
HALDIMAND COUNTY

Report LSS-08-2020 Additional Information Related to Report CS-SS-02-2016 Road Closure Applications – Thorburn Village and Cadillac Estates



For Consideration by Council on March 9, 2020

OBJECTIVE:

To obtain authorization to enter into an Amendment to the Agreement of Purchase and Sale with 2271313 Ontario Inc.

RECOMMENDATIONS:

1. THAT Report LSS-08-2020 Additional Information Related to Report CS-SS-02-2016 Road Closure Applications – Thorburn Village and Cadillac Estates be received;
2. AND THAT an Amendment to Agreement of Purchase and Sale be entered into between the Corporation of Haldimand County and 2271313 Ontario Inc. in order to convey the lands identified in the original Agreement in two separate land transactions, being Thorburn Village, for a purchase price of \$145,914.22 and Cadillac Estates for a purchase price of \$154,085.78, plus HST and all applicable closure and conveyance costs, with a condition that the purchase price of the Cadillac Estates property, if not finalized within three years, be revalued to align with current market value at that time;
3. AND THAT by-laws be presented to authorize the individual sales;
4. AND THAT By-law 1751/16 passed on the 12th day of December, 2016 be repealed;
5. AND THAT the Mayor and Clerk be authorized to execute all necessary documents.

Prepared by: Sandra Marsh, Property Coordinator

Reviewed by: Lori Friesen, Manager, Legal & Support Services

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

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

In order to allow the purchase of County-owned lands required for developments known as Thorburn Village and Cadillac Estates in separate transactions, an amendment to the original Agreement of Purchase and Sale is required. It is also necessary to pass new by-laws authorizing the sales to take place independently and repeal the original by-law authorizing the sale as one transaction.

BACKGROUND:

Included in the open session agenda of the Council in Committee meeting of June 7, 2016 was Report CS-SS-02-2016 Re: Road Closure Applications - Thorburn Village and Cadillac Estates and related closed Memorandum CS-SS-M08-2016. A subsequent closed Memorandum CS-GM-M03-2016 was

included in the closed session agenda of the June 13, 2016 Council meeting. The report and related memorandums dealt with a road closure and conveyance request and a request to purchase portions of various other roads in Cayuga that were previously closed by by-law, to facilitate the two developments. At the June 13, 2016 closed session of the Council meeting, staff were requested to provide additional information on comparable County land sales and report back to the next Council in Committee meeting. At the June 21, 2016 closed session of the Council in Committee meeting, Memorandum CS-GM-M04-2016 was presented and the property (unopened roads) were offered for sale to the applicant in accordance with the direction provided to staff.

The original request from the Applicant, 2271313 Ontario Inc. (Michael Corrado), was to purchase the road allowances in order to accommodate new developments in Cayuga known as Thorburn Village and Cadillac Estates. This request included the road allowances located within both future developments.

The County and 2271313 Ontario Inc. entered into an Agreement of Purchase and Sale to purchase all of the road allowances located in both future developments for a purchase price of \$300,000. A deposit in the amount of \$5,000 was received from the Applicant and the closing date of the transaction was "60 days after the Engineering plans are approved by the Manager, Engineering Services for Haldimand County".

The development has not moved forward as it continues to work through the final approval stage and as of the date of this memorandum, the property transaction has not been finalized.

The developer has requested that the property transaction be finalized in separate transactions for each development.

ANALYSIS:

Staff met with the applicant, the Mayor and the local Councillor in order to determine if the purchase could be separated into two transactions – roads within Thorburn Village and roads within Cadillac Estates. Since the Thorburn development will likely be advancing well before the Cadillac development and both projects are separate and distinct from one another, there was mutual agreement to allow for the purchases to take place separately. This would allow the applicant to only purchase the lands required for the upcoming development, being Thorburn Village for a purchase price of \$145,914.22 and purchase the Cadillac lands for a purchase price of \$154,085.78 at a future date.

The direction provided to staff in closed session of the June 21, 2016 Council in Committee meeting and subsequent Council resolution would still be followed if the land transactions were separated; however, new by-laws would need to be passed for each development and the previous by-law authorizing the sale would need to be repealed. In addition, a mutual amendment to the Agreement of Purchase and Sale would need to be signed, which would identify the property transactions separately and with separate purchase prices and closing dates. The applicant is ready to move forward with the Thorburn Village development and a closing date of March 27, 2020 is appropriate. In order to ensure the subsequent development, Cadillac Estates, land transaction is finalized within a reasonable timeframe, staff recommend a time limit in which the transaction is to be completed (i.e. 3 years). If the transaction has not finalized within three years and the applicant still wishes to proceed with the purchase, the land value would be re-evaluated to reflect the current market value of the land at the time, based on an appraisal, with all other aspects of the transaction remaining the same. This option should be considered to protect the value of the public lands, rather than holding the land indefinitely at a 2016 value, in the event that the development does not materialize as quickly as intended.

FINANCIAL/LEGAL IMPLICATIONS:

A mutual amendment to the Agreement of Purchase and Sale will be required in order to allow the property transactions to occur on separate dates for each development and to include the provision above related to re-evaluating the sale price after three years from the date of the amending agreement being signed. The solicitor for the purchaser has indicated to staff that they are in agreement with the changes.

The original by-law authorizing the sale will need to be repealed and new by-laws for each development will need to be passed.

STAKEHOLDER IMPACTS:

Planning & Development and Engineering Services divisions have provided information for this report.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. Amendment to Agreement of Purchase and Sale - Corrado