



File #: AR-25-378, Version: 1

TAMRMS#: B06

8.5

REQUEST FOR DECISION

City Land Divestment - 13 Mission Avenue

Presented by: Mike Erickson, Director, Economic Development

RECOMMENDED MOTION(S)

That the CAO be authorized to dispose of the lands municipally described as 13 Mission Avenue for a sale price not less than market value, and to execute any associated agreements and documents on terms and conditions satisfactory to the CAO.

SUMMARY

There is an opportunity for City of St. Albert (the “City”) and the Greater St. Albert Catholic Regional Division (“GSACRD”) to coordinate the divestment of adjacent decommissioned properties, the City-owned 13 Mission Avenue and GSACRD-owned 15 Mission Avenue.

Administration has had interest from developers who wish to purchase both sites and construct a mixed-use development with ground floor commercial units and above ground residential units.

Sale of City land requires Council approval if the value of the land exceeds \$499,999. Due to the high level of interest in these lands, as well as GSACRD’s desire and preparedness to coordinate the sale of our respective properties, Administration is recommending that Council authorize the Chief Administrative Office to divest of 13 Mission Avenue for not less than market value.

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

On May 16, 2023 Council passed the following motions:

AR-23-142

That Council approve a change in scope to Project 422337 Fire Station #1 to include Decommissioning of 13 Mission Avenue.

BACKGROUND AND DISCUSSION

Background

On May 16, 2023, Council approved the decommissioning of 13 Mission Avenue, using the remaining funds from the former Fire Hall #1 decommissioning to be used for demolition of the building at 13 Mission Ave.

In June of 2023, Father Jan School, located at 15 Mission Avenue, closed.

In October 2023, the City had an Environmental Site Assessment (Phase 1) undertaken on 13 Mission Ave. There were no actual or potential sources of contamination on the site that would warrant further investigation.

In December 2023 the Government of Alberta Historic Resource Application was approved for redevelopment, as there were no *Historical Resources Act* obstacles.

In January of 2024, the City obtained a revised appraisal for 13 Mission Avenue.

In July of 2024, decommissioning and demolition of 13 Mission was completed.

In September of 2024, City and GSACRD administration initiated informal discussions about the opportunity to collaborate on the divestment of the adjacent 13 and 15 Mission Avenue. Since then, both organizations have received interest from multiple parties with a desire to purchase both properties.

Considerations

Divestment Interest, Process Transparency, and Equity

Due to the steps the City has already undertaken to prepare 13 Mission Avenue for divestment, the current level of interest in these properties, and the interest and readiness of GSACRD to coordinate, Administration believes that divestment at this time would be preferred.

It is important to ensure the sale process is one that is transparent, equitable, and meets legislative requirements. Due to the interest by multiple parties, it is recommended that Administration conduct an Invitation for Offers to Purchase for a period of 4 weeks, in coordination with GSACRD. This allows both organizations to publicly advertise and create an equitable intake for any and all parties who may be interested in making an offer.

Council's Approval

Due to the timing considerations noted previously, Administration is recommending that Council pass the recommended motion which will allow the CAO to open an Invitation for Offers to Purchase and negotiate and execute a sale agreement, on the following basis:

- a) The Invitation for Offers to Purchase is publicly advertised for a period of 4 weeks;
- b) That the disposition shall comply with the City Council policy C-ED-03, Land Transaction Policy and relevant legislation;
- c) That the sale agreement includes a buy-back clause that grants the City the right to re-purchase the land, if it is not redistricted by the purchaser within 18 months of the completion of the sale and/or if construction has not started within 24 months of completion of the sale.

Proposed Approach

1. Council Approval.
2. Invitation for Offers to Purchase - The Invitation for Offer to Purchase is open and advertised for 4 weeks, in coordination with GSACRD's process to sell their property.
3. Evaluation of Offers & Selection of Preferred - Offers will be evaluated by a cross-functional Administration team, using an evaluation matrix that considers financial, community, cultural, and environmental implications.
4. Sale Agreement Negotiations & Execution - Terms and conditions of the Sale Agreement to be negotiated and approved by CAO.
5. Consolidation and Redevelopment Application - As the 13 Mission Avenue is zoned Direct Control and 15 Mission Avenue Public, Private, and Institutional Service, it is expected that any redevelopment of the two properties would require a consolidation of the two parcels and redistricting to a zoning that would suit the purchaser's redevelopment plans. Redistricting typically takes 5-6 months to complete.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

No public engagement has been carried out, however one of the requirements of an Offer to Purchase would be to provide a summary of the purchaser's engagement plan prior to redevelopment.

