

The Regional Municipality of York

Committee of the Whole
Finance and Administration
April 11, 2019

Report of the Commissioner of Corporate Services

Disposition of Land Viva Bus Rapid Transit Corridor 425-431 Davis Drive Town of Newmarket

1. Recommendations

1. Council authorize the disposition of land in the Town of Newmarket, as set out in Attachment 1.
2. The Commissioner of Corporate Services be authorized to execute the agreement of purchase and sale and all necessary documents to complete the transaction.

2. Summary

This report seeks Council authority to dispose of lands that are surplus to the Region, in the Town of Newmarket. The location of this property is shown on the map in Attachment 2.

Private Attachment 1 to this report will be considered in private session because it relates to the disposition of land by the Region.

Key Points:

- The property is commonly known as the former Union Hotel, which was acquired as part of the vivaNext project
- The property includes two vacant heritage buildings that are in need of significant renovation work
- The property is now surplus to the Region's needs
- The sale proceeds are to be held in trust by the Region for Metrolinx in accordance with the Master Agreement between Metrolinx, York Region Rapid Transit Corporation and the Region

3. Background

The Region acquired the lands for the vivaNext project on Davis Drive in the Town of Newmarket

To facilitate public transit along Davis Drive, York Region Rapid Transit Corporation (YRRTC), on behalf of the Region, constructed dedicated centre bus lanes for Viva buses. The corridor included enhanced street features from Yonge Street to Alexander Road in Newmarket. YRRTC identified land requirements which the Region acquired using Metrolinx funding. The reconstruction and widening of Davis Drive was completed in 2015.

In [June 2009](#), Council authorized the expropriation of the lands for the widening and reconstruction of Davis Drive, in the Town of Newmarket. The subject lands were expropriated on September 18, 2009 and compensation was settled at the Board of Negotiation on August 23, 2012. Council approved the settlement in [January 2013](#).

The entire property was acquired because the buildings were in the path of construction

The subject property includes two buildings that were located on land that was required as part of the right of way. In this regard, it was necessary to acquire the entire property. The property is commonly referred to as the former Union Hotel. The buildings were relocated on the property to accommodate the widening of Davis Drive, and have been vacant since 2009.

The property has been designated as a heritage property under the *Ontario Heritage Act*

The Union Hotel and adjacent building on the same lot have been identified as having cultural heritage value and interest. The former Union Hotel consists of a two-storey Colonial/Georgian Revival style building. The structure was built circa 1882 and the adjacent building was constructed in 1910. The values and attributes of these building are outlined in Bylaw 2018-53 enacted by Town of Newmarket. The Bylaw designates the property as being of Cultural Heritage Value or Interest and was passed by the Town of Newmarket on September 24, 2018.

4. Analysis

The subject property was appraised by an independent appraiser, and a real estate broker was retained to market the property for sale

An independent appraisal was commissioned by the Region to determine the current market value of the property. A real estate broker was retained to list the property for sale on the Multiple Listing Service (MLS) to ensure effective market exposure.

The property was marketed for sale and a recommended purchaser has been identified

The property was listed on November 1, 2018. Four offers to purchase the property were received during the first 14 days of the listing. Staff reviewed the offers and successfully negotiated the disposition of the subject property with one of the four bidders. The property will continue to be listed for sale until the agreement of purchase and sale has been fully executed. No other competing bids have been received as of the time of writing this report.

Sale proceeds of surplus property along Davis Drive will be returned to Metrolinx

In accordance with the Real Estate Protocol that forms part of the Master Agreement between the Region, Metrolinx and YRRTC, the Region is required to achieve maximum value for the property, with the requirement that net proceeds from the disposition are to be held in trust for Metrolinx.

Environmental due diligence was completed

The Region commissioned Environmental Site Assessments (ESAs) and completed a partial Environmental Remediation Program to address some of the identified environmental concerns with the property. Remediation involved the partial removal of impacted soil. Reports containing environmental assessment results were shared with bidders who signed a Confidentiality Agreement. The Property is being sold “as is, where is”, and the purchaser will be responsible to remediate the remainder of the lands as necessary.

A Site Plan Agreement with The Town of Newmarket forms part of the Agreement of Purchase and Sale

As part of relocating the buildings on the site, YRRTC submitted a Site Plan Application to the Town of Newmarket. The corresponding Site Plan Agreement was approved in principle by the Town. The agreement identified structural and aesthetic restorations that need to be completed on the exterior of the buildings.

The Region acquired the lands for the construction of the dedicated centre bus lanes along Davis Drive and not for future development or restoring of improvements. In addition, the Region's ownership of the property is transitory in nature, due to the requirement to reinvest the proceeds of surplus land sales along Davis Drive into the vivaNext project. As a result, Regional staff determined that the property's future owner would be better suited to satisfy the site plan requirements.

A condition of the Agreement of Purchase and Sale requires the purchaser to execute the Site Plan Agreement and satisfy the site plan obligations, to which the proposed purchaser has agreed to comply.

The initiative supports Vision 2051 and the Region's 2015 to 2019 Strategic Plan

The disposition contributes to the Liveable Cities and Complete Communities initiative of Vision 2051 by contributing to the commercial activity in a commercial centre of Newmarket that is accessible by public transit.

The disposition and impending revitalization of the subject property also addresses the Priority Area: Support Community Health and Well-being in the Region's 2015 to 2019 Strategic Plan, by supporting growth along Regional Centres and Corridors and fostering an environment that attracts, grows and maintains businesses.

5. Financial

The sale proceeds will be transferred to Metrolinx in accordance with the Real Estate Protocol Master Agreement between the Region, Metrolinx and YRRTC. The project is responsible for all the costs incurred to acquire, maintain and dispose of the lands.

6. Local Impact

Region, YRRTC and Town of Newmarket staff worked closely on creating the criteria and obligations associated with the listing for this property. Through the restoration and redevelopment process, the subject land will form part of Newmarket's Heritage Properties and revitalize the major intersection of Davis Drive and Main Street.

7. Conclusion

The subject property was acquired to facilitate the widening and reconstructing of Davis Drive for the vivaNext project. The required improvements have been completed, and the remaining lands are surplus to the Region's needs.

Staff recommends Council approve the sale of the subject land. The proposed purchaser intends to renovate and restore the buildings in recognition of the heritage designation, and

to make the buildings functional and valuable in terms of the property's contribution to the business district in the Town of Newmarket.

For more information on this report, please contact Michael Shatil, Director, Property Services Branch at 1-877-464-9675 ext. 71684. Accessible formats or communication supports are available upon request.

Recommended by:

Dino Basso
Commissioner of Corporate Services

Approved for Submission:

Bruce Macgregor
Chief Administrative Officer

March 29, 2019
Attachments (2)
Private Attachments (1)
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