

## EDMONTON PUBLIC SCHOOLS

November 7, 2000

TO: Board of Trustees

FROM: E. Dossdall, Superintendent of Schools

SUBJECT: Plan for Disposition of Eight Closed Schools

ORIGINATOR: A. McBeath, Department Head

RESOURCE

STAFF: Meredith Colgan, Beatrice Denboer, Michael Ediger, June Klassen, Roland Labbe, Faye Parker

### INFORMATION

On October 10, 2000 the Board of Trustees passed a motion "that the administration prepare plans for the immediate disposition and/or sale of those schools previously closed in the district in order to improve the district's utilization rate."

There are eight closed schools for which plans can be made for disposition as they are presently leased, vacant, or only partially used for district programs. These are Beverly Heights, Canora, Cromdale, Donald Ross, H. A. Gray, McQueen, Prince Rupert, and Strathearn Elementary. This report outlines plans for the disposition of these facilities (Appendices I and II). There are two closed schools in the district that are used for special purposes and are not available for disposition, McKay Avenue Archives and Museum, and Bennett Environmental Centre. Four other formerly closed schools have been reopened within recent years: Argyll Home Education Centre, Braemar School, King Edward Academy, and Sherbrooke School.

Disposition of school property is subject to the provincial Disposition of Property Regulation under the *School Act* (Appendix III). A key provision is that a direct sale can be negotiated with a not-for-profit group or a government agency, otherwise a public tender must be issued in order to dispose to a private buyer. There are also requirements under the Joint Use Agreement (JUA) with the City of Edmonton that must be met. These pertain to the City's first-right-to-purchase school property, which protects civic interests to purchase open space in older neighbourhoods (Appendix IV). The time allowed for the City to determine whether to exercise its first-right-to-purchase can take up to six months. There may also be the need to subdivide the lands into separate parcels, which can take another four months. These are the key time-determinants in the process. District staff met with the City administration to request assistance in expediting the response period in relation to three initial schools proposed for disposition. The response from the City was encouraging in that they will work to expedite the process and keep the timelines as short as reasonably possible.

In broad terms, closed schools will be disposed of expeditiously and in accordance with provincial regulations and the JUA. Terms of leases will be honoured, and satisfactory alternate accommodation for district programs will be found. Affected communities will be provided opportunity for input. All dispositions will be subject to board approval of the specific terms and conditions, and to ministerial approval.

Each closed school planned for disposition is on non-reserve land. This is land the board purchased for full market value, and is entitled to seek full market value in return. Immediate

disposition will proceed in relation to four closed schools: Beverly Heights, Canora, Strathearn Elementary, and McQueen.

#### Plan for Disposition of Closed Schools

1. **Beverly Heights:** The administration has asked the City to make a determination regarding its first-right-to-purchase, and is negotiating with the current not-for-profit tenant toward a possible tenant purchase. A decision regarding City or tenant purchase is expected within six weeks. Alternatively, a public tender process will be issued in January 2001.
2. **Canora:** The administration has asked the City to make a determination regarding its first-right-to-purchase, and a response is expected in mid-December. The current for-profit tenant has indicated a desire to participate in a public tender process to enable a possible tenant purchase. If the City chooses not to purchase, a public tender will be issued immediately following receipt of notification from the City, likely in January 2001.
3. **Strathearn Elementary:** The administration has asked the City to make a determination regarding its first-right-to-purchase, and a response is expected in mid-December. If the City chooses not to purchase, the administration will pursue immediate disposition by means of a sale to one of two non-profit groups that have expressed interest during the past year. Alternatively a public tender will be issued by February 2001.
4. **McQueen:** The administration has requested the City to provide a determination regarding its first-right-to-purchase, and a response is expected by April 2001 or earlier if this is feasible for the City. If the City chooses not to purchase, the administration will pursue immediate disposition to a not-for-profit group that has expressed interest. Alternatively a public tender will be issued by June 2001.
5. **H.A. Gray:** The administration will pursue a direct sale agreement with the current not-for-profit tenant, the Northern Alberta Institute of Technology (NAIT). The present lease expires in July 2001, however NAIT has indicated a need to remain in the facility until October 2002. If the City and NAIT choose not to purchase in July 2001, a public tender will be issued in August of 2001 offering vacant possession as of NAIT's departure in 2002.
6. **Prince Rupert:** The administration will initiate a public tender process subject to a successful relocation of the Rites of Passage program. Consultation will take place with the school and the Bent Arrow Traditional Healing Society to determine a reasonable timeline. A possible relocation could occur for the start of the 2001-02 school year. If the City chooses not to purchase, a public tender could be issued in September 2001.
7. **Donald Ross:** Immediately following the December 2001 expiry of the present lease to the Edmonton 2001 World Championships in Athletics, the administration will seek a response from the City regarding purchase to re-establish its River Valley Outdoor Centre. Alternatively, a public tender will be issued by January 2002.
8. **Cromdale:** Subject to the satisfactory accommodation of the district CHIMO program and a relocation agreement from a current tenant, and subject to the City choosing not to purchase, the administration will pursue a direct sale to a not-for-profit group.

