



Wesleyville/ OPG Lands Acquisition

Today's Discussion

About the Lands

Property Map

How We Got Here

The Opportunity

Due Diligence and Risk Management

Financing

Next Steps



Vision

**An opportunity to shape and grow
our community, our way, for
generations to come**

About the Lands

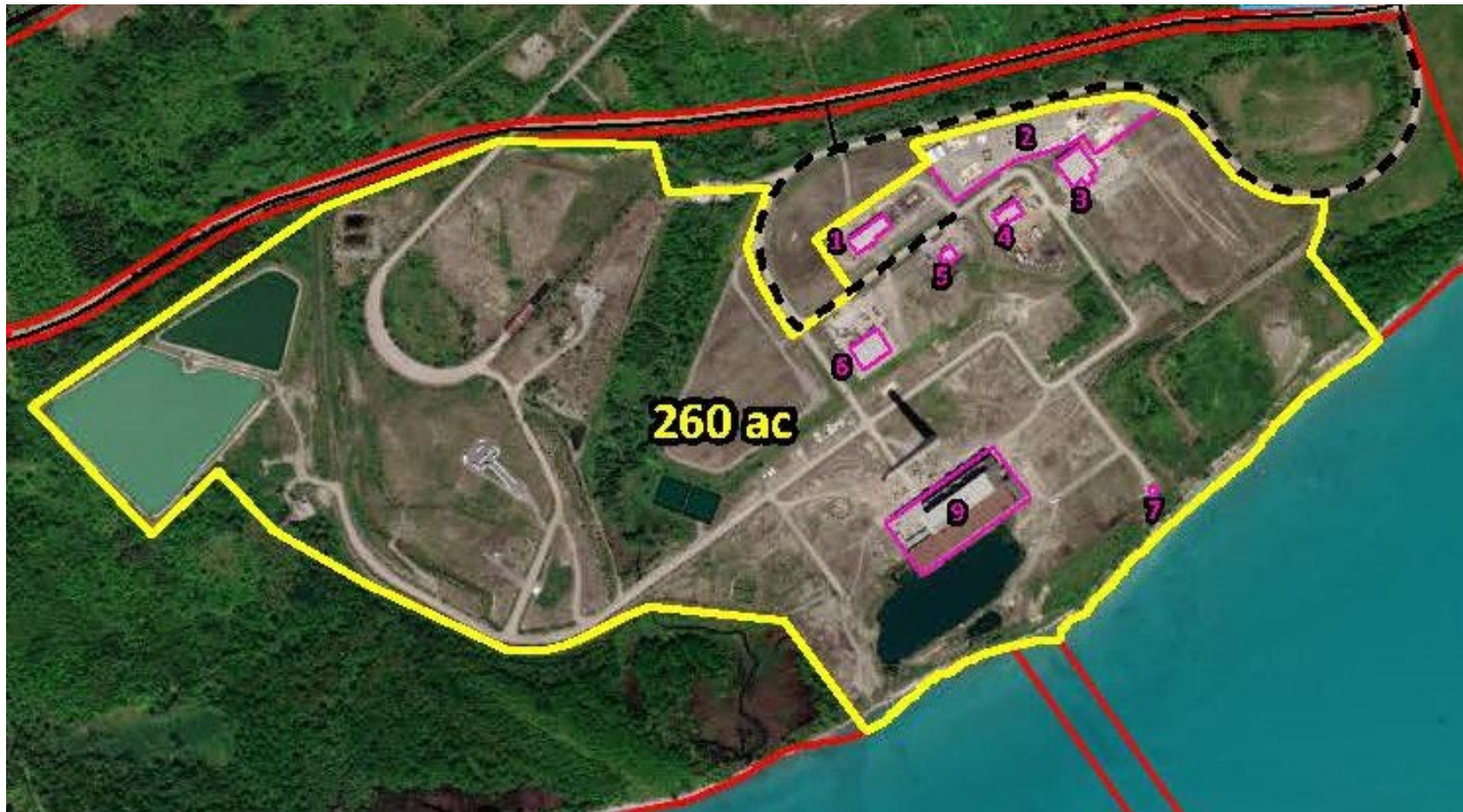
- Known as Wesleyville
- Currently owned by OPG
- 1334 acres
- 4km Lake Ontario shoreline
- 700 acres environmentally important
- 600 acres potential for development
- 260 acres current industrial development
- In Williams Treaties area and Territory of the Mississaugas



