

Municipality of Chatham-Kent

Finance, Budget, Information Technology & Transformation

Financial Services

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: June 29, 2021

Subject: Offer to Purchase – 52 Dell Street, Wallaceburg

Recommendation

It is recommended that:

1. The offer to purchase from North Element Inc. in the amount of \$40,000 for the property known as 52 Dell Street, Wallaceburg, legally described as Lot 53 – 55, Plan 352; Chatham-Kent, Property Identification Number 00578 - 0190 (LT), be accepted in the negotiation process on an “As Is, Where Is” basis.

Background

This property fronts onto the west side of Dell Street in the community of Wallaceburg, at the corner of Dell Street and Garnet Street (GIS map attached). It has a frontage of 180 feet and a depth of 120 feet. The property has the Exempt tax classification and is assessed at \$32,500. This lot is zoned as “M1” Industrial.

A report to Council on June 29, 2020 declared the property as surplus to municipal needs. The property has been in the ownership of the Municipality of Chatham-Kent since September 28, 2004, at which time it was transferred to the Municipality of Chatham-Kent from the former Chatham-Kent Hydro.

This property was a hydro substation and was deactivated prior to May of 2004. Site restoration work was completed where approximately 120 metric tonnes of impacted soil and aggregate were excavated and disposed prior to the Municipality of Chatham-Kent obtaining ownership of the property.

The Municipality of Chatham-Kent originally acquired ownership of this property to allow for business continuity at the property with the civic address of 55 Garnet Street, Wallaceburg. Due to the site configuration of 55 Garnet Street, shipping and receiving for the 55 Garnet Street industrial property utilizes a portion of the 52 Dell Street property to facilitate the safe entrance and exit of multiple large size transports on a daily basis. The Municipality of Chatham-Kent will register an easement on title in favour of 55 Garnet Street, Wallaceburg, being the whole of the said Property Identification Number 00578 0260 prior to closing this sale. The registration of this easement will assist to ensure that business operations can carry on in the same manner as they

currently do when 52 Dell Street is no longer owned by the Municipality of Chatham-Kent.

This property has been actively listed for sale on our Chatham-Kent website, the local Sydenham Current news media, as well as a “For Sale” sign on the physical property.

Comments

Administration has received six signed Agreements of Purchase and Sale for this property, summarized below.

Potential Purchaser	Offer Price	Planned Use	Conditions
Albert W. Durst	\$ 18,000.00	No details	None specified
Christos Diavolitsis	\$ 5,000.00	No details	None specified
Gilmac Limited	\$ 26,000.00	No details	None specified
Michal Andrejko	\$ 40,000.00	No details	None specified
North Element Inc	\$ 40,000.00	Expansion of business operations at 55 Garnet St, Wallaceburg	None specified
Sydenham Recycling & Scrap Ltd	\$ 50,000.00	No details	None specified

Administration has received a signed Agreement of Purchase and Sale in the amount of \$40,000 for this property. Administration supports the sale of this property to North Element Inc. for \$40,000 to support the continued operation of its existing business at 55 Garnet Street as well as the expansion plans for this business to increase jobs and its investment in the community of Wallaceburg. At the June 28, 2021 closed session meeting, Council directed administration to negotiate the sale.

The property is being offered for sale on an As Is, Where Is basis.

This sale has the potential for future assessment for the Municipality of Chatham-Kent and the ability to generate an overall improvement to the community. This sale will also eliminate the liability and maintenance costs currently being charged to the municipal budget to maintain the 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

Building Services confirmed the zoning of this property.

The Technical Advisory Committee confirmed this parcel to be surplus to municipal needs.

Legal Services will assist with closing of the sale once all conditions have been met.

Financial Implications

The Property Disposition budget includes lot sales revenue. The sale proceeds offset the legal costs associated with the land transfer. Any surplus from the sale will contribute to the revenue line. The sale of surplus lands creates potential for assessment growth, generation of future tax revenue, and decreases municipal liability and maintenance costs.

