

To: David Creery, Chief Administrative Officer

From: Brad Hammond, Development Officer

Re: Extension of Build Commitment for 428 Universal Road - CWB Holdings

AIM

To seek City Council's approval to extend the time allowed to complete an industrial building as required in the City's Agreement of Purchase and Sale with CWB Holdings (428 Universal Road).

BACKGROUND

On October 5, 2021 the City of Woodstock approved the sale of approximately 0.55 hectares (1.37 acres) of land at the north-west corner of Commerce Way and Universal Road to CWB Holdings for the construction of a new industrial building (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 (December 13, 2024). In the case of this sale the requirement was for a minimum 6,000 sqft building.

Although the City has no interest in repurchasing the subject site at this time, the property is now in default of the original agreement. As one might imagine, this situation creates concern for the property owner. This report seeks to bring this property back into compliance and allow until the end of 2025 to complete construction.

COMMENTS

The property owners have been working in earnest to advance the construction of their building and have been in conversations with a number of potential tenants. According to the developer, the project has been challenged by a softened rental market and higher interest rates. Nevertheless, the owners remain optimistic that they will be successful in securing a tenant in the coming months.

Granting a 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 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

