



## STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG

# Corporate, Finance, and Legislative Standing Committee

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Report to: Mayor, Deputy Mayor, and Councillors

From: Brent Larmer, Town Clerk/Director, Legislative Services and  
Cristal Laanstra, Director of Planning and Development

Standing Committee Date: November 28, 2024

Report Number: LS-2024-023

Council Meeting Date: December 18, 2024

Subject: **117 Durham Street Disposal and Sale – Update to  
Council and Options for consideration**

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### 1. Recommendation:

THAT Council receive the staff report for information purposes; and

FURTHER THAT Council provide direction to Staff on the next steps on the disposal of the subject property located at 117 Durham Street, Cobourg including direction on preparing the land to be placed on the open market with the following steps to be taken:

1. Direction to staff to disposal of the land to include a less intensive and information heavy process and eliminating the requirement for affordable units, but encouraging the creation of affordable units, and relying on the development planning process to guide any developer on the development of the lands.
2. Severance of the boardwalk and waterfront lands from the parcel to remain in parkland and maintain ownership of the undevelopable lands prior to final advertisement and sale of the property.

3. Initiation of the rezoning process of the land, which will be subject to all *Planning Act* requirements to be rezoned as determined by Council with advice and recommendation from the Director of Planning and Development.
4. Seek out a new appraisal of the land based on the rezoning and severance for the intention to hit the open market as a newly formed parcel ready for residential development and work with a professional real estate professional; and
5. Creation of agreed conditions to be part of the final purchase and sale agreement which includes the development applications and permits to be applied for within two (2) to three (3) years of purchase or sooner to be negotiated.

## **2. Executive Summary:**

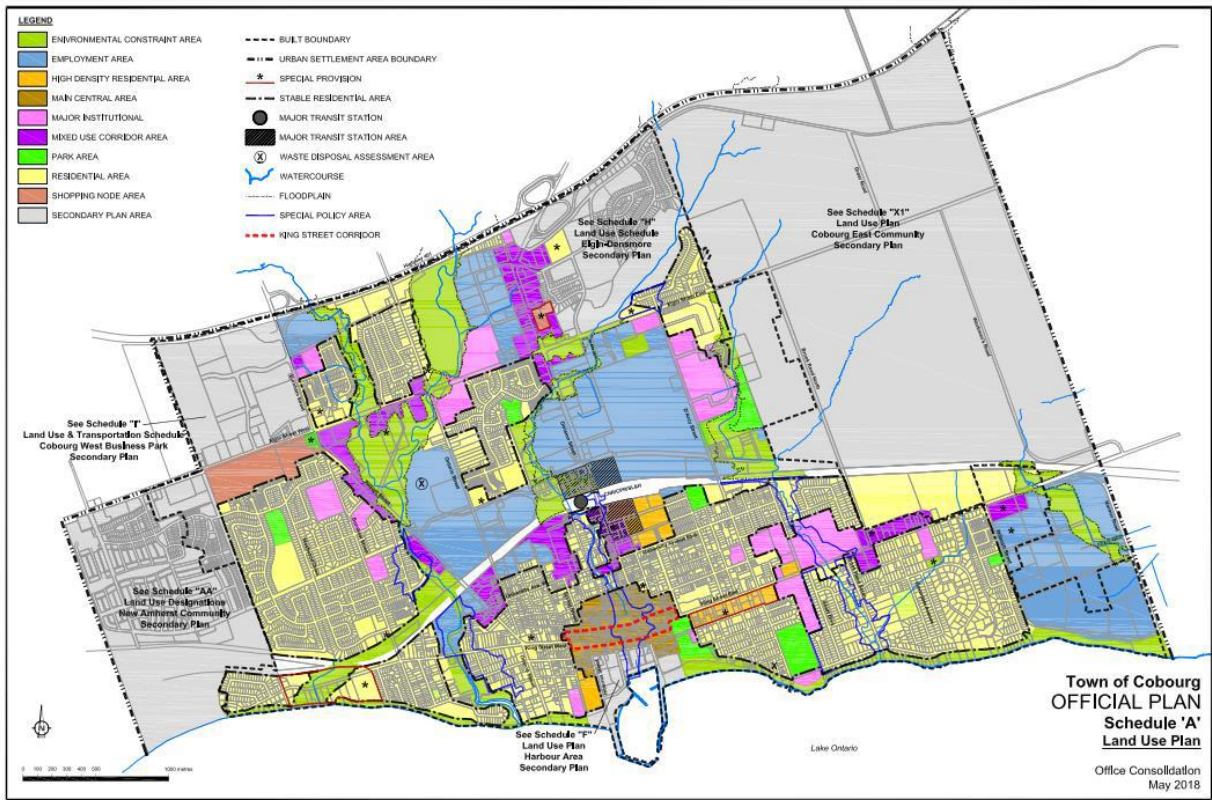
This Staff report is to provide Council with an opportunity to discuss and determine next steps to the disposal of the subject property known as 117 Durham Street, Cobourg.

