

Staff Report



To	Committee of the Whole
Service Area	Infrastructure, Development and Environment
Date	Tuesday, March 18, 2025
Subject	Strategic Property Acquisition and Disposition Update

Recommendation

1. That Council direct staff to disposition the Rodgers Road site in accordance with the Policy for the Sale and Disposition of Real Property Interest policy.
 2. That staff be directed to prioritize the evaluation of adding residential use to the City-owned downtown surface parking lots at Neeve Street and Fountain Street and any other properties that align with current City policies and strategies.
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Executive Summary

Purpose of Report

With the adoption of Future Guelph: Strategic Plan 2024-2027, staff initiated a comprehensive review of City properties and created a robust inventory that identifies how each property is used.

This report shows the results of that work. This inventory review supports Strategic Plan 4.3: Maximize Guelph’s real estate opportunities to support growth. This report also provides an update to Council and expands on the information included in [Real Estate Assets Report – 2023-461](#).

This report provides a summary of how City properties are used and communicates land use efficiency. What the data shows is that there are limited opportunities to create residential lots without impacting existing City infrastructure or service levels.

Lastly, this report provides follow-up information and connects various Council directives related to the outcome of [Mayoral Direction B3 – Strategic Real Estate Partnerships on Underutilized City-Owned Assets 2024-308](#) and [Follow up, Mayoral Direction B4 - Temporary Structured Encampment](#).

Key Findings

The City of Guelph utilizes land efficiently and many properties throughout the City have multiple uses. For example, storm water management areas often overlap with natural heritage system lands and the South End Community Centre will be located within a park.

Dating back to 2019, staff have provided Council with an annual update on various City-owned properties. Most sites identified in previous Real Estate Asset reports now have a program of work and capital plan assigned. Property specific

information from the 2023 Real Estate Assets report is provided as an appendix to the main report. Further, a number of site-specific updates have been provided in a companion Closed Council Memo also titled Strategic Property Acquisition and Disposition Update. This Closed Memo aims to communicate the City's strategic acquisition work in addition to maximizing the use of city-owned property. These site specific updates are provided in closed as per the Closed Meeting Protocol policy on matters relating to Proposed or Pending Acquisition or Disposition of Land.

With the adoption of Strategic Plan Future Guelph 2024-2027, this report's scope is expanding, and future reports will continue to report on site-specific work city staff are actioning related to overall land use efficiency across all City-owned properties. This work also continues fulfill the longer-term intent of the [2024 Mayoral Direction on Strategic Real Estate Partnerships on Underutilized City Owned Assets](#).

The City of Guelph owns approximately 3,884 acres of land, excluding Road Right of Way (ROW) land. The City uses approximately 99.36 per cent of the land it owns for municipal purposes.

There are 36 properties comprising approximately 25 acres that are unused. These sites have been identified as unclassified in land inventory review work.

Of the 36 unclassified properties, staff have identified one property that is a potential candidate for residential development in the short term. This is in addition to 14 Edinburgh Road South, a city-owned property that was declared surplus in 2024 and accelerated for affordable housing development.

On July 3, 2024 Staff presented Council report [Mayoral Direction B3 – Strategic Real Estate Partnerships on Underutilized City-Owned Assets 2024-308](#). At that time, a series of motions were debated by Council and ultimately action was deferred until after the Housing Affordability Strategy was passed. [The Housing Affordability Strategy was passed on December 10, 2024](#).

Should Council direct further action at Hugh Guthrie Park and Sleeman Park, these sites will also require staff time and financial resources to determine if there is potential for residential use. Pending any further direction, staff will report back with findings and recommendations.

Strategic Plan Alignment

This work is aligned to Strategic Plan Foundation 4: Maintain the City's healthy financial position. Specifically, 4.3 Maximize Guelph's real estate opportunities to support growth.

Future Guelph Theme

Foundations

Future Guelph Objectives

Foundations: Maintain the City's healthy financial position

Financial Implications

The inventory work undertaken by staff was completed with internal resources and there are no financial impacts resulting from data collection and future mapping.

Actioning the sale of the site identified on Rodgers Road may require costs to retain services like surveys, geotechnical data, and other supporting analysis. If approved, revenue from potential sale will be deposited in the Strategic Property Reserve.

Once funds become available for investment within the Strategic Property Reserve, direction from Council will be sought for the utilization of any funds.

