

**Township of Edwardsburgh Cardinal
Action Item**

Committee: Port Management – Special Council

Date: January 10, 2022

Division: Port of Johnstown

Topic: Agreement of Purchase of Sale – Waiver Form 123

Purpose: To recommend providing authority for the Mayor and Port General Manager to sign OREA Waiver Form 123 finalizing the Agreement of Purchase and Sale of property located at 2822 County Road 2, Johnstown Ontario.

Background: The Port of Johnstown, a Division of the Township of Edwardsburgh Cardinal, has determined that additional land is required to allow for the continued growth of the marine business by providing additional lands for potential future cargo. A discussion took place in camera on September 22 whereby there was unanimous consent by the Port Management Committee to pursue discussions with both the financial institutions to provide indicative term rates, and with our stevedore on a potential leasing agreement if the port should purchase the property.

A further in camera meeting took place on October 20th where the Mayor and Port General Manager were directed by the committee to negotiate and sign off on an agreement to purchase the said property.

On Nov. 18th the Port General Manager and Mayor signed the Agreement of Purchase and Sale.

This began a 60-day period to perform due diligence on the property. This runs until Jan. 17th at 5pm.

SKS Law were hired to complete the due diligence and their report is attached to this action item.

A building assessment was also completed by Pichin, which is not available at this time, however, a discussion took place over the phone and the major concern was the condition of the steel roof. An internal inspection of the building was completed during a heavy rain event by Port staff and it was confirmed that the roof has many leaks and will need replacement in the near future. Garland Roofing also made a site visit and budgeted the replacement of the roof between \$600,000 to \$750,000.

At the December 15th meeting there was concern amongst the Port Management Committee that the purlins that the roof attaches to may be in decay and add to the costs of a roof replacement. On Jan.5, 2022 a structural engineer investigated the building structure and found the purlins and main steel structure to be in good shape other than the purlins around the HVAC units. The estimated budgeted cost for these repairs is \$10,000. It was also noted in his report that there is no heating for 90 percent of the 2nd story offices. His report is attached.

At the time of the writing of this document there was a discrepancy in the total land listed on the Real estate listing and the MPAC property tax. There is no survey available, and the Port has requested Ron Jason Surveying do a table top exercise to confirm the correct number of acres that go with this property. We are hoping to have this information prior to Jan. 17th.

This action item is to recommend sign off of the OREA Waiver Form 123. A further action item will be required to execute a financial loan and will be presented at the Township Council meeting on January 24th, 2022.

Policy Implications: The Agreement of Purchase of Sale, including Waiver Form 123 must be approved by council.

Recommendation:

That Municipal Council authorizes the Mayor and Port General Manager to sign the document titled, "Ontario Real Estate Association WAIVER Form 123" as attached, provided that the acreage listed in the Agreement of Purchase of Sale is confirmed by a third party.

Robert Dalley, General Manager
Port of Johnstown