



Subject: Offer to Purchase – Ravine Lands West of Borden Crescent

Report Number: EDM 21-21

Department: Economic Development and Marketing

Submitted by: Cephas Panschow, Development Commissioner

Meeting Type: Council Meeting

Meeting Date: Monday, July 12, 2021

RECOMMENDATION

THAT Council receives report EDM 21-21 Offer to Purchase – Ravine Lands West of Borden Crescent;

AND THAT a By-Law be brought forward to authorize the Mayor and Clerk to enter into an agreement of purchase and sale with Tillsonburg Developments Inc in Trust for 2407774 Ontario Limited for the property described Parts 1, 2, 3 and 4, Plan 41R-8799.

BACKGROUND

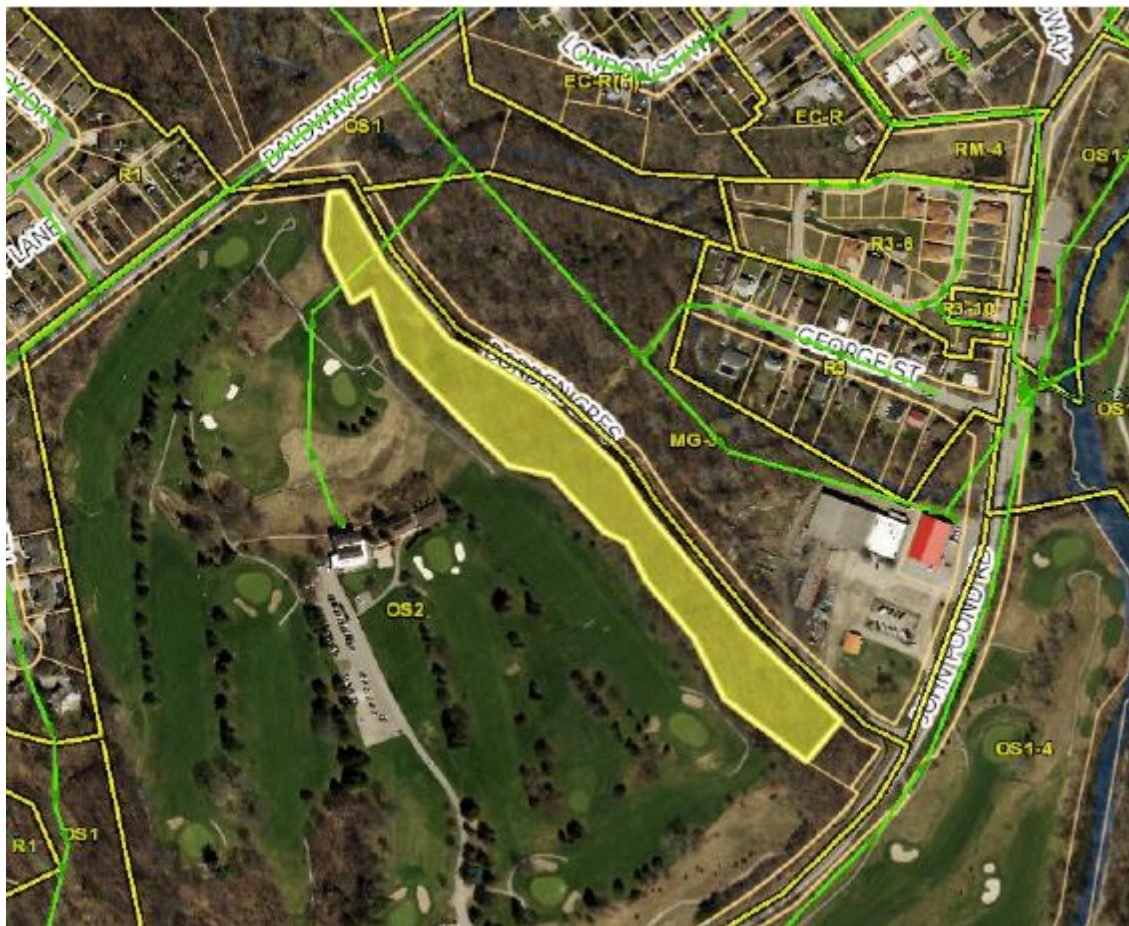
Council declared the ravine lands west of Borden Crescent as surplus to the Town's needs at the April 12, 2021 meeting:

THAT Council receives report EDM 21-13 Surplus Land Declaration – Ravine Lands West of Borden Crescent;

AND THAT the ravine lands west of the Borden Crescent right of way, described as Parts 1, 2, 3 and 4, Plan 41R-8799, be declared surplus to the needs of the Town of Tillsonburg in accordance with By-Law 2021-031 (land disposition) including suitable notification to the public.

