

To: David Creery, Chief Administrative Officer

From: Brad Hammond, Development Officer

Re: Extension of Build Commitment for Rajesh Arora

AIM

To seek City Council's approval to extend the required time allowed to complete an industrial building in relation to a land sale to Rajesh Arora, as outlined in the City's standard agreement of purchase and sale.

BACKGROUND

On October 5, 2021 the City of Woodstock sold approximately 8.31 acres of industrial land to Rajesh Arora (see Schedule 1). As with the sale of all City-owned industrial lands the agreement of purchase and sale contained a restrictive covenant requiring the purchaser to complete a building of a minimum size within 2 years of purchase. In the case of this sale the requirement was for a minimum 54,000 sqft.

In October of 2023 City Council provided an extension on the time to build until the end of 2024. The extension was given because the property owner had spent significant time and money completing technical studies required to reduce Conservation Authority setbacks from the east side of the property.

Although the City has no interest in repurchasing the subject site currently, the property will shortly be in default of the original agreement. As one might imagine, this situation creates concern for both the property owner and its lender. This report seeks to bring this property back into compliance and allow until the end of 2025 to complete construction.

COMMENTS

Construction has begun on the project but it is clear they will not complete the building by the end of 2024. Earthworks are now under way on the property and work on the building footings and foundation are expected by the first week of October.

The property owner is currently about 6 months behind from when they expected to begin construction. With construction now under way the owner now expects to complete an industrial building of 60,000 sqft., over the next several months.

Granting a further one-year extension for the time allowed to complete construction of a building for this property will ensure this project remains in compliance with the City's standard agreement of purchase and sale. As such, staff are prepared to recommend that City Council grant the requested extension, as described above.

RECOMMENDATION

That Woodstock City Council authorize the Mayor and Clerk to amend the performance requirements of the purchase and sale agreement with Rajesh Arora to provide for the extension of the commitment to construct a building to the end of 2025.

Authored by: Brad Hammond, Development Officer

Approved by: Len Magyar, Development Commissioner

SCHEDULE 1

