Municipality Of Chatham-Kent

Community Development

Economic Development Services

To: Mayor and Members of Council
From: Stuart McFadden, Director, Economic Development Services
Date: May 13, 2021
Subject: Real Estate Transaction-Bloomfield Business Park–Lawson Properties Inc.

Recommendations

It is recommended that:

- Council direct administration to not accept the request by Lawson Properties Inc. (Expressway Trucks), for an extension of their obligation to commence construction in Bloomfield Business Park until 3rd Quarter 2023; and
- Council direct administration to not accept the offer by Lawson Properties Inc. (Expressway Trucks) for their offer of payment of an additional \$10,000 per acre of its 4.815 acres agreed to on October 21st, 2019, and
- 3. Council direct administration to refund Lawson Properties Inc. (Expressway Trucks) their deposit of \$50,000.

Background

At the October 7, 2019 Council Closed Session meeting, Council received a report outlining the terms and conditions of a sale of 4.815 acres in the Bloomfield Business Park to Lawson Properties Inc. (Expressway Trucks). This sale was approved in Open Council Session on October 21, 2019. (Attachment A)

As part of the purchase agreement, a condition was negotiated at the time of purchase that this sale would not close until December 31, 2021 due to the municipal schedule of servicing and the extension of the Prosperity Way roadway in the Bloomfield Business Park.

The Purchaser has now informed the municipality that they would have difficulty in beginning construction until the 3rd quarter of 2023 at the very earliest with one of their major customers halting production until the 1st quarter of 2022 due to the current pandemic conditions.

The Purchaser has asked for an extension in their construction deadline and has offered to pay \$10,000 additional per acre to show their commitment to the project and their willingness to remain in the Chatham-Kent area. They have indicated that they are serious about the purchase and are a well-capitalized, well-managed company with multiple locations and significant real estate and operational holdings throughout Ontario

Comments

Based on the information received from the Purchaser, administration is not recommending that an extension to the 12-month period for commencement of construction be granted.

Not providing this extension will allow the Municipality to proceed with marketing the property for other economic development opportunities. Municipal business parks are intended for economic stimulus and as industrial serviced land is limited, the best option for this parcel would be to put the lands back on the open market for immediate investment.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report supports the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

_	
Г	

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

		٦

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 following Municipal staff have been consulted and agree with the recommendations:

Dave Taylor, Director, Legal Services

Financial Implications

Administration is recommending that the initial \$50,000 deposit made by Lawson Properties Inc. be refunded in order to facilitate reacquisition of the lands.

Prepared by:

Reviewed by:

Stuart McFadden, Director Economic Development Services Bruce McAllister, General Manager Community Development

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

Dave Taylor Director, Legal Services

Attachment: Attachment A – RTC October 7, 2019 Attachment B – Map of Subject Property

C: Amy McLellan, Manager, Revenue, Financial Services Matt Torrence, Director, Financial Services

P:\RTC\ECODEV\2021\MAY 31 REAL ESTATE TRANSACTION-BLOOMFIELD BUSINESS PARK-LAWSON PROPERTIES INC_.DOCX

Municipality Of Chatham-Kent

Community Development

Economic Development Services

To: Mayor and Members of Council
From: Stuart McFadden, Director, Economic Development Services
Date: October 8, 2019
Subject: Lawson Properties Inc. – Offer to Purchase

Recommendation

It is recommended that:

1. The Offer to Purchase received from Lawson Properties Inc. to purchase approximately 4.815 acres being part of PIN00877-0094 (Attachment A) in the property known as the Bloomfield Business Park for the price of \$240,750 (\$50,000 per acre).

Background

To attract industry, the Bloomfield Business Park was formed in 2002 to provide competitively priced industrial sites to establish greenfield operations in the Municipality of Chatham-Kent. The site consists of a total of 120 acres with 27 acres of developable land remaining to be sold.

Lawson Properties Inc., (Expressway Trucks) is proposing to utilize the property for the sale/lease of light duty, medium duty and heavy duty new and used trucks; the repair of same; sale of truck parts, both retail and wholesale; and related uses. (Attachment B)

Expressway Trucks is one of Southwestern Ontario's leading medium and heavy truck sales and service provider with location in Ayr (Waterloo), London and Windsor.

Comments

The Company has been informed of necessary site plan and zoning approvals to be obtained for the construction of the proposed facility.

The closing date of this sale is December 31, 2021 due to the municipal schedule of servicing and the extension of the Prosperity Way roadway in the Bloomfield Business Park.

It should be noted that the agreement is conditional upon a number of things happening before closing, including the Purchaser obtaining necessary approvals for their construction (site plan), re-zoning of the property, etc. These are normal commercial terms for a transaction of this nature.

It should also be noted that the final price of the property may vary slightly, as the total acreage to be purchased will be determined by preparation of a Reference Plan depicting the property.

Areas of Strategic Focus and Critical Success Factors

The recommendations 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 recommendations 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

Legal Services was consulted in the preparation of this report.

Financial Implications

If the offer is accepted, the Municipality of Chatham-Kent will receive \$240,750 plus HST for the land sale.

The proceeds from both the property sale and future increased assessment will be used to offset the unfunded liability created to establish the Bloomfield Business Park.

The expansion of the business in Chatham-Kent will result in increased assessment and additional new jobs in the community.

Prepared by:

Stuart McFadden, Director Economic Development Services

Reviewed by:

John Norton, General Manager Community Development

Attachment: Attachment A: Map of Proposed Property Attachment B: Picture of Proposed Facility

C: Dave Taylor, Manager, Legal Services Amy McLellan, Manager, Revenue Matt Torrence, Director, Financial Services

P:\RTC\ECODEV\2019\OCT 21 - LAWSON PROPERTIES INC. OFFER TO PURCHASE.DOCX

