

Municipality of Chatham-Kent

Chief Administrative Office

Legal Services

To: Mayor and Members of Council

From: David Taylor, Director of Legal Services

Date: July 14, 2022

Subject: Offer to Purchase – Part of Property Identification Number 00845-0132, Talbot Road West, Wheatley

Recommendations

It is recommended that:

1. The offer from Enbridge Inc. of \$10,000 to purchase the property being approximately 0.08 acres, forming part of PIN 00845-0132 on Talbot Street West in Wheatley, be accepted.
2. Sections 4, 7, 8, and 11 of the Property Disposition Bylaw be waived.
3. An access easement over part of PIN 00845-0132 be granted to Enbridge Inc. for nominal consideration.
4. A temporary land use agreement be entered into with Enbridge Inc. for part of PIN 00845-0132.

Background

Enbridge Inc. owns a natural gas station on certain lands on Talbot Street West in Wheatley, being PIN 00845-0133. Enbridge Inc. is currently seeking to expand the natural gas station in order to improve its capacity to transmit natural gas to its customers in the area.

Enbridge Inc. approached the Municipality to propose purchasing roughly 300m² (approximately 0.08 acres) of PIN 00845-0132, which abuts Enbridge Inc.'s property, in order to expand the natural gas station. This property is municipally-owned, and is the location of the Wheatley Fire Station. The proposed purchase and development by Enbridge will include a small portion of the station's parking lot and grass area, as depicted in Appendix "A".

Enbridge Inc. has also noted the need for an access easement to allow its contractors to bring construction vehicles and workers across the Municipality's land to access the

site of the natural gas station expansion. Administration supports this request, as Enbridge needs to be able to access their natural gas station through the Municipality's lands in order to complete the expansion. Enbridge Inc. has historically used the Municipality's land for this purpose to access their infrastructure on PIN 00845-0133, so this easement will simply formalize the existing arrangement.

Lastly, Enbridge Inc. has requested to enter into a temporary land use agreement with the Municipality. The land use agreement will allow Enbridge Inc. to temporarily access other portions of the Municipality's land at PIN 00845-0132 until December 31, 2022, that are only needed during construction of the natural gas station. Enbridge Inc. will indemnify the Municipality for their use of these lands.

Comments

Administration has received a signed Agreement of Purchase and Sale for this property, indicating an offer price of \$10,000, and that the property will be sold on an "As Is, Where Is" basis. Administration supports the sale of the property to Enbridge Inc.

Conditions of the Agreement and Purchase and Sale include that the purchaser will obtain a reference plan to depict the portion of the Municipality's property being sold to Enbridge Inc., as well as the portion of the Municipality's land being granted as the access easement, at its sole cost. Commissioning and depositing a reference plan is often a process which may take one to two months. As Enbridge Inc. wishes to begin the station's expansion as soon as possible while the weather conditions are still favorable, the Agreement of Purchase and Sale also contains conditions to allow Enbridge Inc. to enter onto the property to conduct testing prior to the property sale being complete. Enbridge Inc. will indemnify the Municipality for this purpose and provide copies of any test results they receive.

The Municipality's Property Disposition bylaw provides processes for the sale of property, including that in most cases the land will be declared as surplus, appraised, offered to other public entities and listed for open sale. In this case, as this property is a small addition to an existing holding of Enbridge, these processes are not practical. As a result, administration recommends that Council waive compliance with sections 4, 7, 8 and 11 of the Property Disposition Bylaw.

This sale will benefit the community by creating an overall improvement to natural gas transmission via Enbridge Inc. at its expanded station, while also generating revenue for the Municipality as a result of the property sale.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support 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 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

Fire and Emergency Services indicated there were no concerns with the property being sold to Enbridge Inc. or the nature of the project and future use of the land. The access easement will be granted over a certain portion of the Municipality's lands so that operations of the Wheatley Fire Station will not be disrupted.

The Technical Advisory Committee confirmed there were no concerns with this property being sold to Enbridge Inc.

Financial Implications

Proceeds of the sale will offset the legal costs associated with the land transfer, and additional surplus will contribute towards the revenue line. Surpluses from Property Disposition operations are transferred to the Property Disposition Reserve at year end.

Prepared by: David Taylor, Director of Legal Services

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Reviewed by: Michael Duben, Chief Administrative Officer

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

Chris Case, Chief of Fire and Emergency Services

Attachment(s): Appendix "A" – GIS Map of Parcel