IMPACTS OF RECOMMENDATION(S)

Financial:

Proceeds of a land sale would be placed in the Land & Facilities Reserve.

Both 13 and 15 Mission Ave are currently exempt from property tax. It is estimated redevelopment of that site could result in a taxable development.

Compliance & Legal:

Divestment of municipal land must be in compliance with Municipal Government Act.

Divestment of City land must also adhere to the Land Transaction Policy (C-ED-O3).

Program or Service:

None.

Organizational:

It is expected that proceeding with an Invitation for Offers to Purchase and a possible sale agreement would have some impact on capacity for Legal, Legislative & Record Services.

If redevelopment were to advance, it would impact on departments and staff involved in redistricting

and permitting processes.

Risks

- **Strategic** - Redevelopment of these lands offers an opportunity to advance strategic priorities such as Downtown Vibrancy, opportunities for mixed housing choices, and mature neighbourhood infill development.
- **Financial** - None at this time.
- **People** - This work may compete for human capacity with other corporate priorities that draw on the same departments and staff.
- **Stakeholders** - These lands have historical and cultural significance to indigenous peoples, the Catholic Archdiocese, GSACRD, and residents in the Mission neighbourhood. Divestment of these lands and any change to current state, including redevelopment, may be viewed differently by stakeholders and residents.

Additionally, users and visitors to nearby historical, cultural, and recreational amenities, such as the Little White School, Chapel of the Immaculate Conception, Tennis Club and Mission Park, may also be affected by possible redevelopment nearby or view it negatively.

- **Assets and Asset Management** - Divestment of the property would reduce or eliminate any maintenance, insurance, and operating cost associated with the property.

There is an opportunity to address some existing drainage challenges in this area through redevelopment of these lands.

- **Compliance and Legal** - None at this time.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

Initiative aligned with Strategic Plan:
Advance Mixed Market Housing Development

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

B.4.2. - Investment Attraction

IMPACTS OF ALTERNATIVES CONSIDERED

ALTERNATIVE 1: That Council defer a decision on proceeding with a divestment of 13 Mission Ave until Q2 2026.

Financial:

This alternative adds greater uncertainty, as the timing for GSACRD and interested parties has an impact on the revenue potential.

Compliance & Legal:

None at this time.

Program or Service:

Similar to the recommended motion.

Organizational:

Similar to the recommended motion.

Risks

- **Strategic** - A delay may affect the opportunity coordinate the divestment of our property with GSACRD, which may in turn, may affect the redevelopment potential of the area.

A delayed opportunity to initiate an Invitation for Offers to Purchase may affect interested parties' interest or ability to make an offer. Benefits of redevelopment, such as new residential units, retail offerings, or amenities, would also be delayed.

- **Financial** - There may be some additional maintenance and operational cost as we continue to own the property for a longer period.
- **People** - Council may require additional time to familiarize themselves with the history of this property and the opportunities and challenges associated with divestment.
- **Stakeholders** - Public risks are expected to be similar to recommended motion. There may be some negative reputational or relationship impact with GSCRD, or interested parties, if the organization is not able move forward with plans in a timely fashion.
- **Compliance and Legal** - None at this time.

If Council would like additional information regarding estimated land value, positions of interested parties, or projected timelines, Administration recommends that Council move in camera to have the discussion. The following in-camera motion could be used:

That Council move in camera to discuss a confidential land matter pursuant to sections 29(1) (a) and 30(1)(c) of the Access to Information Act.

Report Date: September 16, 2025

Author(s): Mike Erickson

Department: Economic Development

Department Director: Mike Erickson

Managing Director: Adryan Slaght

Chief Administrative Officer: William Fletcher