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**To:** Council  
**From:** Peter Young, Director of Planning/Building  
**Date of Meeting:** January 27, 2021  
**Subject:** By-law No. 2021-007 Transfer lots held for security to Ault Island Inc.  
040600600174226  
040600600174228  
040600600174230  
040600600174232  
040600600174234

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**Recommendation:**

That By-law 2021-007, being a by-law to transfer lots held for security to Ault Island Inc., be read and passed in open Council, signed and sealed this 27th day of January, 2021

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**Executive Summary:**

This report recommends transferring lands to Ault Island Inc that have been held for the purpose of securities.

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**Background:**

The Township owns five lots at the end of Willbruck Drive in Plan 418, Ault Island, that were held for the purpose of securities as part of the development of the subdivision. The developer has updated their drawings and is intending to construct the road this year. As part of the previous subdivision agreement, lots were held for security and legally owned by the Township. Under the current subdivision manual, the Township would not own the lots, but would either have a mortgage on the lots or obtain a letter of credit for 125% of the value of the works to be completed.



The estimated cost to complete the subdivision is \$234,930. The current value of the lots being held is approximately \$350,000. Transferring these lots to a mortgage or letter of credit will allow additional flexibility for the lots to be sold and for the securities to be reduced as the development progresses.

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**Options:**

1. That By-law 2021-007, being a by-law to transfer lots held for security to Ault Island Inc., be read and passed in open Council, signed and sealed this 27<sup>th</sup> day of January, 2021. This is the recommended option.
2. That the Township not approve the by-law.
3. Other

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**Financial Impact:**

Replacement of security and transfer of the lands would be at the developer's expense. It should be noted that although the Township is the legal owner, the developer has been paying the property taxes on the lot.

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**Risk Considerations:**

Owning the lots provides the Township with added protection compared to a mortgage, however transferring the lots individually is a time-consuming process and there are risks if the developer does not sell enough lots or complete the subdivision that the Township would be required to complete the roadway. Additionally, the Township currently holds more security than required (150% of the costs of the works). The lots would not be transferred until replacement securities are obtained.

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**Others Consulted:**

Director of Finance/Treasurer