



The Corporation of the Town of LaSalle

To: Mayor and Members of Council

Prepared by: Domenic Dadalt, Legal Counsel

Department: Administration

Date of Report: June 2, 2022

Report Number: AD-09-2022

Subject: R2 Alley Distribution (Lansdowne and Morton)

Recommendation

That the report of the Town's Legal Counsel dated June 2, 2022 (AD-09-2022) regarding the distribution of the Town-owned portion of the alley system abutting owners of Lansdowne Avenue and Morton Drive be received;

And that, Council authorize Administration to distribute the alley portions in accordance with Distribution Option (1 or 2), as presented;

And that, the Mayor and Clerk be authorized to do all acts and sign all documents which may be necessary to complete the sale of the said alley as provided herein, and to otherwise carry out the intent of this resolution.

Report

Background

At the January 26, 2021 Regular Meeting of Council, administration presented report AD-09-2020 regarding the alley referral request brought forward by Rocco and Anne Mancini (the "Mancinis"), which report is attached hereto as Appendix "A". At that meeting, Council deferred the request until the Closing and Sale of Alleys Policy (the "Alley Policy") was reviewed and revised.

Two subsequent reports were brought to Council regarding the Alley Policy. At the Meeting of Council on March 23, 2021, report AD-01-2021 was presented with respect to proposed revisions to the Alley Policy. Following Council direction from that Meeting, administration brought a revised Alley Policy to the Regular Meeting of Council on June 22, 2021 with report AD-10-2021. Council approved this version of the Alley Policy, which is the current policy in force and is attached hereto as Appendix "B".

Impact of Alley Policy Changes on Alley R2

Of the changes made to the Alley Policy, the critical one as it applies to this alley is the treatment of lands encumbered beyond the midway point of a given alley. Whereas the previous iteration of the Alley Policy had the Town charging a flat rate for the disposal of the property, regardless of the size of the alley portion being transferred, the revisions state that the flat rate apply only to the first half of the alley width. Although abutting landowners are not “entitled” to Town-owned property, the concept is that in an ideal circumstance, administration divides the alley down the middle and offer one half to each abutting property owner. Due to the existence of structures in alleys throughout the Town, the approach is to acknowledge those items and offer encumbered portions of alley to the property owners currently encumbering them.

To address this issue, the revisions in the Alley Policy direct administration to charge the flat rate for alley acquisitions only to the first half of the alley, whereas any encumbered land beyond the midway point of the alley would be offered at fair market value, as a means to disincentivize the illegal “taking” of land. The Alley Policy reads as follows:

For any portion of the alley to be transferred beyond the halfway point due to an existing encumbrance, the cost to the property owner for the said land beyond the halfway point shall be determined on a fair market value basis as determined by Town administration, as directed by Council from time to time.

(see highlighted portion on Page 3 of Appendix “B”)

Determination of Fair Market Value

With the evolving real estate market, administration has recently had to commission multiple appraisals for Town-owned properties with respect to expedited alley closing requests and other development-related inquiries. These appraisals included Residential areas in locations comparable to the general area of the R2 alley and, accordingly, administration has reliable current figures for an approximate price of \$45.00 - \$47.00 per square foot of vacant land in the Residential area.

The above dollar figure represents the amount per square foot of a building lot. The vast majority of alleys dealt with under the Alley Policy are rearyard alleys, with the rare exception of some sideyard alleys. As these are at the very rear of a given property, administration recommends applying a commonly used appraisal tool known as the “4-3-2-1 Rule”. The 4-3-2-1 Rule is defined in the International Association of Assessing Officers (IAAO) Glossary for Property Appraisal and Assessment as follows:

An empirical rule that ascribes 40% of the **value of a standard lot** to the quarter of the lot fronting on the street, 30% to the next quarter, 20% to the third quarter, and **10% to the rear quarter**. Lots with a depth greater than the standard lot cannot be valued in accordance with this rule as stated above. This rule is sometimes altered by omitting the word “standard”. It thereby becomes applicable

to extra deep lots but produces inconsistent results as applied to lots of varying depths. (emphasis added)

In applying the 4-3-2-1 Rule to the above-noted price per square foot, administration recommends a fair market value rate of **\$4.50 per square foot**.