## **3. Background**

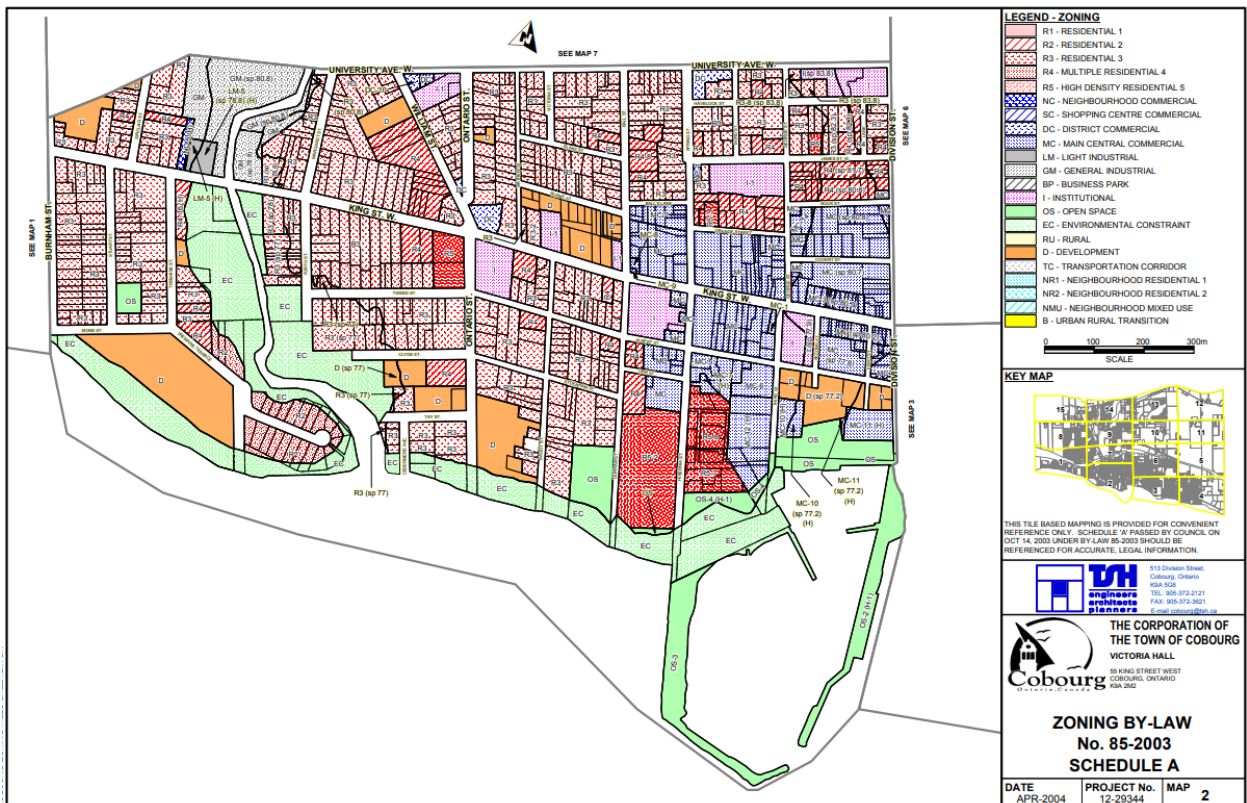
The Town of Cobourg currently owns the property located at 117 Durham Street, Cobourg. The Town purchased the property in December 2022 from the Kawartha Pine Ridge District School Board who declared the lands surplus. Together with the Community Services Division, the Planning and Development Division brought forward a report to Council to seek guidance on the best use of the Property on April 3, 2023.

