

City Council Report

REPORT NUMBER 062-2026-Growth-Development Services

DATE

PREPARED

March 26, 2026

FILE 26 01168

CITY COUNCIL
MEETING DATE

April 7, 2026

SUBJECT

Property Related Matter – 545 Algoma Street Land Sale

RECOMMENDATION TO CITY COUCIL

WITH RESPECT to Report 062-2026, we recommend that the City-owned surplus property, municipally known as 545 Algoma Street North and legally described as Lots 16-26, Block 42, Registered Plan 121, McIntyre, Part of Powley Street and Part of Lane, Block 42, Plan 121, being Parts 4-7 on Reference Plan 55R-14379, be sold to 1001432176 Ontario Inc., or a permitted affiliated assignee, for the sum of \$749,000, for the purpose of a multi-residential development with potential for additional mixed uses permitted under the current property zoning, 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 Director - Development Services be authorized to execute any and all documentation required in order to finalize the transaction;

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 property municipally known as 545 Algoma Street North (the “Lands”), as illustrated on the attached Location Plan, to 1001432176 Ontario Inc. (the “Developer”) subject to terms and conditions set out in Closed Session Report 2026CLS.004, presented to Growth Standing Committee on March 24, 2026, with certain high-level terms contained in 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 this property 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.

The Lands, forming part of the former City of Thunder Bay Dawson Court Home for the Aged, were declared surplus by the City in 2016.

The Lands were appraised and listed for sale on the open market through MLS, on December 1, 2025, at an asking price of \$749,000.00. The listing specified that the Lands were being offered for multi-unit residential development and required that all offers be accompanied by a conceptual development proposal outlining proposed timelines, unit counts, and responding to other evaluation criteria. The listing also notified prospective purchasers that the City will require a re-purchase agreement as security that agreed upon construction timelines and project details are met.

Submissions were evaluated based on the offers received, the merits of the development proposals and the developers' track records. The sale of the Lands to the Developer is recommended based on the overall evaluation and merits of the development proposal including a greater number of residential units being delivered.

The Developer intends to develop the Lands as a new multi-residential project as conceptually shown in the attached Preliminary Site Plan. Preliminary design concepts contemplate five six-storey buildings comprising approximately 240 residential dwelling units, with potential for additional mixed uses (potential health centre) permitted by the current property zoning and intends to advance the project in phases.

DISCUSSION

This report recommends the sale of the Lands to the Developer, subject to terms and conditions set out in Closed Session Report 2026CLS.004 (Growth – Development Services – Realty), presented to Growth Standing Committee on March 24, 2026, with certain high level terms contained in this report.

The terms of sale have been negotiated and include:

1. The Purchaser is 1001432176 Ontario Inc.;
2. The property has an area of approximately 0.99 ha, shown on the attached Location Plan Attachment "A";
3. The Purchase Price to be paid shall be \$749,000.00, subject to adjustments;
4. The Developer will have access to the lands to complete testing prior to closing.
5. The Lands have been designated as an area of Site Plan Control. A Site Plan Control Agreement for the proposed development of a minimum of 150 multi-residential units with potential mixed uses be 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.

NEXT STEPS

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

The Developer would undertake soil testing on the Lands including geotechnical and servicing studies and other due diligence and reports that may be required. Compliance with study recommendations, preferred site layout, and alignment with the urban design guidelines and development regulations will be reviewed through the Site Plan Control Agreement.

CONSULTATION

On March 24, 2026, the Standing Committee - Growth endorsed Report 2026CLS.004 (Growth - Development Services – Realty Services) that outlined recommended substantive terms of the agreement of purchase and sale and provided feedback to Administration. Council has received a confidential memorandum responding to the feedback received.

The Lands were declared surplus by the City on January 25, 2016 (2016CLS.015 - Realty Services). Public notice of the proposed surplus and disposal was provided through advertising in the Chronicle Journal and posted on the City's website.

FINANCIAL IMPLICATION

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

Through the land sale, in addition to realizing additional housing units, the City would receive the financial benefits of approximately \$0.75 million in land sale revenue to reinvest in land related growth initiatives, new property tax revenue resulting from the development of \$1,856 per \$100,000 of assessed value, and also construction and employment-related economic impacts.

BACKGROUND

At the March 24, 2026 Standing Committee - Growth, Administration presented Report 2026CLS.004 (Growth-Development Services – Realty Services), which outlined recommended substantive terms of the agreement of purchase and sale and set out the next steps that would be taken by Administration.

Corporate Report 062-2026-Growth-Development Services

Report 2016CLS.005 declared the City-owned Dawson Court and Grandview Lodge D-Listed Homes for the Aged as surplus to the City's requirements. The Lands form part of the Dawson Court property.

By-law 4-2005, as amended, delegates Council's authority to the Director - Development Services for land sales under \$200,000. All land sales over \$200,000 must be approved by Council.

REFERENCE MATERIAL ATTACHED

1. Location Plan (Attachment "A").
2. Preliminary Site Plan (Attachment "B")

REPORT PREPARED BY

Lisa Zawadzki, Supervisor – Realty Services

REPORT SIGNED AND VERIFIED BY

Kerri Marshall, Commissioner – Growth

Date (03/31/2026)