

| DATE: | November 28, 2019 |
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| TO: | Paul Gipps, CAO |
| FROM: | Steve Neil, Land Agent |
| RE: | 2734 Lower Glenrosa Road–Road Closure & Disposition Bylaw No. 270, 2019 |

RECOMMENDED MOTION:

THAT the City of West Kelowna Road Closure and Disposition Bylaw No. 270, 2019 be adopted; and

THAT Council authorize the Mayor and Corporate Officer to remove any subject conditions and execute the sales agreement to sell the road closure area, and to execute all further documents necessary to effect the registration of the land sale and associated survey plans in the Land Titles Office.

RATIONALE:

The proposed road closure is for land that Staff have determined to be surplus to the city's needs for the following reasons:

- future road improvements are not expected to impact this section of road;
- the proposed road closure area is over 30m from Lower Glenrosa Road, so should future road design plans change, it will not have any impact on any future road works;
- the sale of the road area will have no impact on future utilities or road maintenance; and
- there are no other potential buyers anticipated for this land.

The sale of this road area will further facilitate a better layout for the proposed townhouse development at 2734 Lower Glenrosa Road.

LEGISLATIVE REQUIREMENTS:

Pursuant to Section 40 of the *Community Charter*, Council may, by bylaw, close a portion of a highway to traffic and remove the dedication of the highway, if prior to adopting the bylaw, Council publishes notices of its intention in accordance with Section 94 of the Community Charter in a newspaper and provides an opportunity for persons who consider they are affected by the bylaw to make representations to Council.

BACKGROUND:

The property owner of 2734 Lower Glenrosa Road is requesting an amendment to the Official Community Plan (OCP) land use designation from Resource Land and Single Family Residential to Low Density Multiple Family, and to rezone the subject properties from Rural Residential Small Lot Parcel Zone (RU2) and Institutional & Assembly Zone (P2) to the Low Density Multiple Residential Zone (R3). The intent of the owner's development application is to permit a multiple family development consisting of 31 townhomes, and includes a significant parkland dedication component. The proposed road closure is for land considered to be surplus to the city's needs, does not contain any city services, and will facilitate an improved layout for the proposed townhouse development. The proposed road closure area is vacant, and borders a steep sloped area that is to be covenanted to protect it from future development. Development Services staff are in support of the road closure and sale, and are working with the applicant to bring the zoning amendment and development permit application before Council for Council's consideration.

The fair market value of the surplus land is estimated to be \$21,700. The sale price for the road closure area was determined by taking the \$629,500 purchase price paid for the land and dividing this by the number of developable units (29) in the initial development application, which yielded a value of \$21,700 per developable unit. The current development proposal is for 31 units, however, Development Services staff have concluded that the increase in developable units from 29 to 31 units was not due to the increase in site size from the sale of the road closure area, and that the 31 units could be accommodated within the existing site. However, because the sale of the road closure area will facilitate an improved layout for the development, charging the applicant for the value of a single developable unit (\$21,700) was deemed reasonable. This value was then confirmed by averaging the per square meter sale value of the subject property with two other land sales nearby (see Table 1 below).

| Address | Sale Price of Land | Site size (m2) | Price per m2 |
|--------------------------|------------------------|-------------------|--------------------------|
| 2734 Lower Glenrosa Road | \$629,500 | 23,646 | \$26.62 |
| 3210 Salmon Road | \$920,000 | 15,620 | \$58.90 |
| 2971 Gorman Road | \$1,600,000 | 29,598 | \$54.06 |
| Totals/Avg. | \$3,149,500 | 66,894 | \$47.08 |
| | Sold Road Area (m2) | Price Per M2 | Value of Sold Road |
| | 460.9 | \$47.08 | \$21,700 |

Table 1

A Contract of Purchase and Sale was entered into with the property owners to sell the (+/-) 460.9 m2 road area for the \$21,700 (plus any applicable taxes) purchase price. The Contract of Purchase and Sale was subject to public notice (as per *Section 94 Community Charter*), adoption of a road closure bylaw and Council approval.

COUNCIL REPORT/RESOLUTION HISTORY:

| Date | Report Topic/Resolution | Resolution No. |
|------------|---|-------------------|
| 10/22/2019 | RECOMMENDED MOTION: | C351/19 |
| | THAT Council authorize the Mayor and Corporate Officer to execute all documents necessary to effect the road closure and sale of the (+/-) 460.9 m2 portion adjacent to 2734 Lower Glenrosa Road for the purpose of consolidation with 2734 Lower Glenrosa Road, for the sale price of \$21,700 (plus applicable taxes); | |
| | THAT Council give first, second, and third reading to City of West Kelowna Road Closure and Disposition Bylaw No. 270, 2019; and | |
| | THAT Council direct staff to advertise Council's intention to close and sell the road closure area, as per Section 94 of the Community Charter. | |

FINANCIAL IMPLICATIONS:

The property owner of 2734 Lower Glenrosa Road has agreed to cover all legal and closing costs related to this transaction, so the net sale proceeds to be received by the City will be \$21,700. If the property is sold, it is recommended that the proceeds of the sale be deposited in the Land Acquisition Reserve Fund.

ALTERNATE MOTIONS(S):

THAT Council rescind first, second, and third reading of Bylaw No. 270, 2019 and abandon the bylaw; and,

THAT Council reject the proposed road closure and sale of the (+/-) 460.9 m2 portion of road adjacent to 2734 Lower Glenrosa Road.

NEXT STEPS:

Should Council decide to proceed with the sale of the road area, next steps would include:

- 1. Remove any subject conditions contained in the sales agreement to sell the road closure area;
- 2. The Mayor and Corporate Officer to execute the road closure bylaw;
- 3. Execution of Closing Documents, and registration of the documents and survey plans in the Land Titles Office.

REVIEWED AND APPROVED BY:

Tracey Batten, Deputy CAO/Corporate Officer Paul Gipps, CAO

Powerpoint: Yes 🛛 No 🗵

Attachments: Attachment 1 - Arial map of subject property Attachment 2- Plan showing proposed subdivision & park dedication Attachment 3 - Plan showing proposed road closure area Attachment 4 – Road Closure Bylaw 270, 2019