



INVEST BARRIE – BUSINESS DEVELOPMENT MEMORANDUM

TO: MAYOR J. LEHMAN, AND MEMBERS OF COUNCIL

FROM: P. DYCK, BUSINESS DEVELOPMENT OFFICER

NOTED: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

**RE: STAFF REPORT LCS010-18 – DELEGATED AUTHORITY, RIGHT TO
REPURCHASE CITY INDUSTRIAL LAND**

DATE: JUNE 18, 2018

The purpose of this Memorandum is to provide members of Council with information regarding a proposed update to the General Committee Report of June 11th, 2018 concerning Staff Report LCS010-18 - Temporary Delegation of Authority to the Chief Administrative Officer (CAO).

The amendment is being proposed further to the request to provide the CAO authorities related to the City's rights to repurchase former City-owned industrial land. Specifically, staff are seeking to add the authority to repurchase previously sold City industrial land in addition to the authority to waive the City's rights to repurchase. If a purchaser has not developed in accordance with the covenants and they receive an offer for their parcel, they are required to first offer it back to the City and there is a limited amount of time for the City to respond. Failure to meet construction terms of the agreement may also require the buyer to offer the lands back to the City for repurchase. Staff are monitoring situations and market conditions whereby the buyer or the City may wish to initiate these buy-backs.

Current market conditions are such that industrial land is appreciating in value and demand is high with limited supply. Based on current market conditions, staff believe that land repurchased now, could be resold at current market rates above what was negotiated with previous buyers. In most situations, buyers have invested, sometimes heavily, in architectural drawings, engineering reports and other site specific development requirements. As such a slight premium of 5% above the purchase price may be appropriate in order to negotiate the buy-back in a timely manner. In order to maintain some influence over a prospective future buyer / end user of a City-owned industrial parcel and associated employment use, it may be in the City's better interest to seek repurchase the land rather than waive its option to repurchase.

The following is proposed as an addition to paragraph 1 of Staff Report LCS010-18:

- g) To repurchase previously sold City Industrial land, under the following circumstances:
 - i) Purchase funds are to be drawn from the City's Industrial Land Reserve;
 - ii) The purchase price shall be no more than 5% greater than the original purchase price;
 - iii) The terms of any agreements required are to the satisfaction of the Director of Legal Services and Director of Business Development; and
 - iv) The repurchased lands are to be automatically deemed surplus and are to be resold in accordance with the City's standard industrial land sale practices, terms and conditions.