Distribution of R2 Alley

The southerly half of the alley in question was previously conveyed to those owners along Lansdowne as part of the development of that subdivision. Practically, it can be stated that the owners along Lansdowne have already received the half of the alley they would be otherwise “entitled” to under the Alley Policy.

Based on the existing fence locations (see Page 6 of Appendix “A”), the issue at the subject of the initial referral request is the northerly half of the alley abutting the properties municipally described as 1730 and 1740 Lansdowne Avenue. There are remnant portions of the alley at each end before that are not encumbered by the abutting owners (1720 and 1750 Lansdowne Avenue). Administration recommends that the otherwise unencumbered alley portions at each end of the Town-owned land be offered to the Mancinis at the fair market value of **\$3,622.50**, calculated by applying \$4.50 per square foot to the 805 square feet of land involved. With respect to the property subject to the review, the below options are provided for Council’s consideration:

Distribution Option 1

In the case of both property owners at 1730 and 1740 Lansdowne, the total area encumbered beyond the midway point of the alley is 455 square feet.

Applying the fair market value rate of \$4.50 per square foot, administration recommends in accordance with the Alley Policy that the alley be offered to the owners of 1730 and 1740 Lansdowne for the **purchase price of \$2,947.50, each**. This includes the land cost of \$2,047.50, as well as a proportionate share of the estimated cost of the Reference Plan required to create the two legal parts to be conveyed, approximately \$900.00 each. Administration recommends that this option be accepted by Council as it best reflects the spirit and intent of the Alley Policy.

Distribution Option 2

In the event that Council decides that the alley should be offered to the Mancinis, administration recommends that the alley be offered to the Mancinis at the fair market value **purchase price of \$4,095.00**, as the sale of this alley would be tied to lands for the purpose of future development. There would be no cost to the Mancinis for a Reference Plan, but rather strictly the value of the land (910 square feet at \$4.50 per square foot). This would also require the removal of both fences, as well as any other structures or landscaping contained within the alley.

Distribution Option 1 is attached as Appendix “C” and Distribution Option 2 is attached as Appendix “D”.

Following the decision of Council, Legal Counsel will proceed to take the steps to convey the alley to the abutting landowners as directed, including finalizing any Reference Plans if required, preparing the necessary deeds, collecting payment and signatures for transfer, and finally registering the Transfer of title of the land.

Consultations

Peter Marra, Deputy C.A.O.

Gudrin Beggs, Director of Planning and Development

Financial Implications

Revenue from alley sale to go towards offset costs of Reference Plan and registration of deeds in accordance with the Closing and Sale of Alleys Policy.

Prepared By:

A handwritten signature in black ink, appearing to read 'DD' followed by a horizontal line.

Legal Counsel

Domenic Dadalt

Link to Strategic Goals

1. Enhancing organizational excellence - Not Applicable
2. Strengthen the community's engagement with the Town - Not Applicable
3. Grow and diversify the local economy - Not Applicable
4. Build on our high-quality of life - Not Applicable
5. Sustaining strong public services and infrastructure - Not Applicable

Communications

Not applicable.

Notifications

Affected property owners on Lansdowne Avenue and Morton Drive were notified.

Report Approval Details

Document Title:	AD-09-2022 - R2 Alley Distribution (Lansdowne and Morton).docx
Attachments:	<ul style="list-style-type: none">- Appendix A - Initial R2 Report.pdf- Appendix B - Closing and Sale of Alleys Policy.pdf- Appendix C - Distribution Option 1.pdf- Appendix D - Distribution Option 2.pdf
Final Approval Date:	Jun 7, 2022

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



Chief Administrative Officer

Joe Milicia