

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON SEPTEMBER 24, 2012
FROM:	TOM JOHNSON MANAGING DIRECTOR – CORPORATE ASSETS
SUBJECT:	PROPERTY ACQUISITION PORTION OF 600 - 650 INDUSTRIAL ROAD POTTERSBURG CREEK

RECOMMENDATION

That, on the recommendation of the Managing Director - Corporate Assets, on the advice of the Manager Realty Services, with respect to the vacant property consisting of a portion of Pottersburg Creek and the adjacent floodplain land owned by Elron Developments Limited, municipally known as 600 - 650 Industrial Road, the following actions **BE TAKEN**:

- a) accept the offer submitted by Elron Developments Limited to donate to the City land municipally known as 600 and 650 Industrial Road, located on the south of Oxford Street East, north of Industrial Road, further described in the draft Reference Plan as Parts 3, 4, 10 and 11 (shown in yellow on Schedule “A” attached), containing an area of approximately 4 acres, for the purpose of the protection and addition of floodplain lands and the watercourse in perpetuity, for a nominal sum of \$2.00, subject to the following conditions:
 - i) the City and Elron Developments Limited agree to split the total cost in preparing and depositing a reference plan on title (a cost of approximately \$15,000.00) setting out the lands to be conveyed, as well as the lands for the multi-purpose easement for municipal services;
 - ii) the City agreeing to pay Elron Developments Limited’s legal fees of approximately \$2,500.00 plus disbursements to close this transaction, subject to assessment;
- b) the financing for this acquisition be approved as set out in the Source of Financing Report attached hereto as Appendix “A”; and
- c) a By-law be introduced at the Municipal Council meeting to be held on October 9, 2012 to approve this acquisition and to authorize the Mayor and City Clerk to execute the Agreement of Purchase and Sale and Grant of Easement agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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February 10, 2010 – Board of Control – Contract Award – Tender No. 10-17 Pottersburg Creek Remediation Phase 2 and Sanitary Sewer Replacement Project.

July 14, 2008 - Environment and Transportation Committee - Appointment of Consulting Engineer for Engineering Services Related to the Pottersburg Creek Erosion and Remediation Phase 2 Project.

October 29, 2003 - Board of Control - approval of the lowest tender bid as submitted by BlueCon Construction Inc. in the amount of \$1,143,721.27 for the construction of the Pottersburg Creek Storm/Drainage and SWM, Flood Control and remediation works and

approval of Cumming Cockburn Limited Consulting Engineers to carry out the supervision and general administration of this project at a cost of \$ 74,739.55.

April 29, 2003 - Environment and Transportation Committee - Approval of the Environmental Study report of a Municipal Class EA, for Pottersburg Creek Storm/Drainage and Channel Remediation Study.

BACKGROUND

Purpose

The subject parcel of land owned by Elron Developments Limited is a remnant parcel of land having no development capabilities and has been in private ownership while the City made the channel improvements. In that the City has been working on the subject property for excess of a year, the City will be acquiring the lands as a donation on a "as is" basis.

As indicated above, the project involved a long stretch of Pottersburg Creek which has taken place on several privately owned properties.

The donation of this parcel will be added to the City's inventory of floodplain lands and would have the potential for future use as a trail system along the watercourse. Parks Planning and Design are agreeable to the donation of the lands as Natural Heritage Areas. The City has carried out the channel improvements with the permission of the owner during 2011 and will be completed in 2012. In addition, a municipal sewer was relocated to the east of the area where the City will require an easement (shown in green on the attached plan). No additional costs will be incurred by the City in maintaining the site as it represents a small addition to the existing passive use parkland and will remain in its natural state with no additional City liability with respect to environmental issues.

The City's environmental investigation work completed as part of the Pottersburg Creek Remediation Phase 2 and Sanitary Sewer Replacement Project was limited to soil sampling and testing to determine the appropriate disposal method and location for the excavated material.

Context

The Pottersburg Creek Stormwater Management and Drainage Project involved the works to be carried out on several privately owned properties from Industrial Road up stream to Crumlin Road. This was done by a way of either authorization of the owners, or by the City acquiring an easement over the lands. The low flow channel and floodway channel which the subject property is a part of are being modified to convey up to the 250 year regional storm event, and are to have a total catchment area of 2600 hectares.

In this case, the lands that have been part of this project are to be acquired in fee simple and are surplus to the owner. Elron Developments Limited will be selling the abutting lands (approximately 50 acres), which are currently listed through MLS and consist of several industrial zoned parcels. Elron Developments Limited therefore have no interest in retaining ownership of the subject lands on which the channel improvements have been made, in the future. The acquisition by the City will also accomplish the automatic severance of lands located on the east and west side of the channel, which will help facilitate the sale of Elron Developments Limited lands for industrial use.

An in-house appraisal has valued the subject lands at the historical rate paid by the City for floodplain lands of this nature at \$5,500.00 per acre.

A location map (Appendix B) is attached for the Committee's information.

