

<b>Subject: Eco-Industrial Park; Land Transfer to Wood Buffalo Housing and Development Corporation</b>
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<b>APPROVALS:</b> Rodney Burkard, Chief Administrative Officer
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### **Administrative Recommendation(s):**

1. THAT Resolution # 07-090 (Development of Eco-Industrial Park by Wood Buffalo Housing and Development Corporation) be rescinded;

THAT Resolution # 08-024 (Acquisition of Fill from Parcel F) be rescinded; and

THAT Resolution # 08-033 (Eco-Industrial Park: Land Transfer to Wood Buffalo Housing and Development Corporation) be rescinded.

2. THAT the Regional Municipality of Wood Buffalo enter into a Real Estate Purchase and Development Agreement with Wood Buffalo Housing and Development Corporation, as identified in Attachment 4 – Real Estate Purchase and Development Contract, dated May 6, 2008;

THAT the provisions of said Real Estate Purchase and Development Contract remain confidential pursuant to sections 16 and 25 of the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000. c.F-25, as amended; and.

THAT the net proceeds from Wood Buffalo Housing and Development Corporation be allocated to the Asset Addition Reserve

### **Summary:**

The Municipality's auditors, KPMG, have determined that the original purchase agreement negotiated to transfer the Eco-Industrial Park to Wood Buffalo Housing and Development Corporation (WBHDC) contravened the Memorandum of Association of Wood Buffalo Housing and Development Corporation (the Memorandum). As a result, the purchase agreement has been re-negotiated.

### **Background:**

On February 12, 2008 Council directed Administration to transfer the Eco-Industrial Park to WBHDC (Attachment 1). The intent was to have the Municipality and WBHDC equally share in the proceeds of sale with 9.4 acres of serviced land being returned to the Municipality (Attachment 2).

A purchase agreement was drafted and reviewed by legal counsel for each party and on March 7, 2008 the agreement was signed with a closing date of March 14, 2008. However, on March 12, 2008 KPMG determined that this agreement contravened articles 5 and 6 of the Memorandum, which states that WBHDC can't use any profits for any other purpose other than what is stated in the Memorandum. This includes dispersing profits back to the Municipality. As a result, the agreement was renegotiated in such a way that WBHDC will pay a base purchase price for the land and return 9.4 acres of serviced land to the Municipality. The Municipality will pay WBHDC for the costs of servicing the lands to be returned to the Municipality.

**Budget/Financial Implications:**

All development costs incurred to date by the Municipality will be reimbursed by WBHDC. The net proceeds from this arrangement will be utilized for future land acquisitions for the Municipality.