72 Farquhar Street, 14 Edinburgh Road South, 880 Victoria Road are active projects that all have capital and operating cost already assigned, there are no further financial implications as a result of this report.

Report

With the adoption of Future Guelph: Strategic Plan 2024-2027, staff-initiated work to undertake a comprehensive review of City-owned properties and create a robust inventory. The conclusion of this review documents how City-owned land is currently used.

The data collected will act as a foundational building block for future land strategies. Future work will leverage mapping and data collection. Specifically, this information will provide critical information to help inform actions identified in the City of [Guelph Housing Affordability Strategy](#) (HAS).

Understanding how land is used will inform HAS action 1.2.1: Create a City-owned land strategy. This data will also inform HAS action 1.2.1.3: Review any City-owned land assets to decide if housing can be built on it. This report identifies one property with residential development potential that will not impact existing service levels. This work will continue and staff will evaluate more sites and provide recommendations to Council in the future.

Broad description of work

Staff initiated work to evaluate land use efficiency. The information included in this report is based on a broad collection of City data and verified by departmental staff across the corporation that operate or maintain City properties.

The data is based on total property parcels and is not divided up between uses (i.e., parking is not differentiated from a recreation centre use on single property), land classification or zoning information. Lands that are owned by others and operated by the City (i.e., some Grand River Conservation Authority (GRCA) lands) or that have multiple parties on title have been excluded from the inventory. Right of Way (ROW) data is also excluded from this City land inventory review, however, may be examined in further detail in the future.

A publicly available map that shows all City and County-owned lands (excluding City ROW land) is available on [Guelph's Housing Accelerator Fund \(HAF\) Action Plan website](#).

The land use analysis mapping used to inform this work is not publicly available. The data contains sensitive underlying land data, accessibility concerns and other issues to navigate before a public map could be created. Staff will explore creating a public map, however there is no timeline on potential issuance at this time.

The constraints of data collection create challenges with communication. There are many sites that have multiple uses as noted above. For data collection purposes and mapping clarity, sites have been assigned one use, despite that multiple uses may occur on site. This means that there may be a difference between the data provided in this inventory and departmental inventory information as outlined in the table below.

A significant portion of the park system that the City makes available for public use is owned by the GRCA, overlaps with Natural Heritage System (NHS) land, is part of the ROW or overlaps with Stormwater Management Ponds or other infrastructure. Therefore, the information on the parks system contained in this report will look different from Parks department inventory data.

The numbers communicated in this report are focused on evaluating overall land use efficiency. Analysis of level of use or intensification of use is excluded from this phase of the inventory review. The intensification work is detailed and site-specific. Staff capacity is being directed to advance properties that have the most immediate opportunity. Examples of ongoing work on adding residential use to City owned sites includes targeting parking lots in the downtown, as well as the property recently acquired on Speedvale Avenue for a future paramedic station. Each mixed use opportunity is a significant amount of detailed work, and is being advanced as quickly as possible, in alignment with the staffing resources assigned to strategic property acquisition and disposition.

Key Land Use Information

Excluding ROW lands, the City owns approximately 3,884 acres of land.

Based on examination of various data sets and inventory information, the City uses approximately 99.36 per cent of its land. The use of this land provides members of the public with parks, protected natural heritage system lands, storm water management areas, recreation, and culture centres as well as a wide array of other City services. These lands also function as operational areas for staff and fleet required to operate and maintain City services.

Categorization of land use is largely driven by departmental input and a need for somewhat specialized inventory information to communicate land use. A breakdown of land use categories, and their respective area/percentage of overall inventory is included in Table 1: Land Use Data.

Of the 3,884 acres of land owned by the City, approximately 25 acres appear to be unused. These have been labeled as unclassified in the inventory. The unclassified lands contain approximately 36 individual properties. Of those properties, staff have identified one property that is a candidate for residential development in the short term.