Through a resolution on April 11, 2023, Council directed the Property be used for a balanced mix of parkland, market and affordable residential units.

The Property is designated Major Institutional and Environmental Constraint Area ([Figure 2](#)) in the Town of Cobourg Official Plan. Please refer to the Official Plan policies relating to these designations ([Section 3.6, 3.11 and 4.2](#)). The Property is within the Ganaraska Region Conservation Authority (GRCA) Regulation Limits. The Property is 4.57 acres and is situated on the northern shoreline of Lake Ontario



The Property is zoned Open Space (OS) Zone and Environmental Constraint (EC) Zone in [Comprehensive Zoning By-law #85-2003](#) (Figures 3).



Council approved the following resolution:

*WHEREAS at the Committee of the Whole meeting on, April 3, 2023, Council considered a memo from the Director, Planning and Development and the Director, Community Services, regarding 117 Durham St Property – Initial Considerations.*

*NOW THEREFORE BE IT RESOLVED THAT Council direct a balanced mix of parkland, market and affordable residential units with direction to staff to commission studies necessary to determine the development limit (funded by proceeds of eventual sale of the land); and to proceed with a formal Request for Proposal process for the disposal of the developable lands, and*

*FURTHER THAT public engagement occurs early in the process to invite public feedback on the use of the lands.*

*FURTHER THAT Council approve the operation of 117 Durham Street as a temporary recreational and athletic facility for the spring and summer 2023 season while long-term plans for the property are determined.*

On February 23, 2024, the Town of Cobourg issued a Request for Proposal CO-24-01-PLN for 117 Durham Street, Cobourg, seeking proposals from Proponents who are both interested and capable of seeking planning approvals and delivering a housing project on the subject lands. The RFP requested proposals from interested proponents for ownership and development of the developable portion property which consists of approx. 1.29 hectares (3.18 acres). The waterfront, boardwalk, open space and public parkland provided as part of the future development was communicated that it will remain in public ownership. The exact limits of the land to be transferred were not determined by legal survey but would be determined through the disposition process.

The primary objective of the proposal was to recuperate costs from recent purchase of surplus school lands and to address the housing crisis in the Town of Cobourg, while maintaining the waterfront, boardwalk, and open space in public ownership:

- a. Generate revenues to compensate for recent land purchase costs;
- b. Return and increase annual property tax revenues;
- c. Neighbourhood enhancement and support through intensification of urban land;
- d. Addition of a full range of housing, including affordable housing to meet the Town of Cobourg's definition, through infill development;
- e. Plan, provide and dedicate high quality parkland (as per *Planning Act* requirements at a minimum) to integrate and connect with the open space/boardwalk lands retained by the Town of Cobourg; and,
- f. Showcase development with a focus on sustainable and accessible development.

The entire call for proposal document was a total of 40 pages and included the following schedule:

|                            |  |
|----------------------------|--|
| February 23, 2024          | Release of RFP CO-24-01 PLN  |
| March 22, 2024             | Deadline for Proponents to submit questions                              |
| March 29, 2024             | Deadline for the Town to respond to questions                            |
| April 19, 2024             | RFP closes   |
| By 4pm April 22, 2024      | Bid Sheets Available for Public Viewing                                  |
| April/May 2024             | Evaluate proposals and interview those who submitted qualified proposals |
| June 2024                  | Consideration by Standing Committee/Council                              |
| June 2024                  | Enter into Agreement of Purchase and Sale subject to Conditions          |
| Prior to December 31, 2025 | Site Preparation/Construction to commence                                |

As a result of the RFP call for submissions, the Town received three (3) submissions in total. Two (2) were submitted by developers, while the third (3) proposal was regarding the offer to purchase the open space by a local private school, being Williams Academy for their recreation purposes. The third submission which is out of the scope of the RFP.

