

January 8, 2019

To: Members  
Finance & Administration Committee

Re: Sale of City Property – Young Women’s Christian Association – 1915 and 1955  
Retallack Street

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**RECOMMENDATION**

1. That the market value sale of the City of Regina owned subject property, 1915 and 1955 Retallack Street, to the Young Women’s Christian Association Regina be approved, as per Option 1 in this report, consistent with the terms and conditions stated in the body of this report.
2. That the Director of Land and Real Estate Management be authorized to negotiate and approve any other commercially relevant terms and conditions of the agreement.
3. That the City Clerk be authorized to execute the agreement as prepared by the City Solicitor.
4. That this report be forwarded to the January 28, 2019 meeting of City Council for approval after the public notice has been advertised.

**CONCLUSION**

When considering the sale of City of Regina (City) owned land, the standard procedure is for Administration to ensure that the land is made publicly available and to offer the land for sale at market value. In this case, subject to the approval of Option 1 in this report, the land is to be sold to the Young Women’s Christian Association (YWCA) for appraised value but without a public offering, which requires Council approval. The purpose of this report is to seek approval to sell the subject land to the YWCA at market value without a public offering based on the long-standing agreement between the City and the YWCA.

**BACKGROUND**

The YWCA has a long-standing agreement with the City with respect to the land on which the YWCA building currently stands. In 1968, the YWCA constructed their current building at 1940 McIntyre Street on land owned by the City and was leased to the YWCA for 99 years at a rate of \$1 per year.

In 1991, the YWCA requested the City to transfer the title to their organization so they could obtain mortgage financing to facilitate their financial plans. Council approved the request in 1992, subject to a caveat being registered on the title that provided:

- The City with a first right of refusal to repurchase the land for \$1, should the YWCA cease operation.
- If the YWCA decided to relocate within the city and acquired a new property for that purpose, the YWCA shall have the right to elect to pay the portion of the proceeds of disposition of their current site to the City, which represents fair market value of the land or have the City enter into a replacement agreement (that provides the City the option to purchase the new property for \$1, should the YWCA cease operations).

Subsection 101 (1) of *The Cities Act* states that “No Council shall delegate: (k) the sale or lease of land for less-than-fair-market-value and without a public offering”.

Subsection 38.2(2) of *The Cities Act* states the City may only sell or lease land for less than fair market value without a public offering in accordance with its sale or lease of land policy, unless Council authorizes a departure from that policy.

The purpose of this report is to seek approval to sell the City-owned land at 1915 and 1955 Retallack Street at market value to the YWCA without a public offering and place a caveat on that land that would allow the City to purchase it back for \$1, should the YWCA cease operations.

## DISCUSSION

The YWCA has notified the City that they are seeking to build a new Centre for Women and Families. The YWCA has requested the City to contribute to the land at 1915 and 1955 Retallack Street (appraised at \$2,089,000 as of October 31, 2018) to the project at no charge. Pending the acquisition of the property, the YWCA will elect to transfer the caveat currently in place on 1940 McIntyre Street to 1915 and 1955 Retallack Street.

The parcel at 1915 Retallack Street is a 1.08-acre (0.437Ha) vacant lot that was previously the Victoria School Site and 1955 Retallack Street (Lucy Eley Park) is a 1.24-acre (0.502Ha) parcel (Appendix A). The YWCA’s intent is to close the existing facility at 1940 McIntyre Street and build a new facility that will incorporate both Retallack Street parcels.

The YWCA has expressed their intention to maintain open space, redesigned to cater to the recreational needs of local families, as well as their clients. The requirement to maintain the open space at a similar or enhanced quality would form part of the conditions of sale.

The YWCA serves nearly 8,000 people annually through a variety of services centered around supporting and empowering women, children and youth – specifically in their emergency and supportive housing services. In 2017, My Aunt’s Place turned away 1161 women and 412 children due to lack of space. The Isabel Johnson Shelter turned away 631 women and 341 children and the YWCA’s Kikinaw residence, which provides affordable supportive and transitional housing, turned away 238 women that same year. The YWCA has identified that many of those trying to access shelter services would be better served through outreach and preventative services, but the organization’s ability to respond is severely limited by their current

facility. In total, 70 per cent of the women served by the YWCA identify as Indigenous. The proposed YWCA Centre for Women and Families is designed to address many of the issues that confront vulnerable women and families in a manner intended to reduce the demand on the shelter system.

The YWCA Centre for Women and Families would not increase shelter capacity. By providing access to preventative and harm reduction services, on site and in a manner that is trauma informed, the YWCA anticipates that it will meet the needs of its clients before they are in a position of crisis and without having to increase emergency shelter capacity. The YWCA outlines the following benefits to its proposal:

- Decreased use of emergency services.
- Reduction in rate of intimate partner violence and sexual assault.
- Strengthened long-term health determinants.
- Reduction in number of women and families in crisis.
- Decreased non-emergency police calls.
- Decreased turn-a-ways from the shelter system.
- Reduction in number of children in care.

The proposed centre features multi-purpose indoor space, Indigenous healing and ceremony spaces, a family physician's office and multiple improvements to the outdoor environment, including family recreation areas and a community garden. The outdoor space and large portions of the indoor space will be open to the local community and public, as well as to YWCA clients.

While the YWCA is focusing on wraparound services that are available in a drop-in environment to reduce demand on its emergency shelters, the new facility will also increase capacity in its affordable, supportive housing service for single women. Kikinaw Residence will increase from 40 to 54 units. As part of the community's work on reconciliation, the design of the new facility is intended to facilitate community use and engagements, as well as provide community access to Indigenous healing and ceremony space. This space will be overseen and facilitated by Indigenous community organizations.

