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**City Council**

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**MOTION WITHOUT NOTICE**

MM35.12	ACTION			Ward: 30
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**Bridgepoint Health - Land Exchange Agreement – Block B - Councillor Fletcher, seconded by Councillor Rae**

*•This Motion has been deemed urgent by the Chair. Council has added this Motion to the agenda for debate.*

**Recommendations**

Councillor Fletcher, seconded by Councillor Rae recommends:

1. That City Council authorize amendment to the terms of the land exchange transaction to remove the City's option to develop Block B in return for a covenant from Bridgepoint to develop Block C, Block D or Block E for an Acceptable Housing Use satisfactory to the City Manager, acting reasonably, in consultation with the local Councillor, provided that if Block B is developed for an Acceptable Housing Use, then the covenant to develop Block C, D or E for an Acceptable Housing Use would no longer apply.
2. That City staff be authorized and directed to take the necessary steps to give effect thereto.
3. That the appropriate City officials be authorized and directed to execute the Land Exchange Agreement that includes the modified terms.

**Summary**

One of the documents to be finalized prior to removing the holding symbol from the zoning applicable to the Bridgepoint Health site is a Land Exchange Agreement between Bridgepoint and the City. Council adopted Administration Committee Report 2, Clause 19 at its meeting on April 25, 26 and 27, 2006, and approved a land exchange with Bridgepoint Health on the basis of a Term Sheet found at Appendix "A" of that report. Pursuant to the Term Sheet, the City will retain ownership of Block B within the draft plan of subdivision, subject to the existing long term lease to Bridgepoint. The City has the right to terminate the lease and develop Block B for health related uses, subject to certain conditions being satisfied, if the City has a bona fide, reasonably achievable proposal to redevelop the Block for health related uses permitted under the lease. There is a time frame within which the City's option has to be exercised, failing which the option expires and Bridgepoint will have the ability to redevelop the Block for a use or uses permitted under the lease. The purpose of including the City's option as part

of the land exchange deal was to ensure that one of the development Blocks within the subdivision would be developed for a social purpose in keeping with City objectives.

As more details regarding the phasing and manner of developing the project have come to light, it has become apparent that redevelopment of Block B could be delayed for several years, and that it was appropriate to revisit the provisions in the Term Sheet related to the timing for the exercise of the City's option, so that the option can be exercised at a time more closely related to the timing of redevelopment.

In the course of this consideration it became apparent that Bridgepoint has a very real interest in developing Block B, potentially for future hospital expansion, and wants to retain control of this Block as part of the hospital site, to be developed in a manner consistent with the current zoning and permitted uses under the lease. Bridgepoint has proposed an alternative to the City's Block B option: Bridgepoint would agree that one of the other development Blocks in the subdivision, either Block C, D or E, would be developed only for an "Acceptable Housing Use", which would include an alternative use which meets social and community objectives (which may include accessory and ancillary uses) satisfactory to the City Manager, acting reasonably, in consultation with the local Councillor. However, if Block B is developed for an Acceptable Housing Use, then the obligation would no longer apply to Blocks C, D or E. The parties will have to finalize exactly what uses fall within the meaning of "Acceptable Housing Use", but it is likely to include a home for the aged, a nursing home, convalescent home or rest home, senior citizens' housing, dwelling units or an apartment building which are marketed to senior citizens, and/or any accessory or ancillary uses to the uses identified above

The City's option to develop Block B created some uncertainty; removing it from the Land Exchange Agreement provides an added level of certainty that Bridgepoint says is needed in connection with its financing in the current economic climate.

The terms of the Land Exchange Agreement should be modified to provide for this alternative approach to the Block B option in order to finalize the Land Exchange Agreement, proceed with the land exchange and construct the new hospital.

(Submitted to City Council on April 30, 2009 as MM35.12)