

To: David Creery, Chief Administrative Officer
From: Brad Hammond, Development Officer
Re: Proposed Extension in Timing to Build Commitment for 2427224 Ontario Inc. (Arvind Aggarwal) on 417 Griffin Way

AIM

To seek City Council's approval for an additional extension to allow 2427224 Ontario Inc. (Arvind Aggarwal) to meet construction commitments as outlined in our current agreement of Purchase and Sale for 2 acres of industrial land on Griffin Way.

BACKGROUND

Arvind Aggarwal purchased 2 acres of land on Griffin Way (See Exhibit One) in August of 2019. At the time of purchase, the company planned to build an industrial building providing lease options for various industrial tenants.

The agreement of purchase and sale contained all the City's standard sales conditions including timing to construct, lot coverage, façade materials and rights of repurchase in favour of the City for non-performance.

In May of 2023 City Council approved a 6-month extension for this property to allow the owner until the spring of 2024 to complete construction of a main building of at least 10% lot coverage.

COMMENTS

Development staff have again been approached by the owners of 417 Griffin Way requesting another 6-month extension to the timing allowed to complete a building. However, this request is not being driven by the property owner's expected construction timeline but rather by a request from the lender for the project. As such, development staff are inclined to support the further request for an extension.

As a matter of fact, the property owner now has an approved Site Plan Agreement and City-issued Building Permit. The property owner has indicated he is prepared to start construction immediately and has indicated he fully expects to have the building completed within the terms of the existing agreement. Staff believe this to be true.

However, the lender for this project is requiring an additional buffer of time to ensure the building is completed before the City is in a position to exercise its rights under the non-performance clauses contained in the sales agreement. Like other properties the City has sold, this property requires a postponement agreement with any lender before debt can be attached to the property. The City's standard postponement agreement allows

the lender additional time to complete construction of a building in the event the property owner defaults on its commitment to complete construction of a building.

In the case of this request, it appears the lender is simply seeking to create an additional buffer to ensure they are not faced with the prospect of assuming the responsibility to construct. This request appears to stem from an abundance of caution.

RECOMMENDATION

That the Mayor and Clerk be authorized to sign an amending agreement with 2427224 ONTARIO INC. (Arvind Aggarwal), as described above.

Authored by: Brad Hammond, Development Officer

Approved by: David Creery, M.B.A., P. Eng. Chief Administrative Officer

Exhibit 1

