

City of Mississauga

Corporate Report



Date: July 7, 2020

To: Mayor and Members of Council

From: Geoff Wright, P.Eng, MBA, Commissioner of
Transportation and Works

Originator's files:
SP 063/07
SP 241/01

Meeting date:
July 8, 2020

Subject

Authorization to Enter into an Assumption Agreement, and Consent to Lift Restrictions to Transfer as Registered on Title with Overwood Developments Inc. in Ward 5

Recommendations

1. That the Corporate Report titled "Authorization to Enter into an Assumption Agreement, and Consent to Lift Restrictions To Transfer Registered on Title with Overwood Developments Inc. in Ward 5" dated July 7, 2020 from the Commissioner of Transportation and Works, be received.
2. That the Commissioner of Transportation and Works and the City Clerk be authorized to approve and execute an Assumption Agreement, and all ancillary documents or amending agreements thereto, necessary to transfer all obligations of the Servicing Agreements identified as SP 241 01, dated March 27, 2002 and SP 063 07 dated December 12, 2007 between Overwood Developments Inc. ("Overwood"), the City of Mississauga (the "City") and the Regional Municipality of Peel (the "Region"), to the future purchaser, on terms and conditions agreeable to Commissioner of Transportation and Works, and in a form acceptable to the City Solicitor, and subject to concurrence from the Region.
3. That the Commissioner of Transportation and Works, and the City Clerk be authorized to grant consent to the transfer and take such other steps as necessary to facilitate the transfer of Overwood's property, on a one time only basis, with the intent being that the restrictions remain on title, and continue to bind the lands, and subject to concurrence from the Region.
4. That all necessary bylaws be enacted.

Background

Overwood entered into servicing agreements with the City and the Region to provide for the construction of the extension of Slate Drive in accordance with anticipated development and to ensure detailed design, development, and protection for municipal infrastructure and utilities are properly accounted for and installed.

Overwood has informed the City that it wishes to sell its property to a new corporation (the “Purchaser”), a joint venture group, to provide for the development of the lands.

Comments

In order to be able to transfer the property interests, Overwood requires the Consent of the City and the Region to allow this sale to take place. Prior to granting Consent, the City will require the Purchaser to enter into an Assumption Agreement to obligate the Purchaser to abide by all the obligations of the Servicing Agreements, provide replacement letters of credit and all securities necessary to make the City and Region whole, and to protect for the future road development, inclusive of supplying future design and detail for City/Region approval.

This report seeks to secure the necessary permissions to allow the Commissioner of Transportation and Works to approve and execute an Assumption Agreement between the Purchaser, Overwood, the City and the Region, which agreement will be in a form acceptable to the City Solicitor and will result in the Purchaser stepping into the shoes of Overwood and providing all protections and assurances, including the posting of securities, required by the Servicing agreements.

In order to permit the sale to the Purchaser, the City and Region are required to grant consent to the transfer and take such other steps as are necessary to facilitate the transfer, on a one-time only basis, with the restriction remaining on title.

The restriction on title was originally put in place to ensure that all design plans, details, and infrastructure requirements needed for Overwood’s development application were provided prior to any disposition to assure that the City, the Region and the various utilities, were adequately accommodated. There is no active development application for this property at the moment.

As noted above, the Region’s cooperation is required as they are not only a signatory to the two servicing agreements, but also a party to the restriction on title regarding any transfer and as such, the Region’s consent to the transfer is also required. Accordingly, if the Region has any specific servicing requirements for the subject lands, they will need to be satisfactorily addressed in order to secure the Region’s consent to the transfer and to permit execution of the Assumption Agreement.

Financial Impact

There is no financial impact from entering into the Assumption Agreement and granting the consent.

Conclusion

On execution of the Assumption Agreement by all parties, the previous obligations and responsibility of the previous owner will become the responsibility of the Purchaser. The Consent to allow for the transfer of the Land from Overwood to the Purchaser, is a one-time consent, and the restriction will remain on title.

Attachments

Appendix 1: Sketch showing the parcel of land subject to Assumption Agreement



Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works

Prepared by: Bill Moffatt, Realty Services, Facilities and Property Management