

# Kiniski Gardens

## Update on Sale of Surplus School Site

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### Recommendation

1. That an agreement for the sale of lands to Headway School Society of Alberta for \$2,501,000, as outlined in Attachment 4 of the January 18, 2021, Financial and Corporate Services report CR\_7740, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That Attachment 3 of the January 18, 2021, Financial and Corporate Services report CR\_7740, remain private pursuant to sections 16 (disclosure harmful to business interests of third parties), 24 (advice from officials), 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

### Previous Council/Committee Actions

At the October 22/23, 2019, City Council meeting, the following motion was passed:

That Administration proceed with the public offering of the Kiniski Gardens surplus school site, and either return to Committee for approval of the sale agreement, or report on the result, as appropriate.

### Executive Summary

This report provides an update on the actions taken by Administration since the October 22/23, 2019, City Council meeting. Administration has progressed the necessary land development and planning work and subsequently listed the Kiniski Gardens surplus school site for sale. Upon reviewing the submissions to acquire the land, Administration has informed the Headway School Society of Alberta (“Headway”) that they are the preferred bidder and is seeking approval from Executive Committee to enter into a sale and development agreement.

### Report

#### Background

In 1992, the Kiniski Gardens surplus school site was assembled at the corner of 38 Street NW and 38 Avenue NW for use as a future Edmonton Public elementary school.

In 2009, Edmonton Public School Board declared the site surplus. As the Edmonton Catholic School Board and the Greater North Central Francophone Education Region Board (Conseil scolaire Centre-Nord) did not express an interest in having the site allocated for future school use, the Edmonton Public School Board provided a quit claim for the site to the City pursuant to the Joint Use Agreement.

In 2016, Administration received inquiries from Headway to acquire the site. Following objections from the Edmonton Public School Board, City Council temporarily halted discussions and requested that Administration try to resolve the issue. Those efforts did not result in a resolution and City Council passed the motion referenced above.

### **Current State**

In response to the motion, Administration has started the process to subdivide the Kiniski Gardens surplus school site parcel from the larger municipal reserve site (Attachment 1). Administration approved the subdivision on March 5, 2020, with conditions, which confirmed the site area to be offered for sale. In addition, a separate land development application was made in order to remove the Municipal Reserve on the parcel which would allow for the sale of the land, as well as to rezone the subject site from an Urban Reserve (AGU) to an Urban Service (US) zone in alignment with the Burnewood Neighbourhood Area Structure plan. At the December 8, 2020, City Council Public Hearing, Administration brought forward Financial and Corporate Services report CR\_8150, Kiniski Gardens South Municipal Reserve Removal recommending approval to remove the Municipal Reserve and rezoning of the parcel. The recommendation was approved, and the Bylaws received three readings.

The Kiniski Gardens surplus school site was listed for sale on March 19, 2020, for \$2,450,000 through a public offering (Attachment 2). In total, seven offers were submitted and a summary of those can be seen in Attachment 3. As is typical process when there are multiple offers in close proximity to one another, Administration subsequently contacted the top three proponents requesting each to provide additional information on their proposed development, including their planning schedule; commencement/completion dates for construction; identification of who is included in their development team; and clarification on what specific conditions the proponent would require as part of the sale and development agreement. Upon receipt and review of the supplemental information, Administration has informed Headway that they are the preferred proponent to acquire the land. The sale of land to Headway is proposed to reflect market value at \$2,501,000 and would result in the development of a private school on the sale land if approved.

**Next Steps**

Headway has signed the agreement for the sale of land and, should Executive Committee approve the sale of land as recommended in this report, Administration will proceed to execute the agreement. This will allow Headway to further progress their planning work in anticipation of starting construction July 1, 2022.

**Budget/Financial Implications**

In accordance with City Policy C468A - Policy to Govern the Use of Funds from the Sale of Surplus School Sites, the net proceeds from the sale of the surplus school site will be credited to the Funds in Lieu Reserve Account to be disbursed accordingly.

**Legal Implications**

Under the terms of the JUA, once a surplus school site has been declared surplus by the school boards, the City is free to dispose of the land to any party. The City is not legally obligated to consult with the school boards or the steering committee to obtain approval of such dispositions.

**Public Engagement**

Public engagement was not undertaken specific to this sale as this property was listed through a public offering process. Given the sensitive and private nature of negotiations, engagement with the general public is not conducted for individual sales. An opportunity for the public to speak to Council regarding the surplus school site was provided at the December 8, 2020, City Council Public Hearing for the removal of the Municipal Reserve and rezoning.

**Corporate Outcomes and Performance Management**

<b>Corporate Outcome(s):</b> Edmonton is attractive and compact			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Surplus land is brought to market enabling site development to occur	Number of new development sites added to existing areas.	Four (Q2 2020)	Twelve sites listed by end of Q4 2020

**Risk Assessment**

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Risks if approved						
Public Perception	Due to previous engagement with the School Boards on selling land to a Private School, the sale of land may negatively impact the relationship	2 - likely	2- moderate	4 - low	Continued work with local school boards to align efforts to benefit Edmontonians using sites shared by City and School Boards	Continue ongoing dialogue with the School Boards to maintain/grow positive trustworthy relationships

**Attachments**

1. Kiniski Gardens Building Site Location
2. Public Offering Brochure
3. Summary of Offers and Justification (Private)
4. Proposed Terms and Conditions of Sale Agreement

**Others Reviewing this Report**

- R. Smyth, Deputy City Manager, Citizen Services
- C. Owen, Deputy City Manager, Communications and Engagement
- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development
- B. Andriachuk, City Solicitor