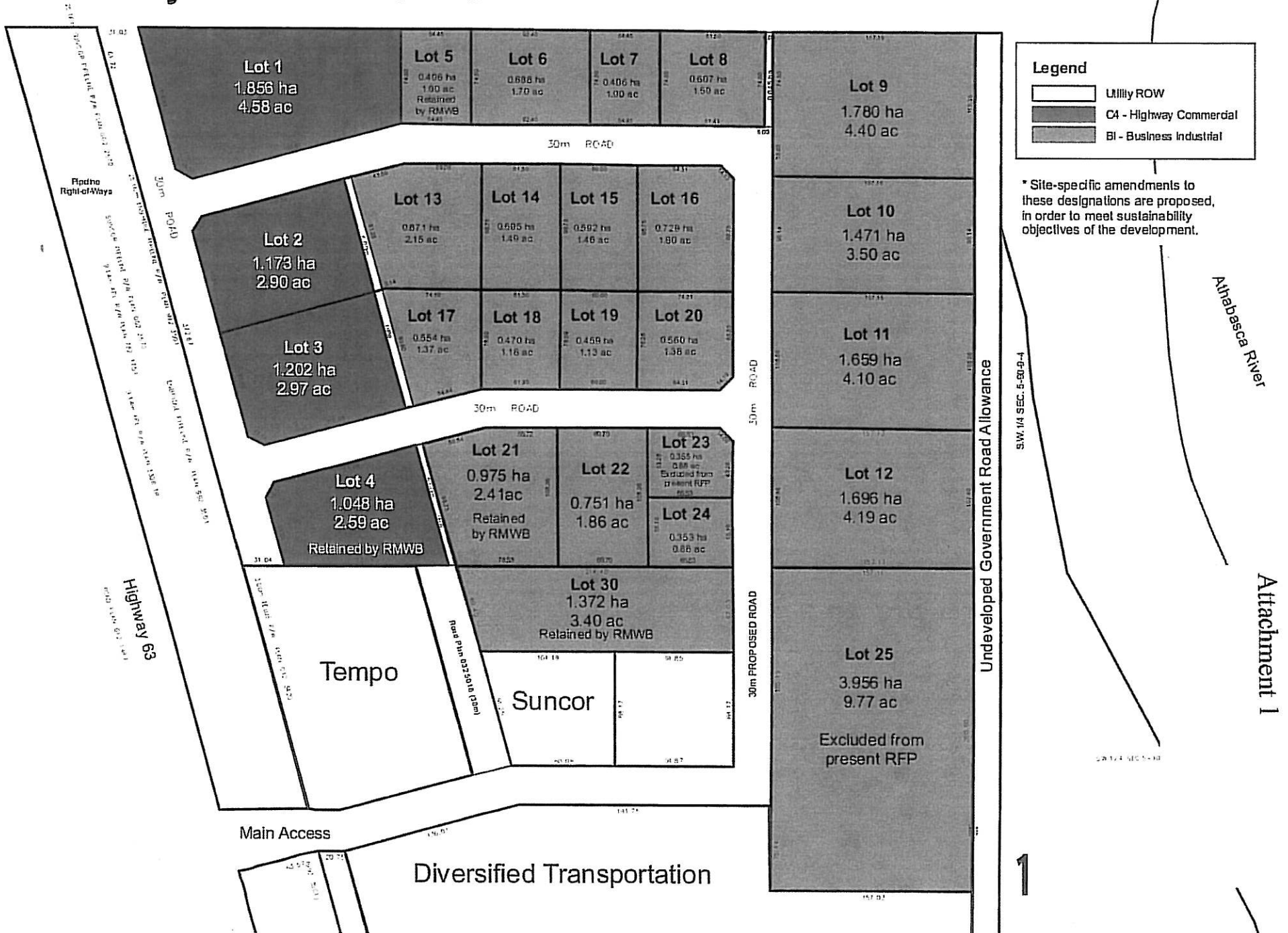
**Rationale for Recommendation(s):**

The recommendations will allow WBHDC to begin to develop the land and create much needed industrial lots and provide 9.4 acres of serviced land to the Municipality.

**Attachments:**

1. Subject Area Map
2. Past Resolutions re: Eco-Industrial Park
3. Real Estate Purchase and Development Contract (*CONFIDENTIAL* pursuant to Sections 16 (disclosure harmful to business interests of a third party) and 25 (disclosure to economic and other interests of a public body)<sup>3</sup> of the *Freedom of Information and Protection of Privacy Act*)

# Hwy 63 North EIP: Tentative Subdivision Plan



## **Past Resolutions - Eco-Industrial Park**

**March 27, 2007**

### Resolution # 07-090

THAT administration be directed to complete the transfer of the Eco-Industrial Park (legally described as Lots 2 and 5, Block 1 of new subdivision of Lot 1, Plan 012 0302 and all of Lot 3, Block 1, Plan 042 1905) to the Wood Buffalo Housing and Development Corporation subject to the following:

1. The sale price shall be set at \$10,000,000, plus all costs incurred by the Municipality to date, plus 50% of the net profits generated by the project in excess of \$20,000,000;
2. The goals of Council for development of this land and the associated sales strategy be a condition of sale; and
3. A maximum of 10 acres shall be returned to the Municipality at no cost to accommodate future possible land exchanges and infrastructure needs.

**January 22, 2008**

### Resolution # 08-024

THAT that Administration be authorized to access up to \$500,000 from the Capital Infrastructure Reserve for the purpose of acquiring fill from Parcel F, if deemed appropriate.

**February 12, 2008**

### Resolution # 08-033

- THAT Council rescind resolution #07-090; and
- THAT Administration be directed to enter into a sales agreement with Wood Buffalo Housing and Development Corporation (WBHDC) to transfer the Eco-Industrial Park subject to the following conditions:
  1. Upon transfer of the property, WBHDC shall pay all future costs;
  2. The Municipality and WBHDC equally share in the profits of the project after all costs have been paid;
  3. The goals of Council as stated, in Council resolution 091/06, for development of this land and the associated sales strategy shall be a condition of sale;
  4. A minimum of 9.4 acres shall be returned to the Municipality, at no cost, to accommodate future possible land exchanges and infrastructure needs;
  5. The costs incurred by the Municipality in regards to the Eco-Industrial Park are funded from the Capital Infrastructure Reserve, to a maximum of \$1,200,000;
  6. At the time of the transfer of the Eco-Industrial Park lands to WBHDC, all costs incurred by the Municipality in regards to the Eco-Industrial Park be reimbursed to the Municipality by WBHDC and refunded to the Capital Infrastructure Reserve; and
  7. No further development costs shall be incurred by the Municipality related to the Eco-Industrial Park Development; and
- THAT the Municipality's portion of the profits be allocated to the Asset Addition Reserve.