



Subject: Offer to Purchase - 25 Maple Lane Property

Report Number: EDM 22-28

Department: Economic Development Department

Submitted by: Cephas Panschow

Meeting Type: Council Meeting

Meeting Date: Monday, November 21, 2022

RECOMMENDATION

THAT a by-law be brought forward to authorize the Mayor and Clerk to enter into an agreement of purchase and sale with peopleCare Inc for the property described as Part Lot 380, Plan 500; Part 1, Plan 41R-9104, Except Part 1 Plan 41R-10139.

BACKGROUND

The purpose of this report is to seek direction to move forward with an Agreement of Purchase and Sale with peopleCare Inc for the 25 Maple Lane (former Maple Lane Public School) property. peopleCare originally entered into an Agreement of Purchase and Sale with the Town for the 31 Earle Street (Elliot Fairbairn building) in September 2019, but that agreement including a provision enabling the Town to substitute that property with another property should it be possible/desirable. That agreement specifically referenced the 25 Maple Lane property.

With the acquisition of the 25 Maple Lane property in August 2022, staff is proposing that the Town move forward with a sale of that property to peopleCare, which would enable the construction of the recently announced 160 bed, Long Term Care home in the Town along with Continuum of Care campus that includes an estimated 150 Retirement Home beds, and 69 newly proposed Senior's Apartments for an estimated total of 379 units.

peopleCare's proposal is significantly larger than the original proposal and also includes a centre of excellence partnership. While preliminary, the "centre of excellence" partnership is intended to address the Town's need for more post-secondary education in terms of expanded partnerships and availability of programs locally. peopleCare has indicated that they have a number of relationships with post-secondary institutions in

this regard and they would be including space in their development to support local programming.

The benefits of this proposed transaction are significant as the Long Term Care and Retirement Apartments will go a long way towards meeting the needs of the community while creating up to 200 jobs in the Health Care Sector!

It should be noted that peopleCare has an excellent reputation as a care provider and has been named one of Canada’s Best Managed Companies nine times, which is due to their commitment to innovation and collaboration to improve resident care and quality of life, and support staff, families and partners. They have been acknowledged for their mission-driven leadership, contributions to meeting the needs of local seniors through intergenerational care campuses and drive to be a proving ground for resident safety, innovation and excellence.

DISCUSSION

The details of peopleCare Inc’s offer to purchase are:

	Offer Details
Price	\$2,500,000
Acreage	~ 5.7 Acres
Price/Acre	\$438,596/Acre
Purchaser Conditions	<p>Conditional on Council Bylaw approval until November 30, 2022</p> <p>Due Diligence period extends 150 days from the proposed Council Approval Date of November 30, 2022</p> <p>Conditional on the Town taking possession of the 25 Maple Lane Property</p> <p>Conditional on the Purchaser being satisfied as to all aspects of the Property (financial, development feasibility, municipal agreements, title, environmental, geotechnical and engineering, and condition/appearance of the Property)</p> <p>Conditional on obtaining Board Approval</p>

	The offer would be conditional until April 29, 2023 and close 30 days thereafter.
Other Terms	<p>The Offer includes a requirement to construct a minimum building size of 10% of the area of the property or 24,800 square feet</p> <p>While the Purchaser has maintained the removal of the requirement to complete construction due to concerns from their financial institution, which staff believe to be reasonable, the town has been able to secure a reduced time to start construction of 2 years, which is also reasonable considering the complexity of a long term care (medical) building as well as the review/approvals required by the Province.</p> <p>Any credit for demolition of the building by peopleCare has been removed from Schedule D to the offer</p> <p>The Town's standard clause providing an Option for the Town to re-purchase any un-used portion of the property (assuming the Purchaser does meet their building construction requirements, but does not use all of the land), has been reduced from 30% to 25%</p>
Completion Date	30 days following the Due Diligence Date

The property is also subject to an easement in favour of 90 Tillson Avenue property (The Multi-Service Centre) who have a reciprocal easement over this property to enable the public pedestrian path that runs between Tillson Avenue and Maple Lane.

The Development Commissioner is recommending that Town Council move forward with the Offer to Purchase based on the benefits to the community in terms of meeting local need for Long Term Care beds and Retirement apartments within a Continuum of Care Campus that includes a centre of excellence partnership as well as up to 200 jobs within the campus.

The proposed offer to purchase reflects considerations for the demolition of the existing building, the increased uncertainty with respect to current market conditions due to spiking interest rates and other risk factors, the potential costs for peopleCare to include a centre of excellence in their project, and other benefits to the Town and community including significant tax revenues.

CONSULTATION

The Chief Administrative Officer and Development Commissioner have been working with the Town's solicitor, Duncan, Linton LLP, to negotiate a new agreement with peopleCare Inc. The Agreement of Purchase and Sale document has been updated to reflect the specific requirements of the Purchaser and have been approved by Duncan, Linton.

The 25 Maple Lane property has also been reviewed with the Town's Affordable/Attainable Housing committee regarding potential social housing projects. As well, interest has been received from the Tillsonburg Community Services Initiative

A Public Notice published on the Town's website (November 2, 2022), two signs have been posted on the property (November 3, 2022), published in the Tillsonburg News (Nov 10, 2022) and shared on Facebook (through another group) on November 4, 2022.

FINANCIAL IMPACT/FUNDING SOURCE

The 2019 agreement with peopleCare for the 31 Earle Street property was valued at \$1 M. The value submitted in the current offer to purchase is \$2,500,000, which equates to \$438,596/acre.

The purchase of the 25 Maple Lane Property was financed through the Economic Development Reserve with such Reserve to be reimbursed in principal and interest from the resale of the said property.

The Development Commissioner is recommending that a portion of the net proceeds be allocated towards Affordable/Attainable Housing based on the need from the community and the remaining amount allocated towards a Town Hall Reserve.

CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation
- Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

Goal – Lifestyle and Amenities – Within the community, Tillsonburg will strive to offer residents the amenities, services and attractions they require to enjoy balanced lifestyles

Strategic Direction – Work with Oxford County and community partners to ensure an adequate supply of affordable, attainable housing options.

Priority Project – Short Term - Long-term care advocacy

Goal – Business Attraction, Retention and Expansion – Through community and regional partnerships, Tillsonburg will attract and retain a diverse range of businesses, creating employment opportunities for residents and a balanced tax base.

Strategic Direction – Develop a “made in Tillsonburg” approach to education, training and development based on the workforce needs of current and prospective employers

Goal – Community Growth – The Town of Tillsonburg will accommodate and support sustainable growth

Strategic Direction – Work with Oxford County and the development community to proactively plan for a variety of housing options that are affordable and attainable for current and prospective residents

ATTACHMENTS

Appendix A – Offer to Purchase for 25 Maple Lane – peopleCare Inc