



# City Council Report

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**REPORT NUMBER** 161-2026-Growth-Development Services-Realty Services

**DATE**

**PREPARED**

March 26, 2026

**FILE**

25 504394 RS

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**CITY COUNCIL  
MEETING DATE**

April 7, 2026

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**SUBJECT**

Property Related Matter – 144 Fanshaw Street, 300 Tokio Street,  
791 Arundel Street Land Sales

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## **RECOMMENDATION TO CITY COUNCIL**

WITH RESPECT to Report 161-2026 – Growth – Development Services – Realty Services, we recommend that the City-owned surplus property, municipally known as 144 Fanshaw Street and legally described as Parcel Block-1 Section M325; Block L Plan M325 McIntyre; Thunder Bay, be sold to Terralux General Contractors and Development Limited or any permitted assignee for the sum of \$969,000.00 for the purpose of a multi-residential development, subject to the terms and conditions recommended in this Report including successfully obtaining a Zoning By-law amendment and entering into a Site Plan Control Agreement and a Repurchase Agreement with the City prior to closing;

AND THAT the City-owned surplus property, municipally known as 300 Tokio Street and legally described as Part Lot 4, Concession A, Being Part Of Parts 1, 2, & 3 55R-10186, Part of Picton Avenue Plan M37 Being Parts 7 & 8 55R-9082 closed by LT135107, Lots 81-107 Plan M37, Lots 113 – 125 Plan M37, Part Lot 108 Plan M37 except Part 13 55R-9082, Part Lot 109 Plan M37 except Part 12 55R-9082, Part Lots 110 & 111 Plan M37 except Part 11 55R-9082, Part Lot 112 Plan M37 except Part 10 55R-9082, Part of Junot Avenue Plan M37, being Parts 5, 6 & 13 55R-2984 closed by LT135107, Part of Picton Avenue Plan M37, being Part 2 55R-2984 Part Lot 112 Plan M37 except Part 10 55R-9082, Part of Junot Avenue Plan M37, being Parts 5, 6 & 13 55R-2984 closed by LT135107, Part of Picton Avenue Plan M37, being Part 2 55R-2984 closed by LT135107, Part of Tokio Street Plan M37, being Part of Part 14 55R-2984 closed by LT135107, Part of Tokio Street Plan M37, being Part of Part 15 55R-2984 closed by F53897, Part of lanes Plan M37, being Parts 3 & 4 55R-2984 closed by LT135107, Part of Junot Avenue Plan M37, being Part 12 55R-2984 closed by F53897; City of Thunder Bay, be sold to Terralux General Contractors and Development Limited or any permitted assignee for the sum of \$2,137,500.00 for the purpose of a multi-residential development, subject to the terms and conditions recommended in this Report including entering into a Site Plan Control Agreement and a Repurchase Agreement with the City prior to closing;

AND THAT the City-owned surplus property, municipally known as 791 Arundel Street and legally described as Part Lot C, Plan PA59, S of Arundel St, E of 55R3639 except Plan 818;

Thunder Bay, be sold to Terralux General Contractors and Development Limited or any permitted assignee for the sum of \$2,159,000.00 for the purpose of a multi-residential development, subject to the terms and conditions recommended in this Report including successfully obtaining a Zoning By-law amendment and entering into a Site Plan Control Agreement and a Repurchase Agreement with the City prior to closing;

AND THAT the Director - Development Services be authorized to execute any and all documentation required in order to finalize the transactions;

AND THAT any and all necessary by-laws be presented to City Council for ratification.

### ***EXECUTIVE SUMMARY***

This report recommends the sale of vacant surplus properties municipally known as 144 Fanshaw Street, 300 Tokio Street, and 791 Arundel Street (the “Lands”), as illustrated on the attached Location Plans, to Terralux General Contractors and Development Limited (the “Developer”) subject to terms and conditions set out in Closed Session Report 2026CLS.010, presented to Growth Standing Committee on March 24, 2026, with certain high level terms summarized within this report.

The sale of the Lands to support significant multi-unit residential developments will positively add to housing supply and options across a range of affordability levels. In addition, the developments would generate new property tax revenue and other economic benefits for the community. Having permits issued on these projects prior to the Housing Accelerator Fund (“HAF”) deadline of February 2027 remains important, however the priority is to facilitate the construction of additional units to address the existing housing supply shortage and to support the City’s Smart Growth Action Plan objectives.

Through the Call for Proposals issued in June 2025 (the “Call for Proposals”), which invited development proposals from the public, the Developer was identified as the highest scoring proponent on each of the three Opportunity Sites outlined in this report. Initial feedback from the public and Standing Committee-Growth on the preliminary design concepts was provided to the Developer and resulted in changes to the proposed developments to mitigate neighbourhood and Committee concerns. Council subsequently declared these sites as surplus on January 13, 2026.