The YWCA indicates that the new facility will not require additional funds to operate as increased services will be balanced by leveraging economies of scale, co-location and collaboration with other agencies.

## OPTIONS

Both of the following options would be subject to the YWCA beginning construction at the Retallack Street location within three years of transfer of title.

- 1. Recommended Option:** Sell 1915 and 1955 Retallack Street to the YWCA at the appraised value of \$2,089,000 plus GST. As per their letter, the YWCA would then elect to transfer the existing caveat from the McIntyre Street land to the Retallack Street properties, protecting the City's interest by allowing the City to purchase the land back for \$1, should the YWCA cease operations. A shared use agreement would also be negotiated between the City and the

YWCA to provide for public use of the greenspace and improvements located on the greenspace.

Advantages:

- Consistent with the current agreement.
- Sells highly desirable vacant land at market value of \$2,089,000.
- By transferring the caveat, this option provides the YWCA with the total proceeds (land and building) of the sale of their existing property at 1940 McIntyre Street.
- Although the recommended option does not accommodate the YWCA's ask of gifting the Retallack Street land, it does provide the municipal endorsement required to seek the required funding by stating the City's willingness to sell the Retallack Street properties.

Disadvantages:

- May impact the YWCA's plans as more capital funding may be required (as funds required to purchase land).
- Other interested parties (non-profit and for profit) have previously expressed interest in the property and may be disappointed that they were not given an opportunity to purchase the properties because they were not offered for public sale.

Option #1 is the recommended option as it follows the intent of the longstanding agreement currently in place. Although the recommended option does not accommodate all of the YWCA's asks, it does provide the municipal endorsement required to seek the required funding by providing the YWCA the opportunity to purchase the land directly from the City as opposed to a competitive public sale process.

2. Gift 1915 and 1955 Retallack Street to the YWCA at no charge. As per their request, the YWCA would then elect to transfer the existing caveat from the McIntyre Street Land to the Retallack Street properties, protecting the City's interest by allowing the City to purchase the land back for \$1, should the YWCA cease operations. A shared use agreement would also be negotiated between the City and the YWCA to provide for public use of the greenspace and improvements located on the greenspace.

Advantages:

- Allows the YWCA to move forward with their plans and devote all funds raised (including sale of existing building and land) towards a new building (none of the funds would be used to acquire land).

Disadvantages:

- The gifting of land to a non-profit organization has the potential to cause other non-profit organizations to seek similar deals or cash equivalencies.
- Other interested parties – (non-profit and for profit) may be disappointed that they were not given an opportunity to purchase the properties because they were not offered for public sale.

- There is a quantifiable revenue loss of over two million dollars and a perceived gifting of over five and a half million dollars (no proceeds from McIntyre Street property and no revenue from Retallack Street properties).

Both options would include contractual requirements drafted by the City Solicitor to ensure that the City's interests are protected during the transition of the subject properties.

The terms and conditions of the recommended Option #1 are:

Subject Properties:	1915 and 1955 Retallack Street, approximately 2.33 acres (0.9410 Ha) (Appendix A)
Purchaser:	YWCA
Purchase Price:	\$2,089,000 plus GST
Other Terms:	A caveat will be registered on 1915 and 1955 Retallack Street Protecting the City's interest. Construction on the Retallack Street site must begin within three years of the transfer of title.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

If the recommendation in this report is approved, the City will receive \$2,089,000 in revenue to be deposited to the Land Development Reserve.

The YWCA is exempt from property taxes through legislation in *The Cities Act* section 262(1)(n).

The YWCA receives annual activity funding through the Community Investment Grant Program for its outreach programming. The new facility intends to leverage partnerships and co-location to be able to provide more effective services without increasing operating costs.

### Environmental Implications

None with respect to this report.

### Policy and/or Strategic Implications

The proposed facility is strongly aligned to the City's social development priorities as it:

- Supports communities to create collaborative strategies to address hunger and food security, as well as access to housing.
- Strengthens development of safe neighbourhoods through community activities and resources.

The YWCA serves women who are coping with or fleeing violence and traumatic circumstances, a population that can be underserved by strategies that target the episodic or chronic homeless. The YWCA is designed to serve women and children prior to crisis – for instance, prior to becoming homeless.

Appendix B - *Development Criteria for Determining Re-Use Options of the OCP's School Site Re-Use Guidelines of Design Regina: The Official Community Plan Bylaw No. 2013-48* calls for the City and interested developers to use the guidelines to develop recommendations on the use, type and intensity of redevelopment appropriate for former school sites.

The proposed redevelopment plans have not been finalized; however, they would be developed following the School Site reuse guidelines and with the required engagement with the surrounding community. The redevelopment may require discretionary use approval by Council under the current Zoning Bylaw.

#### Other Implications

Administration has received several inquiries from both private sector and non-profit housing providers in recent years regarding the purchase of the Victoria School site. Should the City proceed with the sale of this land to the YWCA without first publicly advertising that the land is available for sale, there is the potential for concern from other housing providers and developers that they were not allowed to submit a bid for the land.

#### Accessibility Implications

The YWCA Centre for Women and Families aims to improve accessibility both in terms of the physical space and reducing more subtle barriers to clients who have experienced trauma.

#### COMMUNICATIONS

A copy of this report and Council's decision will be provided to the YWCA.

#### DELEGATED AUTHORITY

As provided in section 101 (1) (k) of *The Cities Act*, the sale of City-owned property without a public offering and a sale at less-than-market-value rates cannot be delegated to the Administration; therefore, requires the approval of Council.

Respectfully submitted,



Shauna Bzdel, Director  
Land and Real Estate Management

Respectfully submitted,



Barry Lacey, Executive Director  
Financial Strategy & Sustainability