
HALDIMAND COUNTY

Report CS-SS-03-2018 Unsolicited Offers - Aikens Road Area, Dunnville For Consideration by Council in Committee on January 16, 2018



OBJECTIVE:

To provide details of unsolicited offers to purchase vacant surplus County property on Aikens Road, in Dunnville, in response to a motion of deferral and further direction provided to staff at the November 20, 2017 Council meeting.

RECOMMENDATIONS:

1. THAT Report CS-SS-03-2018 Unsolicited Offers – Aikens Road Area, Dunnville be received;
2. AND THAT Memorandum CS-SS-M01-2018 Additional Information Related to Report CS-SS-03-2018 be received as information and remain confidential;
3. AND THAT Report CS-SS-31-2017 Unsolicited Offers to Purchase Vacant Land – Aikens Road, Dunnville be received as information;
4. AND THAT Memorandum CS-SS-M12-2017 Additional Information Related to Report CS-SS-31-2017 Unsolicited Offers to Purchase Vacant Land – Aikens Road, Dunnville be received as information and remain confidential;
5. AND THAT PIN # 38134-0238(LT), Part Lot 7, Concession 2, north of Dover Road, being Part 44 on 18R9, Dunn, now Haldimand County, be declared surplus to the needs of the municipality;
6. AND THAT staff be authorized to negotiate the sale of the subject properties, legally described as: PIN # 38134-0237(LT), Part Lot 7, Concession 2, north of Dover Road, being Part 43 on 18R9, Dunn, now Haldimand County; PIN # 38134-0238(LT), Part Lot 7, Concession 2, north of Dover Road, being Part 44 on 18R9, Dunn, now Haldimand County; and PIN # 38134-0239(LT), Part Lot 7, Concession 2, north of Dover Road, being Part 45 on 18R9, Dunn, now Haldimand County; in accordance with Option ____ as outlined in Memorandum CS-SS-M01-2018;
7. AND THAT public notice of the pending sale be published in the local newspaper;
8. AND THAT the Mayor and Clerk be authorized to execute all necessary documents;
9. AND THAT once a final sale agreement has been reached, a by-law be presented to authorize the sale.

Prepared by: Sandra Marsh, Property Coordinator

Reviewed by: Dana McLean, Risk Management and Insurance Coordinator

Respectfully submitted: Karen General, CPA, CGA, General Manager of Corporate Services

Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

Report CS-SS-31-2017 Unsolicited Offers to Purchase Vacant Land – Aikens Road, Dunnville and Private and Confidential Memorandum CS-SS-M12-2017 were presented to Council in Committee (CIC) on Tuesday, November 14, 2017. The report and memorandum dealt with two unsolicited offers to purchase the same property. At the November 20, 2017 Council meeting, this matter was deferred in order to determine if the parties submitting offers were interested in purchasing any additional County owned land in the same area. Staff discussed this option with the original parties and subsequently received new offers to purchase additional parcels of vacant County-owned lands on Aikens Road, in Dunnville.

BACKGROUND:

Staff have received new offers to purchase vacant parcels of County-owned surplus land located on Aikens Road, Dunnville. A map of the area identifying the subject properties is included as Attachment #1, with further details as follows. It should be noted that the County also owns several other lots in this area which are identified in yellow on Attachment #1.

Part 43 on 18R9:

The subject property, totalling 0.63 acres, is legally described as PIN # 38134-0237(LT), Part Lot 7, Concession 2, north of Dover Road, being Part 43 on 18R9, Dunn, now Haldimand County. The subject property was declared surplus via a Council resolution in 2004.

Part 44 on 18R9:

The subject property, totalling 0.72 acres, is legally described as PIN # 38134-0238(LT), Part Lot 7, Concession 2, north of Dover Road, being Part 44 on 18R9, Dunn, now Haldimand County. This parcel has not previously been declared surplus. All relevant County Divisions were contacted and have confirmed they do not require these lands for municipal purposes and the lands can be formally declared surplus to the needs of the municipality.

Part 45 on 18R9:

The subject property, totalling 0.77 acres, is legally described as PIN # 38134-0239(LT), Part Lot 7, Concession 2, north of Dover Road, being Part 45 on 18R9, Dunn, now Haldimand County. The subject property was declared surplus via a Council resolution in 2004.

ANALYSIS:

Under the County's current Land Disposal Policy, Council has discretion as to selling land directly to a buyer, marketing property openly, listing the property with a realtor, conducting a sealed bid process using internal resources or retaining the property. Details that need to remain confidential, such as land values and negotiating parameters, are provided to Council through closed session memorandums. Closed session Memorandum CS-SS-M01-2018 provides an analysis of the options available to Council.

