

**Municipality Of Chatham-Kent**  
**Community Development**

**To:** Mayor and Members of Council  
**From:** John Norton, Chief Legal Officer  
**Date:** December 4, 2019  
**Subject:** Proposed Sale of WDC Rail to 2719545 Ontario Inc.

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**Recommendations**

It is recommended that:

1. The Mayor and Clerk be authorized to execute an agreement with 2719545 Ontario Inc. (the "Purchaser") for its purchase of the land and track materials owned by 2351839 Ontario Limited (operating as "WDC Rail") as described in Appendix "A" attached hereto and any track materials owned by the Municipality, subject to such agreement being satisfactory to the Chief Legal Officer;
2. The Mayor and Clerk be authorized to execute a release of the utility easement granted by WDC Rail in favour of the Municipality;
3. The Chief Legal Officer be authorized to execute an easement with the Purchaser in order to grant the Purchaser access to the road allowance being PIN 00502-0253 legally described as McGregor Street Plan Old Survey, Municipality of Chatham-Kent upon closing. The road allowance is depicted in Appendix "B" attached hereto; and
4. Administration be directed to bring a report to Council in 2020 outlining all financial matters related to this transaction and WDC Rail.

**Background**

In 2006, Council made a binding commitment to purchase the railway that runs from Wallaceburg through Dresden to Chatham. The purchase price was \$4 million.

On October 29, 2012, Council authorized administration to create a numbered company to own the railway, which operates as WDC Rail.

On July 29, 2013, Administration brought a report to Council recommending the following course of action, which was approved:

1. The Municipality purchase the railway on or about October 3, 2013, without commencing operations.
2. Administration continue to seek a business partner and business plan that will result in the future operation of the railway line at little or no cost to the Municipality of Chatham-Kent, including issuing a Request for Information or Request for Expression of Interest for operations.

In early 2019, Administration was approached by 2719545 Ontario Inc. (the "Purchaser") with an interest to purchase the assets of WDC Rail Inc. Legal Services proceeded to negotiate a detailed Agreement of Purchase and Sale on the following terms:

1. The Municipality and WDC Rail will maintain confidentiality about the transaction for a period of time. The Purchaser requires this for commercial reasons.
2. The Purchaser will purchase the assets of WDC (including the lands and the rail assets) as depicted in Appendix "A" attached hereto, for a purchase price of \$5.2 million.
3. All permitted encumbrances (ie. registrations on title to the lands such as reference plans, agreements, and easements) and rights will be assigned to the Purchaser upon closing;
4. Closing the transaction is conditional upon the Purchaser being satisfied with legal title to the property, and the environmental condition of the property. It is important that Council understand that if the Purchaser raises title or environmental concerns that cannot be satisfied, the Purchaser is not obligated to close the transaction. These are normal terms for a real estate transaction such as this.
5. The Municipality will have a right to buy back any individual part of the lands if the Purchaser wishes to sell this at any time in the future. Whether to do so will be a decision of Municipal Council.
6. The Municipality will provide an easement to the Purchaser upon closing for access to an old road allowance (PIN 00502-0253 being legally described as McGregor Street Plan Old Survey, Municipality of Chatham-Kent) depicted on Appendix "B". This road allowance is a 463 metre length of rail to the south and has historically had rail tracks located on it.

Legal Services will proceed with having the Agreement of Purchase and Sale executed by the Municipality and WDC Rail upon Council's approval of the recommendations herein.

## **Comments**

This transaction fulfills the direction of Council.

## **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**

The WDC Rail Board of Directors has been consulted regarding the proposed sale and approved the recommendations in this report.

**Financial Implications**

Administration will provide a report to Council in 2020 outlining the financial implications of this transaction.

