

## SCHONSEE PARCEL

### Disposition Update

#### Recommendation

1. That the agreement for the sale of land within the Schonsee neighbourhood, as outlined in Attachment 3 of the June 11, 2024, Financial and Corporate Services report FCS02264, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That, if the agreement outlined in Attachment 3 of the June 11, 2024, Financial and Corporate Services report FCS02264, is not entered into or terminated, an agreement for the sale of land within the Schonsee neighbourhood, as outlined in Attachment 4 of the June 11, 2024, Financial and Corporate Services report FCS02264, be approved, and that the agreement be in form and content acceptable to the City Manager.
3. That Attachments 2, 3 and 4 of the June 11, 2024, Financial and Corporate Services report FCS02264 remain private pursuant to sections 16 (disclosure harmful to business interest of a third party) 24 (advice from officials) and 25 (disclosure harmful to economic and other interest of a public body) of the *Freedom of Information and Protection of Privacy Act*.

<b>Requested Action</b>	Council decision required		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Regional Prosperity</b>		
<b>City Plan Values</b>	CREATE		
<b>City Plan Big City Move(s)</b>	Catalyze and converge	<b>Relationship to Council's Strategic Priorities</b>	Economic Growth
<b>Corporate Business Plan</b>	Serving Edmontonians		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• C512 - Environmental Policy</li> <li>• C511 - Land Development Policy</li> <li>• C516B - Land Enterprise Dividend Policy</li> </ul>		

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<b>Related Council Discussions</b>	N/A
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### Previous Council/Committee Action

At the December 12/13, 2023, City Council meeting, the following motion was passed:

That Administration provide a report outlining proposal(s) from the top candidate(s) for the sale of the city-owned Schonsee parcel at 16704 - 66 Street NW (legally described as a portion of Block C, Plan 2887AQ), following the closure of public land sale on February 29, 2024, and that report shall include any proposal(s) that include a linked transaction such as land exchanges, should such submission(s) be received and that a decision to ratify the sale would not be made before this report; and return to Council in the Second Quarter of 2024.

### Executive Summary

- Administration is seeking approval to sell a 19.18-acre parcel of land in the rapidly developing area of Schonsee.
- The listing process resulted in several inquiries and seven offers, which have been summarized in private Attachment 2.
- At the time of writing this report, no negotiations have commenced with any applicant to ensure that Council has an opportunity to consider Administration's recommendation.
- If City Council approves the recommendation, Administration will move forward and negotiate with the recommended applicant as further outlined in private Attachment 3. If those negotiations fail or the agreement is terminated, Administration will negotiate with applicants two to six in the order specified in Attachment 2 on the terms and conditions in Attachment 4.
- If Administration is unable to come to an agreement with any of applicants two to six, or the agreement(s) are terminated, Administration may relist the subject property and enter into a sale agreement with future applicants on the terms and conditions outlined in Attachment 4.

## REPORT

The Schonsee parcel, as shown in Attachment 1, is 19.18-acres of residential development land, held within the City's Land Enterprise portfolio of properties located at the northeastern corner of 66 Street and 167 Avenue. This is the last developable parcel of land owned by the City within the Schonsee neighbourhood after the City sold a 12.05-acre site on the west side of the Storm Water Management Facility in 2021.

In March 2023, the City received an unsolicited offer on the subject property but, as with other less formal inquiries, Administration advised the applicant that the property would be publicly listed to allow all possible suitors an opportunity to provide their best offer. Administration follows this consistent and transparent public process on development land to maximize the return for the City.

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### Property Listing

The listing for 16704 - 66 Street NW in the Schonsee neighbourhood, subject property was posted December 6, 2023, on the City of Edmonton's Property Sale public webpage<sup>1</sup>. Additionally, notification of the listing was sent via email to the City's Property Sales subscription list, which includes more than 5,800 individuals, partners, developers, and brokers. Interested parties had until February 29, 2024, to submit an offer, allowing approximately three months for potential buyers to research the subject property, and develop their specific terms and conditions for a potential agreement.

Ultimately, Administration received seven offers for the subject property. The offers are summarized in private attachment 2.

### Next Steps

The December 12/13, 2023, motion directed Administration to not make a decision to ratify a land sale in advance of this report. To align with this, Administration has not commenced negotiations with any proponent to maintain transparency and fairness. However, to reduce any further delay in the sale of the land and the subsequent construction of lots and homes, Administration recommends that Council approve the recommendations in this report. Considering the proposals submitted, Administration would look to negotiate and finalize an agreement this year allowing the selected proponent to commence work on site later this year or early next year.

If the recommendations in this report are approved, Administration will negotiate with the buyer that provided Offer #1, as outlined in Attachment 2. If these negotiations are unsuccessful or the agreement is terminated, Administration will negotiate to sell the property based on Offers #2-6, as outlined in Attachment 2, in the order listed and on the terms and conditions outlined in Attachment 4. If none of the negotiations are successful or those agreements are terminated, Administration may relist the property and enter into a sale agreement on the terms and conditions outlined in Attachment 4.

### Budget/Financial Implications

A market value sale of the parcel would result in a net gain and positive variance in Land Enterprise operations in the year the title is transferred. The actual gain on sale is recorded at the time of the transfer.

Under Council Policy C511A Land Development, Land Enterprise pays a dividend to the City in the second quarter of each year based on 2.5 per cent of the year-end balance of Land Enterprise Retained Earnings for the previous year.

If the selected offer includes a linked transaction or land exchange that leads to property acquisition, the City may incur additional maintenance and programming costs to manage the acquired property.

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<sup>1</sup> [edmonton.ca/business\\_economy/land-sales](http://edmonton.ca/business_economy/land-sales)

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### Legal Implications

Section 35 of City Bylaw 16620 - City Administration Bylaw enables the City Manager to approve agreements for disposition of a fee simple interest in land for fair market value or more, up to certain monetary limits. Approval is sought as the sale agreements at issue relate to the disposition of fee simple interest for an amount above the delegated monetary limits.

### Community Insight

The Schonsee Parcel was listed on the City of Edmonton's property sale webpage. Additionally, an email was sent to everyone subscribed to the City's Land Sale Mailing List notifying them that the subject property was now for sale. Administration received six inquiries requesting more information about the subject property, exchanged over 50 emails, fielded several calls from interested parties and had one in-person meeting.

Schonsee is a rapidly developing neighbourhood and local residents understand that further development comes with construction disruptions. The sale and development of the land align with the Schonsee Neighbourhood Structure Plan. Before development occurs, the land will have to be rezoned allowing residents a chance to attend and voice their opinions at a public hearing.

### GBA+

The subject property was publicly listed on the City of Edmonton's website, with detailed information surrounding the requirements and the offer process. In addition, the City placed two large signs on the subject property so that the general public was aware that the land was for sale. Further, Administration was prepared to answer general questions in several languages to ensure that everyone could understand the listing and requirements to make an informed decision. All submissions were accepted, applicants' identity factors, language use and communication style were not considered.

### Attachments

1. Subject Property
2. Summary of Offers - Private
3. Offer #1 Terms and Conditions - Private
4. General Terms and Conditions - Private