



Subject: Request for Extension – Agreement of Purchase and Sale with 2776807 Ontario Inc

Report Number: EDM 23-05

Department: Economic Development Department

Submitted by: Cephias Panschow, Development Commissioner

Meeting Type: Council Meeting

Meeting Date: Tuesday, April 11, 2023

RECOMMENDATION

THAT report EDM 23-05 Request for Extension – Agreement of Purchase and Sale with 2776807 Ontario Inc be received; and

THAT an extension in the closing date for the Agreement of Purchase and Sale between the Town of Tillsonburg and 2776807 Ontario Inc to a date at the end of July, 2023, along with minor changes in various dates as required, be granted.

BACKGROUND

Council approved the sale of lot 1 in the Van Norman Innovation Park to 2776807 Ontario Inc at their October 26, 2020 meeting:

THAT Council receive report DCS 20-24 Offer to Purchase – Van Norman Innovation Park;

AND THAT a By-Law be brought forward to authorize the Mayor and Clerk to enter into an agreement of purchase and sale with 2776807 Ontario Inc for a six acre parcel of land within the Van Norman Innovation Park.

At that time, it was anticipated that the property would transfer to the Purchaser sometime in 2021 following the registration of the various legal plans required as part of a Plan of Subdivision (Absolute Title, M-Plan, Reference Plan, etc). However, there

were a number of delays such that the legal plans were all registered until 2022. In addition to this, the Purchaser’s lawyer discovered an historical Certificate of Approval (now called an Environmental Compliance Approval) registered on title to the property for a landfill use. While this was related to the closed landfill on County lands to the south of the Van Norman Innovation Park, it took until late 2022, with extensive efforts by the Town and their advisors, to have this removed from title to the property.

Since the initial agreement was made, the economic situation has changed and the Purchaser has indicated that they require additional time to close and start on their proposed development. While the original approval by Town Council does allow for immaterial changes to the offer, the extension being requested is significant and Town staff is seeking Council direction in this regard.

DISCUSSION

2776807 Ontario Inc is proposing to construct approximately 75,000 square feet of industrial space available for lease across four buildings on the property. Their plan is to offer a wide variety of space for start-up and established businesses in the advanced manufacturing, information technology, construction and processing, etc, sectors. They are also considering a contractor type space that will offer warehouse/office space along with a small exterior compound at the rear of the property. It is estimated that the development will support in excess of 100 jobs at full buildout.

The proposed development is in the final stages of Site Plan Approval and, once transferred, they will be in a position to proceed with their plans.

Subject Property



The Development Commissioner supports this request and is recommending that an extension for the closing and related dates be granted.

CONSULTATION

The purchaser has requested that the Town agree to an extension in the closing date to allow for a recovery in the real estate market following the rapid and severe interest rates hikes that have taken place over the last year.

The Town's solicitor, Duncan, Linton LLP, has been involved in resolving the various legal issues related to selling property in the Van Norman Innovation Park and has also been consulted on an extended closing date with no concerns being raised.

FINANCIAL IMPACT/FUNDING SOURCE

There is no financial impact related to this report other than an additional 4 month delay in the Town receiving funds for the sale of the property.

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 – 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 – Ensure adequate supply of “shovel ready” land for business attraction and expansion.

EDM 23-05

Priority Project – *Ongoing Projects* - Marketing and build out of Van Norman Innovation Park and Increase diversity in manufacturing and other key sectors

ATTACHMENTS

None