



Subject: Offer to Purchase – Portion of Hale Street between Bidwell Street and Raccoon Alley

Report Number: EDM 26-008

Department: Economic Development Department

Submitted by: Cephas Panschow, Development Commissioner

Meeting Type: Council Meeting

Meeting Date: Monday, April 27, 2026

RECOMMENDATION

- A. THAT report EDM 26-008 titled “Offer to Purchase – Portion of Hale Street between Bidwell Street and Raccoon Alley” be received; and,
- B. THAT a by-law be brought forward authorizing the Mayor and Clerk to enter into an Agreement of Purchase and Sale with Sonbeam Christian Day Care (Tillsonburg) Inc and to execute any documents required to effect the sale and transfer of portions of the property along with any required easements; and,
- C. THAT the Purchaser be responsible for the Town’s valuation, survey, legal costs payable in addition to the purchase price.

BACKGROUND

Tillsonburg Town Council passed the following resolution at their October 14, 2025, meeting:

THAT report titled EDM 25-028 Surplus Land Declaration – Portion of Hale Street between Bidwell Street and Raccoon Alley be received; and,

THAT the Portion of Hale Street between Bidwell Street and Raccoon Alley, described as Hale Street, Judges Plan 500, as closed by Bylaw 2082, save and except for lands retained to reduce encroachments and easements required by public authorities, be declared surplus to the needs of the Town of Tillsonburg in accordance with Bylaw 2021-031 (land disposition) including suitable notification to the public and,

THAT the Development Commissioner be authorized to negotiate an Agreement of Purchase and Sale for these lands subject to being brought back to Council for approval, and;

THAT the Town of Tillsonburg have first right of refusal if Sonbeam Daycare sells the property in the future.

Subsequent to the property being declared surplus, the Development Commissioner has been negotiating with Sonbeam Christian Daycare regarding the property and is now bringing forward an Agreement of Purchase and Sale for Council’s consideration.

Figure 1 – Subject Property



DISCUSSION

The offer to purchase received from Sonbeam is summarized as follows:

Purchaser	Sonbeam Christian Day Care (Tillsonburg) Inc
Purchase Price	\$22,121.76
Irrevocable Date	June 30, 2026
Conditional Date	10 days prior to closing
Closing Date	14 days after any legal plan deposited or 21 days after Council approval
Purchaser Conditions (if any)	None. Town has inserted conditions regarding the termination of the existing lease with Sonbeam should this agreement

	proceed and with respect to registering an Option to Re-purchase in favour of the Town on title to the property.
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Sonbeam Christian Daycare has been leasing the outdoor amenity area from the Town for the past two years, but using the lands for approximately 40 years under a prior informal arrangement. The Hale Street Right-of-Way (ROW) lands are a critical part of their daycare operations as, without access to outdoor play area directly adjacent to their property, they would not be able to meet their licensing requirements.

They also are looking to make some improvements and upgrades to their equipment and fencing, which supports acquiring the property. In that regard, Sonbeam has provided a letter explaining their need to acquire these lands at a lower value along with justification based on the critical service they provide.

Sonbeam Christian Daycare is a non-profit organization, but with high demand for their services. In fact, they are operating at 100% capacity with 53 children and have indicated that there are an estimated 350 children on their waitlist.

Based on their longstanding use of the Hale Street lands, the importance of daycare operations in the Town, particularly as the community continues to grow, and the potential to negatively impact their operations should access to these lands be lost, as well as the nominal value of the lands due to the existing underground services and the Town's Option to Repurchase the lands in the future, the Development Commissioner is recommending that Town Council approve the Offer to Purchase negotiated with Sonbeam Christian Daycare.

CONSULTATION

The surplus lands process requires consultation and review by various Town departments and external organizations as relevant. The Town's legal advisor, Duncan, Linton LLP has also provided advice throughout the surplus and negotiation process and their comments have been incorporated into the Agreement of Purchase and Sale.

FINANCIAL IMPACT/FUNDING SOURCE

An appraisal for the property under two different scenarios was obtained from the Antec Appraisal Group (Waterloo) Inc. The appraisal, with an evaluation effective as of November 16, 2025, estimated the value of the property as follows based on the two parcels that form part of the property:

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- Part 1, comprising the main parcel, a valuation of \$65,000;
- Parts 1 and 2, comprising the main parcel and the 4 municipal parking spaces, a valuation of \$95,000.

Since the Offer to Purchase is for Part 1, the lower valuation applies. Based on negotiations with Sonbeam Christian Daycare that take into account the above considerations as well as the impact of the Town's Option to Repurchase on the value of the property, which was not considered by the appraiser, a value of \$22,121.76 has been negotiated for Council's consideration.

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 – The Town of Tillsonburg will strive for excellence and accountability in government, providing effective and efficient services, information, and opportunities to shape municipal initiatives.

Strategic Direction – Not applicable

Priority Project – Not applicable

ATTACHMENTS

Appendix A – Offer to Purchase – Sonbeam Christian Daycare (Tillsonburg) Inc