Property Map



Industrial Area



LEGEND

- 1: Bromley Fabricators
- 2: OPG Fire Training
- 3: OPG
- 4: Peterborough Equipment
- 5: Bromley Fabricators
- 6: OPG
- 7: N/A
- 9: OPG and others

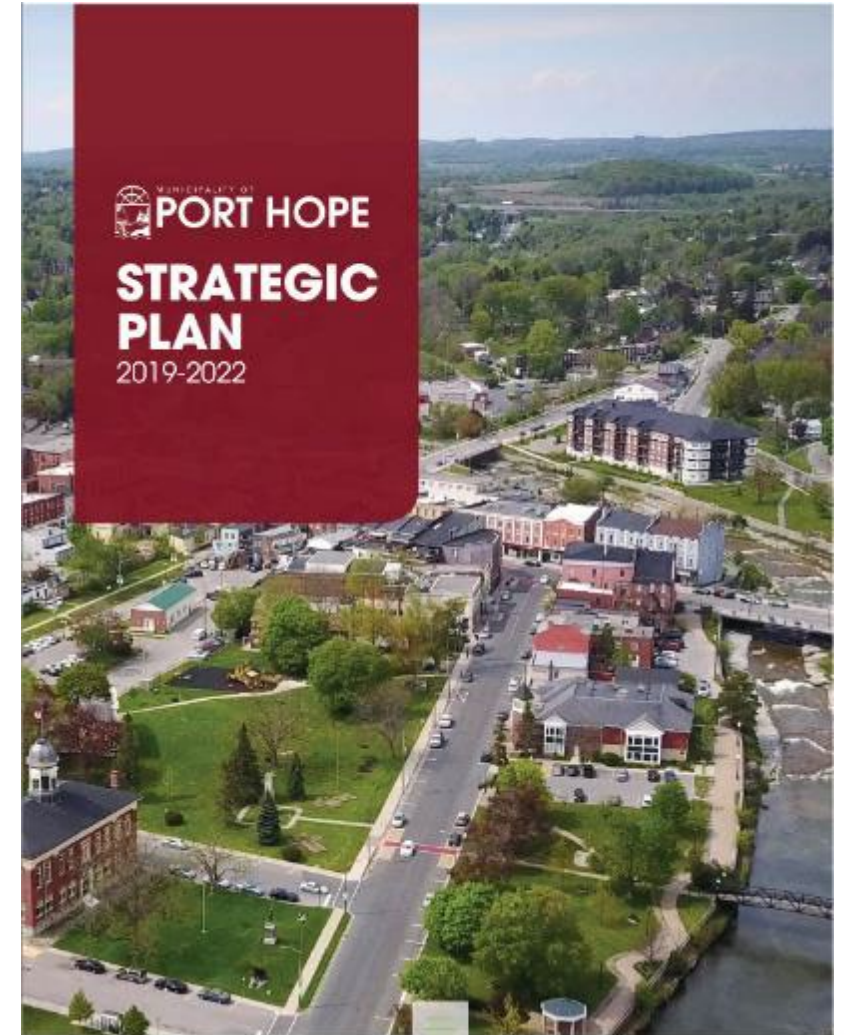
How We Got Here

- **2019:** Mayor Sanderson sees potential significant benefit for the community and discussions start with OPG
- **2020:**
 - Council and OPG confirm the acquisition would meet strategic goals for both organizations
 - 3rd party property appraisal completed and agreed to for the land and buildings
- **2020 through 2021:** Ongoing negotiations
- **June 2021:** Council provided direction to execute a conditional Agreement of Purchase and Sale
- **Summer 2021:** Extensive due diligence efforts begin

The Opportunity

Alignment with Strategic Plan

- ✓ Intentional growth planning
- ✓ Waterfront and riverwalk enhancement
- ✓ Environmental protection



Intentional Growth



- Shape and grow the community
- Economic opportunities: commercial, industrial, retail, employment
- Increased housing options, including affordable