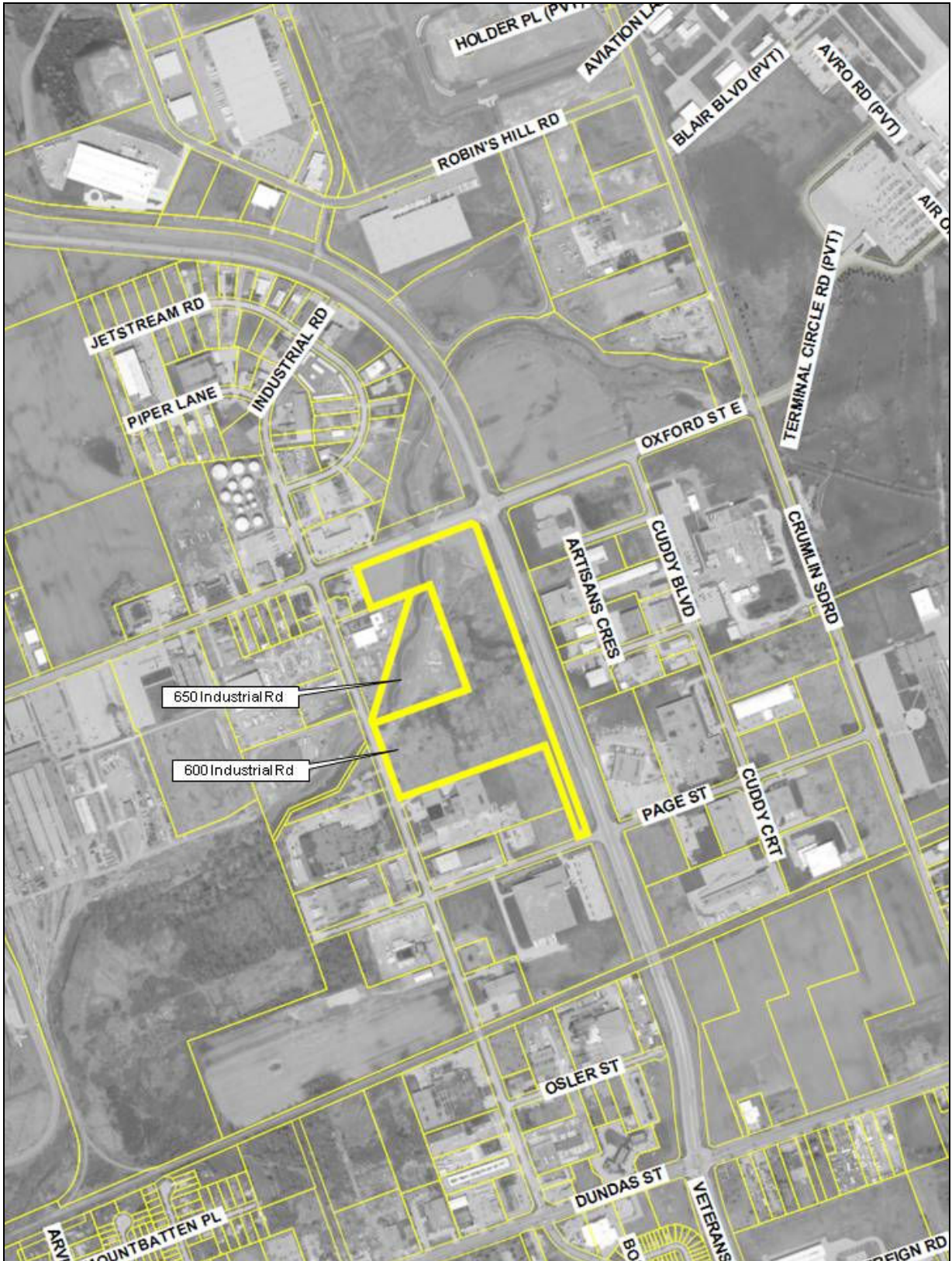
PREPARED BY:	RECOMMENDED BY:
BILL WARNER MANAGER REALTY SERVICES	TOM JOHNSON MANAGING DIRECTOR – CORPORATE ASSETS

September 12, 2012
Attach.

File No. P-2372

cc: John Braam, Managing Director, Engineering and City Engineer
Bert Krichker, Manager of Stormwater
Andrew Macpherson, Manager, Parks Planning & Design
David G. Munteer, Solicitor II

APPENDIX B
LOCATION MAP



Bill No.

By-law No

A By-law to authorize an Agreement of Purchase and Sale and Grant of Easement Agreement between The Corporation of the City of London and Elron Developments Limited, for the acquisition of property located at 600 - 650 Industrial Road, and to authorize the Mayor and City Clerk to execute the Agreements.

WHEREAS section 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS it is deemed expedient for The Corporation of the City of London (the "City") to enter into an Agreement of Purchase and Sale and Grant of Easement Agreement with Elron Developments Limited (the "Agreements");

AND WHEREAS it is appropriate to authorize the Mayor and City Clerk to execute the Agreements on behalf of the City;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Agreements attached as Schedule "B" to this By-law, being an Agreement of Purchase and Sale and Grant of Easement Agreement between the City and Elron Developments Limited., In Trust is hereby AUTHORIZED AND APPROVED.
2. The Mayor and City Clerk are authorized to execute the Agreements authorized and approved under Section 1 of this By-law.
3. This By-law shall come into force and effect on the day it is passed.

PASSED in Open Council

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First reading -
Second reading -
Third reading -