Further to the surplus declaration, the Town has received an offer to purchase from Tillsonburg Developments Inc who has entered into an agreement with the owner of the Bridges at Tillsonburg Golf Course (2407774 Ontario Limited) to develop a portion of the property for residential. The purpose of this report is to seek Council direction with respect to negotiating with Tillsonburg Developments Inc regarding a potential sale of these lands.

Subject Property: Ravine Lands West of Borden Crescent



DISCUSSION

2407774 Ontario Limited is working with Tillsonburg Developments Inc to redevelop a portion of The Bridges at Tillsonburg Golf Course for residential development. Approximately thirteen residential lots are anticipated to back up to the southerly portion of the ravine lands and the developer would like to acquire these lands to offer deeper lots for sale. Their proposal to the Town is that selling these lands would relieve the Town of any responsibility for ongoing maintenance and insurance of the lands while at the same time generating additional tax revenue for the larger lots.

The developer has indicated that there are no plans to extend any development into the ravine lands and that they will be including protections for the ravine lands in their legal agreements including prohibition against the construction of any buildings (shed, etc) in those areas. This would be similar to the agreement that was entered into for the protection of the forested areas in other subdivisions in Town.

The Development Commissioner has reviewed the offer and discussed with Duncan, Linton LLP and is recommending that the offer be accepted by Council.

CONSULTATION

In reviewing the offer in consultation with Duncan, Linton LLP, staff has noted the following:

Item	Comments
Price of \$24,000 or \$5,000/Acre	See Financial Implications - Any subsequent loss as a result of the book value differential will be realized as a 2021 financial impact and contribute to the Town's overall year-end surplus/deficit position.
Clause 5 – Council Approval	Addition of condition allowing the agreement to terminate if the developer is unable to obtain planning approvals for the proposed development on the adjacent property
Clause 9 – “As-is” Condition	Purchaser has added that it must satisfy itself as to their requested restrictions, that it will not do any testing on the lands as it has no intention of developing the lands. Further, they intend to enter into agreements with agencies to protect the sensitive nature of the ravine lands and add restrictive covenants to the buyers of these lots
Clause 14 (a) – Proposed Resale	Purchaser confirms that it is their intent, if their development is approved, to resell the subject lands to individual property owners, but if it does not proceed, they will sell the lands back to the town for the same price as they purchased them
Clause 14 (b) – Proposed Resale	Purchaser agrees to not sell the property prior to development to any party without first offering them back to the Town
Schedule “B” - Purchaser Conditions	Conditional on the Vendor agreeing that the Purchaser is purchasing the subject lands as an agent for 2407774 Ontario Limited

Schedule D	Easement already registered across the property will be added to this agreement on closing
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FINANCIAL IMPACT/FUNDING SOURCE

The subject lands were transferred to the Town in exchange for debt forgiveness relating to the golf course redevelopment. The historical transaction valued these lands at \$300,000 which is reflected on the Town's balance sheet. A current estimate of the property's value was obtained through an appraisal prepared by SW Irvine and Associates, which valued the 4.76 Acres of land at \$24,000 as of May 5, 2021. Any subsequent loss as a result of the book value differential will be realized as a 2021 financial impact and contribute to the Town's overall year-end surplus/deficit position.

In addition to the purchase price, the purchasers would be required to pay the Town's legal and survey costs related to the transaction.

COMMUNITY STRATEGIC PLAN (CSP) LINKAGE

1. Excellence in Local Government ☐ Demonstrate strong leadership in Town initiatives
 - ☐ Streamline communication and effectively collaborate within local government
 - ☒ Demonstrate accountability
2. Economic Sustainability
 - ☒ Support new and existing businesses and provide a variety of employment opportunities
 - ☐ Provide diverse retail services in the downtown core
 - ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy
3. Demographic Balance
 - ☐ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☐ Provide opportunities for families to thrive
 - ☐ Support the aging population and an active senior citizenship
4. Culture and Community
 - ☐ Promote Tillsonburg as a unique and welcoming community
 - ☐ Provide a variety of leisure and cultural opportunities to suit all interests
 - ☐ Improve mobility and promote environmentally sustainable living

ATTACHMENTS

Appendix A – Offer to Purchase-Tillsonburg Developments Inc in Trust for 2407774 Ontario Limited