

**MEMORANDUM**

**CWCD 2022-122**

**Subject:** Information and Background with Respect to the Correspondence from the City of Welland dated April 20, 2022

**Date:** May 20, 2022

**To:** Regional Council

**From:** Ron Tripp, P.Eng., Chief Administrative Officer

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The purpose of this memorandum is to provide additional information and background with respect to the correspondence from the City of Welland dated April 20, 2022, attached to this memorandum for ease of reference.

The City of Welland is requesting that the Region proceed with declaring 884 Prince Charles Drive as surplus and to sell the property to the City in order to accommodate the construction of a new fire hall. This request requires the consideration and approval of Regional Council.

The letter also references on-going discussions regarding the Region's purchase of property on Merritt Island for the purpose of necessary infrastructure renewal and expansion at the Welland Water Treatment Plant (WTP). The letter does not indicate that a building condition assessment and appraisal have been completed for this property as well. The requirements / conditions described in the City of Welland motion far exceed the appraised value determined in a manner consistent with the Prince Charles Drive property.

The discussions regarding the Merritt Island property began in 2008 when the Environmental Assessment for the WTP was initiated. The Region has consistently recognized the importance of this location on Merritt Island to the City and all of Niagara. It was always intended to recommend to Regional Council that the Park elements be replaced through this transaction. However, over the course of time, those requirements have evolved from providing equivalent washroom amenities to the complete replacement of a significant building structure. The financial implications of this requirement would not be consistent with the appraisal methodology and recommendations. The Region is prepared to bring the City of Welland's proposal forward for Regional Council consideration. Given that the valuation method for each of

these respective properties may be different, we believe it would be prudent and appropriate for Council to consider both matters at the same time. This approach was made clear as far back as August of 2021 when it was mutually agreed to undertake the appraisals. We provided further clarity in writing in March of this year. In order for the Region to evaluate and consider these matters, the City must first provide a value of the park amenities to be replaced. We have been requesting this information since the Fall of 2021. The value of amenities the City would be compensated for, in addition to the appraisal value, has not been received to date.

Additionally, while the City's letter indicates that they are willing to pay the appraised value for the PCD property, the Agreement of Purchase and Sale submitted by the City to the Region in January was actually \$40,000 less than the appraised value.

Staff maintain that these two matters are of equivalent scale and importance and should be considered by Regional Council together. Staff are prepared to bring a report forward to Committee and Council as quickly as possible once the Merritt Island information has been provided. Should Council feel that a different approach is preferred, such directions could be given through Corporate Services Committee.

Respectfully submitted and signed by

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Ron Tripp, P. Eng  
Chief Administrative Officer



## Office of the CAO

Steve Zorbas

Phone: 905-735-1700 x2122

Email: [cao@welland.ca](mailto:cao@welland.ca)

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April 20, 2022

Office of the Regional Chair  
Niagara Region  
1815 Sir Isaac Brock way  
Thorold, Ontario L2V 4T7

Dear Chair Bradley.

The City of Welland would like to thank the Region of Niagara for being a partner in helping make the Region an excellent place for people to live, work and play. As we experience significant residential and commercial growth, we must ensure that critical facilities are in place to support our communities. I am writing today because the City is interested in purchasing Niagara Region-owned lands located at 884 Prince Charles Drive for our Fire Station #3. The City is excited to start construction in the fall of 2022, and we are eager to issue a construction tender as costs increase monthly. On January 21, 2022, the City of Welland submitted an Agreement of Purchase and Sale for this parcel to the Region. An appraisal was completed for these lands on September 3, 2021, by the Region and the City is prepared to pay appraised value.

As there is urgency in the City purchasing this parcel, the Region agreed to execute a Permission to Enter Agreement for the City to begin borehole testing, Geotechnical Investigation and Environmental Site Assessments (ESA) so as not to delay this project. The City has hired an environmental consultant to begin these works, and a Phase 1 ESA has since been completed and we are currently proceeding with a Phase 2.

A follow-up email was sent on March 10 to region staff regarding the status of the Agreement of Purchase and Sale. It was brought to my attention that this was being held and will be brought before Regional Council as a package deal for Merritt Island lands. This was not my understanding.

On July 9, 2019, Niagara Region staff presented the Phase 1 and Phase 2 upgrades for the Welland Water Treatment Plant, which requires City-owned lands located on Merritt Island. The sale of these lands to the Niagara Region will cause the loss of our current parkland, memorial trees, park infrastructure, parking lot, washrooms, and a community services building. On September 3, 2019, Welland City Council passed a motion requesting the Niagara Region pay all associated costs to replace these amenities. The motion is attached.

City staff recently met with Region staff regarding Merritt Island. They have asked if the City can project manage the construction to replace the existing infrastructure mentioned

*Bridging the past, present and future*

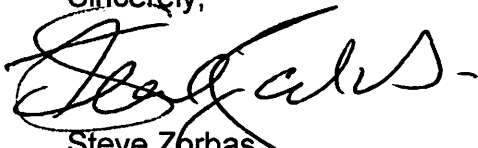
above, with all associated costs being paid by the Niagara Region. This was agreed to, and City staff are in the process of obtaining the costs.

The City believes that all real estate transactions should be done independently as demonstrated in the recent sale of City-owned lands on Bruce Street to the Niagara Region.

There is urgency in the transaction for 884 Prince Charles Drive to be completed as soon as possible so the City can proceed with the construction of Fire Station #3. This facility is needed to support growth in our community. While local municipalities and the Region will benefit from this growth, we must ensure the facilities are in place to support the growth. In addition, the construction of Fire Station #3 will result in improved efficiencies and ensure fire services are not adversely impacted.

Your attention to this matter is greatly appreciated, and I look forward to working with the Niagara Region on both real estate transactions independently.

Sincerely,



Steve Zorbas  
Chief Administrative Officer

cc: Regional Council, Niagara Region  
Ron Tripp, Chief Administrative Officer, Niagara Region  
Mayor Frank Campion, City of Welland  
City Council, City of Welland



**FILE COPY**

**FROM THE OFFICE OF THE CITY CLERK**

**RESOLUTION NO: 2019-615**

**REFERENCE NO. 99-99**

**September 12, 2019**

**Dear Sir or Madam:**

**Welland City Council passed the following motion**

**on**

**September 03, 2019**

**"THAT THE COUNCIL OF THE CITY OF WELLAND directs staff to start a public consultation process on the design of a new park area and that a report come to General Committee by the end of 2019; and**

**THAT the report include replacement of the current park infrastructure and enhancements due to the loss of parkland; and**

**THAT Welland City Council requests the Niagara Region to pay all associated costs, which include, public notice, public consultation and reconstruction of the park, enhancements to compensate for the loss of parkland, parking and full replacement of washrooms and new facility to replace former Merritt Island building; and further**

**THAT Welland Council requests the Niagara Region to pay for the replanting of the 150th Canada Legacy Memorial trees."**

**CR:cap**

**G. Long, Chief Administrative Officer  
c.c - T. Fitzpatrick, Acting General Manager of Infrastructure &  
Development  
- S. Zorbas, General Manager, Corporate Services/ Chief  
Financial Officer/ Treasurer**

**From**

**Deputy Clerk**