Table 1: Land Use Data excluding ROW and lands operated but not owned by the City

Land Category	Total Area (acres)	Total land use	Land Use Description
Total Land Area*	3,884.1	100%	Total non-ROW lands
Culture & Recreation	84.35	2.18%	Recreation Centres, cultural spaces
Emergency Services & Police	10.97	0.28%	Fire, Paramedic, Police

Land Category	Total Area (acres)	Total land use	Land Use Description
Employment Development Lands	123.37	3.18%	Hanlon Creek Business Park
Engineering & Wastewater	112.22	2.89%	Infrastructure
Facilities, Operations and Transit	25.99	0.67%	City owned and operated facilities
Natural Heritage System	827.36	21.3%	Sensitive lands
Parking and potential Right of Way	6.63	0.17%	Parking sites where parking is the only function, sites that may need to be re-evaluated as ROW
Parks	779.00	20.06%	Neighbourhood, Community and Regional Parks
Solid Waste Resources	357.37	9.20%	Waste Processing sites
Storm Water Management	505.31	13.01%	Storm water management facilities
Title Error, Under Title Review, Other	17.9	0.46	Change of ownership on title may be required or under agreement of use i.e., the Elliott, Farmer's Market etc.
Unclassified	24.82	0.64%	Unused land
Walkway, Potential Active Transportation Network/Pedestrian Connection and Trails	13.68	0.35%	Existing or potential pedestrian or cycling lands
Water Services	995.10	25.62%	Operational Water lands

Land Use Efficiency

As noted, the data may not align with individual departmental inventory information. This is primarily due to multiple uses occurring on properties, data collection using property boundaries and the omission of non-City-owned land (e.g.,

GRCA owned land operated by the City) that is used by the City via land use agreements.

Common multi-use sites include uses such as storm water management ponds overlapping with natural heritage system lands or parks with underground City infrastructure.

In general, the City of Guelph uses land resources extremely efficiently. There are only 25 acres of land out of almost four thousand acres that are not performing some kind of function, service, or operational need for the residents of the City.

Unclassified Land Residential Development Opportunities

36 land parcels are unclassified and can be considered potential candidate surplus sites.

Out of those 36 sites, 18 are undersized as per City of Guelph development policies and not suitable for residential development. Three sites, totaling approximately 3.5 acres in size are potential locations of future Ministry of Transportation Ontario (MTO) highway improvements. An additional six sites are not suitable for residential development for a variety of reasons, including irregular shape and adjacency to rail or industrial lands. These lands total approximately five acres. Now that an evaluation of existing use has been complete, staff will evaluate next steps and action disposition or use of these sites. That use is unlikely to be for residential purposes.

Most notably, the largest unclassified site is 200 Beverly Street. This site has been the subject of a variety of land development challenges, however, recently has established a record of site condition with a certificate of property use that identifies strategies to mitigate contamination risk. This site is complex, and staff will continue to explore development or use options. The site is approximately 13 acres.

This leads to eight unclassified sites that have been identified as potentially viable for residential development. Three of these sites are in areas where there is no sanitary capacity. Residential intensification will not be permitted until the capacity constraints are resolved. Therefore, these sites could be long-term candidates for housing.

These sites exist on Grange Road and within the cul de sacs located at Torrance Crescent and Summit Crescent.

Grange Road contains a significant amount of existing trees and impacts of development and tree removal should be evaluated in further detail.

The cul de sacs located within Summit Crescent and Torrance Crescent could be developed, however they are not traditional lots or cul de sacs. These are areas of land surrounded by ROW and development should be explored further on a site specific basis. Staff are not recommending these sites at this time as more analysis work is required.

An additional four sites are located within the floodplain, are subject to development agreements or contain infrastructure and are unlikely to be developable.

Staff identified a site located on Rodgers Road that could be immediately developed with no impacts to City service levels, agreements or infrastructure. The site is zoned medium density and based on lot size could potentially contain 5 units.

In order to initiate development action immediately, staff are recommending this property be sold. Revenue from the sale will be deposited in the Strategic Property Reserve Fund.

This information is included in this report to demonstrate action as directed on [July 16, 2024](#), specifically: "that staff...be directed to continue working to identify the potential for City-owned lands to be used for the development of temporary or permanent housing, or to review other non-owned city lands that come forward for consideration, and report back as required by Q1 2025 as part of the planned City-wide land inventory evaluation."

Staff will undertake further analysis on unclassified sites to explore how to develop them to address any City service needs, employment land or residential development potential or simply opportunities to sell under-used land parcels to fund the Strategic Property Reserve.

Conclusions and Next Steps

Based on the inventory analysis, there are limited opportunities to create new housing starts with unused City owned land alone. While this presents challenges, there are two paths that staff are actioning to achieve an outcome that might see the City's role in residential development expand or change.

1. Evaluation of City owned lands that are in use but could potentially accommodate some residential development.
2. Land acquisition to create new housing development sites. This could include purchasing land as standalone sites, exploring potential partnerships or land assembly that amalgamates multiple sites.