Staff presented the proposals to Council at a Closed Session in the spring and provided a general overview of the submissions by the applicants. These proposals are protected as the RFP was cancelled. Staff felt that the current proposals were lacking and may have been constrained by the parameters of the large RFP document, as well as the requirement to provide affordable housing on the subject parcel located at the waterfront.

Informally staff were provided with comments that the process was complicated and required a lot of information to be submitted up front. The time required to obtain the information to adhere to the call parameters of the RFP was quick and there was little time to understand a full overview and the parcel themselves, which resulted in little time to complete the RFP process.

**4. Discussion:**

The entire parcel is approximately 5 acres; however, there appears to be +/- 3.4 acres that is developable. After a preliminary and high-level review of land use policy directions for the area and the site's context, it appears the site could accommodate medium density residential development (townhouses, low-rise apartments with some limited ground-related residential units) – subject to approvals under the *Planning Act*, ie. Zoning By-law Amendment, Subdivision/Condominium approvals and Site Plan Approval. As the Town is the

owner of the land, this provides a unique opportunity for the Town to influence how the land is used prior to its sale and disposal. The following is provided to inform the requested change in direction following the previous information before Council.

Staff have reviewed the previous RFP compiled and have identified avenues to streamline the process. Streamlining will ensure all items are still incorporated into the development; however, staff will utilize processes already available to ensure a positive outcome.

The following items were identified as integral to the purchase and sale of the 117 Durham Street lands.

Staff have the following information to include:

*a. Generate revenues to compensate for recent land purchase costs;*

Through a streamlined sale process, revenues will be generated to compensate for the purchase costs.

*b. Return and increase annual property tax revenues;*

Following the sale and development of the lands, annual property tax will increase related to the appropriate tax class applicable.

*c. Neighbourhood enhancement and support through intensification of urban land;*

Development proposed on the subject lands will be subject to the applicable development approval processes, as prescribed through the Planning Act. Provincial and local policies apply, which ensure complete community and neighbourhood-focused review occurs. Official Plan density requirements will apply to ensure appropriate intensification of urban land.

*d. Addition of a full range of housing, including affordable housing to meet the Town of Cobourg's definition, through infill development;*

The Town recognizes the need to protect the viability of the community by ensuring that there is a healthy supply of affordable rental and ownership housing, which contributes to a community characterized by inclusiveness. While the Official Plan does include policies to consider affordable housing units on-site for each development, the document also considers a community-wide approach to ensuring affordable units within the Municipality.

A consideration for the provision of any typology of housing is the location of property and whether the site lends itself to a specific type of development; the same is valid for affordable housing. Typically, waterfront and waterview property skews to higher property values and would not be an ideal candidate for the

creation of affordable housing. This approach lends itself to a community-wide consideration of the provision of an adequate number of housing typologies across the municipality.

While recognizing that not every property within the Municipality is appropriate for every type of use, it is appropriate to recognize what we can do to ensure affordable housing is still considered. Staff use appropriate zoning to ensure a developer may incorporate affordable units within their development. Outside of any specific site, the Town of Cobourg works with the Service Manager for the area to ensure affordable housing opportunities are pursued at all appropriate levels of government. It is important to note that the local Service Manager (Northumberland County) had the opportunity to purchase the lands for affordable housing projects; however, the sale was not pursued.

- e. Plan, provide and dedicate high quality parkland (as per Planning Act requirements at a minimum) to integrate and connect with the open space/boardwalk lands retained by the Town of Cobourg; and,*

As outlined, staff will ensure the appropriate parkland is retained to preserve the boardwalk and include any appropriate open space elements as deemed desirable. This component will occur prior to the sale and development process; as such, the Municipality retains control of the outcome.

- f. Showcase development with a focus on sustainable and accessible development.*

Provincial policy, as well as the Town of Cobourg Official Plan include policies specific to sustainable and accessible development. Further, the Municipality continues to advance the sustainability portfolio through the creation of the Green Development Standards, anticipated to provide additional direction for development moving through the development approval process within the Municipality. These items will be incorporated into the development through the traditional Planning Act process.

