

CITY OF FORT SASKATCHEWAN

Sale of Old Hospital Land

Motion:

That Council authorize Administration to list land for sale, legally described as Lot 17, Block 22, Plan 1523644 and Lot 18, Block 22, Plan 1523644, at market value as determined through a professional appraisal.

Purpose:

To move forward with the redistricting and listing for sale of the Old Hospital Land, described as Lot 17, Block 22, Plan 1523644 and Lot 18, Block 22, Plan 152364.

Background:

In October of 2014, the full 7.27 acre Old Hospital land was appraised as follows:

Short Legal Description	Size	Value	Unit Value
Lot A, Plan 911NY; Lot 8, Block 22, Plan 6180NY; Lot R1, Block 22, Plan 3610RS	7.27 acres	\$5,450,000 (less demolition)	\$750,000/acre (less demolition)

In February of 2015, Council agreed to subdivide and market the Old Hospital Land. The intention of subdividing the parcel into three lots was to put the 4.47 acre, northern-most lot up for sale, designate the 1.21 acre, southern-most lot for social benefit, and the use of the 1.24 acre, middle lot would be determined at a later date, based on the developments at either the north or south lots.

In September of 2015, the newly subdivided Old Hospital Land was re-appraised in order to reflect any changes in market conditions and the effect of subdivision. The lots were appraised as follows:

Short Legal Description	Size	Value	Unit Value
Part of Lot 8/22/6180NY; Lot R1/22/3610RS	1.55 acres	\$1,125,000	\$725,000/acre
Lot 18, Block 11, Plan 1523644	1.24 acres	\$900,000	\$725,000/acre
Lot 17, Block 11, Plan 1523644	4.47 acres	\$2,905,000	\$650,000/acre

Following the appraisal, the intention was to redistrict the 4.47 acre northern-most lot from Direct Control Council (DC(C)) to High Density Multiple Resident District (RMH) in order to provide a clear direction for the use of the land, as well as guidelines and regulations for prospective buyers.

In November of 2015, the City was approached by parties interested in the 4.47 acre lot. As a result, in December 2015 the 4.47 acre northern-most lot was put on the market at the appraised price of \$2,905,000, based on DC(C) zoning. Information on the site was sent out to developers and real estate professionals within the region, advertisements were placed in regional and western Canadian real estate publications, and a sign was placed on the site.

In March of 2016, Council granted the 1.21 acre southern-most lot to the Heartland Housing Foundation on the condition it be used for the development of a seniors/affordable housing apartment complex.

To date, the City has received 13 inquiries related to the 4.47 northern-most lot, but has not received any formal offers.

The Old Hospital Land is currently being re-appraised in order to reflect changes in market conditions and the granting of the 1.21 acre parcel to the Heartland Housing Foundation. The reappraisal will include the potential impact of amalgamation of the 4.47 acre northern-most lot and the 1.24 acre middle lot.

Plans/Standards/Legislation:

If approved, this motion will initiate the next steps for the sale of the Old Hospital Land, which will include an amendment to the Land Use Bylaw and development of conditions of sale. Administration intends to bring this forward to Council following the summer break.

The sale of the Old Hospital Land aligns with the following City of Fort Saskatchewan Strategic Plan Goals:

- Promote Sustainability through infill development.
- Explore opportunities to increase accessible and affordable housing within the community.
- Analyze our current financial policies and develop a strategy to ensure that future financial requirements are planned and provided for.

Financial Implications:

Proceeds from the sale of the land would be placed in Municipal Land Reserve.

Employing the services of a real estate professional to list the property will require a commission fee. Commission fees on this type property could range between 3% to 5%.

Council will have the opportunity to consider all submitted offers, but would not be required to accept any.

Internal Impacts:

Economic Development will no longer serve as the real estate sales representative for this property.

Recommendation:

That Council authorize Administration to list land for sale, legally described as Lot 17, Block 22, Plan 1523644 and Lot 18, Block 22, Plan 1523644, at market value as determined through a professional appraisal.

Attachment:

Registered Subdivision Plan

File No.:

Prepared by:	Mike Erickson Economic Development Officer	Date: June 22, 2016
Approved by:	Troy Fleming General Manager, Infrastructure and Community Services	Date: June 22, 2016
Reviewed by:	Kelly Kloss City Manager	Date: June 22, 2016
Submitted to:	City Council	Date: June 28, 2016