

DATE OF MEETING JUNE 19, 2023

AUTHORED BY NANCY SKEELS, PROPERTY AGENT, REAL ESTATE

**SUBJECT PROPOSED ROAD CLOSURE AND APPROVAL IN PRINCIPLE TO
LEASE – UNNAMED LANEWAY BETWEEN 334 AND 364
HALIBURTON STREET**

OVERVIEW

Purpose of Report

To provide Council with background information on a request received from BC Housing to lease an unnamed laneway between 334 and 364 Haliburton Street to provide outdoor amenity space for the residents of 355 Nicol Street after the supportive housing project is constructed. Staff are seeking Council's approval to remove the road dedication status for the unnamed laneway and to obtain Council's approval in principle to the granting a 60-year lease for the resulting titled lot to BC Housing.

Recommendation

That Council:

1. Authorize the road closure of an unnamed laneway between 334 and 364 Haliburton Street;
2. Give first reading to "Highway Closure and Dedication Removal Bylaw 2023 No. 7364" (a bylaw to provide for highway closure and dedication removal of an unnamed laneway between 334 and 364 Haliburton Street);
3. Give second reading to "Highway Closure and Dedication Removal Bylaw 2023 No. 7364";
4. Direct staff to proceed with public notice for the closure of the unnamed laneway between 334 and 364 Haliburton Street;
5. Provide approval in principle to enter into a 60-year lease for the resulting titled lot between 334 and 364 Haliburton Street to BC Housing;
6. Direct staff to publish a Notice of Disposition for the lease upon adoption of Bylaw 2023 No. 7364; and
7. Direct staff to return to a future Council meeting following the publication of a Notice of Disposition for formal approval of the Lease Agreement.

BACKGROUND

A rezoning application, RA489, was received from Muchalat Projects Ltd. on behalf of the Provincial Rental Housing Corporation to rezone 355 Nicol Street to facilitate a BC Housing supportive housing development. The property is one of four sites identified in the July 2020 Memorandum of Understanding between City of Nanaimo and BC Housing for housing projects. Since that time, BC Housing has partnered with Snuneymuxw First Nation (SFN) who are anticipated to operate a permanent supportive housing development on the site.

Under a separate Staff report being presented to Council tonight, Council is being asked to consider first and second reading for a zoning amendment bylaw to rezone 355 Nicol Street to facilitate the development of the supportive housing as a 'personal care facility'.

To provide additional outdoor amenity space for the residents of 355 Nicol Street, Staff received a request from BC Housing to lease the road right-of-way on the opposite side of the lane between 334 and 364 Haliburton Street, the ("Property"), Attachment A.

Although the Property appears as a single-family lot its legal status is road right-of-way. Council has the authority to close roads within the municipality through the road closure bylaw process. Once adopted the bylaw can then be filed at the Land Title Office to create a title to the land. The proposed lease can then be formally registered against the Property's title.

Staff are seeking Council's approval to remove the road dedication status and obtain approval in principle to the granting a of 60-year lease for the Property to BC Housing.

DISCUSSION

Use of the Property

BC Housing has advised that they will provide funding and support to improve and restore the Property. It is intended that this area will be programmed for the supportive housing operator (SFN) as an outdoor amenity, a healing space, where the tenants can gather for programs, connect with the land and benefit from native and traditional medicinal plants and the curative properties of the natural setting. BC Housing has proposed that the Property be made available to the community, when not in use, for gatherings and events and to further their own healing.

SFN and BC Housing engaged the community to seek their support for the use of the Property. South End Community Association (SECA) and the local Block Watch groups have expressed that they are generally supportive of the proposed use. SECA has requested further dialogue with the City and BC Housing regarding the use of the outdoor space which could occur during preparation of the Lease Agreement. Details of programming and access will be determined through the Lease Agreement should Council direct Staff to proceed.