Prepared by:

Reviewed by:

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John Norton  
Chief Legal Officer

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Don Shropshire  
Chief Administrative Officer

Attachments:           Appendix "A" – Description of Lands  
                                  Appendix "B" – Map of Road Allowance

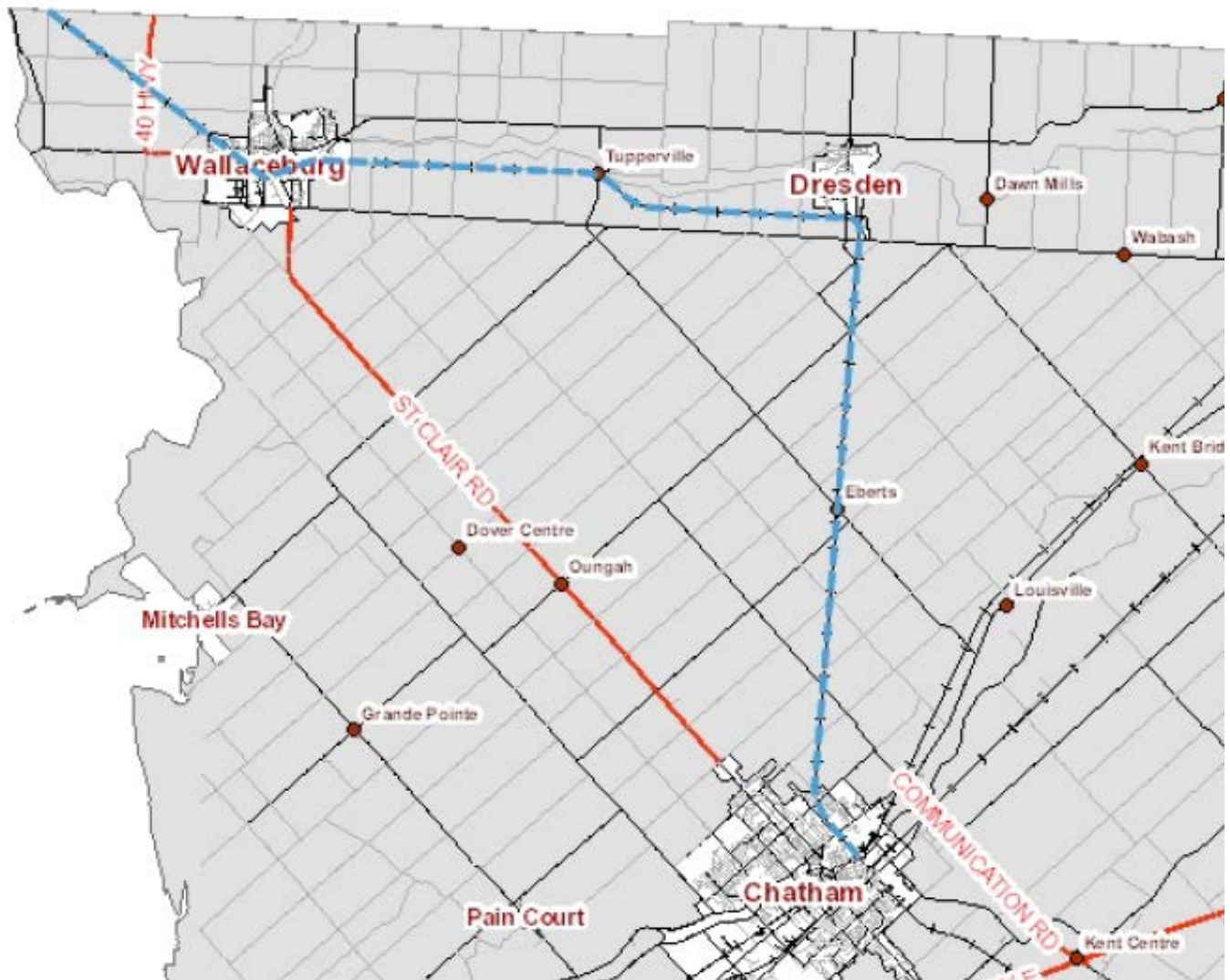
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## Appendix "A"

### WDC Rail Lands to be Transferred

The Lands and corresponding track materials recommended to be sold to the Purchaser are comprised of all lands owned by WDC Rail. The lands extend from Milepost 18.3 in Chatham, northward to Dresden, westward to Wallaceburg, and end at Milepost 44.5 northwest of Wallaceburg.

