

Municipality of Chatham-Kent

Finance, Budget and Information Technology Services

Financial Services

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: April 28, 2020

Subject: Land Lease – 4388 Talbot Trail, Port Alma

Recommendation

It is recommended that:

1. Administration enter into a two year lease with Enbridge, commencing May 2020, in the amount of \$1,000 per month, for a portion of 4388 Talbot Trail, Port Alma, legally described as Part of Lot 179, Talbot Road Survey, Geographic Township of Romney, Designated as Parts 1, 2, and 3, 24R6407, subject to easement as in 84979 in favour of Union Gas Limited over Part 2, 246407; Chatham-Kent, Property Identification Number 00852 0045 (LT).

Background

This parcel fronting on the south side of Talbot Trail in the former Romney Township (GIS map attached) has a frontage of approximately 400 feet with an overall size of 4.63 acres. This parcel has the Exempt classification on it, as it has been municipal property since October 17, 2000 when the parcel was transferred to the Municipality of Chatham-Kent from the Ministry of Transportation. Currently, the property is assessed at \$111,000 and has a combined zoning of Institutional and Hazard Land.

Prior to coming under the ownership of the Municipality of Chatham-Kent, the Ministry of Transportation owned and used the parcel for provincial transportation road requirements. Since Chatham-Kent has taken ownership of the parcel, the Public Works team has made use of the buildings on the parcel for their business purposes, along with storing goods for other departments.

Public Works deemed this parcel to be surplus to their needs several years ago. A report presented at the August 11, 2014 meeting of Council was approved declaring the property surplus to the needs of the Municipality of Chatham-Kent.

Property Disposition has investigated disposing of these lands. However, a large section of the parcel is within the critically regulated area determined by the Lower

Thames Conservation Authority and development is extremely limited. Additionally, the parcel is waterfront and the Official Plan of Chatham-Kent requires that the Municipality retain all waterfront property.

In April of 2019, Council approved entering into a one year lease for the buildings on this property. The lease has since been terminated.

Comments

Administration has received an offer to lease the parcel to Enbridge for two years at \$1,000 per month, plus HST. Administration supports the offer.

Enbridge will be utilizing the outdoor space only on this property. The lease of the property is required to facilitate a project being undertaken by Enbridge along Talbot Trail.

This property is being offered for lease only.

Areas of Strategic Focus and Critical Success Factors

The recommendation in this report supports the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation in this report supports the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

Building Services confirmed the zoning of this property.

Legal Services will assist with the preparation and issuance of the lease upon Council approval.

Public Works has confirmed that the area to be leased is no longer required for their business purposes.

Financial Implications

The Property Disposition budget includes lot lease revenue. The lease proceeds offset the legal costs associated with the lease and maintenance costs. Any surplus from the lease will contribute to the revenue line. The lease of municipal lands decreases municipal maintenance costs. Over the two year term of the lease, \$24,000 in lease revenue will be received.

Prepared by:

Amy McLellan, CPA, CGA
Manager, Revenue

Reviewed by:

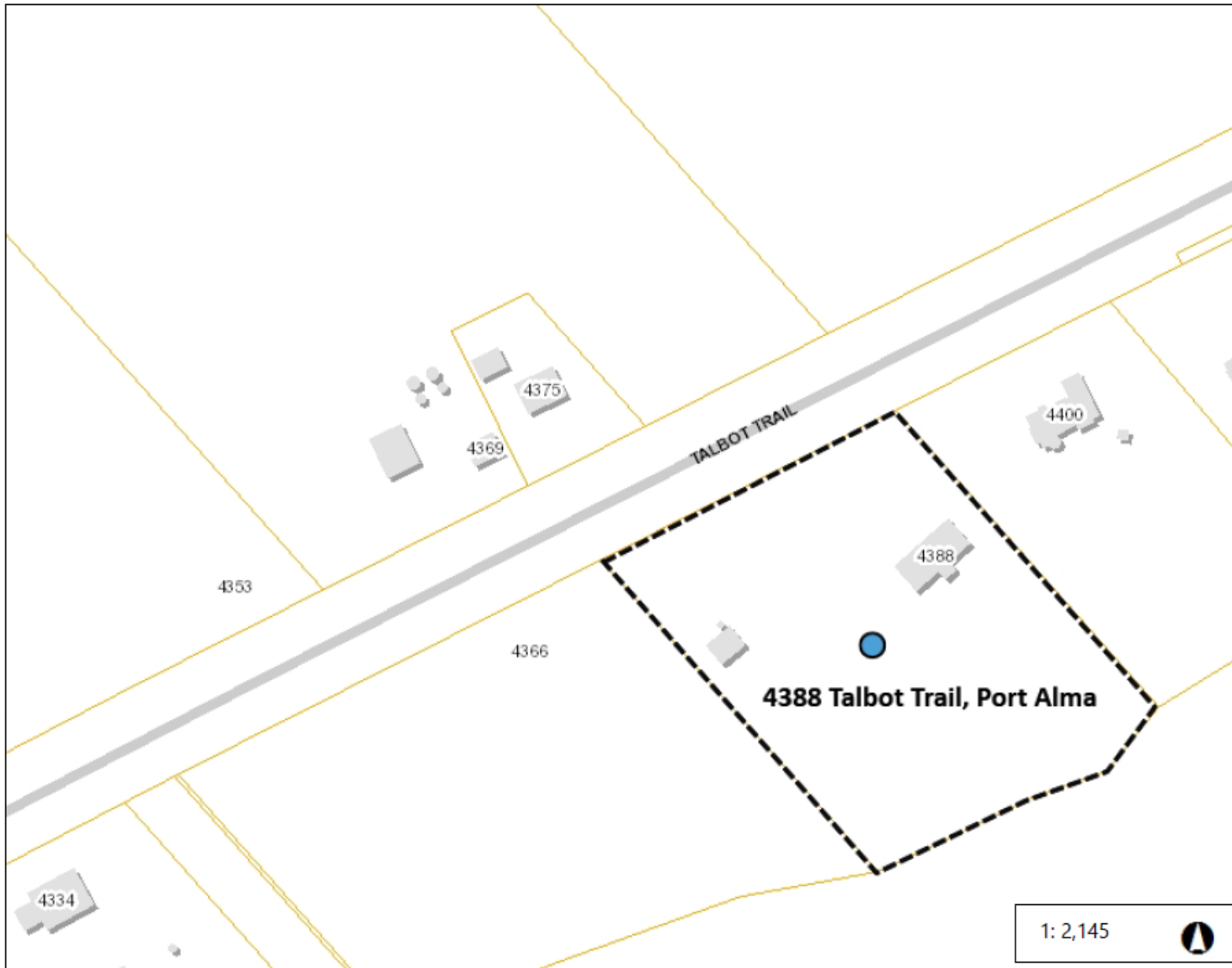
Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Reviewed by:

Gord Quinton, MBA, CPA, CGA
Chief Financial Officer, Treasurer

Attachment: GIS map of parcel

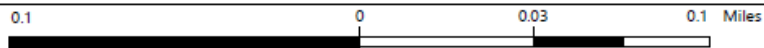
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Legend

- Ownership Parcel
- Settlement Areas
- Address Points
- Sidewalk
- Road Network
- Railway
- Building Footprint
- Drop Shadow
- Assessment Parcel

1: 2,145



NAD_1983_UTM_Zone_17N
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Notes