60-Year Lease

Should Council provide approval in principle to lease the Property the following are the key terms for the lease:

- Lessee: BC Housing
- Commencement Date: Upon completion of the road closure and lease registration
- Term: 60 years
- Rent: \$10.00 for the term
- Costs: BC Housing will be responsible for all costs for maintenance, repairs, operation and security.
- Assignment: Upon consent by the City

Staff have delivered notice to the operators of utilities whose transmission or distribution facilities or work Council considers will be affected. No statutory right-of-way agreements are required from external agencies. The City of Nanaimo has a sanitary line located on the

southern boundary of the property that will be protected by a statutory right-of-way agreement. Staff have reviewed the proposal for the road closure against all City policies and have determined the Property is surplus to City requirements.

NEXT STEPS

Should Council approval of the first and second reading of Highway Closure and Dedication Removal Bylaw 2023 No. 7364 be received and approval in principle to the 60-year lease disposition, the following next steps will occur:

1. Staff will publish a Notice of Intent as required by Section 40 of the *Community Charter* for the road closure. The bylaw will be further presented to Council for third reading and adoption.
2. Following adoption of the road closure bylaw Staff will place a Notice of Disposition in the paper as per Section 26 of the *Community Charter*. Section 24 of the *Community Charter* requires the Notice of Disposition to include the market value of the land and the nominal rent associated with the Property. The land having a market value of \$327,000, equates to a market rent of \$16,350 per annum, assuming a discount rate of 5%.
3. Staff will then return to a Council for formal approval of the Lease Agreement to BC Housing.
4. Should the road closure bylaw be adopted, and the lease receives approval, the bylaw will be filed with the Land Title Office and a title to the land will be raised, and the lease can be legally registered.

OPTIONS

1. That Council:

1. Authorize the road closure of an unnamed laneway between 334 and 364 Haliburton Street;
2. Give first reading to “Highway Closure and Dedication Removal Bylaw 2023 No. 7364” (a bylaw to provide for highway closure and dedication removal of an unnamed laneway between 334 and 364 Haliburton Street);
3. Give second reading to “Highway Closure and Dedication Removal Bylaw 2023 No. 7364”;
4. Direct staff to proceed with public notice for the closure of the unnamed laneway between 334 and 364 Haliburton Street;
5. Provide approval in principle to enter into a 60-year lease for the resulting titled lot between 334 and 364 Haliburton Street to BC Housing;
6. Direct staff to publish a Notice of Disposition for the lease upon adoption of Bylaw 2023 No. 7364; and
7. Direct staff to return to a future Council meeting following the publication of a Notice of Disposition for formal approval of the Lease Agreement.
 - The advantages of this option:
 - I. Should the road closure and the lease disposition be approved the Property will be put into productive use and will compliment the supportive housing project at 355 Nicol Street.
 - II. Should the lease be approved BC Housing will be responsible for maintaining the Property for the next 60-years.
 - III. The road status will be removed, a title will be raised, and the lease can be legally registered.

- The disadvantages of this option: There may be limitations on the use of the Property by the public.
- Financial Implications: There will be no cost to the City to complete the road closure and lease disposal. Surveying, legal, advertising and Land Title costs will be recovered from BC Housing.

2. That Council deny the road closure and approval in principle of a lease disposal for the unnamed laneway between 334 and 364 Haliburton Street.

- The advantages of this option: None identified.
- The disadvantages of this option:
 - I. The project at 355 Nicol Street may have to be redesigned to allow for increased outdoor amenity space.
 - II. The City will have to maintain the Property at a cost to the City.
 - III. The legal status of the Property will remain as road right-of-way and there will not be a legal title to the land which the lease will be attached to.
- Financial Implications: None identified

SUMMARY POINTS

- BC Housing has partnered with Snuneymuxw First Nation to who are anticipated to operate a permanent supportive housing development on 355 Nicol Street.
- A request from BC Housing has been received to lease the road right-of-way on the opposite side of the lane between 334 and 364 Haliburton Street to provide additional outdoor amenity space for the residents of 355 Nicol Street.
- Staff are seeking Council's approval to remove the road dedication status and obtain approval in principle to the granting of a 60-year lease for the road right-of-way to BC Housing.

ATTACHMENTS:

ATTACHMENT A: Location Plan
Highway Closure and Dedication Removal Bylaw 2023 No. 7364

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