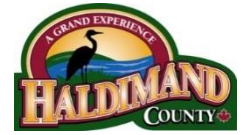

HALDIMAND COUNTY

Report LSS-18-2019 Unsolicited Offer from 2589200 Ontario Inc., Frank Marshall Business Park, Dunnville



For Consideration by Council in Committee on June 18, 2019

OBJECTIVE:

To provide details of an unsolicited offer to purchase vacant County-owned property in the Frank Marshall Business Park area in Dunnville.

RECOMMENDATIONS:

1. THAT Report LSS-18-2019 Unsolicited Offer from 2589200 Ontario Inc., Frank Marshall Business Park, Dunnville be received;
2. AND THAT Memorandum LSS-M12-2019 Additional Information Related to Report LSS-18-2019 be received as information and remain confidential;
3. AND THAT staff proceed with the direction provided by Council in closed session for the properties legally described as:
 - PIN # 38122-0371(LT), Block 2, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0372(LT), Block 3, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0382(LT), Jim Gregory Drive, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0373(LT), Block 4, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0374(LT), Block 5, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0375(LT), Block 6, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0376(LT), Block 7, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0377(LT), Block 8, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0378(LT), Block 9, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
 - PIN # 38122-0379(LT), Block 10, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733, together with an easement over Part Park Lots 6 and 8 Plan 69 and Part Lot 4 First Range from Grand River Parts 4, 5 & 6 on 18R-7006 as in CH45931; Haldimand County;

- PIN # 38122-0298(LT), Part Lot 7, Plan 720/1037, Parts 1–5 on 18R-2891 except Parts 1–8 on 18R-5939, S/T HC74121 partially released by CH30143; Haldimand County;
- PIN # 38122-0297(LT), Part Lot 7, Plan 720/1037 as in HC232001; T/W HC232001; Haldimand County;

4. AND THAT the Mayor and Clerk be authorized to execute all necessary documents;

5. AND THAT a by-law be presented to authorize a sale, if applicable.

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:

An unsolicited offer to purchase several vacant County-owned parcels of land in the Frank Marshall Business Park area, which is situated along Ramsey Drive in Dunnville, has been received. Closed session Memorandum LSS-M12-2019 provides an analysis of the options available to Council.

BACKGROUND:

Staff have received an unsolicited offer, including the applicable fee, from 2589200 Ontario Inc. (Omar Aboya) to purchase vacant County-owned land in the Frank Marshall Business Park area in Dunnville. A location map of the subject property is shown as Attachment #1. The subject properties are zoned Highway Commercial (CH), General Industrial (MG), General Industrial – Holding (MG(H)) and Light Industrial (ML), and despite the approximation contained in Mr. Aboya's offer, a review of the Reference Plans indicate the properties represent a total of approximately 21.78 acres and are legally described as:

- PIN # 38122-0371(LT), Block 2, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0372(LT), Block 3, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0382(LT), Jim Gregory Drive, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0373(LT), Block 4, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0374(LT), Block 5, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0375(LT), Block 6, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0376(LT), Block 7, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0377(LT), Block 8, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;

- PIN # 38122-0378(LT), Block 9, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733; Haldimand County;
- PIN # 38122-0379(LT), Block 10, Plan 18M41, together with an easement over Part 4 on 18R-6834 as in HC169733, together with an easement over Part Park Lots 6 and 8 Plan 69 and Part Lot 4 First Range from Grand River Parts 4, 5 & 6 on 18R-7006 as in CH45931; Haldimand County;
- PIN # 38122-0298(LT), Part Lot 7, Plan 720/1037, Parts 1–5 on 18R-2891 except Parts 1–8 on 18R-5939, S/T HC74121 partially released by CH30143; Haldimand County;
- PIN # 38122-0297(LT), Part Lot 7, Plan 720/1037 as in HC232001; T/W HC232001; Haldimand County.

If the sale is approved by Council, Mr. Aboya has advised staff that he intends to develop the property as identified on the sketch submitted with his offer, which is provided as Attachment #2. This future development will be used for several different levels of mature lifestyle living and a community indoor pool in conjunction with the neighbouring community assets (Dunnville Memorial Arena and Community Lifespan Centre).

The offer submitted contains several conditions which are briefly outlined below:

- Conditional on the County taking back a first mortgage in the amount of \$1,397,000 for 3 years at 0% interest;
- Conditional until July 5, 2019 on the Buyer, at his own expense, being satisfied as to:
 - environmental conditions of the land;
 - lands do not contain a habitat or critical habitat as defined in the *Endangered Species Act*;
 - no portion of the lands have been designated hazard land, flood plain or an environmentally protected zone;
 - rezoning of the property for the Buyer's specified use is permitted;
 - lands have no issues in regards to indigenous treaty lands in regards to all aspects with archeological or cultural claims and findings.

