

Municipality of Chatham-Kent

Finance, Budget & Information Technology Services

Financial Services

To: Mayor and Members of Council

From: Steve Brown, CPA, CMA
Director, Financial Services

Date: March 28, 2018

Subject: Offer to Purchase – 11 Cecil Street South, Ridgetown

Recommendation

It is recommended that:

1. The offer to purchase from 1856281 Ontario Corp. in the amount of \$500,000 for 11 Cecil Street South, Ridgetown, legally described as Lot 41 and Part of Lot 40, Registered Plan 277 and Part of Lot 11, Concession 10, Geographic Township of Howard, Municipality of Chatham-Kent, (Property Identification Number 00700 0045 (LT)) depicted as Part 2 on 24R10317, be accepted in the negotiation process on an “As Is, Where Is” basis.

Background

The property described above is a split level apartment building with 11 units managed by the Social Housing Division of the Municipality of Chatham-Kent. This property fronting on the south side of Cecil Street in Ridgetown (GIS map attached) has a frontage of 126.17 feet. The property has an Exempt tax classification as it is municipal property. Currently, the property is assessed at \$390,000 in the Exempt tax classification. This property is zoned as “RL1” Residential Low Density.

A report to Council on June 15, 2017 declared the property as surplus to municipal needs. Since the time of declaration as surplus, a reference plan was prepared by Hook and Todgham Surveying Incorporated to depict which lands would be disposed of and which lands would be retained through this disposition.

An appraisal on this property was completed on May 5, 2017 by McIver Group Inc. providing an appraised value for the land and building of \$775,000. An opinion of value was provided to the Municipality, by the real estate agent on contract to dispose of surplus municipal property, of \$599,900. The property was listed on the market on January 8, 2018 with a list price of \$599,900 with a proposed possession date of March 15, 2018.

This property has been offered for sale by: being listed through real estate agents; MLS listings; posted on the Royal LePage Peifer Realty website, Chatham-Kent website and “For Sale” signs being posted on the property as per the requirements of our Disposition of Surplus Property By-Law requirements.

Comments

Administration has received a signed Agreement of Purchase and Sale in the amount of \$500,000. Administration supports the sale of this property to 1856281 Ontario Corp. for \$500,000. At the March 19, 2018 closed session meeting, Council directed administration to negotiate the sale.

This property is being offered for sale on an As Is, Where Is basis.

This sale has the potential for future assessment for the Municipality of Chatham-Kent and the ability to generate an overall improvement to the community. This sale will also eliminate the liability and yard maintenance costs currently being charged to the municipal budget.

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.

The Technical Advisory Committee confirmed this parcel to be surplus to municipal needs.

Legal Services will assist with closing of the sale once all conditions have been met.

Financial Implications

The sale proceeds will be transferred to the Municipal Affordable Housing Reserve and the Director, Housing Services will provide Council with a financial plan on the disbursement of these funds in accordance with the recommendation approved by Council on June 15, 2017.

Prepared by:

Amy McLellan, CPA, CGA
Manager, Revenue

Reviewed by:

Reviewed by:

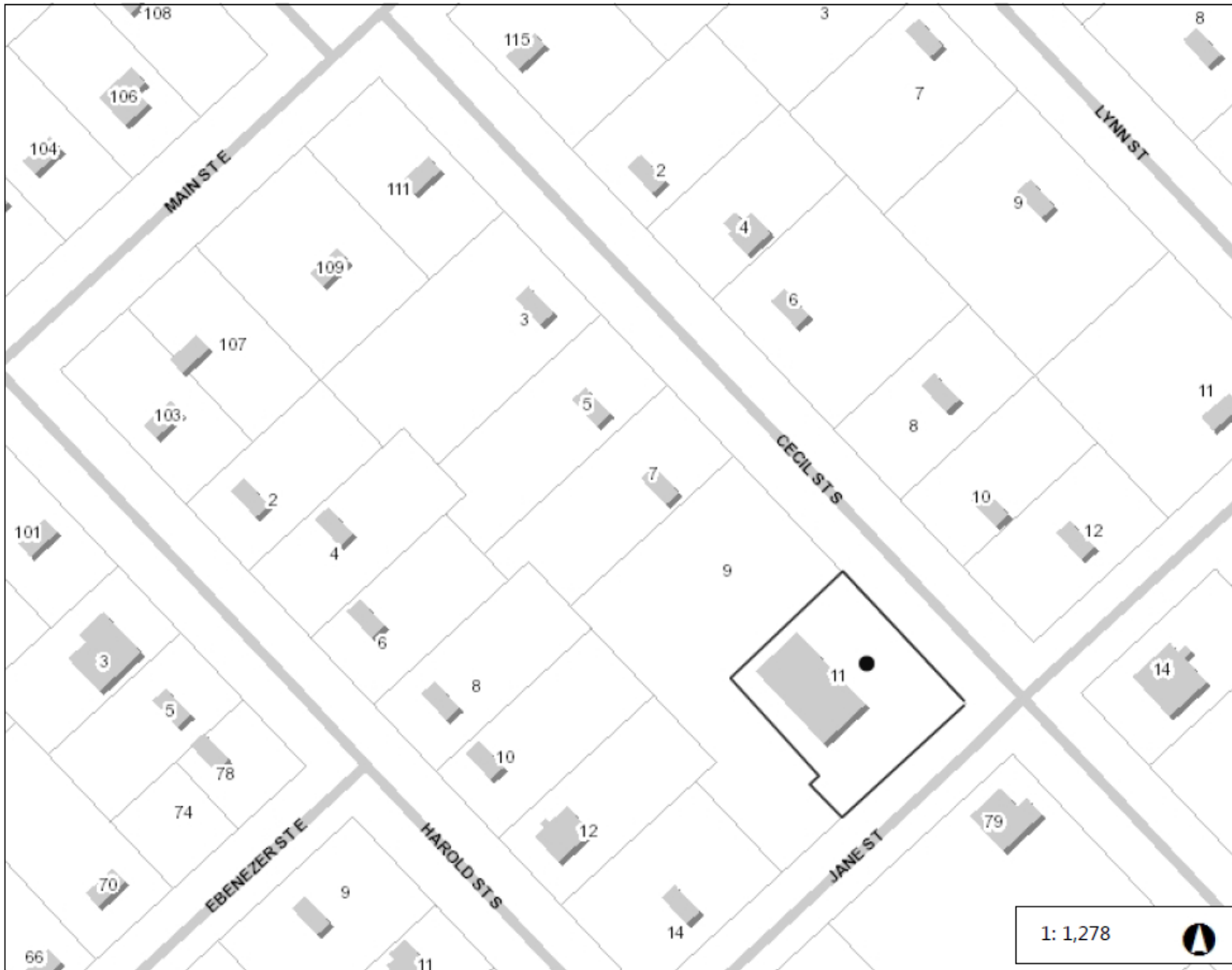
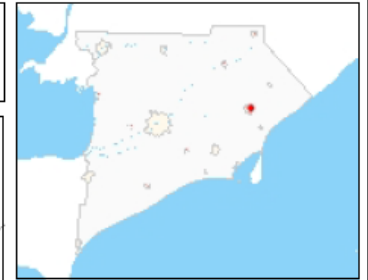
Steve Brown, CPA, CMA
Director, Financial Services

Mike Turner, CPA, CMA
Chief Financial Officer, Treasurer

Attachments: GIS Map of Parcel
Reference plan

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Ridgetown.docx

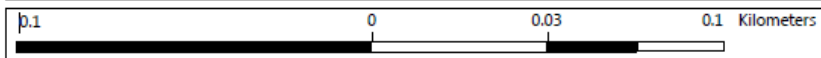
C: Chief Building Official
Chief Legal Officer
Director, Housing Services
Manager, Housing Assets, South



Legend

- Settlement Areas
- Address Point
- Road network
- Railway
- Assessment Parcel

1: 1,278



Notes