



## **TOWN OF MINTO**

**DATE:** March 15, 2018

**REPORT TO:** Mayor and Council

**FROM:** Bill White, CAO/Clerk

**SUBJECT:** Proposed By-law Authorizing Land Transfers Quality Homes, Metzger Construction

---

### **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 March 6 meeting Council considered a report from staff describing the proposed land transfer between Metzger Construction, Quality Homes and the Town pertaining to development of the former Harriston Senior School for a 23 unit townhouse project. The following resolution was passed:

### **MOTION: COW 2018-55**

**THAT Council receives the C.A.O Clerk's report dated February 28, 2018 Proposed Land Trade Metzger Construction, Quality Homes and Town of Minto, that Metzger Construction and Quality Homes be advised the Town is prepared to accept the triangular shaped lands from Metzger Construction at a nominal fee to increase the size of the Town Park and Pond and to include with the lands to be conveyed to Quality Homes, and that Council declares the less than 0.29 acres of lands to be conveyed to Quality Homes as outlined in the February 28 report surplus to the needs of the Town.**

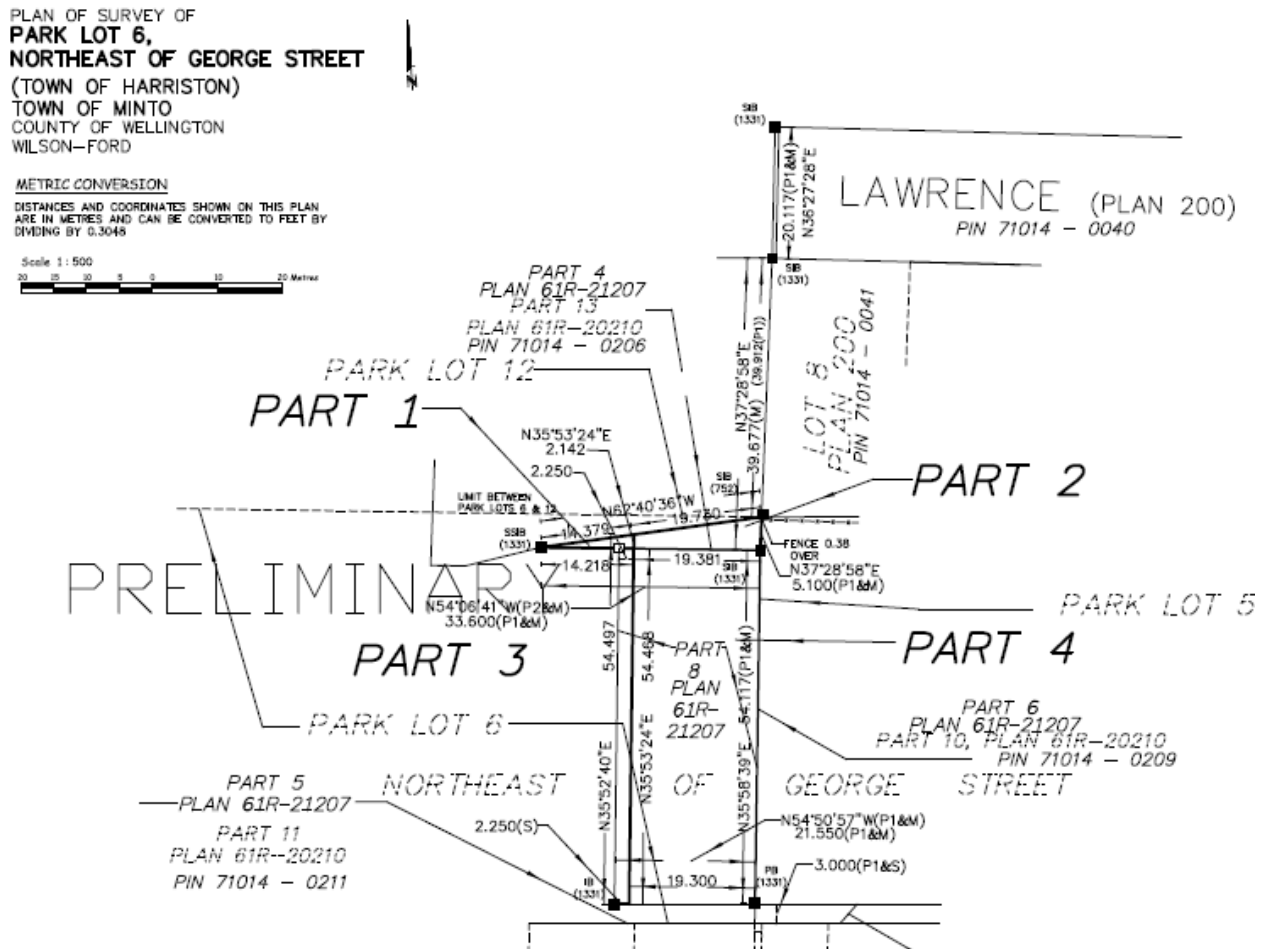
To conclude the transaction the Town must meet the following requirements of its disposition of property by-law:

