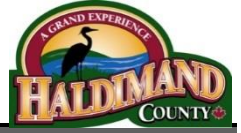

HALDIMAND COUNTY

Report CMS-GM-03-2018 Purchase of Land for a New Caledonia Fire/EMS Station

For Consideration by Council in Committee on January 16, 2018



OBJECTIVE:

To obtain approval to purchase property for a new Fire/EMS station at the north-end of Caledonia and to amend the project budget for this land acquisition accordingly.

RECOMMENDATIONS:

1. THAT Report CMS-GM-03-2018 Purchase of Land for a New Caledonia Fire/EMS Station, as amended, be received;
2. AND THAT the attached Offer of Purchase and Sale for the County's purchase of approximately 2.77 acres of land at 250 Argyle Street North, Caledonia, legally described as Seneca Range 1, East of Plank Road, Part Lot 11, RP 18R4715 Parts 1 and 5, be approved;
3. AND THAT the Mayor and Clerk be authorized to sign the required documentation to purchase this property;
4. AND THAT the amended budget for the land acquisition for the new Caledonia Fire/EMS Station, as outlined in Report CMS-GM-03-2018, be approved.

Respectfully submitted: B. Hugh Hanly, General Manager of Community Services

Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

Report CMS-ES-04-2017 Caledonia Emergency Services Station Location, presented in closed session at the October 24, 2017 Council in Committee meeting, identified two properties that would be appropriate for the construction of a new fire/EMS station. For the reasons outlined in that report, one property location was much preferred over the other location from a fire protection perspective as it was closer to the core and southern portion of Caledonia (south of the Grand River). Staff were given authority to negotiate for the acquisition at the preferred location. Negotiations while eventually successful required some minor revisions to the negotiating parameters. The Offer of Purchase and Sale was accepted by the owner within the amended parameters authorised by Council. Council's approval of the acquisition and the amended budget, which reflects the negotiated price, is now required in order to conclude this transaction.

BACKGROUND:

In 2014, staff proposed and Council approved a budget of \$750,000 for the purchase of property for a new Fire/EMS Station on the north side of Caledonia. The figure of \$750,000 was established based on sales from earlier years as there were no comparable sales available. During the period of time between the original budget approval and now, staff worked to identify options for emergency service

delivery in Caledonia given the projected population growth on both sides of the river. With the growth that Caledonia is experiencing as a result of the Avalon development, and other subdivisions that are planned in the community, it was determined that the current fire hall is too small to house future equipment requirements, and is not located in an optimum location.

Report CMS-ES-04-2017 identified two parcels of vacant land that would be adequate for the development of a new Fire/EMS station on the north side of Caledonia. Staff recommended that the property at 250 Argyle Street North be selected as the preferred property after consultation with senior fire staff and local volunteer firefighters as it was felt that the other option was too far from the core and southern portion of Caledonia to meet fire protection requirements.

Once negotiations began with the owner's representative of the preferred site, it became apparent that the approved negotiating parameters would not be sufficient. It was raised that a property of similar size and characteristics in the immediate area had sold for \$1.4 million in 2010. It was then apparent that the parameters required an increase if the preferred location of Fire Services staff and local volunteer firefighters was to be purchased. Report CMS-GM-06-2017 and Report CMS-GM-07-2017 were submitted to Council to advise of the outcome of the negotiations to that point and to request increased negotiating parameters. Again, because of the support by the local firefighters, and the recognition that property values had significantly increased since the 2014 budget was initially approved, Council directed, in closed session, that the parameters and budget be increased.

Following direction from Council at the December 11, 2017 closed session meeting, staff presented the property owner's representative with an offer of \$1.3 million to purchase the subject lands. Staff received a counter offer from the owner's representative that included some changes to the conditions, but accepted the offered amount of \$1.3 million.

ANALYSIS:

The seller's counter offer (included as Attachment #1) for the purchase of the subject property includes the following changes to conditions:

- The reference plan must be acceptable to the owner prior to registration.
- The counter offer must be accepted by February 9, 2018 or it becomes null and void.
- A certified cheque in the amount of \$100,000 is required as a deposit.
- County can waive any condition with 30 days notice if the work can be done prior to the closing date.
- Closing date is June 30, 2018.
- Taxes are to be adjusted once the reference plan is deposited and the land reassessed given the need to create two roll numbers due to the division of the current lot.
- Acknowledgement that consent from the Committee of Adjustment is not required to divide this property, given that this is allowed under the provisions of the Planning Act because it is for municipal purposes.

Staff agree with the above conditions and recommend that the counter offer be accepted.

During the time period between 2014 and now, real estate values have increased dramatically resulting in the need for an amendment to the land acquisition budget. This was noted to Council in Report CMS-ES-04-2017.

Acquisition of this land will ensure the County owns suitable property for the future Caledonia Fire Station/EMS on the north side. The Draft 2018 to 2027 Capital Forecast identifies construction of this new facility, in the year 2022, at an estimated cost of \$4,525,300, excluding the land acquisition component outlined in this report. Closer to the year of construction, a report to Council will provide

more information on the Caledonia emergency service requirements, including recommendations regarding the future of the existing Fire/EMS facilities in that community.

FINANCIAL/LEGAL IMPLICATIONS:

The following table illustrates the required budget amendment for the purchase of property in Caledonia for the development of a new fire/EMS station on the north side. The recommended budget includes amounts for any taxes payable and for preliminary studies related to geology, environmental and archaeological issues.

Description	Approved Budget 2014	Increased parameters Oct. 30/17	Increased Parameters Dec 5/17	Revised Budget 2018
Purchase of land for new Fire/EMS Station	\$750,000	\$1,000,000	\$1,400,000	\$1,300,000
Taxes, preliminary studies	Included in above	\$77,075	\$92,115	\$100,000
Total	\$750,000	\$1,077,075	\$1,492,115	\$1,400,000
Funding				
CRR General	\$750,000	\$1,077,075	\$1,492,115	\$1,400,000

This land acquisition was originally approved to be financed from the Capital Replacement Reserve General. Given the significant increase, such a source of financing is not likely appropriate. Finance staff will be reviewing the suitability of alternative sources, including the Land Sales Reserve, Development Charges and/or debentures, and will prepare any required amendments for consideration at the Council in Committee meeting of January 16, 2018.

STAKEHOLDER IMPACTS:

Support Services was involved in the negotiation of the purchase of the land. Finance and Support Services have reviewed and commented on the information contained in this report. The firefighters in Caledonia support the location of the property for a new Fire Hall/EMS Station.

REPORT IMPACTS:

Agreement: Yes

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. Amended Offer Of Purchase and Sale

CLERK'S DIVISION REVIEW Report CMS-GM-03-2018 Purchase of Land for a New Caledonia Fire/EMS Station	
<p>COUNCIL IN COMMITTEE: RECOMMENDATION NO</p> <p><input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Approved with Amendments</p> <p><input type="checkbox"/> Defeated</p> <p><input type="checkbox"/> Deferred</p> <p><input type="checkbox"/> Other <input type="text"/></p>	<p>COUNCIL: RESOLUTION NO:</p> <p><input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Approved with Amendments (Noted below)</p> <p><input type="checkbox"/> Defeated</p> <p><input type="checkbox"/> Deferred</p> <p><input type="checkbox"/> Other <input type="text"/></p>
Council Direction:	
Clerk's Division Action Taken:	