

Is city's 1st Ave. property worth \$2.75 million?

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LETHBRIDGE HERALD

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The City of Lethbridge is right on the money in seeking top dollar for a vacant piece of downtown property, according to a local specialist in commercial real estate.

Although there's no guarantee the city will get the \$2.75 million it's asking for the former Bridge Inn property along 1 Avenue South, the asking price isn't unrealistic, given the unique characteristics of the site, said Dave Nelson, a partner and agent with the local office of the commercial real estate firm Avison Young.

"I think the number they brought out makes sense," he said.

"Keep in mind that it's the last piece of (vacant) property left in the downtown core," he said, which makes it more attractive for redevelopment because a new owner wouldn't have to absorb any demolition costs.

"It's a huge advantage for them because they have bare land to deal with," he said.

"As a taxpayer, I'm glad they're asking top dollar. They know they've got a real rare commodity," he said. "There's nothing else to draw any comparables to."

The city bought the land across from Park Place mall in 2001 for \$1.9 million. It included the Bridge Inn, which was later demolished.

For some time, the property was earmarked for a future performing arts centre. It was ruled out for that use in February 2010, however, after council endorsed a different site along 3 Avenue South, immediately east of Galt Gardens.

At that time, Nelson estimated the property might fetch \$1.5-\$1.75 million.

The city recently issued a request for proposals in the hope of attracting private developers with innovative plans to transform the vacant block into a mixed-use development including commercial, retail and residential space. The property

was put on the market after it was recently deemed surplus.

The property would be of more value to a buyer who intends to be an end user than to one looking for a holding property, Nelson said.

"I think the city's perspective on it is the right one: let's find out if there's an end user out there," he said. "I think the city's going about it the right way in trying to get the highest dollar value."

Even so, he said, the market will ultimately dictate what the property is worth.

Proposals will have to mesh with planning documents such as the city's Downtown Area Redevelopment Plan which encourages a mix of retail, commercial and residential in new developments. The city is reserving the right to reject any or all proposals it may receive by the June 29 deadline that aren't judged suitable for the type of development the city is seeking.

"I'm excited for the city and the downtown core. What we get on that site is going to be a huge asset, especially to the downtown core," he said.

Lethbridge Herald
daily newspaper
Lethbridge, AB
June 6, 2011