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**TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL**

**FROM: S. Schlichter, Director Business Development**

**NOTED: C. Ladd, CAO, Z. Lifshiz, Executive Director Invest Barrie**

**RE: Sale of City Owned Industrial Land – 35 Reid Drive**

**DATE: Monday, January 16<sup>th</sup>, 2017**

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The purpose of this memorandum is to provide clarification concerning the Sale of City Owned Industrial Land – 35 Reid Drive and the purchase price for the easement for the purpose of storm drainage.

As you are aware, on Monday, January 9, 2017, General Committee considered Staff Report BDD001-17 sale of the lands and recommended for Council consideration on January 16, 2017, motion 17-G-008 as follows:

**SALE OF CITY OWNED INDUSTRIAL LAND - 35 REID DRIVE (WARD 7)**

1. That the City Clerk be authorized to execute the Agreement of Purchase and Sale between the City and 2086192 Ontario Limited (the Purchaser) for the 3.8 acre parcel of City owned industrial land described as Part of Parts 3 and 4, Plan 51R-35959, Plan of Survey of Part of Block B, Registered Plan 51M-495 City of Barrie, County of Simcoe, to be further described by Reference Plan to be deposited and known municipally as 35 Reid Drive, for the purchase price of \$285,000 per acre, subject to the following terms and conditions:
  - a) The Purchaser acknowledges that acceptance of this offer, including all amendments, is conditional upon the approval of the Council of The Corporation of the City of Barrie;
  - b) The Purchaser agrees that it is purchasing the property in its present condition “as is” and further acknowledges and agrees that it will conduct such tests as it deems necessary to determine to its satisfaction, that the soil conditions for the property are satisfactory to support the development and construction of the building and other structures contemplated for its proposed use of the property; and
  - c) The Purchaser has agreed that the property is subject to an easement described as Part of Part 4 on Plan 51R-35959, along the easterly property boundaries, in favour of the City for the purpose of storm drainage.
2. That the net proceeds from the sale of 35 Reid Drive be allocated to the Industrial Land Reserve (13-04-0430), less the 2% parkland dedication fee, which is to be allocated to the Parkland Reserve.

As noted in Staff Report BDD001-17, the City would be retaining an easement over the drainage ditch portion of the lands for access and maintenance and as a result the easement is not developable land. It can however be used to calculate buildable area and therefore has a value. The value of the easement has been assumed at 50% of the purchase price for the developable lands. The reduced price for the easement lands was not clearly identified in the recommended motion.

The following amendment would clarify that the purchaser would not be required to pay the full purchase price for the easement:

That motion 17-G-008 of Section “B” of the General Committee Report dated January 9, 2017 concerning the Sale of City Owned Industrial Land – 35 Reid Drive be amended by adding the following words to paragraph 1 c) after the word drainage “the value of such easement to be 50% of the purchase price.”

A copy of the amendment will be provided to the Acting Mayor on Monday, January 16, 2017.