

Staff Report



Development Services Department

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REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: March 30, 2026

SUBMITTED BY: Andrew Sturgess, Director Business Growth and Entrepreneurship
519-783-8253

PREPARED BY: Brian Bennett, Manager Business Development, 519-783-8276

WARD(S) INVOLVED: Ward 9

DATE OF REPORT: March 12, 2026

REPORT NO.: DSD-2026-072

SUBJECT: Surplus Land Declaration and Land Disposition – 5 Charles Street East

RECOMMENDATION:

That 5 Charles Street East be declared surplus to the City of Kitchener's needs; and,

That 5 Charles Street East be severed to create a 0.194 acre parcel of land (8,475 square feet) as depicted in Report DSD-2026-072, to be further described on a Reference Plan to be prepared in the future, with said severed parcel offered for sale to Benton Communities LP; and,

That the Mayor and Clerk be authorized to execute an Agreement of Purchase and Sale with Benton Communities LP for the sale of the City's severed parcel of land located at 5 Charles St E, having an area of approximately 0.194 acres (8,475 square feet), legally known as PT LT 3-4, 10-15 PL 394 KITCHENER AS IN 460184 & A102408 S OF 223739; KITCHENER (BEING ALL OF PIN 22501-0008) at a total purchase price of \$2,032,746.00; with said agreement to be to the satisfaction of the City Solicitor; and,

That the Mayor and Clerk be authorized to execute an agreement with St Mathews Evangelical Lutheran Church for the City of Kitchener to receive a 10-year transferable option to acquire the parcel of land located at 14 Church St, Kitchener; and,

That the Mayor and Clerk be authorized to execute an agreement with Benton Communities LP to provide Benton Communities LP with a 3-year option to acquire the 0.23 acre (10,072 square feet) remnant surface parking lot at 5 Charles St E in accordance with DSD-2026-072, for the sole purpose of accommodating a future redevelopment of said lands; and,

That the Mayor and Clerk be authorized to execute a lease agreement with Benton Communities LP for a temporary lease agreement for the 0.23 acre (10,072 sq ft) remanent parking lot located at 5 Charles St E, for the sole purpose of using said lands for construction staging; and further,

That the Mayor and Clerk be authorized to execute all other documentation required to complete the transaction, with said documentation to be satisfactory to the City Solicitor.

REPORT HIGHLIGHTS:

- The purpose of this report is to declare the surface parking lot at 5 Charles Street East, in Kitchener, surplus to the City's needs and to authorize the sale of a portion of the surface parking lot to Benton Communities LP for the purposes of developing new and affordable housing.
- Benton Communities LP will pay the City of Kitchener \$2,032,746 for the fair market value of the land based on a January 2025 appraisal in order to complete the purchase.
- Community engagement included posting the report on the City's website.
- This report supports the delivery of core services.

REPORT:

5 Charles Street East is a 39-stall paid surface parking lot that has historically provided both short-term and monthly parking spaces. St Matthews Evangelical Lutheran Church (St Matthews) is partnering with Heartwood Trust through Benton Communities LP to develop a purpose built residential rental development which would include 20% affordable units located at 54 Benton St. In order for the development to proceed, Benton Communities LP would need to acquire a portion of the City-owned parking lot.