Offers have been received from Galina Tarnopolski for the purchase of two parcels shown on Attachment #1, as follows: Part 44 on 18R9, in the amount of \$11,000 plus HST (Attachment #3); and Part 45 on 18R9, in the amount of \$11,300 plus HST (Attachment #2). Both offers have a closing date of February 20, 2018. Ms. Tarnopolski indicated that she intends to hold both properties for future development and may do some gardening on the lands. The combined offered purchase price for both properties is \$22,300 plus HST.

An additional offer on has been received from 1541189 Ontario Inc. (Ron Ticchiarelli) for the purchase of three County owned lots, including the two parcels identified above (Attachment #4). This offer is for Parts 43, 44 & 45 on 18R9, in the amount of \$23,000 plus HST, with a closing date of March 15, 2018. Mr. Ticchiarelli advises that he would like to purchase the lands for future development purposes. He intends to reduce the number of lots in the area, complete the required studies and work with County Planning staff and other land owners in order to achieve this goal. Mr. Ticchiarelli is in the process of contacting other land owners in the area to see if they can all work together in order to provide better development opportunities for this area. If successful, Mr. Ticchiarelli hopes to reduce the number of lots in the area from 60 down to 20, in order to aid in the development potential of these lands. If all required studies are accepted and development approvals are obtained, Mr. Ticchiarelli hopes to create several viable building lots. Mr. Ticchiarelli is aware that there are several requirements that need to be met in order to achieve this goal.

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 to retain the lands (even though Parts 43 and 45 on 18R9 were previously declared surplus in 2004), or if there are certain restrictions or provisions that should be placed on the sale. All comments received supported the sale, with the Planning & Development Division providing the following comments regarding future development:

Properties in this area are subject to special provision 37.2 in the Town of Dunnville Zoning By-law 1-DU 80 which prohibits the construction of a one family dwelling house which would otherwise be a permitted use in the A zone. The other uses of the A zone are permitted for this property. There are Grand River Conservation Authority regulation limits that affect the property, any development of the lands will need to conform to the GRCA's regulations.

In the future if a re-zoning application is submitted it will need to be accompanied by additional studies such as: hydro-geological assessment to determine if there is a suitable location for a septic system, grading and drainage plan, any other work that would otherwise be required through the subdivision process. The subject property, and those in the vicinity were created through a process referred to as checker boarding, rather than the subdivision process. Checker boarding was an approach that was used to accelerate development in some cases, but this left opportunities for aspects of the development to be overlooked (e.g. servicing the lots). This practice has since been stopped through changes to the Provincial Planning Act and local policies, but the reality is that these properties exist and so in an effort to ensure that development occurs in an appropriate fashion, development potential has been removed subject to the owners completing the necessary work to satisfy the County that a dwelling and its servicing can be located on the lands.

It should be noted as well that a number of lots within this area have been subject to planning applications in the past and in each case the applications were refused due to the lack of supporting information and comprehensive area analysis as described above. In both cases the applicants brought the matter to the Ontario Municipal Board (OMB) and in both cases the OMB fully endorsed the County's position and agreed that due to the density and area characteristics (low lying, regularly wet conditions) that a comprehensive assessment of development potential is required.

Both parties that submitted offers are aware that the lands are currently not able to be developed and have indicated they would still like to proceed with their offers to purchase. All County-owned lots in this area, identified in yellow on Attachment #1, also have the same development restrictions.

Staff have reviewed the offers and have prepared confidential Memorandum CS-SS-M01-2018, which provides additional information regarding negotiations for the sales, for discussion during the Closed session of the Council in Committee meeting of January 16, 2018.

FINANCIAL/LEGAL IMPLICATIONS:

The County will be responsible for title searching and registration costs, which are estimated at approximately \$200.

If the properties are sold, net revenue generated from the sale of the property would be placed in the Land Sales Reserve in accordance with County Policy. Disposal of this surplus property would also provide ongoing future benefits through annual property tax revenue and would no longer be the responsibility or liability of the County.

STAKEHOLDER IMPACTS:

The Planning & Development Division has provided comments on the proposed sale. These comments have been included in the body of this report.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. Map of the Area
2. Tarnopolski Offer Part 45
3. Tarnopolski Offer Part 44
4. 1541189 Offer Parts 43 Part 44 Part 45