

# **The Regional Municipality of York**

Committee of the Whole  
Finance and Administration  
October 10, 2019

Report of the Commissioner of Corporate Services

## **Disposition of Land Viva Bus Rapid Transit Corridor 425-431 Davis Drive Town of Newmarket**

### **1. Recommendations**

1. Council authorize an amending agreement to a previously authorized disposition of land in the Town of Newmarket, as set out in Attachment 1.
2. The Commissioner of Corporate Services be authorized to execute the amending agreement related to the agreement of purchase and sale and all necessary documents to complete the transaction.

### **2. Summary**

This report seeks Council authority to amend an agreement of purchase and sale for the previously authorized disposition of lands that are surplus to the Region, in the Town of Newmarket. The location of the subject property is shown on the map in Attachment 2.

Private Attachment 1 to this report will be considered in private session because it relates to the disposition of land by the Region.

Key Points:

- The property is improved with two buildings, commonly known as the former Union Hotel, which was acquired as part of the vivaNext project
- The property is not required for the vivaNext project and is surplus to the Region's needs
- Council approved the disposition of the property and authorized the Commissioner of Corporate Services to execute the agreement of purchase and sale
- Upon completion of its due diligence, the purchaser proposed revised terms and conditions to the agreement of purchase and sale

- The transaction is being completed in accordance with the Master Agreement between Metrolinx, York Region Rapid Transit Corporation and the Region
- The sale proceeds are to be held in trust by the Region for Metrolinx in accordance with the Master Agreement between Metrolinx, York Region Rapid Transit Corporation and the Region

### **3. Background**

#### **The Region acquired the lands for the vivaNext project on Davis Drive in the Town of Newmarket**

To facilitate public transit along Davis Drive, York Region Rapid Transit Corporation (YRRTC), on behalf of the Region, constructed dedicated centre bus lanes for Viva buses. The corridor included enhanced street features from Yonge Street to Alexander Road in Newmarket. YRRTC identified land requirements which the Region acquired using Metrolinx funding. The reconstruction and widening of Davis Drive was completed in 2015 as part of the vivaNext project.

In [January 2009](#), Council authorized the expropriation of lands for the vivaNext project on Davis Drive, in the Town of Newmarket. The subject lands were expropriated on September 18, 2009 and compensation was settled at the Board of Negotiation on August 23, 2012. Council approved the settlement with the previous owner in [January 2013](#).

#### **The subject property is surplus to the vivaNext project, and is listed for sale through a real estate broker**

The subject property is commonly referred to as the former Union Hotel, and includes two buildings that were located on land required for the Davis Drive right of way. It was necessary to acquire the entire property and relocate the buildings on the site to accommodate the widening of Davis Drive.

The required land has been incorporated into the right of way. The remaining site is improved with two vacant buildings and a parking area, which is now surplus to the Region's needs.

The Region retained a real estate broker to list the property for sale on the Multiple Listing Service (MLS) to ensure effective market exposure. Staff received and reviewed all offers to purchase and negotiated disposition of the subject property with one of the bidders. The proposed purchaser plans to renovate and restore the buildings in recognition of the heritage designation.

In [April 2019](#), Council authorized the disposition of the subject property. The agreement of purchase and sale was fully executed on April 26, 2019, with closing to be within 120 days of completion of due diligence.

### **The Region and purchaser negotiated an adjustment to the purchase price, due to the extent of work required to make the property functional**

As part of the listing package, the Region disclosed its reports related to studies completed with respect to the physical condition of the buildings and environmental condition of the land. As part of its due diligence, the purchaser completed more in-depth studies and determined the work required to bring the property to a functional standard is more extensive than anticipated.

Staff and the purchaser agreed the extent of the renovation work and associated costs warranted an adjustment to the purchase price of the property.

## **4. Analysis**

### **The Region and purchaser negotiated an amendment to the agreement of purchase and sale**

The purchaser has completed its due diligence and proposed an amending agreement to the agreement of purchase and sale based on the findings of due diligence. The amending agreement includes an adjustment to the purchase price and closing date. All other terms and conditions of the original agreement remain unchanged.

### **Environmental due diligence was completed**

The Region commissioned Environmental Site Assessments (ESAs) and completed a partial Environmental Remediation Program to address some of the identified environmental concerns with the property. Remediation involved partial removal of impacted soil. Reports containing environmental assessment results were shared with bidders who signed a Confidentiality Agreement. The property is being sold “as is, where is”, and the purchaser will be responsible to remediate the remainder of the lands as necessary.

## **5. Financial**

The disposition of the subject property is being completed in accordance with the Real Estate Protocol of the Master Agreement between the Region, Metrolinx and YRRTC. In accordance with the Protocol, the sale proceeds will be held in trust by the Region for Metrolinx. The vivaNext project is responsible for all costs incurred to acquire, maintain and dispose of the lands.

## 6. Local Impact

Region, YRRTC and Town of Newmarket staff collaborated on creating criteria and obligations associated with the listing for this property. Through the restoration and redevelopment process, the subject land will form part of Newmarket's Heritage Properties and revitalize the major intersection of Davis Drive and Main Street.

## 7. Conclusion

The subject property was acquired to facilitate widening and reconstruction of Davis Drive for the vivaNext project. The vivaNext project has been completed, and the surplus portion of the subject property was listed for sale on MLS. A purchaser was identified, and an agreement of purchase and sale was negotiated.

Upon completion of its due diligence, the purchaser proposed an adjustment to the purchase price, due to the extent of work required to improve the property to a functional standard. The Region and purchaser agreed to adjust the purchase price and closing date of the transaction. All other terms and conditions of the original agreement of purchase and sale remain unchanged.

Staff recommends Council approve the revised terms and conditions of the sale of the subject land.

---

For more information on this report, please contact Michael Shatil, Director, Property Services Branch at 1-877-464-9675 ext. 71684. Accessible formats or communication supports are available upon request.

Recommended by:

**Dino Basso**  
Commissioner of Corporate Services

Approved for Submission:

**Bruce Macgregor**  
Chief Administrative Officer

October 10, 2019  
Attachments (2)  
Private Attachments (1)  
eDOCS #10014452