Waterfront and Riverwalk

Secures approximately 20% of Port Hope's waterfront

Environmental Protection

~700 Acres of environmentally important land



Supports climate change mitigation

Cultural Protection

- Heritage sites in Wesleyville Village
- Municipally-owned



Long-term financial health of the Municipality

- Creates revenue streams over the long term to support other priorities such as heritage, culture, social, and environmental projects



Something for Everyone – Future Uses

- ✓ Environmental protection
- ✓ Cultural assets
- ✓ Public waterfront access
- ✓ Development opportunities -
residential, employment, commercial

Based on
extensive
public
consultation

Due Diligence and Risk Management

Extensive Due Diligence

- ✓ Liability and risk
- ✓ Title search
- ✓ Financing
- ✓ Budget and operating cost impacts
- ✓ Planning matters
- ✓ Building, infrastructure and environmental site assessments



Purchase Agreement Highlights

- \$18.6 million purchase price
- 7-year lease to OPG and tenants
- Profits from any land sales in the first 5 years shared with OPG
- The Municipality assumes environmental risks on the property – similar to other OPG property sales
- Municipality accepts accountability for the buildings as they are and where they are located



Risks

- Managing expectations related to timelines and costs for planning and implementation
- Outcome of zoning and planning stages
- Role as a landowner and steward
- Future discoveries as a landowner

Financing

Acquisition Costs

- \$18.6 Million purchase price as a result of third-party appraisal
- Other costs will include land transfer tax \$368K, due diligence \$250K, planning and public consultation.
- Financing recommended for up to \$20M

Financing Strategy for \$20M

Years 1 to 5

- 5-year interest only loan through Infrastructure Ontario
 - 0.67% = \$134K annually
 - 2.4% = \$480K annually

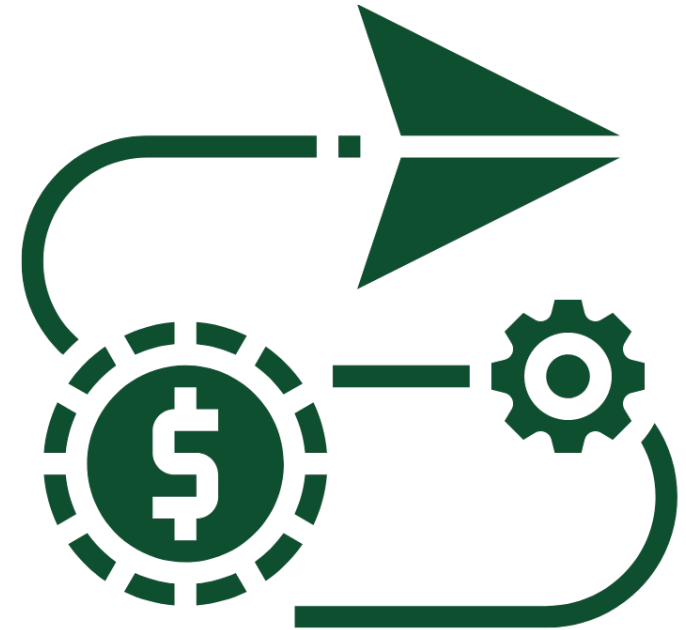


Years 6 and beyond

- 20-year debenture including principal and interest
 - Annual payments \$1.69 million

Financing Strategy for \$20M

- Use net revenues of \$480K which net out carrying costs of years 1 to 5
- Prepare to sell some of the developable lands, when appropriate, to lower debt or finance other costs
- Creates a long-term perpetual revenue source for reinvestment in other priorities



Financial Summary

- The Municipality can carry the purchase price and stay well within the provincial Annual Repayment Limits
- Options for development costs will be assessed down the road

The long-term financial benefit to the community has the potential to be significant:

- ✓ *ability to expand revenue sources*
 - ✓ *meet housing needs*
- ✓ *contribute to the local economy*

Next Steps

COW Feb 1

- Council considers purchase agreement at Committee of the Whole (COW) meeting



Council Feb 15

- If recommended by COW
- Agreement presented for final consideration



Sale Closing March 31

- Land becomes Port Hope property



Engage Planning experts 2022



Public consultation begins 2023

Long-term investment

- Purchasing the land is the first step
- It will take decades to reach its full potential



Thank you!