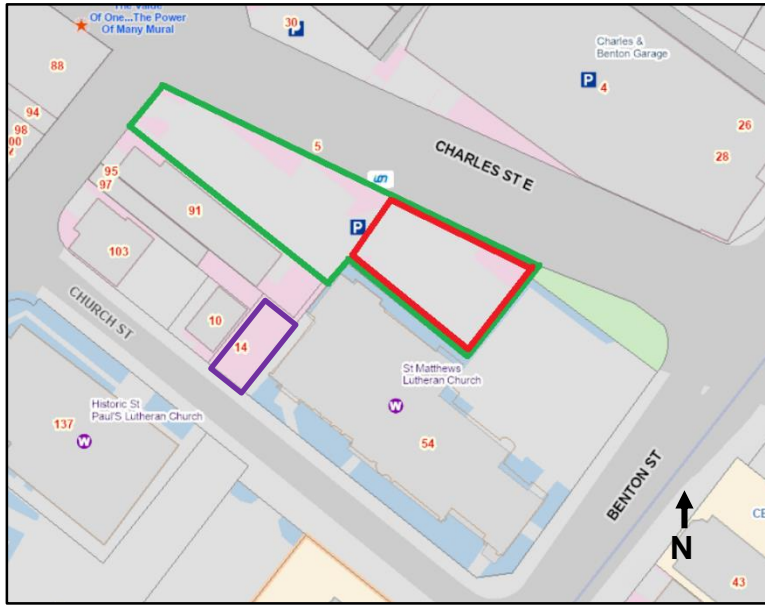
The Proposed Development

The proposed development would include up to 35-storey, 400-unit purpose-built residential rental development which would include 80 affordable units. Subject to available water capacity, Benton Communities LP's intent is to commence construction of the development in 2026 to 2027. The project would be financed by St Matthews, Heartwood Trust with support through the CMHC Affordable Housing Fund. CMHC's definition for affordable below market housing will be used. The proposed development will require an Environmental Site Assessment in order to obtain a Record of Site Condition from the Ministry of the Environment Conservation and Parks.

Proposed Severance

To accommodate the proposed development, Benton Communities LP would require the eastern portion of the City's parking lot (0.194 acres). As such, the City property would need to be severed. The portion of the lot proposed to be sold to the proponent is outlined in red on the following map.

The City would retain the balance of the parking lot (0.23 acres). However, due to restricted vehicular access to the remnant portion, if severed, the parking lot would need to be permanently closed. In the short term, the remnant portion would be leased to Benton Communities LP for staging during construction of the development. Benton Communities LP would be given a 3-year option to purchase the remnant portion should it be able to advance a future phase of residential development. The remnant land would be sold at market value at the time of sale. Should the remnant portion not be sold, the City will determine an appropriate use in the future.



Future Acquisition of 14 Church St

St. Matthews Church currently owns a 0.051 acre vacant parcel of land at 14 Church Street (outlined in purple on the map above). In order for the City's remnant portion to be developed, it may need to be consolidated with adjoining properties. Under this scenario, future vehicular access to Church Street would be beneficial. As a condition of the sale of lands, the City would receive a 10-year transferable option to purchase this property from St. Matthews should it be required for future development.

Basis of Declaring Lands Surplus

The existing parking lot contains 39 surface parking spaces. The Charles & Benton Parking Garage is directly across the road and contains more than 500 parking spaces. As such, the loss of surface parking spaces would not negatively impact the overall parking supply needed within this area. The City's current official plan discourages surface parking facilities in the Downtown, while encouraging high density development. The City is currently undertaking a Long-term Parking Strategy. The current analysis suggests that the downtown has an oversupply of parking spaces, and as such, the removal of 38 parking spaces will not impact the parking required to service the downtown.

Design Considerations – Kindred Works Inc (Project Manager)

The proposed development would be subject to the City's site plan review process and all applicable policies and urban design guidelines. Given the City would be selling its land, Staff would work with Kindred Works Inc and Benton Communities LP to ensure that the development incorporates high quality architectural and urban design.

Agreement of Purchase and Sale

The agreement of Purchase and Sale will close when Benton Communities LP obtains a Record of Site Condition from the Ministry of the Environment Conservation and Parks, as well as a Building Permit from the City of Kitchener.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

The redevelopment of a surface parking lot for housing and affordable housing supports the City's Housing For All and Make It Kitchener 2.0 strategies.

FINANCIAL IMPLICATIONS:

Capital Budget – The City would receive \$2,032,746 from the sale of 5 Charles St E, Kitchener, which would be directed to the City's Economic Development Investment Fund 2.0 to support future investments in economic growth.

Operating Budget – It costs the Parking Enterprise approximately \$13,000 annually to operate the parking lot at 5 Charles St E. The Parking Enterprise would no longer be responsible for maintaining this lot as a commercial surface parking facility. This would result in operational savings. It is expected that some of the revenues from this lot will be recovered by users utilizing nearby City facilities, such as the Charles & Benton Parking Garage.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

APPROVED BY: Justin Readman, General Manager, Development Services Department