The lands to be sold are depicted by the dashed line below and contain all of the following Property Identification Numbers (PINs):



1. PIN 00502-0089 (LT) – Part of Lots 1 and 2, Old Survey, designated as Part 1, Reference Plan 24R 9605, Geographic Township of Chatham, Municipality of Chatham-Kent
2. PIN 00502-0088 (LT) - Part of Lot 46, Block S, Old Survey, designated as Part 2, Reference Plan 24R 9605, Geographic Township of Chatham, Municipality of Chatham-Kent
3. PIN 00548-0010 (R) - Part of Lot 2, Front Concession, designated as Part 3, Reference Plan 24R 9605, Geographic Township of Chatham, Municipality of Chatham-Kent
4. PIN 00550-1335 (LT) – Part of Lot 22, Registrar’s Compiled Plan 781, Part of Lots 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 & 25, Block B, Plan 26, 27, 28 & 29, Block B, Plan 48, Designated as Part 1, 24R9607 and Part 1, 24R9616; Municipality of Chatham-Kent
5. PIN 00735-0003 (LT) – Part of Lots 3, 4 and 5, Concession 2, designated as Parts 1, 2, 3, 4, 5, 6 , 7, 8 and 9, Reference Plan 24R 9609, Geographic Township of Chatham, Municipality of Chatham-Kent.
6. PIN 00737-0283 (R) – Part of Lot 5, Concession 3, designated as Part 1, 2 and 3, Reference Plan 24R 9606, Geographic Township of Chatham, Municipality of Chatham-Kent.
7. PIN 00737-0284 (LT) – Part of Lots 5 and 6, Concession 3, designated as Parts 4, 5, 6 and 7, Reference Plan 24R 9606, Geographic Township of Chatham, Municipality of Chatham-Kent.
8. PIN 00738-0008 (LT) – Part of Lot 7, Concession 3, designated as Part 8, Reference Plan 24R 9606, Geographic Township of Chatham, Municipality of Chatham-Kent.
9. PIN 00738-0035 (LT) – Part of Lots 7, 8 and 9, Concession 4, designated as Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13, Reference Plan 24R 9627, Geographic Township of Chatham, Municipality of Chatham-Kent.
10. PIN 00742-0010 (LT) – Part of Lot 9, Concession 5, designated as Part 1, Reference Plan 24R 9622, Geographic Township of Chatham, Municipality of Chatham-Kent.
11. PIN 00742-0072 – Part of Lots 10, 11 and 12, Concession 5, designated as Parts, 2, 3, 4, 5, 6, 7 and 8, Reference Plan 24R 9622, Geographic Township of Chatham, Municipality of Chatham-Kent.
12. PIN 00742-0053 (LT) – Part of Lot 12, Concession 6, designated as Part 1, Reference Plan 24R 9614, Geographic Township of Chatham, Municipality of Chatham-Kent.
13. PIN 00743-0027 (LT) – Part of Lots 13 and 14, Concession 6, designated as Parts 2 and 3, Reference Plan 24R 9614, Geographic Township of Chatham, Municipality of Chatham-Kent.

