

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: June 28, 2018

Subject: Offer to Purchase – 105 and 119 Arnold Street, Wallaceburg

Recommendation

It is recommended that:

1. The offer to purchase from 2316239 Ontario Inc. in the amount of \$68,000 for 105 and 119 Arnold Street, Wallaceburg legally described as Parts 2, 4, 6, 7, 10, 11, 12, and 13 as in 24R10447, being Part of Property Identification Numbers 00582 0109 and 00582 0007 be accepted in the negotiation process on an “As Is, Where Is” basis.

Background

The properties, which were the former site of the Wallaceburg Public Works Garage fronting on the west side of Arnold Street in the geographic Town of Wallaceburg (GIS map attached), have an irregular frontage of 356 feet and varying depths throughout the portions being sold. The properties have an exempt tax classification status as they have always been used for municipal purposes. Currently, the combined assessed value of the properties is \$335,500. The properties are zoned as “M1” Industrial.

A report to Council on July 30, 2014 declared the properties as surplus to municipal needs. The properties have 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 properties as per the requirements of our Disposition of Surplus Property By-Law requirements. An appraisal was conducted on the properties in 2015 and more recently in 2018. The appraised value of the properties has decreased from the 2015 appraisal value of \$108,000 to \$89,000. The reduction in value is largely attributable to the deteriorating condition of the buildings on site. The buildings are in very poor condition and in need of extensive reparations or demolition.

Comments

Administration received three offers to purchase on the properties.

2316239 Ontario Inc. submitted an offer in the amount of \$68,000. The company owns and operates an existing business at 139 Arnold Street in Wallaceburg, being E.R. Schepens Electric. Schepens Electric has been leasing storage space at the 105 Arnold Street property for several years as they have outgrown their current facility.

The company has submitted details on how the acquisition of the properties will enable the expansion of their business. The renovation of their current building plus the construction of new industrial and office space will result in assessment growth for the tax base of the Municipality of Chatham-Kent. At the June 25, 2018 closed session meeting, Council directed administration to negotiate the sale.

The properties are 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 was consulted with respect to handling the competing offers, and will assist with closing of the sale once all conditions have been met.

Financial Implications

The Property Disposition budget includes lot sales revenue. The sale proceeds offset the legal costs associated with the land transfer. Any surplus from the sale will contribute to the revenue line. The sale of surplus lands creates potential for assessment growth, generation of future tax revenue, and decreases municipal liability and maintenance costs.

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

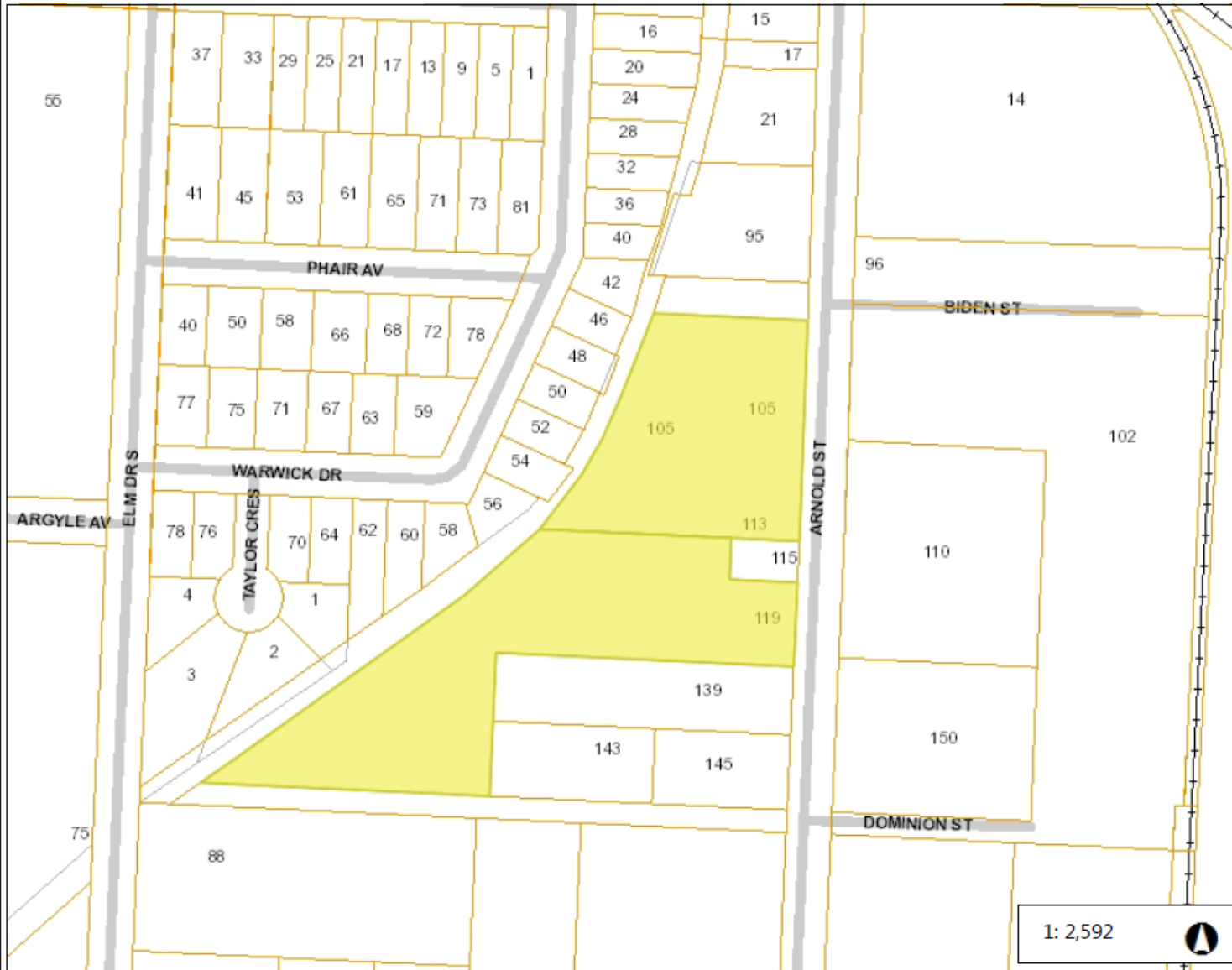
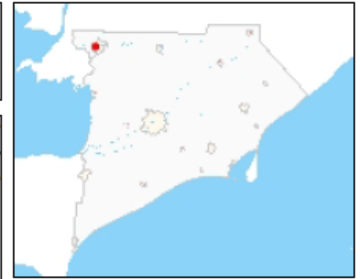
Consulted and confirmed the content of the consultation section of the report by:

Dave Taylor, Manager, Legal Services







Attachment: GIS Map of Parcel

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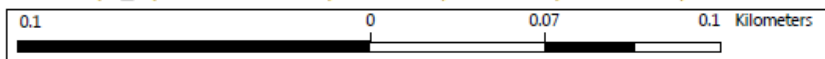
C: Chief Building Official
Chief Legal Officer



Legend

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

1: 2,592 



NAD_1983_UTM_Zone_17N
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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes