

Information Report



Service Area	Infrastructure, Development and Enterprise Services
Date	Friday, October 7, 2022
Subject	Hanlon Creek Business Park – Phase 3, Agreement of Purchase and Sale Execution

Executive Summary

Purpose of Report

During its Meeting held on March 26, 2018, City Council directed staff to conduct negotiations to divest of City-owned land within Phase 3 of the Hanlon Creek Business Park ("HCBP"). Staff are now reporting back to City Council on the execution of a conditional agreement of purchase and sale in respect of the subject land.

Key Findings

An Agreement of Purchase and Sale (the "Agreement") for City-owned land within Phase 3 of the HCBP, in addition to other City-owned lands, as more thoroughly described on Attachment-1 (the "Property"), was executed on September 28, 2022 on behalf of The Corporation of the City of Guelph.

Details of the executed Agreement:

- a. Legal Description of the Property:
 - i. PART LOTS 16, 17 & 18, CONCESSION 4, FORMERLY TOWNSHIP OF PUSLINCH, DESIGNATED AS PARTS, 5, 6, 7, 8, 9, and 10, REFERENCE PLAN 61R-9656, SAVE AND EXCEPT PLAN 61M-176; S/T EASEMENT IN FAVOUR OF UNION GAS LIMITED AS IN IS16044, NOTICE OF CLAIM RO776734 OVER PT 6 61R9656; S/T EASEMENT IN FAVOUR OF UNION GAS LIMITED AS IN MS123213 OVER PT 8 61R9656; CITY OF GUELPH identified by PIN 71200-0182 (LT);
 - ii. PART LOT 16, CONCESSION 5, FORMERLY TOWNSHIP OF PUSLINCH, DESIGNATED AS PART 1, REFERENCE PLAN 61R-9655; SAVE AND EXCEPT PLAN 61M-169; CITY OF GUELPH identified by PIN 71219-0455 (LT);
 - iii. Part of the existing Laird Road (to be closed), City of Guelph, identified as part of PIN 71219-0537;
- b. Total acreage: 107.167;
- c. The buyer is proposing to sub-divide and construct multiple speculative buildings totaling approximately 2 million square feet of space for industrial and business park uses;
- d. Conditional Date: November 27, 2022; and
- e. Closing Date: December 28, 2022

Financial Implications

By way of an Information Report to be prepared following the closing of the purchase and sale, City Council will be advised of the specific financial details (i.e., sale price, buyer, deposit amount).

Following closing, the proceeds of the sale will be transferred to the Industrial Land Reserve #332 in accordance with the City Council-approved [Reserve Policy](#).

Report

Details

During its Meeting held on March 26, 2018, City Council directed staff to implement a request for proposal process and conduct negotiations to divest and develop City-owned property within Phase 3 of the HCBP.

In August 2021, Jones Lang LaSalle Real Estate Services Inc. ("JLL") was retained as the City's representative to prepare and administer the process for disposition of the City's interest in the Property.

On October 12, 2021, City Council extended the Hanlon Creek Business Park Draft Plan of Subdivision 23T-03501 with a five-year lapsing date of November 8, 2026, to allow for satisfaction of the conditions for approval and development.

Through JLL and in partnership with the other property owner within Phase 3, on December 7, 2021, a market offering for the entire Phase 3 lands was released with a closing date of February 4, 2022. Proposals were evaluated based on overall development profile, concept, price and ability to execute on the terms of the Agreement.

As shown in Attachment-1, the Property is made up of three (3) parcels of land including City-owned lands within Phase 3, Block 24 from Phase 1, and a small segment of Laird Road to be closed in conformity with the City of Guelph Official Plan.

The Heritage Lands located within Phase 3 have been identified by the Water Services Division as a potential future production well. The Heritage Lands are to be conveyed to the buyer; however, the City will continue to proceed with groundwater testing as part of the [Southwest Guelph Environmental Assessment](#), as well as planned building stabilization works by way of a long-term lease with an option to repurchase in the future.

Financial Implications

By way of an information report to be prepared following the closing of the purchase and sale, City Council will be advised of the specific financial details (i.e., sale price, buyer, deposit amount). Conditional and closing dates may be amended upon agreement from both parties.

Following closing, the proceeds of the sale will be transferred to the Industrial Land Reserve #332 as per the Council approved [Reserve Policy](#).

Consultations

A number of internal departments were consulted, including Legal, Realty and Court Services, Planning and Building Services, and Environmental Services.

Strategic Plan Alignment

The sale of City-owned Hanlon Creek Business Park lands aligns with Building Our Future pillar by maintaining, securing, and activating community assets such as the City-owned lands in the Hanlon Creek Business Park. It also aligns with the Powering Our Future priority by supporting an innovation economy, and helping business succeed and adapt to workforce needs.

Attachments

Attachment-1 Property Map

Departmental Approval

Christopher C. Cooper, General Manager, Legal, Realty and Court Services/City Solicitor

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