

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 25, 2018

Subject: Offer to Purchase – 88 Metcalfe Street, Shrewsbury

Recommendations

It is recommended that:

1. The offer to purchase from Daniel O'Brien in the amount of \$10,000 for 88 Metcalfe Street, Shrewsbury, legally described as Part Lot 6, Southwest Wolfe Street, Plan 109 as in 462919; Municipality of Chatham-Kent, Property Identification Number 00938 0607 (LT), be accepted in the negotiation process on an "As Is, Where Is" basis.
2. Section 11 of By-Law 84-2017, being a By-Law to establish policies for the disposition of real property: "Notice to the public shall include at least three of the following four methods:
 - a. Publication for at least one week in a local newspaper
 - b. Publication for at least one week on the Corporation's website on a page dedicated for this purpose
 - c. Posting a "For Sale" or "For Lease" sign on the land for at least one week
 - d. Publication for at least one week on the websites Realty.ca, MLS.ca or other professional realty website.

be waived as this property is constrained for development and would prove to be of little value to anyone other than the abutting property owner.

Background

This vacant lot fronting on the northeast side of Metcalfe Street in the community of Shrewsbury (GIS map attached) has a frontage of 109.28 feet and a depth of 104.28 feet, with an overall lot size of 0.25 acres. This lot had the Residential tax classification prior to its vesting into the name of the Municipality on July 6, 2015 as a result of a failed tax sale on April 9, 2015. Currently, the property is assessed at \$23,700 in the Exempt tax classification. This property is zoned as "VR" Village Residential.

A subsequent report to Council on May 27, 2015 declared the property as surplus to municipal needs.

The subject property requires approval from the Lower Thames Conservation Authority prior to issuing a building permit. The Lower Thames Conservation Authority has provided comment that a 10 metre setback from the waters' edge is required for their approval.

The lot size of this property in combination with building code setbacks, septic requirements, and Lower Thames Conservation Authority restrictions, cause this property to be limited in possibilities for development. Acceptance of this offer to purchase from the abutting property owner will return the property back to the assessment base to collect taxes. The purchaser will not face the obstacles above because this property will merely provide for them to increase lot size and redevelopment of the lot is not planned.

Comments

Administration has received a signed Agreement of Purchase and Sale in the amount of \$10,000 for this property. Administration supports the sale of this property to Daniel O'Brien for \$10,000. At the June 25, 2018 closed session meeting, Council directed administration to negotiate the sale.

Administration is recommending that Section 11 of By-Law 84-2017 be waived because this property was not actively listed on the market. The abutting property owner approached administration with an offer. After consulting with the Lower Thames Conservation Authority along with Chatham-Kent Building Services the constraints placed on this property significantly limit the market to which it could be sold.

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 recommendations in this report support 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 recommendations in this report support 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 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:

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Manager, Revenue

Reviewed by:

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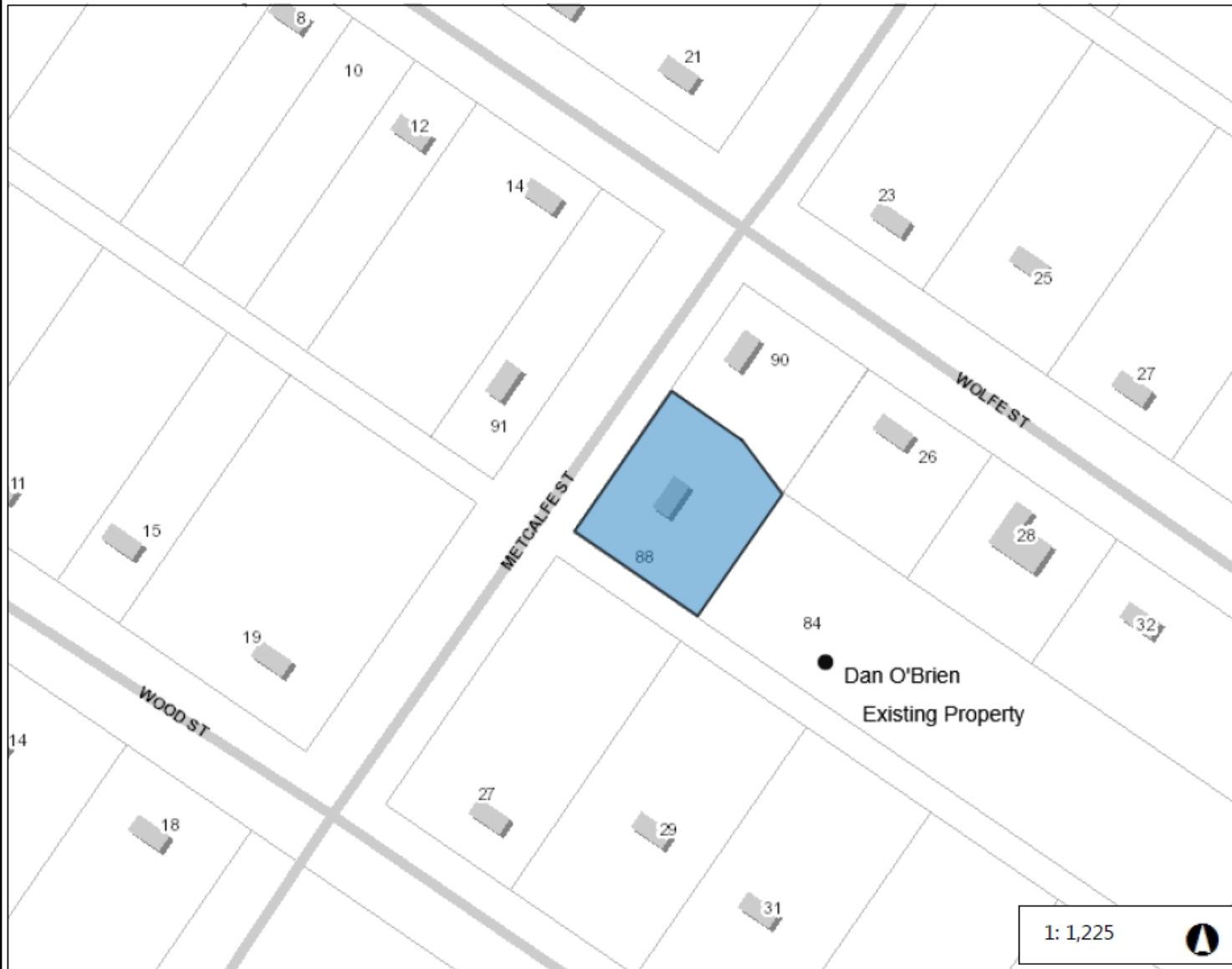
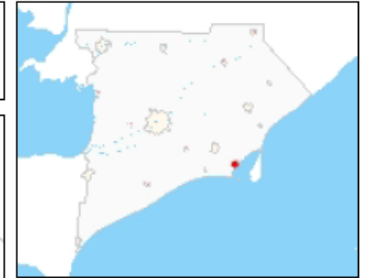
Steve Brown, CPA, CMA
Director, Financial Services

Mike Turner, CPA, CMA
Chief Financial Officer, Treasurer

Attachment: GIS Map of Parcel

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Shrewsbury.docx

C: Chief Building Official
Chief Legal Officer

**Legend**

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

Notes

0.1 0 0.03 Kilometers

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