14. PIN 00747-0058 (LT) – Part of Lots 14, 15 and 16, Concession 7, designated as Parts 1, 2, 3, 4 and 5, Reference Plan 24R 9617, Geographic Township of Chatham, Municipality of Chatham-Kent.
15. PIN 00747-0059 (LT) – Part of Lots 16, 17 and 18, Concession 8, designated as Parts 1, 2, 3, 4, 5, 6, 7, 9 and 10, Reference Plan 24R 9628, Geographic Township of Chatham, Municipality of Chatham-Kent.
16. PIN 00748-0028 (LT) – Part of Lot 19, Concession 8, designated as Part 8, Reference Plan 24R 9628, Geographic Township of Chatham, Municipality of Chatham-Kent.
17. PIN 00752-0003 (LT) - Part of Lots 19, 20 and 21, Concession 9, designated as Part 1, 2, 3, 4 and 5, Reference Plan 24R 9635, Geographic Township of Chatham, Municipality of Chatham-Kent.
18. PIN 00752-0049 (LT) – Part of Lots 21 & 22, Concession 10, designated as Part 6, Reference Plan 24R 9635, Geographic Township of Chatham, Municipality of Chatham-Kent.
19. PIN 00600-0208 (LT) – Part of Park Lots 8, 9 and 11, Registered Plan 325 and Part of Lot 1, Concession 5, designated as Part 1, Reference Plan 24R 9623, Geographic Township of Camden, Municipality of Chatham-Kent.
20. PIN 00600-0214 (LT) – Part of Lot 2, Concession 5, Gore of the Geographic Township of Camden and Part of Park Lot 2, Plan 325, Designated as Parts 1, 2 & 3, 24R4932, Mineral Rights Only; Municipality of Chatham-Kent.
21. PIN 00600-0207 (LT) – Part of Park Lots 1, 2 and 3, Registered Plan 325 and Part of Lot 2, Concession 5, designated as Part 1, Reference Plan 24R 9629, Gore of the Geographic Township of Camden, Municipality of Chatham-Kent.
22. PIN 00599-0042 (LT) – Part of Lots 1 and 2, Concession 4, designated as Part 1, 24R8701, Part 2, Reference Plan 24R 9634, and Part 2, Reference Plan 24R 2629, Gore of the Geographic Township of Camden, Municipality of Chatham-Kent.
23. PIN 00599-0021 (LT) – Part of Lot 1, Concession 3, designated as Part 1, Reference Plan 24R 9634, Gore of the Geographic Township of Camden, Municipality of Chatham-Kent.
24. PIN 00596-0008 (LT) – Part of Lot 1, Concession 1, designated as Parts 1, 2 and 3, Reference Plan 24R 9632, Gore of the Geographic Township of Camden, Municipality of Chatham-Kent.
25. PIN 00596-0037 (LT) – Part of Lot 1, Concession 2, designated as Part 4, Reference Plan 24R 9632, Gore of the Geographic Township of Camden, Municipality of Chatham-Kent.
26. PIN 00594-0016 (LT) – Part of Lots 28, 29 and 30, Concession 1, designated as Parts 1, 2 and 3, Reference Plan 24R 9631, and Part 2, Reference Plan 24R 9676, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.

27. Part of PIN 00594-0015 (LT) – Part of Lot 27, Concession 1, designated as Part 1, Reference Plan 24R 9676, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
28. PIN 00594-0014 (LT) – Part of Lots 26 and 27, Concession 2, designated as Parts 1, 2 and 3 Reference Plan 24R 9630, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
29. PIN 00592-0025 (LT) - Part of Lot 21, Concession 2, designated as Part 3, Reference Plan 24R 9678, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
30. PIN 00592-0056 (R) – Part of Lot 22, 23, 24 and 25, Concession 2, designated as Parts 5, 6 and 7, Reference Plan 24R 9678, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
31. PIN 00556-0110 (LT) – Lot 58, Registrar's Compiled Plan 789, and Part of Lot 15, Concession 2, designated as Parts 1 and 2, Reference Plan 24R 8693, Part 1, Reference Plan 24R 9677, and Part 1, Reference Plan 24R 9719, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
32. PIN 00590-0011 (R) - Part of Lots 16, 17 18, 19 & 20, Concession 2, designated as Parts 1 and 2, Reference Plan 24R 9678, and designated as Parts 2, 3, 4, 5, 6, 7 8, 9 and 10, Reference Plan 24R 9719, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
33. PIN 00589-0038 (LT) – Part of Lots 19, 21, 23, 25 and 27, Registered Plan 285, designated as Part 1, Reference Plan 24R 9657, Municipality of Chatham-Kent.
34. PIN 00589-0039 (LT) – Part of Lots 2, 4, 6, 8, 10, 11, 12, 13, 14, 15, 16, 17 and 18, Registered Plan 285, designated as Part 2, Reference Plan 24R 9657, Municipality of Chatham-Kent.
35. PIN 00589-0040 (LT) – Part of Lot 15, North Side of Duke Street and Part of Lots 16, 17, 20, 21, 24 and 25, South Side of Queen Street, Little's Survey, Registered Plan 120, designated as Part 1, 24R8694 and Part 3, Reference Plan 24R 9657, Municipality of Chatham-Kent.
36. PIN 00554-0016 (R) – Part of Lot 2, Block B, Registered Plan 115 and Part of Lots 3, 6, 7, 10, 11 and 14, North Side of Duke Street, and Part of Lots 12 and 13, South Side of Queen Street, Registered Plan 120, designated as Part 4, Reference Plan 24R 9657, Municipality of Chatham-Kent.
37. PIN 00554-0647 (R) – Part of Lots 1, 2, 3, 7 and 8, Block 1, Registered Plan 115, designated as Part 5, Reference Plan 24R 9657, Municipality of Chatham-Kent.
38. PIN 00554-0646 (R) – Part of Lot 8, Block I, Plan 115, Designated as Part 2, Reference Plan 24R9732; Municipality of Chatham-Kent