The major steps involved in selling a closed school are:

- The facility is declared surplus to district need.
- Notice is given to the province and City of the Board's intention to dispose.
- Notice is given to tenants of the disposition plan; opportunity for potential tenant purchase is discussed.
- A meeting is held with community representatives to identify or review concerns, potentially in conjunction with the City's consultation process.
- Appraisals are obtained.
- Response from the City is received regarding its first-right-to-purchase.
- Subdivision or rezoning application is commenced if required.

- Disposition is realized to City under first-right-to-purchase, or a sale agreement is reached with a not-for-profit group, or a public tender process is initiated.
- Sale agreement or tendered Offer-to-Purchase is approved by Board and Minister.
- Purchaser conducts thorough analysis of the property (due diligence period),
- Sale closes or transfer is complete,
- Proceeds are placed in district capital reserves upon closing.

Regulations and Requirements

The Disposition of Property Regulation requires the minister to approve a disposition. Boards may negotiate a direct sale with a buyer only if that buyer represents a not-for-profit group or a government agency. In all other cases, the Board must undertake a public tender process. Two appraisals are required prior to disposition, and in the case of public tender, advertisements must be placed in two newspapers two weeks prior to the close of tender. There are no other specific timelines respecting the provincial regulations.

The Joint Use Agreement gives the City of Edmonton a First-Right-to-Purchase schools and school land. The City has 180 days to notify the Board of their intent to exercise that right. If the City chooses to purchase a portion of the property, for example the playing fields only, the Board and City have 120 days to subdivide the land. During the same period, the City and Board must determine the value of the property to be purchased by the City, based on adjacent land use. If the City chooses not to exercise its first right to purchase, the Board may rezone the land to an appropriate land use, which would make the property marketable, and sell it in accordance with the province's regulations above. If the rezoning application is refused for any reason, the City is required under the JUA to purchase the land.

Background and Summary

Over the past 24 months the administration has been working with the board-appointed real estate agents, Avison Young, to dispose of surplus district property. To date, the St. Albert Trail site has been sold, an Offer-to-Purchase has been received regarding Assumption Academy, and public tender documents have been prepared for the Old Administration Building. The administration will now focus on the immediate disposition of closed schools. Priority will be placed on Beverly Heights, Canora, and Strathearn Elementary, as these facilities were identified for disposition in previous reports and budget plans, and significant work is underway. McQueen is added to the list of schools available for immediate disposition as it is vacant and has recently been declared surplus to district need. It is anticipated that Cromdale, Donald Ross, H.A. Gray and Prince Rupert Schools will be disposed of as current agreements expire and/or district programs can be relocated.

