete driveway and retaining wall were also constructed on a portion of 102nd Street.

Staff have worked for over two decades to rectify the encroachment issues and have met numerous times with the private property owners along the Loudon Walkway between Victoria Avenue and Wellesley Avenue, and the majority of those property owners are willing to purchase the encroachment areas.

These efforts continued in May 2017 when Council provided approval in principle to close a portion of Lake Road (Loudon Walkway) through the road closure bylaw process and to dispose of the road area to the adjacent property owners on Wellesley Avenue and Victoria Avenue. Staff proceeded to have a survey plan prepared, as required for the road closure bylaw, and on 2017-DEC-04, Council adopted "Highway Closure and Dedication Removal (Lake Road and a Portion of 102nd Street) Bylaw 2017 No. 7246". As a result of the road closure, eight fee-simple titles were raised and are under the ownership of the City.

A ten-meter section, from the boundary of Long Lake and the property lines, was retained as a buffer area to the lake and is dedicated park for the Loudon Walkway, Attachment A. This buffer contains the Loudon Walkway soft-surface trail and is consistent with the Loudon Park Plan.

At the 2018-JAN-15 “In Camera” Council meeting, Council confirmed direction to dispose of these newly-created lots subject to individual appraisals and negotiations with each property owner. To date, one owner at 4134 Wellesley Avenue has purchased the lot fronting their property and seven City-owned lots remain to be sold.

DISCUSSION

Staff have received an offer to purchase from Karin Parakin (the “Owner”) of 4220 and 4200 Victoria Avenue to purchase two of the City-owned parcels addressed as 4220A and 4200A Victoria Avenue (Lots 3 and 4, the “Property”, Attachment B). The Owner has landscaped the area and is encroaching a total of 409sq.m. (4,402 sq. ft.) onto the Property.

An update to the appraisal has been prepared by an independent appraiser and the market value for the Property was determined to be \$134,000. The Owner wishes to rectify the encroachments and has submitted an offer to purchase for this amount with no conditions to the purchase. If approval is received, the Owner has requested that the Property be transferred by 2021-SEP-30.

There will be no changes to the public’s enjoyment of the Loudon Walkway as a result of the Property disposition.

At the 2021-JUN-21 “In Camera” Council provided approval in principle to dispose of City-owned land at 4220A and 4200A Victoria Avenue for \$134,000 to the Owner of 4220 and 4200 Victoria Avenue.

A Notice of Disposition has now been published and Council approval is being sought to authorize the Purchase and Sale Agreement.

FINANCIAL CONSIDERATIONS

The Property has an appraised market value of \$134,000. The Owner has submitted an offer of \$134,000. The Owner will also be responsible for all legal and surveying costs, and costs to publish the required notices and taxes. Costs are estimated at \$4,400. The funds from the disposition of the Property will go back into the Property Sales Fund and can be used to support other Council property acquisitions.

Should Council deny the disposition, the City will not receive \$134,000 from the sale of the Property and the City will continue to collect \$25.00 from the annual encroachment fees paid by the Owner.

OPTIONS

1. That Council
 1. approve the property disposition of 4220A and 4200A Victoria Avenue for \$134,000 to Karin Parakin; and
 2. authorize the Mayor and Corporate Officer to execute the Purchase and Sale Agreement.
 - Advantages: Providing approval would be consistent with the previous Council's decision and it will rectify the encroachment issues.
 - Disadvantages: The City would no longer maintain ownership of the Property should Council could decide to direct Staff to use the Property for a different use in the future.
 - Financial Implications: The City will receive \$134,000 from the property disposition.
2. That Council deny the disposition of 4220A and 4200A Victoria Avenue to Karin Parakin.
 - Advantages: The City would maintain ownership of the Property and Council could decide to direct Staff to use the Property for a different use in the future. The Owner has an annual encroachment agreement where they have insurance for the encroachments and use of the Property and denying approval would not change this agreement. Staff time will not be required.
 - Disadvantages: The City has a willing purchaser to rectify the encroachments and the opportunity may not present itself again. The encroachments will remain. Denying approval to the property disposition would be inconsistent with the previous Council's decision.
 - Financial Implications: The City will continue to collect the \$25.00 annual encroachment fee.

SUMMARY POINTS

- For years, many private property improvements have encroached upon the Lake Road right-of-way (the Loudon Walkway). The encroachment issues arose prior to the City's amalgamation in 1975, when the Wellington Improvement District did not undertake building inspections. As a result, parts of houses, decks, sheds, and private landscaping fronting Long Lake ended up encroaching on Lake Road.
- Staff have worked for over two decades to rectify the encroachment issues and have met numerous times with the private property owners along the Loudon Walkway between Victoria Avenue and Wellesley Avenue, and the majority of those property owners are willing to purchase the encroachment areas.
- Staff have received an offer to purchase from Karin Parakin the owner of 4220 and 4200 Victoria Avenue to purchase two of the City-owned parcels addressed as 4220A and 4200A Victoria Avenue for the appraised market value of \$134,000.
- A Notice of Disposition has now been published and Council approval is being sought to authorize the Purchase and Sale Agreement for 4220A and 4200A Victoria Avenue.
- There will be no changes to the public's enjoyment of the Loudon Walkway as a result of the Property disposition.

ATTACHMENTS:

ATTACHMENT A: Loudon Walkway

ATTACHMENT B: Location Plan

Submitted by:

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Concurrence by:

Laura Mercer
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