

Report

To: Mayor and Council
From: Faye Flatt, Municipal Planner
Date: 24 May 2013
Re: Huffman Subdivision

MAY 24 2013

Municipal Planner
 Report #2013-13

Purpose:

The purpose of this report is to provide information on pricing and conditions to enable finalizing these components of subdivision so staff can proceed with sales.

Background:

Earlier this year Council directed the sale of the lots within the proposed subdivision by lottery. The prices of the lots were finalized and averaged between the smaller and larger ones so the prices were more equitable. The lottery was held April 25th but did not produce any sales. As a result the strategy was changed to a first come/first served basis but this, too, proved non-productive as a result of comments received that the sale prices of the lots were too high and the requirement to construct within 2 years too restrictive.

On May 13th the subdivision was again considered by Committee of the Whole *in-camera* where issues of concern were discussed. Of the options for pricing discussed, preference was given by consensus for Option "E" and a Press Release to the municipality advising that the Town would be proceeding with the development based on a cost of approximately \$722,000; that lot sale prices would start at \$39,900 and that the requirement to build was increased to 5 building seasons. Although there was clear direction to proceed with a starting price of \$39,900 using Option "E", the prices for the other lots were not finalized. Both options are shown below with the resultant lot pricing (original and rounded) so as to enable final discussions and decisions on the sale price of all lots:

	Original % of Cost	Option "E" - \$ 721,398.83 Tipping Fees & Land Acquisition excluded			OPTION 'G' - \$ 610,428.29 Tipping Fees, Building, Demolition & Land Acquisition excluded		
		Price Based on original %	Rounded		Price Based on original %	Rounded	
			% of Cost	Lot Price		%	Lot Price
Lot 1	5.50%	\$ 39,676.94	5.531 %	\$ 39,900.00	\$ 33,573.56	5.488%	\$ 33,500.00
Lot 2							
Lot 3							
Lot 4							
Lot 5							
Lot 6	6.30%	\$ 45,448.13	6.307 %	\$ 45,500.00	\$ 38,456.98	6.307 %	\$ 38,500.00
Lot 7	5.75%	\$ 41,480.43	5.753 %	\$ 41,500.00	\$ 35,099.63	5.816 %	\$ 35,500.00
Lot 8							
Lot 9							
Lot 10	6.85%	\$ 49,415.82	6.862 %	\$ 49,500.00	\$ 41,814.34	6.880 %	\$ 42,000.00
Lot 11	9.00%	\$ 64,925.90	9.010 %	\$ 65,000.00	\$ 54,938.55	9.010 %	\$ 55,000.00
Lot 12							
Lot 13	6.85%	\$ 49,415.82	6.862 %	\$ 49,500.00	\$ 41,814.34	6.880 %	\$ 42,000.00
Lot 14	5.75%	\$ 41,480.43	5.753 %	\$ 41,500.00	\$ 35,099.63	5.816 %	\$ 35,500.00
Lot 15							
Lot 16							

In addition to the starting price and building condition, it was also decided at the May 13th meeting that the subdivision would proceed; the building would be demolished; the surveying of all components of the subdivision would be conducted; and the development would be a 2 year project with the underground services proceeding in 2013 and the curb, gutter and roadway in 2014.

Considerations:

There were other conditions of the subdivision previously that need to now be confirmed to include or exclude in order to go to the public to market and sell the lots. The issues and options are:

1. Previously a purchaser was considered to have defaulted if the property was resold or construction did not occur within the required period of time.

Option A - leave condition as is, or

Option B - the new property owner assumes the requirement and must construct within the remaining time or be in default.

2. Costs if Default - Previously if default occurred, the property would revert back to the Town. The purchase price would be returned to the purchaser less any costs associated with placing the property back into the Town's name.

Option A - leave condition as is, or

Option B - specify an amount either in \$\$ or % to be withheld as a penalty.

3. Closing Date - Previously the closing date was 45 days from the date of the Agreement of Purchase and Sale.

Option A - leave condition as is, or

Option B - Change closing date to 45 days from the date the Town is in a position to issue a building permit, or November 1st, whichever comes first.

4. Extension - Previously a purchaser could apply to Council to extend the deadline to construct.

Option A - leave condition as is, or

Option B - Remove because time period has been changed to 5 building seasons

5. Who Can Purchase - Previously purchasers were restricted to one lot and Corporations were not permitted to purchase.

Option A - leave condition as is, or

Option B - permit one purchaser to buy more than one lot, and/or remove restrictions to Corporations.

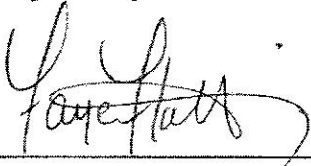
Recommendation:

At the Planning and Development Executive Committee held May 21st, the issues noted above were considered with the following recommendations:

1. Option B - A purchaser will be considered in default if he has not constructed within the 5 building seasons. If the property is sold, the new purchaser will assume the requirement and be required to construct within the remaining time.
2. Option B - 10% of the purchase price will be withheld as a penalty to cover costs associated with placing the property back into the Town's name.
3. Option B - The closing date shall be 45 days from the date the Town is in a position to issue a building permit, or November 1st, whichever comes first.
4. Option B - maintain requirement to construct in 5 building seasons.
5. Option A - Purchasers are restricted to purchasing only one lot. Corporations are not eligible to purchase a lot.

PDEC did not make a recommendation on the finalization of the sale prices and as such, Council direction is required.

Respectfully submitted



COUNCIL APPROVAL OF THIS REPORT: will authorize the sale of lots within the Huffman Subdivision with the recommendations 1 thru 5 above included as conditions; and set the sale prices of the lots as per direction.