



TOWN OF MINTO

DATE: January 3, 2018

REPORT TO: Mayor and Council

FROM: Bill White, C.A.O. Clerk

SUBJECT: Ann Street Lot Bid Process, Four Remaining Lots

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

At the June 6, 2017 meeting Council passed a resolution authorizing the sale of six of ten remaining lots on Ann Street between Allan and John Street to six separate bidders. Bids received were between \$30,000 and \$35,100. Conditions that applied to the sale of the lots are outlined below:

- compliance with Town standard covenants (not for resale or speculation)
- Obtaining a building permit as a condition of closing to start construction by November 1, 2017 (earlier start preferred)
- No other land transactions are pending on Ann Street;
- Offer of one lot per person or company; multiple lots with delayed closings not preferred
- Minimum bid \$28,000 includes 1 connection for water and 1 connection for sewer
- Identify whether single family or semi-detached lot to be constructed; added cost for semi
- Town assign lot based on availability/interest, and must meet its disposition of land policy

The signed bid form accompanied by a certified deposit was used as the agreement of purchase and sale, and all six lots were closed in 2017. In May Council awarded to Moorefield Excavation a \$371,865 contract to install water and sewer on two blocks of Ann Street between Allan and Nelson. This work was completed in the fall. Of the six lots sold through the bid process, construction began on four homes and the remaining two took out building permits for construction start early in 2018. Builders worked with Triton Engineering and Moorefield to meet servicing and grading elevations.

There are four remaining serviced lots on Ann Street to go out for bid. Originally Council had directed that these four lots go for bid in November 2017, but staff was unable to initiate the process due to the number of other closings on various properties. Interest in the remaining lots on Ann Street remains strong, and going to bid early in 2018 should result in a positive sale environment.

COMMENTS:

The following map shows lots sold to date, number of homes constructed (or underway) and lots remaining to be sold:

