

# Staff Report

Presented By: Kara Van Myall, Chief Administrative Officer

Meeting Date: February 24, 2025

Subject: Amending Agreement - 2706913 Ontario Inc. (CCV)

Attachment(s): 20250211 Letter to Town Pier Donnini  
20250220 Milestone Development Schedule CCV  
Libro Letter Dated December 5 2024  
Draft Amending Agreement  
Draft Amending Agreement - Redlined

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## **Recommendation**

That Council approve Libro Credit Union as the Leasehold Mortgagee for the Cedar Crescent Village Development as per Section 11.3(a) of the Land Lease; and

That Council consider By-law 22-2025 for adoption, a By-law to authorize an Amending Agreement, without Section 4a, with 2706913 Ontario Inc. (CCV), to amend the Land Lease and Site Works and Servicing Agreement.

## **Report Summary**

2706913 Ontario Inc. (CCV) is requesting an amendment to the Land Lease and Site Works and Servicing Agreement to extend the timelines required for substantial completion of the Project, two years from the date of the issuance of a building permit. Building permits were issued on March 29, 2023 for the North Building and on August 2, 2023 for the South Building. The Proponent is requesting an extension to February 2, 2026 and May 18, 2026, respectively with Total Completion September 14, 2026.

## **Background/Analysis**

The Town of Saugeen Shores ("Town/Lessor") signed a lease dated December 9, 2019 on February 10, 2020 with 2706913 Ontario Inc. (the "Proponent/Lessee"), as amended by an Amending Agreement dated June 13, 2022 and confirmed in an Agreement dated October 11, 2022, collectively referred to as the "Land Lease". The Town entered into a Site Works and Servicing Agreement with the Proponent on June 13, 2022 ("SWSA").

The Proponent is seeking an extension of the deadlines in the SWSA as well as several amendments to both the Land Lease and the SWSA. Attached to this report is a Letter to the Town from Pier Donnini, dated February 11, 2025. This letter lays out the rationale for the

extension, the proposed changes to the Lease and SWSA, and attaches updated Development Schedules.

Mr. Donnini as well as members of his consultant team will be present to submit this request to Council and answer questions.

Attached is a consolidated Milestone Development Schedule based on the detailed Gantt Charts submitted with the letter from the proponent for ease of review.

#### Financing Update

In May 2024, the Town confirmed willingness to 2706913 Ontario Inc. (CCV) to consider a Leasehold Mortgage and a Tripartite Agreement, if required to support the CCV development. A Leasehold Mortgage and a Tripartite Agreement were contemplated in the Land Lease as per Section 11.3 and are typical in these types of projects.

The Town received correspondence on December 5<sup>th</sup>, 2024 (attached) and further confidential documentation dated February 19, 2025 from Libro Credit Union confirming the Proponent's engagement with Libro to be the commercial lender (Leasehold Mortgagee). The confidential documentation from Libro contains conditions precedent (conditions that need to be fulfilled by the proponent). The Town anticipates the Tripartite Agreement coming forward, if required, once the conditions are satisfied.

As per the Land Lease Section 11.3 (a), no Leasehold Mortgage is permitted unless the commercial lender has been approved by the Town. Therefore, the recommendations presented to Council includes the required acknowledgement of Libro Credit Union, by resolution, as the Leasehold Mortgagee for the project.

#### Proposed Amending Agreement

The Proponent is seeking to extend the relevant dates in the SWSA by approximately 10 months, as follows:

North Building/North Area	March 29, 2025	February 2, 2026
South Building/South Area	August 2, 2025	May 18, 2026
Total Completion	As extended by SWSA	September 14, 2026

The main amendments proposed in the Amending Agreement (attached), developed in concert with Town Legal Counsel, are summarized below:

- To recognize that the development is proceeding in two concurrent stages: "North Building/North Area" and "South Building/South Area" as delineated in a new Schedule E and what work is required to be completed.
- To extend the 2-year from building permit deadlines contained in Section 23 of the SWSA by approximately 10 months as outlined above.
- To confirm the "Total Completion" date as September 14, 2026 (this means all work completed including any lien periods as per the Construction Act).

- To identify the legal description now that all title matters have been addressed by the Town (to facilitate the registration of Notice of Lease that was registered in the Land Registry Office on January 24, 2025).

In addition to the above amendments, the Proponent is seeking an acknowledgment from Council that tariffs imposed by the Governments of the United States and Canada will be identified as an event of Force Majeure if there are delays to the construction schedule due to the speed of delivery of equipment.

By including such a provision, it expands the interpretation of the force majeure and impacts the Town's control. As such, it is recommended that this section (4a) of the proposed Amending Agreement be struck out before Council signs the Amending Agreement.

### Conclusion

It is recommended that Council consider the request for extension made by 2706913 Ontario Inc. (CCV) and if approved, adopt a By-law to authorize an Amending Agreement, without Section 4a, to amend the Land Lease and Site Works and Servicing Agreement.

### **Linkages**

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: CAO Business as Usual

### **Financial Impacts/Source of Funding**

No costs or revenue is associated with this report.

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Reviewed By: Tammy Grove, Municipal Solicitor

Approved By: Kara Van Myall, Chief Administrative Officer