With this in mind, and through advancing HAS Action 1.1.3 Evaluate the City's role in building affordable housing, staff will be prepared should Council wish to pursue significant residential development using City owned lands. Staff are recommending focusing on lands that have existing policy support to add residential use or redevelop into residential development sites.

Evaluation of City owned, in use sites

Staff are continuing to review in use City-owned properties that could have potential for residential development alongside the current City use. Staff have completed an evaluation framework as part of Guelph's HAF Action Plan initiative four. Staff are applying this framework and targeting sites where growth benefits out-weigh the impacts of adding residential development to City-owned properties. This work also is a component of the implementation of the Housing Affordability Strategy Action 1.2.1: Create a City-owned land strategy.

As the work to increase city-owned land use efficiency advances, there is concern that new uses like residential development may be misaligned with the Official Plan, certain Strategic Plan objectives and/or other general policies. Staff are prioritizing sites where existing policy conflict is either minimal or not in conflict with the additional residential use/development.

As an example, Downtown surface parking lots are an asset class that are unique within the City land inventory. These sites are actively in-use; however, the City Official Plan, Downtown Secondary Plan and Zoning By-law identify these sites as potential residential development. As staff explore this further, there will be issues to navigate including existing parking agreements that obligate the City to provide parking permits to third parties, downtown renewal, changing legislation that removes minimum parking requirements on development, capacity constraints, impacts to business and residents and other criteria. These are considerations that do take time to work through to ensure that development doesn't create new, unintended concerns.

Staff are also identifying that a key milestone of the deferral motion passed on July 3, 2024 as part of the [Mayoral Direction B3 – Strategic Real Estate Partnerships on Underutilized City-Owned Assets 2024-308](#) report has been reached. The specific motion stated, "That any action on the Item 10.1 Mayoral Direction B3 - Strategic Real Estate Partnerships on Underutilized City-Owned Assets, 2024-308 be DEFERRED until the Housing Affordability Strategy has been received by Council." The [Housing Affordability Strategy was approved by Council on December 10, 2024](#). Staff previously reported on opportunities and impacts of development of portions of Hugh Guthrie Park and Sleeman Park.

On [July 16, 2024](#) Council directed staff "to continue working to identify the potential for City-owned lands to be used for the development of temporary or permanent housing, or to review other non-owned city lands that come forward for consideration, and report back as required by Q1 2025 as part of the planned City-wide land inventory evaluation." This report meets this direction by identifying the Rodgers Road property. This report also provides Council with information and recommendations on how staff intend to continue this body of work.

Land Acquisition

The Strategic Property Division exists to identify land opportunities, within the existing City portfolio and on and off market sites that can be acquired, sold, developed, or intensified to meet service level requirements.

The acquisition of the Speedvale property in 2024 for a future paramedic station is a good example. The strategic property advisor reviews potential land acquisition opportunities in consultation with various departments to evaluate and identify sites that are both on and off the market.

Land acquisition and development will require significant capital investment.

When the sites are viable and this level of investment is warranted, recommendations are made to the Guelph Strategic Property Committee comprised of senior staff from different service areas before advancing to the Executive Team. A thorough analysis is completed and then a recommendation is tabled for Council consideration.

Sites that are not viable are not recommended to be progressed forward. Sites that are under review but not recommended are not communicated to Council. Based on Council engagement, there is a need for additional information to be shared on what sites are being evaluated and why sites may or may not be recommended for acquisition to Council. Staff are evaluating this in more detail and will explore efficient ways to share information on an ongoing basis with Council.

Staff are proposing that this information be prepared bi-annually and will develop an efficient framework and methodology to communicate this information.

As staff evaluate an efficient reporting structure to meet this deliverable, a number of site-specific updates have been provided in a companion Closed Council Memo also titled Strategic Property Acquisition and Disposition Update. The objective of circulating this information is to communicate to Council the City's potential strategic acquisition work. These site specific updates are provided in closed as per the Closed Meeting Protocol policy on matters relating to Proposed or Pending Acquisition or Disposition of Land.

Appendix to Real Estate Assets Report: Site specific information from previous Real Estate Asset Report

The following section is included to provide updates on specific properties that were not identified for removal from future reporting within the [2023 Real Estate Assets Report](#). In general, all sites previously reported in 2023 have either an assigned use or are part of a study or analysis project that will evaluate future use options.

341 Forestell Road/Hanlon Creek Business Park Phase 3

The farmhouse located at 341 Forestell Road is designated pursuant to Part IV of the Ontario Heritage Act, R.S.O. 1990, c. O.18 through By-law (2003)-17260 and (2011)-19159.

An Environmental Assessment to evaluate the use of the site as a potential water production well is ongoing, however, it is advanced enough to confirm that this site is viable as a production well and should be retained. Previously, these lands were contemplated as part of the overall sale of the Hanlon Creek Business Park Phase 3 lands and leased back from the City.

Staff are taking the actions necessary to retain the farmhouse and associated land needed to create a new production well in the future. A redline amendment to the draft plan of subdivision will be submitted to Council to action this objective.

72 Farquhar Street (Drill Hall)

The Drill Hall, located at 72 Farquhar Street, was acquired from Metrolinx as part of a larger property exchange in 2017. The building was designated pursuant to Part IV of the *Ontario Heritage Act*, R.S.O. 1990, c. O.18 through By-law (2018)-20332.

Council considered a report titled [Drill Hall Responses to Expressions of Interest and Planned Future Use – 2024-261](#) in June of 2024. Council directed staff to undertake a feasibility study for a potential arts and cultural hub in this building.

The feasibility study and results from community engagement will be presented to Council at the April 2025 Committee of the Whole meeting.

Future inclusion on this report is pending the outcome of the feasibility study.

14 Edinburgh Road South (Pottery Centre/Affordable Housing Demonstration Project site)

On October 8, 2024, Council approved the report titled [Affordable Housing Demonstration Project-2024-414](#), which recommended that 14 Edinburgh Road South become the future site for an affordable housing demonstration project following the move of the Pottery Centre to underutilized space at West End Community Centre. Staff have issued a Request for Proposals for the development

of a minimum of 12 affordable housing units. The outcomes of the process and selection of the successful bidder will be communicated to Council in future reporting as part of this ongoing project.

In previous reports, this site was identified to support future grade separated rail work. The Environmental Assessment associated with the evaluation and analysis of this project has been deferred as part of the 2025 budget approval process. The potential use of this site to support grade separated rail is no longer required and the site will become the site of future affordable housing.

This site will be removed from future Real Estate Asset reports.

880 Victoria Road

The property at 880 Victoria Road, also known as the Carter Wellfield, is a significant water supply asset owned by the City and located in the Township of Puslinch.

The Carter Wellfield, combined with the Arkell Spring Grounds, provides up to 80 per cent of the City's daily water supply.

City staff completed a property management study for the Water Services Division for properties that are located outside the City boundaries. This study better defined the future requirements of these properties and included 880 Victoria Road. The study determined it was important to continue to prioritize source water protection at these locations. Without these sources, the City would struggle to meet daily water demands and have limited servicing capacity to support community growth. 880 Victoria Road is critical to existing water supply and future growth.

To ensure the integrity and supply of City water, this site is defined as a Water Operational Area with no public access. The Carter-Caulfield Farmhouse is located on the property, is vacant and is currently being considered for designation under Part IV of the **Ontario Heritage Act**, R.S.O. 1990, c. O.18 by the Township of Puslinch.

Staff are exploring relocating the house to the Victoria Road frontage and repurposing it as an occupiable residential unit. This action will create housing, repurpose a building with significant heritage value and protect City water supply.

This work has the potential to be a significant capital project. Staff are exploring creative strategies to offset via property severance and sale. More work is required, and staff will report to Council with recommendations in the future.

This site will be removed from future Real Estate Asset reports.

Financial Implications

The inventory work undertaken by staff was completed with internal resources and there are no financial impacts resulting from data collection and future mapping.

Actioning the sale of the site identified on Rodgers Road may require costs to retain services like surveys, geotechnical data, and other supporting analysis. If approved, revenue from potential sale will be deposited in the Strategic Property Reserve. Once funds become available for investment within the Strategic Property Reserve, direction from Council will be sought for the utilization of any funds.

72 Farquhar Street, 14 Edinburgh Road South, 880 Victoria Road are active projects that all have capital and operating cost already assigned, there are no further financial implications as a result of this report.

Consultations and Engagement

The purpose of this report is to communicate how City lands are used. There was no external engagement required to undertake the work. The following departments were consulted:

Engineering and Transportation Services

Environmental Services

Facilities and Energy Management

Planning and Building Services

Culture and Recreation

Parks

Operations

Information Technology

Attachments

Attachment-1 Potential Development Site

Departmental Approval

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