

Municipality Of Chatham-Kent

CAO Office

Legal Services

To: Mayor and Members of Council
From: David Taylor, Director, Legal Services
Date: May 13, 2021
Subject: Sale of PIN 00525-0094- Former Rail Spur Lands

Recommendation

It is recommended that:

1. The Chief Financial Officer be authorized to enter into an agreement of purchase and sale for PIN 00525-0094 with Orchard Heights Properties Inc., or its assigns, with the final terms and conditions being approved by the Director, Legal Services;
2. The property be declared surplus, and the requirements of By-Law 92-2020, being a by-law to establish policies with respect to the sale and other disposition of real property, be waived for this transaction.

Background

As reported in the media, the former Navistar property at the corner of Richmond St. and Keil Dr. in Chatham has recently been sold to a local business. The new owner, Orchard Heights Properties Inc. has approached administration about an old rail spur located south of the property, between the former Navistar lands and the CN Line. This rail spur is owned by the Municipality and partially bisects the former Navistar lands. A map of the former rail spur is attached as Appendix A.

The only use of this property in the past decade was a short term lease to a wind turbine company, which needed to cross over this property in order to use the former Navistar lands for storage.

There is no rail steel or other rail assets of value on the property.

Comments

Administration is recommending disposition of the rail spur to the new owner of the Navistar lands for nominal consideration. The final terms of the agreement will be agreed to by the Chief Financial Officer and Director, Legal Services, and will include

that the property is sold on an “as is, where is” basis, without any representations made by the Municipality.

Various processes are normally required for disposition of municipally owned properties, including obtaining an appraisal, offering the property to certain other agencies, listing the property on the open market etc., all of which administration is recommending waiving in this situation.

There are several reasons why administration recommends that Council waive those requirements in this situation. The lands in question are unlikely to draw any significant interest from buyers, other than the owners of the former Navistar lands. In fact, the Municipality would not generally be supportive of a lot of this size and dimension being owned independently, and would prefer that lots of this size be added to a larger holding as a lot addition. Incurring costs of advertising and obtaining an appraisal is difficult to justify in this context. In general this property has little value to the Municipality, and actually results in costs being incurred through future maintenance obligations. The Municipality also loses out on tax generation from an unused property.

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

The Manager, Revenue and Chief Financial Officer were consulted on this report.

Financial Implications

There are no significant financial implications of this transaction. Minor costs related to real estate transactions will be covered in existing budgets.

Prepared by:

David Taylor
Director, Legal Services

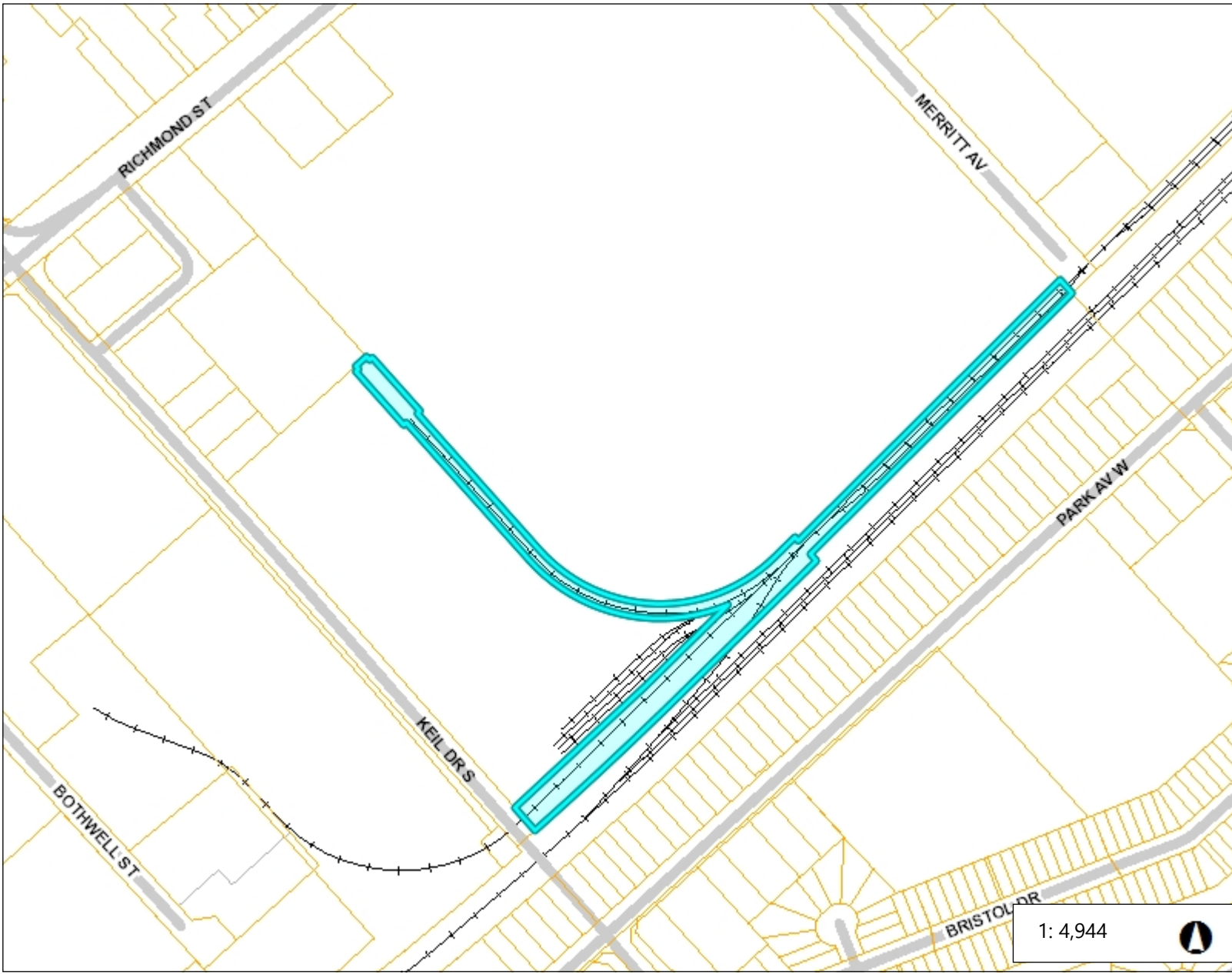
Consulted and confirmed the content of the consultation section of the report by:

Gord Quinton
Chief Financial Officer/Treasurer and General Manager Finance, Budget, Information
Technology & Transformation

Amy McLellan
Manager, Revenue

Appendices: Appendix A- Map of Rail Spur

[P:\RTC\CAO\2021 CAO Reports\LEGAL\Report to Council - Rail Spur- May 14 2021.docx](#)



Legend

- Ownership Parcel
- Bridges
- Culverts
- Pump Houses
- Parking Lots
- Settlement Areas
- Road Network
- Railway
- Parking Lots
- Footprints
- Assessment Parcel

1: 4,944



NAD_1983_UTM_Zone_17N
© Latitude Geographics Group Ltd.

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. Queen's Printer retains the copyright in full in the SWOOP2015 Orthophotography Products

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes