
HALDIMAND COUNTY

Report LSS-11-2019 County Sale of Surplus Properties

For Consideration by Council in Committee on May 7, 2019



OBJECTIVE:

To authorize staff to market and sell two vacant surplus County properties and list one vacant surplus County property with a local realtor.

RECOMMENDATIONS:

1. THAT Report LSS-11-2019 County Sale of Surplus Properties be received;
2. AND THAT Memorandum LSS-M06-2019 be received as information and remain confidential;
3. AND THAT staff be authorized to list the following surplus properties for sale:
 - a) Attachment #1: legally known as PIN # 38124-0101(LT) Lot 22, S/S Main Street E, Plan 69, Haldimand County;
 - b) Attachment #2: legally known as PIN # 50258-0195(LT) being Part of Lot 24, Concession 3 Woodhouse, Part 1 on 37R-1211, Haldimand County;
4. AND that staff be directed to list the property legally known as PIN # 38224-0243(LT) Ottawa Street, Village of Cayuga East of Grand River closed by C83 as in C87 between Indian Street and Latham Street, Haldimand County (Attachment #3) with a local realtor;
5. AND THAT staff be authorized to negotiate the sale of the properties in Report LSS-11-2019 with potential purchasers, in accordance with the parameters outlined in Memorandum LSS-M06-2019, with the objective of maximizing the net proceeds from the transaction and with all offers reflecting the condition that the Agreement is subject to Council's final approval;
6. AND THAT, upon acceptance of an offer, public notice of each pending sale be published in the local newspaper;
7. AND THAT a By-law be presented to authorize each sale;
8. AND THAT the Mayor and Clerk be authorized to execute all necessary documents to give effect to the recommendations contained herein.

Prepared by: Sandra Marsh, Property Coordinator

Reviewed by: Dana McLean, Supervisor, Risk Management & Legal Services

Respectfully submitted: Cathy Case, General Manager of Corporate & Social Services

Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

Staff are recommending the sale of three publically-owned properties which have previously been declared surplus to the County's needs. Given the nature of these properties, it is recommended that two of the properties be marketed through an in-house bulk offering and one of the properties be listed

with a local realtor, with staff delegated the authority to negotiate for the maximum net purchase price, subject to Council's final approval of each transaction.

BACKGROUND:

Council previously declared the three publically-owned properties which are the subject of this report as surplus to the County's needs. Staff recommend these three properties be marketed and sold to generate revenue and reduce the responsibility and liability of the County.

Attachments #1, #2 and #3 include maps showing each of the subject properties recommended to be marketed for sale at this time.

Haldimand County's Disposal of Surplus Lands Policy No. 2002-06 governs the process established by Council for the sale of surplus property, which includes:

- a) Tender according to the purchasing policies of the Corporation of Haldimand County;
- b) Listing the site with a licensed real estate agent practicing in Haldimand County;
- c) Negotiation between staff and potential purchasers with ratification by Council;
- d) Auction;
- e) Land Exchange; or
- f) Any other method established by Council satisfying the requirements of By-law 269/02 and provincial legislation.

The Request for Sealed Bids process, as a means of selling public lands, has been approved by Council in past years and satisfies all requirements of the Disposal of Surplus Lands Policy.

ANALYSIS:

At the date of this report, the County has three properties remaining on file which have officially been declared surplus by previous Council resolutions. Information on these surplus properties has been made publically available and any inquiries from potential purchasers have been dealt with on a reactive basis. Staff recommend conducting an in-house bulk sale offering of two of the three remaining properties and listing one of the properties with a local realtor. Two of the properties have values and features that do not justify use of a realtor, which incurs additional commission fees; therefore, the sealed bid process for marketing could result in generating sales revenue with only the expense of advertising and staff time. The bulk sale process, used successfully in past years, is outlined in the following paragraphs.

A summary of the information, specific to each individual property to be marketed, was developed in consultation with various County departments and outside agencies in order to provide as much public information as possible and to reduce time spent on inquiries. The land summary description for each parcel includes: PIN number, roll number, town/township, legal description, civic address (if available), acreage and frontage, zoning, legal ownership and a disclaimer to reduce risk to the County. This summary information will be posted on the County's website and will be mailed to any abutting landowner(s) to ensure that the public receives adequate notification of the availability of these lands for sale.

The staff marketed properties will be advertised for a period of approximately six weeks to allow sufficient exposure and time for interested parties to seek information. Marketing will be done through posted "for sale" signs on each property, as well as the County's newspaper advertisement, website and social media links (Twitter and Facebook). A sealed bid process will be utilized, whereby one

comprehensive package for each property will be available on the website for downloading, and mailed to abutting owners. Interested parties will submit a sealed offer for the applicable individual property, to the County, prior to the deadline outlined in the package (anticipated to be early August). Following the deadline, submissions will be reviewed to ensure they meet all of the County's requirements.

The sealed bid process is similar to the tax sale process, except there will be no minimum price, and it is not a legislated process. Any and all sales will require the purchaser to sign the County's Environmental Acknowledgement as all properties will be sold on an "as is/where is" basis. It will be the purchaser's responsibility to ensure that the intended future use of the properties will comply with all relevant zoning regulations.

The third property is located on Latham Street in Cayuga, and may have residential development potential. This property was included in the bulk sale offering in 2018, which resulted in numerous offers being presented and which were outlined to Council in Report CS-SS-27-2018. Due to the significant interest in this land, Council directed that the property be marketed by a local realtor for 60 days with a list price based on the recommendation of a realtor. The property was marketed with a list price of \$129,900. No offers were received as a result of this marketing. The realtor has suggested that the list price may have been too high, based on the costs that will be required to develop this property, including servicing and Planning costs, and has suggested re-listing the property at a lower price of \$99,000. Staff recommend re-listing this property with the local realtor for a period of 60 days at the suggested lower list price.

Confidential Memorandum LSS-M06-2019 listed on the closed session Council in Committee agenda is provided to outline recommended financial parameters for the proposed negotiations. Staff are requesting delegated authority to negotiate the sale of any of the subject properties with potential purchasers, with the objective of maximizing the net proceeds from the transaction. All offers will reflect the condition that the Sale Agreement is subject to Council approval.

FINANCIAL/LEGAL IMPLICATIONS:

There are potential expenses associated with the sale of the properties, including real estate commission, which will be partially offset by the expected sale proceeds. The net proceeds from any property transaction are contributed to the Land Sales Reserve. Any sale would generate ongoing property taxation revenue and the property would no longer be the responsibility or liability of the County.

STAKEHOLDER IMPACTS:

Comments were sought from the County's Senior Management Team and all Managers with respect to the disposal of the properties recommended for disposal and there was no interest expressed in retention. All County divisions support the sale of the surplus lands and indicate no outstanding building or property issues to be resolved. The Planning and Development Division has provided additional comments regarding land use in each individual parcel's information package that will be provided to interested parties.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. Map of Main Street East, Dunnville
2. Map of Part Lot 24, Concession 3 Nanticoke
3. Map of Ottawa Street, Cayuga