1. Declare the land surplus (accomplished by above resolution)
2. Provide notice of the pending sale (Wellington Advertiser and Minto Express)
3. One appraisal of the fair market value of the land (completed by Larry Zion's S.W. Irvine & Associates).

The minutes of settlement for the 23 unit townhouse development signed by Rolf and Kerri Schuttel and the Town and approved by the Ontario Municipal required the lands transferred to the developer to be less than 0.29 acres in size. At the December 19, 2017 meeting Council agreed to a purchase price of \$6,000 for no more than 0.29 acres of the park and pond with the purchaser providing the necessary survey. Funds from the sale are to be retained for future use on this park and pond. At the March 6, 2018 Council meeting terms

for the Town acquiring a triangle of land from Metzger Construction, before conveyance to Quality Homes, was at nominal cost (typically about \$1 to \$10).

The draft reference plan prepared by Wilson -Ford surveyors shows the proposed lands to be conveyed. Part 1 and 2 to be transferred by Metzger Construction to the Town is 85.68 square metres in area. The total area of land then sold by the Town to Quality Homes (Parts 2 and 4) is 1126.06 square metres or 0.278 acres, compliant with minutes of settlement (less than 0.29 acres).



## COMMENTS:

S.W. Irvine & Associates estimates the value of the 0.278 acres of land to be sold by the Town to Quality Homes at about \$40,000, or \$143,000 plus per acre. This is ten times the value of the same land five years ago. The appraiser sets out his reasoning in his report on the value of the land which he says factors in the fact that the land is not serviced and has no frontage on a public street. Metzger Construction paid the Town \$105,000 for 6.33 acres or about \$16,587 per acre. In 2012 when the Town purchased from the School Board the price was \$60,000 for the full 7.78 acre site or \$7,712 per acre.

While Council does not have to sell the land for the appraised value, the appraised value is to be publicly disclosed. Since no agreement of purchase and sale has been finalized,

Council can asked Quality Homes to improve their price, but should consider a bylaw authorizing the Mayor and C.A.O. Clerk to sign documents to conclude the transfer from Metzger Construction and sale to Quality Homes. If there is an improvement in price or a corresponding commitment to improve the park, these terms can be written into the site plan agreement should Quality Homes conclude their purchase from Metzger Construction and proceed to develop the site.

Council received public correspondence from two sources on this issue March 6, 2018. As of the date of this report no further correspondence was received.

If Council passes the authorizing by-law the Mayor and C.A.O. Clerk can sign all documents related to the transfers. The parties can either enter into agreements of purchase and sale to formally set final terms and set a closing date, or legal counsel can prepare various transfer documents for a joint closing. Legal counsel for the parties will decide how best to go ahead when Quality Homes makes a final decision on whether to conclude its purchase from Metzger Construction.

#### **FINANCIAL CONSIDERATIONS:**

The \$6,000 purchase price (\$21,585 per acre) is a higher price per acre than what the Town had previously bought the Senior School from the Board and then subsequently sold to Metzger Construction. Regardless of the final price, proceeds from the sale should be held in the parkland reserve and made available for future improvements to the Town's remaining park and pond property. Assuming Quality Homes continues with their purchase of the project from Metzger Construction, the Town can discuss with Quality Homes the idea of increasing the price for the property or securing improvements to the park through the site plan agreement.

#### **RECOMMENDATION:**

That Council of the Town of Minto receives the C.A.O. Clerks report dated March 15, 2018 regarding Proposed By-law Authorizing Land Transfers Quality Homes, Metzger Construction, and that in regular session Council consider a by-law authorizing the Mayor and Clerk to sign all documents related to closing of the various transactions.

Bill White, C.A.O. Clerk