



## INVEST BARRIE – BUSINESS DEVELOPMENT MEMORANDUM

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**TO:** MAYOR J. LEHMAN, AND MEMBERS OF COUNCIL

**FROM:** S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

**NOTED:** Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE  
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

**RE:** AUTHORIZATION TO EXECUTE AMENDMENT/ANCILLARY AGREEMENT TO  
AGREEMENT OF PURCHASE AND SALE – 52-68 RAWSON AVENUE

**DATE:** NOVEMBER 20, 2017

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The purpose of this Memorandum is to advise members of Council of a matter related to the Agreement of Purchase and Sale between the City of Barrie and Morriello Construction Limited for the 5.4 acre parcel of City owned industrial land described as Lots 76, 77, 78 and 79 on Plan 51M-379 Plan of Subdivision of Part of N1/2 and S1/2 Lot 10, Concession 11 Township of Innisfil now in the City of Barrie, County of Simcoe and known municipally as 52-68 Rawson Avenue (the Property).

In December 2016, Council accepted the offer of purchase from Morriello Construction Ltd. for the 5.4 acre property on Rawson Avenue at a price of \$121,000 per acre for a total sale of \$653,400. The property is being purchased to facilitate the expansion of a local manufacturer, Busch Systems and at its full development will achieve up to 80,000 square feet of industrial/manufacturing/warehouse space and an additional 80-100 employees above its current 100 employee compliment.

As a condition of sale, Morriello Construction Ltd. agreed to purchase the property in its present condition, 'as is', and was provided the opportunity to conduct the soil tests it deemed necessary to determine that the soil conditions for the property would be satisfactory to support its development.

As part of that due diligence process, Morriello Construction Ltd. determined that the site contained a significant volume of fill material that was beyond the scope of what it had contemplated at the time of offer. The additional fill is mostly unusable for the development of the property and removal of this fill would add significant costs to rectify. Morriello Construction Ltd. remains interested in purchasing the property for its proposed development and has recently completed the OPA and re-zoning required for their development.

To reflect the additional costs to remove the excess of top soil located on the property, an amendment or ancillary agreement to the agreement of purchase and sale has been proposed that would provide for compensation of up to \$90,000 be allocated from the sale to compensate the Buyer. Staff believe the compensation to be reasonable given the conditions on the site and will undertake best efforts to identify any opportunity to reduce any net costs to the City.

Given that the Buyer has completed their re-zoning process and is in a position to close on the property, time is of the essence and the rationale for the Memorandum to Council.

Should Council wish to proceed with the sale and allow for the compensation of Morriello Construction Limited, a motion without notice could be introduced as follows:

### **MOTION WITHOUT NOTICE – AMENDMENT/ANCILLARY AGREEMENT TO THE AGREEMENT OF PURCHASE AND SALE FOR 52-68 RAWSON AVENUE**

That pursuant to Section 7.1 of the Procedural By-law 2013-072 as amended, permission be granted to introduce a motion without notice concerning authorization to execute an amendment or ancillary agreement to an Agreement of Purchase and Sale for 52-68 Rawson Avenue.



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Subject to a two-thirds majority being achieved, the following Direct Motion could then be introduced to address the matter:

**AUTHORIZATION TO EXECUTE AN AMENDMENT/ANCILLARY AGREEMENT TO THE AGREEMENT OF PURCHASE AND SALE FOR 52-68 RAWSON AVENUE**

That further to motion 16-G-270, the City Clerk be authorized to execute an amendment or ancillary agreement to the Agreement of Purchase and Sale between the City of Barrie and Morriello Construction Limited for 52-68 Rawson Avenue to allow for compensation of Morriello Construction Limited to rectify matters concerning excess fill discovered on the property to a maximum dollar value of \$90,000, with the approach to resolving the matter and terms of such amendment or ancillary agreement to be to the satisfaction of the Director of Business Development and the Director of Legal Services.

## APPENDIX “A” SUBJECT PROPERTY

