

GRAND RIVER CONSERVATION AUTHORITY

REPORT NO. CW-11-09-124

DATE: November 16, 2009

TO: Committee of the Whole (Administration, Finance, and Personnel)

SUBJECT: Land Exchange – Former Gendel Property (Woolner Flats), City of Kitchener

RECOMMENDATION:

THAT Grand River Conservation Authority staff be directed to submit to the City of Kitchener a Plan of Subdivision and a Request for a Zoning Bylaw Amendment, in conjunction with Rockway Holdings Limited, for a 7.240 acre portion of lands legally described as Part of Lots 9 and 14, Plan 591, in the City of Kitchener, Regional Municipality of Waterloo, more particularly described as Parts 2, 3, 4, 5, 6, and 7 of Reference Plan 58R-16640.

AND THAT Grand River Conservation Authority staff be directed to negotiate an agreement to sell the above noted 7.240 acres of land to Rockway Holdings Limited in exchange for 14.554 acres of land legally described as Part of Lots 9, 14, and 16, Plan 591, more particularly described as Parts 1, 8, 9, 10, 11 of Reference Plan 58R-16640 and Parts 3 and 5 of Reference Plan 58R-16576, and the cash difference between the lands based on appraised value, subject to the approval of the General Membership and the Minister of Natural Resources.

SUMMARY:

The Grand River Conservation Authority (GRCA) has identified portions of the Former Gendel Property for residential development. GRCA has taken a number of steps to prepare the lands for sale, and has recently disposed of a portion of these lands to facilitate the construction of the Fairway Road Extension. The Fairway Road Extension has bisected the subject lands, and GRCA proposes to enter into an agreement to exchange a portion of these lands with the neighbouring landowner. To facilitate this exchange, GRCA will be required to submit a Plan of Subdivision and a Request for a Zoning Bylaw Amendment to the City of Kitchener in conjunction with the neighbouring landowner. Upon conclusion, the proposed exchange will represent a net gain in land and generate significant funds towards the GRCA's land sale reserves.

REPORT:

Background

The Grand River Conservation Authority (GRCA) acquired a 116 acre parcel of land on the South Eastern edge of Kitchener in 1968 as part of a project to protect the areas on the periphery of large municipalities that were subject to flood hazards. Approximately 77 acres of the property falls within the regulated

floodplain. In 1995, the City of Kitchener redesignated the lands in its Municipal Official Plan to Low Rise Residential; this prompted GRCA to consider their development options for the portion of the property that falls outside of the regulated floodplain.

The GRCA has, on occasion, sold portions of its properties for residential development, where appropriate. A strategy has been employed whereby the GRCA undertakes the processes to obtain the appropriate zoning bylaw amendments and plan of subdivision approvals to allow residential development on the lands, after which point the GRCA lists the land for sale to a developer. This allows the GRCA to minimize its investment in the development process, while still securing a higher value for the lands than would be obtained by simply selling the lands at the outset of the development process. The GRCA applies the proceeds of these land sales to projects approved by the MNR that include acquisition of environmentally sensitive lands.

In 2000, the City of Kitchener released the Grand River South Community Plan which identified portions of the subject lands for residential development. GRCA, along with Rockway Holdings, Lyndale Estates Limited, and Halman Brierdale Limited, submitted to the Ontario Municipal Board in 2000 regarding cost sharing for future residential servicing. In 1999, the GRCA entered into discussions with Preston Sand and Gravel Limited for extraction of aggregate from portions of the property that would eventually be developed. Aggregate extraction above the water table occurred on the property in 2004. In 2005, the Region of Waterloo approached GRCA and Rockway Holdings regarding lands required for the extension of Fairway Road. Discussions and negotiations with the Region of Waterloo would continue for the next 4 years, halting the process to develop the subject lands.

In July of 2009, the GRCA General Membership approved disposal of a portion of this property to facilitate construction of the extension of Fairway Road. This road construction project has bisected the GRCA's property, leaving 7.240 acres of land that falls above the flood plain land-locked within the larger neighbouring landholding owned by Rockway Holdings Limited (this 7.240 acre portion of GRCA land is outlined on the accompanying aerial image as Area "1"). The project has also orphaned a 1.190 acre portion of the neighbouring landholding south of the proposed Fairway Road abutting the GRCA lands (this 1.190 acre orphaned portion of the neighbouring land is outlined on the accompanying aerial image as Area "2").

Proposed Land Exchange

A proposal has been made for the GRCA to dispose of Area "1" in exchange for Area "2" and a 13.364 acre portion of floodplain land also owned by Rockway Holdings Ltd. (this 13.364 acre portion of neighboring land is outlined on the accompanying aerial image as Area "3"). Due to a significant difference in value between the GRCA lands and the lands owned by Rockway Holdings Ltd., the GRCA will also receive a substantial amount of cash in the exchange. The value of the subject lands will be determined through narrative appraisals, and the final recommendation for disposition/exchange of the lands will be presented to the General Membership for approval at a later date once appraisals have been received and a final sale has been negotiated. The disposition will also require the approval of the Minister of Natural Resources.

In order to facilitate the proposed land exchange, severance of Area "1" from the GRCA's larger floodplain landholding will be required. To accomplish this, Rockway Holdings Ltd. will include Area "1" in a submission for draft plan of subdivision approval and a request for a zoning bylaw amendment to

rezone the lands to a residential designation; upon approval of the zoning bylaw amendment, consent to sever Area "1" will be feasible. Area "2" (owned by Rockway Holdings) has been naturally severed by the Fairway Road extension.

At the conclusion of the proposed transaction, the GRCA will have made a net gain in land of 7.314 acres, as well as what is anticipated to be a significant infusion of funds into the land sale reserve. Initial estimates based on appraisals received for the sales of lands for Fairway Road suggests that the GRCA can expect to see a cash payment in excess of \$1,500,000 representing the difference in value between the lands. Further, by adding the 1.17 acre orphaned parcel to its lands south of the Fairway Road extension, the GRCA is left with an approximately 18 acre parcel of land above the floodplain to explore future disposition options. Staff will be bringing a future report to the General Membership for approval to apply for a zoning bylaw amendment on this 18 acre parcel.

FINANCIAL IMPLICATIONS:

The GRCA has retained a planning consultant to assist in the development process for these lands, and costs for this consultant will be charged against the eventual revenues that will be recognized by the sale of the lands.

OTHER DEPARTMENT CONSIDERATIONS:

None.

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Approved by:

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