



TOWN OF MINTO

DATE: March 3, 2017
REPORT TO: Mayor and Council
FROM: Bill White, C.A.O. Clerk
SUBJECT: Sale of Part Lot 315 Ann Street, Clifford

STRATEGIC PLAN:

Ensure growth and development in Clifford, Palmerston and Harriston makes cost effective and efficient use of municipal services, and development in rural and urban areas is well planned, reflects community interests, is attractive in design and layout, and is consistent with applicable County and Provincial Policies.

BACKGROUND

January 2013 the Town bought for \$440,00 all the former CN Rail lines in the Village of Clifford (including Lots 294 to 327 Ann Street), the line north of the Ann Street lots to West Heritage Street and the line from the south end of the Clifford to the 13th Line. The land was acquired to settle a lawsuit against the Town, and Council's direction was to keep enough land to develop a trail system and sell some lots over time to offset land acquisition.

The Town serviced Blocks A, B and E in 2015-2016 and set a policy to sell serviced lots at \$22,500 including water and sewer connection to the property line. Land on both sides of Ann Street was rezoned to allow semi-detached homes in addition to single family. Through spring and summer 2016 all fourteen of the serviced lots available in Block A, B and E were conditionally sold. Eight lots have closed (4 homes underway or complete), five more will



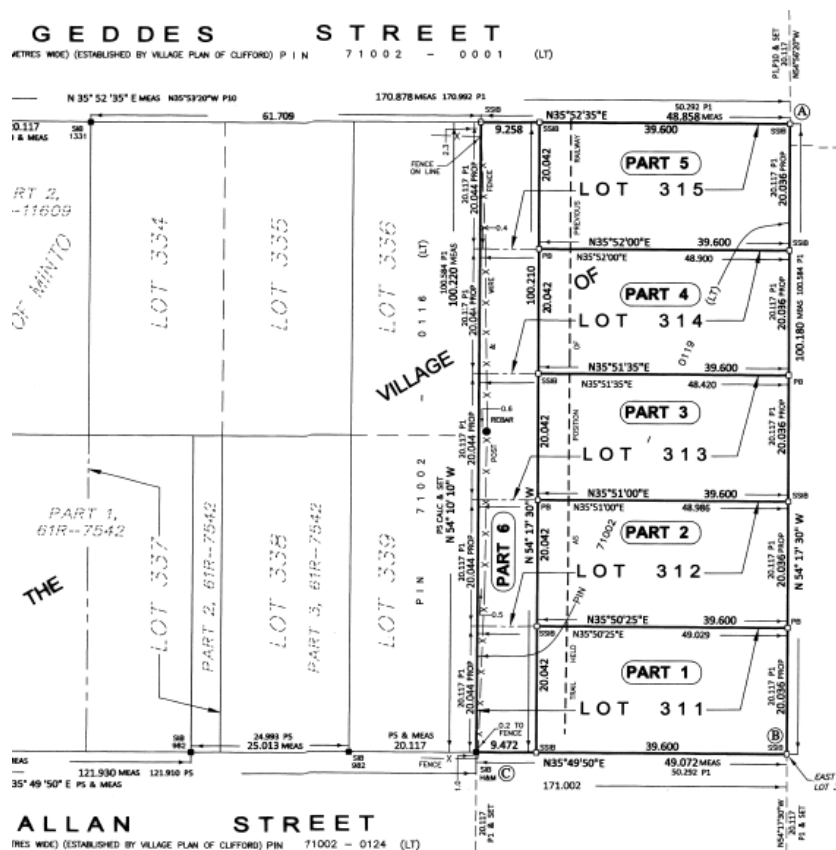
close this year and one conditional offer on Part Lot 315 lapsed February 17. On February 22 the C.A.O. Clerk advised by email past and current purchasers and others who had expressed interest that one lot may become available. Within 24 hours four offers were received for Part Lot 315 as follows:

Party	Price	Conditions	Details
Local Builder	\$22,500	\$1,000 deposit	12:30pm Feb. 22; irrevocable Mar. 10
Local Resident	\$22,750	\$1,000 deposit	2:00pm Feb. 22; irrevocable Mar. 10
Contractor	\$24,500	\$1,000 deposit	4:25pm Feb. 22; irrevocable Mar. 13
Nearby Resident	\$28,000	\$1,000 deposit	Feb. 23; irrevocable Mar. 24

All offers used the Town's standard form for Ann Street including covenants conditions prohibiting resale until a home is constructed, requiring building permits to be taken within six months of closing, and house completion within 18 months of closing. Two of the purchasers have bought lots in the area already. The Town has a conditional "buy back" clause similar to industrial lots if these conditions are not met. Town obligations under its disposition of property by-law have been met since Part Lot 315 was previously sold.

COMMENTS

In September the Town fairly dealt with two competing offers for one lot. The challenge is that the four offers came in response to an email giving notice rather than a formal bid process. The formal process would have allowed for sealed offers to be submitted on a set date. While the increased price in the offers was not influenced by Town staff, all parties are aware that multiple offers are in and some have expressed interest in increasing their price or closing quickly and taking a building permit this spring.



This kind of response makes it clear that the current price of \$22,500 should be higher. In 2013 this price was competitive with other lots in Clifford and the hope was to sell one or two per year over several years. It is great to have interest but the price must also be fair relative to private lots in the market. Staff had contemplated asking Council to increase the price to \$30,000 for the lots in Block C if they were serviced this year.

Council has three options:

Option 1: Return all four offers and ask each to submit a sealed bid by March 15. Criteria to select the final offer would be price and getting a building permit as a condition of closing no later than June 1, 2017.

Option 2: Sign back the first offer at \$28,000 with a condition that a building permit is obtained as a condition of closing no later than June 1, 2017. The other three offers would be signed off to be irrevocable to March 22 and considered in sequence for Part Lot 315, or for one of the lots within Block C that will be serviced in 2017.

Option 3: Accept the first offer on Part Lot 315, and not accept the other three offers, but encourage them to submit on Block C.

Staff feels either Option 1 or 2 are fair.

FINANCIAL CONSIDERATIONS:

The 2017 budget proposes \$310,000 to service Block C. Block D is proposed for servicing in 2019 at an estimated cost of \$200,000. Given the interest it is recommended the tender for Block C servicing be issued immediately, in advance of final budget approval, so that services are available this summer for these seven lots.

Council could set the price of Block C lots at \$28,000 minimum and require building permits be obtained within two months of closing in the same calendar year as the purchase. Staggered closings on multiple lots would not be permitted, and purchasers should close all other transactions on Ann Street with the Town before a new offer is considered.

RECOMMENDATION:

THAT Council receives the C.A.O. Clerk's March 3, 2017 report regarding Sale of Part Lot 315 Ann Street, Clifford and that Council select either Option 1 or 2 regarding the four offers received, that the tender for Ann Street Block C servicing proceed immediately, and that lots within Block C be sold according to the added covenants set out in the March 3 report.

Bill White C.A.O. Clerk