The Developer intends to develop the Lands as multi-residential projects, in accordance with the requirements of the Call for Proposals. Preliminary design concepts contemplate one building containing approximately 150 units at 144 Fanshaw Street and two buildings containing 200 units each at both 300 Tokio Street and 791 Arundel Street, totalling 950 residential dwelling units across the three sites, as conceptually shown in the attached Preliminary Site Plans.

### ***DISCUSSION***

This report recommends the sale of vacant surplus properties municipally known as 144 Fanshaw Street, 300 Tokio Street, and 791 Arundel Street, as illustrated on the attached Location Plans, to Terralux General Contractors and Development Limited subject to terms and conditions set out in Closed Session Report 2026CLS.010, presented to Growth Standing Committee March 24, 2026, with certain high level terms summarized within in this report.

In accordance with the process set out in the Call for Proposals and previous reports, and following surplus declarations on January 13, 2026, Administration has entered into negotiations with the highest scoring proponents.

Appraisals were commissioned for the Lands which established a fair market value range with purchase prices of \$969,000.00 for 144 Fanshaw Street, \$2,137,500.00 for 300 Tokio Street and \$2,159,000.00 for 791 Arundel Street concluded.

Having permits issued on projects prior to the Housing Accelerator Fund deadline of February 2027 remains important, however the priority is to facilitate the construction of additional units to address the existing housing shortage and support the City's growth objectives. The proposed timelines are ambitious and may require extensions agreed to by Administration determined reasonable and necessary considering the information and circumstances at the time.

### **144 Fanshaw Street**

The terms of sale have been negotiated and include:

1. The Purchaser is Terralux General Contractors and Development Limited.
2. This property has an area of approximately 1.23 ha. as shown in Attachment "A". Administration will work with the Developer to refine the boundary of the property to be sold for the City to retain lands that are not required to support the development.
3. The Purchase Price to be paid shall be \$969,000.00, subject to adjustments.
4. The Developer will have access to the lands to complete testing prior to closing.
5. The agreement is conditional upon a successful re-zoning application being submitted by the Developer and enacted by Council. To support the proposed development of approximately 150 multi-residential units, this property would require re-zoning to the Urban Mid-rise (UM) Zone.
6. This property will be subject to Site Plan Control with a Site Plan Control Agreement being entered into with the City.

7. A re-purchase agreement will be entered into that will enable the City to buy back the property at a reduced purchase price should the development not proceed on the agreed upon timelines.

### **300 Tokio Street**

The terms of sale have been negotiated and include:

1. The Purchaser is Terralux General Contractors and Development Limited.
2. This property has an area of approximately 2.6 ha. shown in Attachment "C". Administration will work with the Developer to refine the boundary of the property to be sold for the City to retain lands that are not reasonably required to support the development.
3. The Purchase Price to be paid shall be \$2,137,500.00, subject to adjustments.
4. The Developer will have access to the lands to complete testing prior to closing.
5. This property will be subject to Site Plan Control with a Site Plan Control Agreement for the proposed development of approximately 400 multi-residential units being entered into with the City.
6. A re-purchase agreement will be entered into that will enable the City to buy back the property at a reduced purchase price should the development not proceed on the agreed upon timelines.

### **791 Arundel Street**

The terms of sale have been negotiated and include:

1. The Purchaser is Terralux General Contractors and Development Limited.
2. This property has an area of approximately 3.7 ha. shown in Attachment "E". Administration will work with the Developer to refine the boundary of the property to be sold for the City to retain lands that are not reasonably required to support the development.
3. The Purchase Price to be paid shall be \$2,159,000.00, subject to adjustments.
4. The Developer will have access to the lands to complete testing prior to closing.
5. The agreement is conditional upon a successful re-zoning application being submitted by the Developer and enacted by Council. To support the proposed development of approximately 400 multi-residential units, this property would require re-zoning to the Urban Mid-rise (UM) Zone.
6. This property will be subject to Site Plan Control with a Site Plan Control Agreement being entered into with the City.

7. A re-purchase agreement will be entered into that will enable the City to buy back property at a reduced purchase price should the development not proceed on the agreed upon timelines.

### ***NEXT STEPS***

Should Council approve this report, Administration would proceed to finalize and execute the purchase and sale agreements.

The Developer would apply for Zoning By-law Amendments for 144 Fanshaw Street and 791 Arundel Street. In addition, the Developer would undertake soil testing on these properties, which may require selective tree removal. Pre-development studies such as traffic, geotechnical and servicing studies will be completed for the Lands in addition to the archaeological and environmental impact assessment studies previously completed. Compliance with study recommendations, preferred site layout, and alignment with the urban design guidelines and development regulations will be reviewed through Site Plan Control Agreements. Administration will work with the proponent to further refine the concepts based on key themes raised through the consultation, including neighbourhood compatibility, scale, and site layout.