Staff are recommending that Council rezone the property to a zoning type that is ready for residential development and sell the developable lands on the open market. Residential redevelopment provides a significant opportunity to recuperate the costs incurred by the Town's purchase of the school board lands in the amount of \$2,000,000.00 and is likely to get more interest and faster development at the site based on agreed conditions that can be negotiated upon the sale.

In addition to the new disposal recommendations and the rezoning of the property, Staff are recommending that Staff be directed to complete a severance of the property of the waterfront portion of the parcel which includes the section that the boardwalk is on. In accordance with Section 50 (3) of the Planning Act, a Municipality may acquire or dispose of land through a deed or transfer without requiring the full public planning process. A Reference Plan, prepared by a

qualified Ontario Land Surveyor, will be required to formalize the severance of land. Costs can be recouped through the sale process to a developer.

Once these processes are complete, staff are recommending that a final appraisal of the property be completed, and the Town would work with a real estate professional to provide advice on what the cost of the development parcel should be and provide for the sale on the open market.

## **5. Financial Impact and Budget**

The Town of Cobourg purchased the property for \$2,000,000.00, and with the sale of the parcel, this would allow for the recovering of the sale price and the Town will maintain ownership of the waterfront lands as intended and was the ultimate reason why the Town purchased the property.

As part of the agreed upon purchase and sale agreement with the School Board, the final Purchase and Sale agreement included the following condition that was registered on title:

*3. The Town of Cobourg has included a clause in the Agreement of Purchase and Sale under Section 2.3 that in the event of any sale of all or any part of the Lands within ten (10) years of the Closing Date, the Town of Cobourg will share equally with the Board any net sale proceeds which are in excess of the price per acre paid to the Board by the Town and excluding the cost of any facility constructed; and the Town will register, or cause to be registered, on title to the Lands pursuant to Section 118 of the Land Titles Act (Ontario), an entry restricting any transfer its interest without the consent of the Board for a period of ten (10) years from the Closing Date.*

The above statement means that the Town must share equally any of the net sale proceeds above what the Town paid per acre to the School Board for a period of ten (10) years from the closing date.

At the time of purchase, the Town financed the property, plus related closing costs from current cash on hand. The cost in the short term has been the loss of interest income that would have been earned on those funds. The current rate of return on short-term money in 2022 was 3.70% which would equate to \$74,000 per annum of lost investment income on two (2) million dollars.

In 2022 the cost for long-term borrowing through Infrastructure Ontario was 4.21% annual interest for a ten-year locked-in rate. The annual repayment over ten years would be \$245,392 based on the cost of two (2) million dollars of borrowing. The total interest expense over a ten-year term would be \$453,909.



**6. Relationship to Council’s Strategic Plan Priorities 2023 to 2027 and beyond:**

- Thriving Community
- Service Excellence
- Sustainability

**7. Public Engagement:**

On Tuesday, March 26, the Town of Cobourg held a Community Information session as a drop in from 5pm – 7pm. The purpose of the Open House was to provide residents with information regarding the objectives of the RFP and ways that the development project will address Cobourg’s housing crisis while maintaining the waterfront, boardwalk, and open spaces in public ownership. Staff received around eight (8) members of the public at the information session and two (2) members of Council. Most of the comments were about parking, connectivity, open space and boardwalk preservation as well as the height of any proposed development.

Under the recommendations of this staff report, staff believe that the next phase of public engagement can occur through the municipal led process on the rezoning of the parcel subject to the *Planning Act*. Through Section 34 of the *Planning Act*, the public will have the opportunity to participate in a public meeting related to the consideration of zoning by-law amendment, to permit different forms of development. Written submissions will also be accepted through the *Planning Act* process.

**8. Attachments:**

None

**Report Approval Details**

|                      |  |
|----------------------|--|
| Document Title:      | 117 Durham Street Disposal and Sale – Update to Council and Options.docx |
| Attachments:         |  |
| Final Approval Date: | Nov 19, 2024   |

This report and all of its attachments were approved and signed as outlined below:

**Tracey Vaughan, Chief Administrative Officer - Nov 19, 2024 - 1:43 PM**