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APPENDIX I	Description of Closed Schools Planned for Disposition
APPENDIX II	Map of Closed Schools Planned for Disposition
APPENDIX III	Disposition of Property Regulation
APPENDIX IV	Excerpt of the JUA Respecting Disposition of Non-Reserve Land

**Description of Closed Schools Planned for Disposition**

**Beverly Heights (built 1953, closed 1981, capacity 125, 972 m2):** The smallest school in the district sits on 4.3 acres of district non-reserve land. The building is leased to the Northeast Zone Sports Council on a month-to-month basis. The tenants were advised of the district's intention to sell and are considering direct acquisition as a not-for-profit purchaser. Two appraisals have been completed. The administration awaits the City's response regarding its first-right-to-purchase, which is expected in December 2000. To expedite disposition, a subdivision application has been prepared in expectation that the City will choose to purchase the playing fields but not the building. A meeting will be held with the Beverly Heights Community League to discuss any issues.

**Canora (built 1950, closed 1973, capacity 175, 2,363 m2):** Since closure, the main and upper floors have been leased to a for-profit daycare provider, and the basement has been used for district storage. Although the lease expires in July 2002, the tenants have been advised of the district's intent to pursue disposition and have expressed interest to purchase through a public tender process. The tenants understand that if they are not the successful bidder, the new owner will be bound by the terms of the existing lease. The administration awaits the City's response regarding its first-right-to-purchase, which is expected in mid-December. Subdivision is required in order to sell Canora as it now occupies the same 4-acre parcel as Brightview School. A meeting will be held with the community league to discuss possible issues.

**Strathearn Elementary (built 1956, closed 1983, capacity 300, 2,117 m2):** The elementary annex has been leased to a number of tenants since its closure and is now vacant. Two not-for-profit groups are also interested in this facility. The building is heated from the adjacent operational Strathearn School, thus requiring a purchaser to install an independent boiler. The administration awaits the City's response regarding its first-right-to-purchase, which is expected in December 2000. Subdivision is required in order to sell the elementary annex as it occupies the same 9-acre parcel as Strathearn School. A meeting will be held with the Strathearn Community League to discuss possible issues.

**McQueen (built 1955, closed 1984, capacity 175, 1,257 m2):** Formerly used as an office and yard for district maintenance staff, this facility has been vacant since April 1999. The building sits on a 7-acre parcel of non-reserve land adjacent to the Edmonton Christian School's west-end campus. A not-for-profit group has shown interest in the site for a continuing care facility. Notification of the district's intent to dispose been given to the City of Edmonton and a response is expected by April 2001. Subdivision will be required if the City chooses to purchase the playing fields in order to retain them as parkland.

**H.A. Gray (built 1913, closed 1984, capacity 690, 7,060 m2):** This large facility and 6.0 acre site is currently leased to NAIT until July 2001, and functions as the NAIT Westwood campus. NAIT has indicated that the programs will be shifted into a new building on the main campus in the fall of 2002. NAIT has not determined whether it has a further need for the facility following the move. The facility has also been identified as a potential site for temporary accommodation of Victoria School students if required.

**Donald Ross (built 1913, closed 1974, capacity 175, 1,092 m2):** This facility and 3.42 acre non-reserve site is currently leased to the Edmonton 2001 World Championships in Athletics. The administration will pursue direct sale to City of Edmonton to re-establish a River Valley Outdoor Centre or will initiate a public tender by February 2002.

**Cromdale (built 1931, closed 1983, capacity 175, 1,725 m2):** Cromdale occupies a 2.67 acre non-reserve site. The facility accommodates two tenant groups and the district's CHIMO program administered by Britannia School. Current lease terms extend to 2005. Disposition can be considered following the development of a satisfactory plan for the relocation of the current users.

**Prince Rupert (built 1954, closed 1996, capacity 125, 1,297 m2):** This facility serves as the program site for the *Rites of Passage* program administered by Balwin School. The site is a 5.11 acre parcel of non-reserve land. . Consultation will take place with the school and the Bent Arrow Traditional Healing Society to determine a reasonable timeline, possibly to occur for the start of the 2001-02 school year. In that case and if the City chooses not to purchase, a public tender could be issued in September 2001.