

Municipality of Chatham-Kent

Finance, Budget & Information Technology Services

Financial Services

To: Mayor and Members of Council

From: Gord Quinton, MBA, CPA, CGA
Director, Financial Services

Date: February 10, 2016

Subject: Offer to Purchase – 561 Water Street, Dresden

Recommendations

It is recommended that:

1. The offer to purchase received from John Daniel Venuto in the amount of \$5,000 for Lot 8 N/S Water Street, 9 N/S Water Street, 10 N/S Water Street Plan 131; Chatham-Kent (PIN 00601 0103), municipally known as 561 Water Street in Dresden, be accepted in the negotiation process on an “As Is, Where Is” basis.
2. Section 4 (b) of By-Law Number 100-2012, being a By-Law to establish policies for the disposition of real property, which states “The manager shall obtain an appraisal of the land, either before or after Council has decided to dispose of the land” be waived.

Background

This 0.50 acre vacant lot located on the south side of Water Street in Dresden (GIS map attached) has a frontage of 198 feet. The property was formerly used for silo grain storage, as the Sydenham River was right beside it which made it easy for shipping the grain. The condition of the 8 silos and small storage building on this site is poor, due to it being vacant for so long. The property was in the industrial tax classification prior to its vesting into the name of the Municipality on October 18, 2004 as a result of a failed tax sale on October 15, 2004. Currently, the property is assessed at \$18,000 in the Exempt tax classification, however, administration feels this value is over estimated due to the condition of the property. It is currently located in the “HC (HC1) Highway Commercial First Density Zone.

A subsequent report to Council on May 1, 2006 declared the property as surplus to municipal needs. It has been listed on our Surplus Property Register located on the Chatham-Kent web site since the vesting, and been offered for sale as per the requirements of our Disposition of Surplus Property By-Law Number 100-2012.

An offer has been received from John Daniel Venuto. At the February 8, 2016 closed session meeting, Council directed administration to negotiate a sale.

Comments

Administration has received a signed Agreement of Purchase and Sale in the amount of \$5,000 from John Daniel Venuto for 561 Water Street, Dresden.

As the estimated value of the property is below a \$25,000 threshold, it is not financially viable to expend the additional costs of an appraisal as required to dispose of the land under Section 4 (b) of By-Law Number 100-2012, being a By-Law to establish policies for the disposition of real property: “The manager shall obtain an appraisal of the land, either before or after Council has decided to dispose of the land;”.

Due to the length of time this property has been on the open market, administration supports the sale of this property, as no other offers have ever been received. 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 yard maintenance costs currently being charged to the municipal budget.

Council Directions

The recommendations in this report support the following Council Directions:

- ☐ **Jobs:**
Everyone in Chatham-Kent who wants to work is able to work in meaningful employment
 - ☐ **People:**
Chatham-Kent is a welcoming community where people choose to live, learn, work, and play
 - ☐ **Health:**
Chatham-Kent is a healthy, active, safe, accessible community within a healthy natural and built environment
 - ☒ **Financial Sustainability:**
The Corporation of the Municipality of Chatham-Kent is financially sustainable
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- ☐ Has the potential to support **all** Council Directions
 - ☐ Neutral issues (does not support negatively or positively)

Consultation

Building Services confirmed the zoning of this property and the prospective purchaser has been provided with contact information in order to obtain a building permit should they chose in the future to build on this site.

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 would create potential for assessment growth, generate future tax revenue, and decrease municipal liability and maintenance costs.

Prepared by:

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Manager, Revenue

Reviewed by:

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Gord Quinton, MBA, CPA, CGA
Director, Financial Services

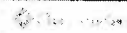
Mike Turner, CPA, CMA
Chief Financial Officer, Treasurer

Attachment: GIS Map of Parcel

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C: Chief Building Official
Chief Legal Officer





3650-390-004-16401

561 Water St, Dresden

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