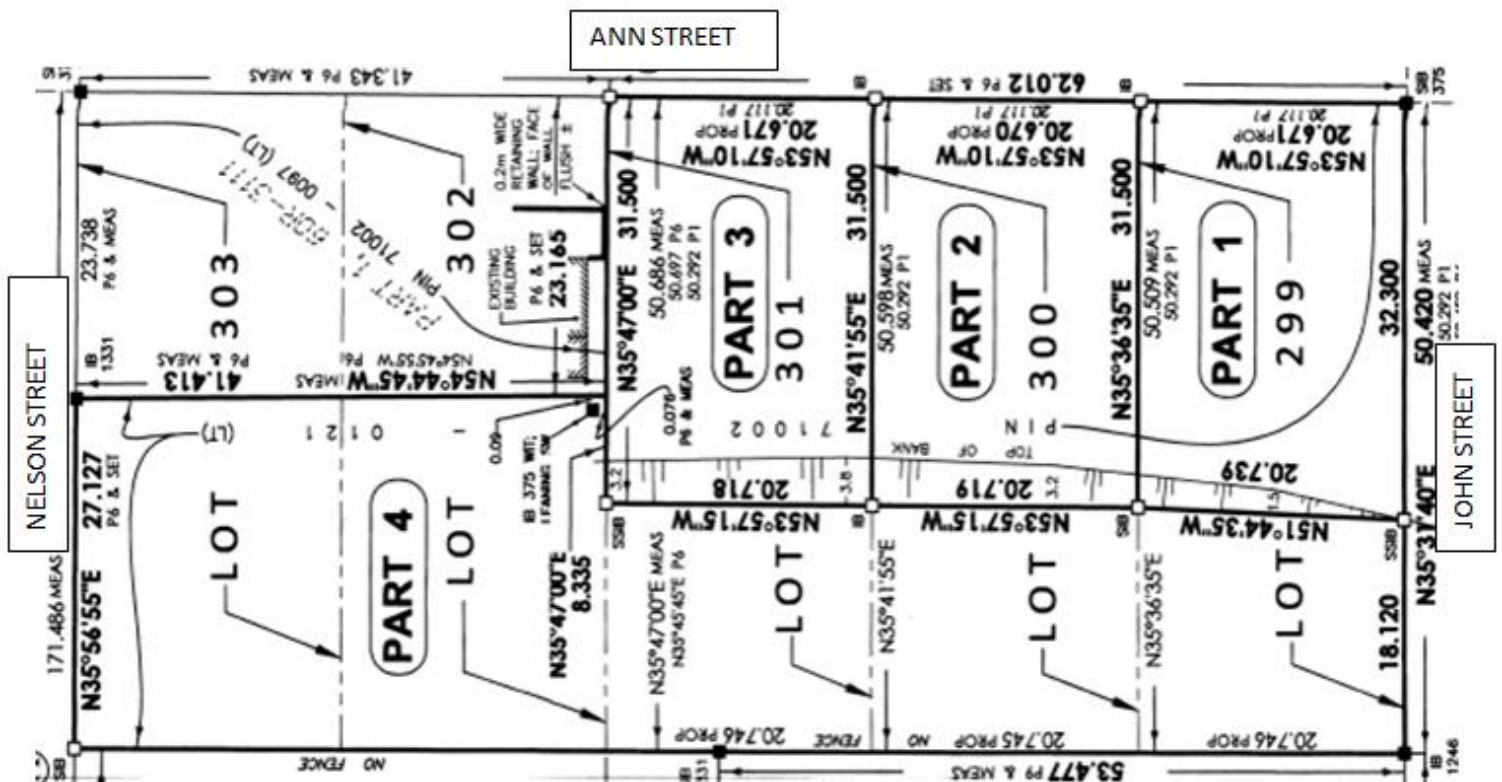


It is suggested the Town go to bid on the final four lots with the following criteria

- Compliance with Town standard covenants (not for resale or speculation)
- Obtaining a building permit as a condition of closing to start construction this year by November 1, 2018 (earlier start preferred)
- Minimum bid \$28,000 includes one connection for water and sewer to lot line
- Purchaser to identify whether single family or semi-detached lot to be constructed; additional cost for second water and sewer connection
- Town may assign lots based on availability and interest
- Compliance with Town disposition of land policy

Council should not include a requirement restricting purchasers to one lot as those interested used other family members or corporations to secure lots. So long as purchasers comply with all other criteria it is suggested Council sell to the highest bidder. The requirement that permits be issued in 2018 ensure there is minimal land banking.

The three lots in Block D were set at a depth of 31.5 metres (103.3 feet) to 32.3 metres (106 feet), about 7.5 metres (23 feet) less than the other blocks. As shown on the drawing below, the top of bank at the back of the lots (Parts 1, 2 and 3) to be sold leads down to Town's rail trail. The lots were made shallower so major re-grading of the trail is not needed. This may result in a slightly lower price for the parcels. This reference plan confirms that the trail is fully located on Town property which was a concern to Minto Trails Committee.



If Council agrees with the approach outlined, the bid form would be revised and circulated to potential purchasers. Bids could close on Friday February 23 so that Council can consider awarding at the March 6 meeting.

FINANCIAL CONSIDERATIONS:

The Town bought these former rails lands on Ann Street for \$440,000 to settle a lawsuit. Blocks A through E are only part of the holdings acquired which include lands north to West Heritage Street and south to the 13th Line. Sale of Blocks A through E will pay the Town at least \$600,000. Sale proceeds help pay off the debenture on the original \$440,000 purchase and the Kaufman lot bought in 2017 at the corner of Allan and Elora Street.

The cost to place curbs and pave Ann Street with drainage will be about \$500,000 tentatively budgeted for 2018 and 2019. Replacing the ultra-rib pipe and installing water in the five blocks cost over \$650,000. At least six more homes on the opposite side of Ann Street can potentially be created through infilling will have to contribute toward servicing when they apply for severance.

Selling Ann Street lots and the former Clifford Ballfield resulted in \$825,000 in actual or pending revenue to the Town (less legal and survey costs). This will have allowed 46 new residences to be built in Clifford, which will have paid around \$250,000 in one time development charges. The Town will receive around \$41,500 annually in water and sewer charges, and at least \$60,000 each year in property tax (Town share only) once the homes are all built.

RECOMMENDATION:

That Council receives the C.A.O. Clerk's January 3, 2018 report regarding Ann Street Lot Bid Process, Four Remaining Lots and that Council supports the bid process as outlined including eliminating the requirement restricting purchasers to one lot.

Bill White, C.A.O. Clerk