The Developer's plan is to first begin development of 300 Tokio St., which does not require rezoning, as soon as possible in 2026 starting with site preparations and associated clearing. 144 Fanshaw St. would be developed in 2027 and 791 Arundel St. would be developed in 2028 and 2029. This phased approach maximizes the number of units that can be permitted and constructed as quickly as possible and optimizes the developer's capacity.

Residents will be kept informed through the City's Get Involved webpage and additional public notices will be issued with respect to the Zoning By-law Amendment applications.

### ***CONSULTATION***

On March 24, 2027, the Standing Committee - Growth endorsed Report 2026CLS.010 (Growth – Development Services – Realty Services) that outlined recommended substantive terms of agreement of purchase and sale and also provided feedback to Administration. City Council has received a confidential memorandum responding to the feedback received.

There have been extensive public consultations regarding the potential surplus and sale of the Lands to support housing needs. In accordance with the City's procedures, public notice of the surplus declaration was provided at the time of surplus. A higher level of public engagement was sought through a public survey on the City's Get Involved page as well as open house events where members of the public had opportunity to speak directly to City staff. Two of these properties, 144 Fanshaw Street and 791 Arundel Street, will require rezoning where there will be an additional opportunity for the public to provide feedback.

Past meetings open to the public regarding the potential surplus and sale of these lands include the January 13, 2026 Council meeting where Council declared the Lands surplus as well as two meetings of the Standing Committee-Growth in October and December 2025. The Mayor's Task Force on Building More Homes held additional open meetings and endorsed the surplus land declaration having considered the refinements to the conceptual development proposals.

### ***FINANCIAL IMPLICATION***

In accordance with established policy, the sale proceeds will be deposited into the Land Development Account.

Through these sales, in addition to realizing additional housing units, the City would receive the financial benefits of approximately \$5.3 million in land sale revenue to reinvest in land related growth initiatives, \$2 million in annual tax revenue and also construction and employment related economic impacts.

### ***BACKGROUND***

On January 13, 2026 Administration presented Report 029-2026 Surplus Declaration – Call for Proposals – 4 Opportunity Sites to Council recommending that the four sites be declared surplus. This report contained updated site plans and conceptual renderings provided by the proponent in response to the feedback received from both the public and Standing Committee. Council declared the four Opportunity Sites, 144 Fanshaw Street, 300 Tokio Street, 791 Arundel Street, and 211-223 Tupper Street & 224 Camelot Street as surplus in accordance with Administration's recommendation, allowing staff to proceed to sale negotiations with the successful proponent.

On December 1, 2025 Administration presented Report 387-2025 Surplus Declaration – Call for Proposals - 4 Opportunity Sites to the Standing Committee-Growth recommending the Committee's endorsement to Council that the Opportunity Sites be declared surplus to support significant residential development.

At the October 28, 2025 meeting of the Standing Committee-Growth, Administration presented Report 330-2025 Call for Proposals Update, which provided an update to the Committee on the result of the Call for Proposals and set out the next steps that would be taken by Administration. The report identified that successful proposals had been received on four of the ten sites which could collectively deliver approximately 1,385 new housing units, contributing to meeting the HAF target as well as providing sustained economic benefits to the City.

Subsequent to Report 330-2025 Call for Proposals Update, Administration provided notice to the public of the intent to declare the four Opportunity Sites as surplus and received questions and comments from the public related to the proposed conceptual developments. A higher level of public engagement was also undertaken with opportunities to speak directly

with City staff provided at two open houses as well as a Get Involved survey on the City's website.

The Call for Proposals was issued in June 2025. The public was invited to submit development proposals on the ten sites. Many exciting proposals were received with the potential to help accelerate the housing supply and enable economic growth. Proposals were evaluated based on alignment with housing and growth objectives, developer capacity and track record and addressing community and neighbourhood need.

On March 6, 2023, Council directed Administration to bring forward City-owned lands, including parkland, available for surplus and sale and that Administration provide recommendations on the top potential parcels of land that would bring the City the highest financial benefit.

***REFERENCE MATERIAL ATTACHED***

1. 144 Fanshaw Street Location Plan (Attachment "A").
2. 144 Fanshaw Street Preliminary Site Plan (Attachment "B").
3. 300 Tokio Street Location Plan (Attachment "C").
4. 300 Tokio Street Preliminary Site Plan (Attachment "D").
5. 791 Arundel Street Location Plan (Attachment "E").
6. 791 Arundel Street Preliminary Site Plan (Attachment "F").

***REPORT PREPARED BY***

Mariah Maunula, Property Agent – Realty Services

***REPORT SIGNED AND VERIFIED BY***

Kerri Marshall, Commissioner – Growth

Date (03/30/2026)