The offer contains a warranty clause regarding the environmental condition of the lands, which is not consistent with the County's past practice. The County's standard practice is to sell all property on an "as is/where is" basis and the Buyer signs an acknowledgement confirming this. If a counter offer is authorized by Council, it will need to include the insertion of the County's standard Environmental Acknowledgement.

The current offer also contains several usual acknowledgements by the Buyer and the County, specific details of which are outlined in Schedule A of the offer, which is included as Attachment #2.

The County is already under contract to sell one of the subject parcels of land, which is identified as Parcel 8 on Attachment #1, therefore this property cannot be dealt with. If Council wishes to consider Mr. Aboya's offer, Parcel 8 must be removed from the Agreement of Purchase and Sale, prior to acceptance or making a counter offer.

ANALYSIS:

When an unsolicited offer to purchase County property is received, staff are required to bring the offer forward in open session for Council's consideration. In order to determine the feasibility of the sale of this property, staff contacted all County Divisions to determine if there is a municipal need for the lands, in whole or in part, or if there are certain restrictions or provisions that should be placed on the sale.

Comments received indicated that Council has not officially approved a change to the land use designation of the Frank Marshall Business Park lands that would allow the proposed development. Comments furthermore stated that acceptance of this offer would be premature until such time as the Haldimand County Growth Strategy and Official Plan Review is completed, allowing for a competitive sale process to be undertaken so the County may maximize the property's potential and the benefit to the community.

The following staff comments were received:

Planning and Development

The subject properties are located in the Frank Marshall Business Park (FMBP), and are identified as core employment (industrial) lands within the County's Official Plan (OP). The proposal put forward as part of the unsolicited offer is not supported within the current land use designation. As part of the preliminary County growth strategy, the FMBP lands have been identified as candidate for a designation change to allow for mixed and/or residential use. However, that process must be dealt with as part of the County's Municipal Comprehensive Review (Official Plan update). More specifically, under current Provincial planning rules the change in designation needs to be considered as part of an overall evaluation of the employment land supply relative to need over a 20 year term. Council should first of all approve the employment land budget and secondly any change in land use designation for these lands through the necessary Official Plan update process. Based on this, and the fact that Council has not officially approved the changing of the designation of the FMBP lands, acceptance of this offer would be premature.

Facilities Capital & Asset Management:

The existing storm water management system is near capacity. New development requires re-engineering and verification of the existing storm water management system.

Parcel 9 contains underground utilities.

Proposed development of Parcels 1 and 2 will limit future expansion of the arena facility.

The proposed development may also present incompatible uses with the truck route which services the Memorial Arena, Lifespan Centre and existing businesses on Ramsey Drive.

Community Development and Partnerships & Economic Development & Tourism Divisions:

Agree with the above noted comments of the Planning and Development Division.

Engineering Services:

The storm water management pond identified as Parcel 10 is at capacity and will require expansion to accommodate future development.

Water & Wastewater Engineering & Compliance:

The subject properties appear to have services, but they are large services designed for non-residential development (150mm water, unclear as to sanitary). Existing services may need to be removed and replaced based on property use to adhere to the Water By-law and design criteria requirements.

Corporate & Social Services:

Council may wish to consider the housing shortage in the community, and throughout Ontario, when reviewing this proposal, and the positive impact this may have for the community.

Council may also wish to consider the Province wide shortage of Personal Support Workers and what impact this may have on the ability to recruit staff for an additional long term care facility, as well as the impact it may have on other long term care facilities in the community and surrounding area.

Mr. Aboya has paid the \$690 administration fee and submitted his offer for the subject properties. The offer is in the amount of \$1,497,000 and contains several conditions, details of which are summarized above in this Report.

Staff have reviewed the offer and have prepared confidential Memorandum LSS-M12-2019, which provides additional information regarding options for the disposal of this property, for discussion during the Closed Session of the Council in Committee meeting of June 18, 2019. Staff will then proceed in accordance with Council's direction.

A recommendation declaring the property surplus will be required should Council decide to sell it.

FINANCIAL/LEGAL IMPLICATIONS:

The County will be responsible for its title searching costs, which are estimated at approximately \$350.

If the properties are declared as surplus and sold, net revenue generated from the sale of the property would be placed in the Industrial Land Sales Reserve.

The County is currently under contract for one of the subject parcels of land, therefore that particular parcel cannot be dealt with.

If sold, the property would generate property tax revenue and would no longer be the responsibility or liability of the County.

STAKEHOLDER IMPACTS:

Planning and Development, Economic Development & Tourism, Facilities Capital & Asset Management, Engineering Services, Water & Wastewater Engineering & Compliance, Corporate & Social Services and Community Development & Partnerships staff have provided information for this report.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. Map of the Subject Lands
2. Offer from 2589200 Ontario Inc.