39. PIN 00566-0429 (LT) – Part of Lots 3 and 4, Block O, Plan 115 and Part of Lots 12 and 13, Concession 1, Gore of the Geographic Township of Chatham, Designated as Part 2, 24R8695 and Part 1, 24R9656; Municipality of Chatham-Kent
40. PIN 00577-0107 (LT) – Part of Lot 12, Concession 1 and Part of Lot 47, Registrar's Compiled Plan 784, designated as Parts 2, 3, 4 and 5, Reference Plan 24R 9656 and Part 1, 24R8702, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
41. PIN 00578-0063 (LT) – Part of Lot 47, Registrar's Compiled Plan 784, designated as Parts 1, 2 and 3, Reference Plan 24R 9706 subject to an easement over Part 3 as in instrument #221076, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
42. PIN 00578-0078 (LT) – Lot 46, Registrar's Compiled Plan 784, designated as Part 4, Reference Plan 24R 9706, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
43. PIN 00578-0249 (LT) – Part of Lot 10, Concession 1, designated as Part 5, Reference Plan 24R 9706, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
44. PIN 00580-0026(LT) – Lot 9, Registrar's Compiled Plan 782 and Part of Lot 16, Registrar's Compiled Plan 783, and Part of Lots 7, 8, and 9, Concession 2, designated as Parts 1,, 2, 3, 4, 5, 6, 7 & 8, Reference Plan 24R 9704 and Part 1, Reference Plan 24R 9711, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
45. PIN 00581-0114 (LT) – Part of Lot 16, Registrar's Compiled Plan 783, designated as Parts 2 and 3, Reference Plan 24R 9711, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
46. PIN 00578-0097(LT) – Part of Lot 47, Registrar's Compiled Plan 784, designated as Parts 1, 2 and 3, Reference Plan 24R 9712, Municipality of Chatham-Kent.
47. PIN 00586-0009 (LT) – Part of Lot 5, Concession 3, designated as Part 1, Reference Plan 24R 9709, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
48. PIN 00587-0006 (LT) – Part of Lots 6 and 7, Concession 3, designated as Part 2, Reference Plan 24R 9709, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
49. PIN 00578-0146 (LT) – Part of Lot 6, Plan 330, designated as Part 1, Reference Plan 24R 8697, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.
50. PIN 00600-0183 (LT) – Part of Lots 4 and 7, Plan 325 and Part of Lots 1 and 2, Concession 5, designated as Part 1, Reference Plan 24R 8698, Gore of the Geographic Township of Chatham, Municipality of Chatham-Kent.

Lot #Chatham Greenhouses



Legend

-  Ownership Parcel
-  Bridges
-  Culverts
-  Pump Houses
-  Parking Lots

1: 4,526 

0.1 0 0.07 0.1 Miles

NAD\_1983\_UTM\_Zone\_17N  
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