Prepared by:

Amy McLellan, CPA, CGA
Manager, Revenue

Reviewed by:

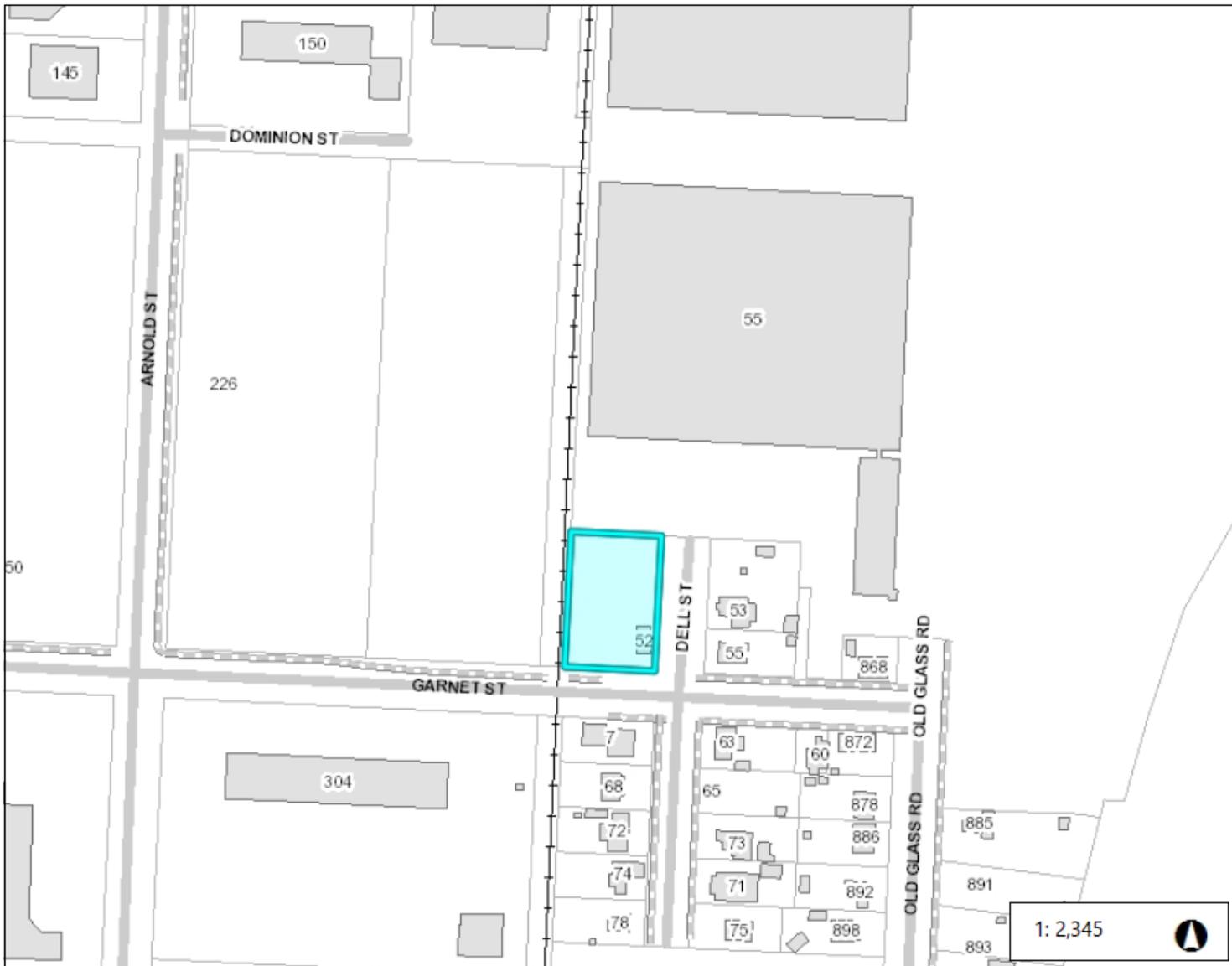
Reviewed by:

Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Gord Quinton, MBA, CPA, CGA
Chief Financial Officer, Treasurer

Attachment: GIS Map of Property

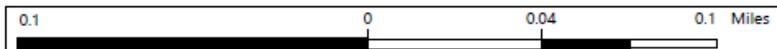
C: Chief Building Official



Legend

- Bridges
- Culverts
- Sidewalk
- Pump Houses
- Parking Lots
- Settlement Areas
- Address Points
- Sidewalk
- Road Network
- Railway
- Parking Lots
- Footprints
- Assessment Parcel

1: 2,345



Notes