

**STAFF REPORT:**

**Planning & Building Services Department**



**REPORT TO:** Planning & Building Services Committee  
**MEETING DATE:** June 6, 2011  
**REPORT NO.:** PL.11.55  
**SUBJECT:** Far Hills (Siljon Investments Inc.)  
**PREPARED BY:** David Finbow, Director, Planning & Building Services

**A. Recommendations**

**THAT Council receive Planning Staff Report PL.11.55 with respect to the Far Hills, Siljon Investmenets Inc. request for municipal clearance for condo registration; and that**

**Council endorse the provision of municipal clearance for condo registration for the subject development.**

**B. Background**

The Town has received a request from Gowlings Lafleur Henderson LLP, with respect to a request for municipal clearance for condo registration. The request is related to provisions within the Site Plan Agreement that requires that the developer not be in default of provisions found within the Site Plan Agreement prior to the Town's provision of municipal clearance. Currently, the owner is in default of the Site Plan Agreement as it relates to payment of property taxes, water & sewer accounts and Developer Security Account.

Gowlings Lafleur Henderson LLP has indicated that their client is able to address all financial related matter, save & except for property taxes prior to municipal clearance. With regard to property taxes, Gowlings Lafleur Henderson LLP has requested that the Town provide municipal clearance for condo registration and that the Town will recover outstanding property taxes upon the first closing of a real estate transaction.

The Director, Planning & Building will provide an update at the meeting with respect to the outstanding financial obligations associated with this development.

**C. The Blue Mountains' Strategic Plan**

*Managing growth to ensure the ongoing health and prosperity of the community.  
Ensuring long-term financial sustainability.*

**D. Environmental Impacts**

N/A

## **E. Financial Impact**

Through actions identified by Gowlings Lafleur Herson LLP, the Town will collect outstanding water & sewer accounts, the Developers account will be brought up to date & outstanding tax arrears will be paid.

## **F. Attachments**

1. Letter from Gowlings Lafleur Henderson LLP dated May 17, 2011.

Submitted by:

---

David Finbow  
Director, Planning & Building Services  
The Blue Mountains  
26 Bridge Street E., Box 310  
Thornbury, ON N0H 2P0  
Tel: (519) 599-3131, ext. 246  
Toll Free: 1-888-258-6867  
Fax: (519) 599-3018  
E-mail: [dfinbow@thebluemoountains.ca](mailto:dfinbow@thebluemoountains.ca)

May 17, 2011

DELIVERED BY E-MAIL

Susan D. Rosen  
Direct 416-862-3519  
Direct Fax 416-863-3519  
susan.rosen@gowlings.com

David Finbow  
Town of the Blue Mountains  
26 Bridge Street  
Thornbury Ontario  
N0H 2P0

Dear Mr. Finbow:

RE: CareVest Capital Corp. ("**CareVest**") loan to Siljon Investments Inc., Far Hills Project, Thornbury (the "**Project**")

Thank you for taking the time to speak to the receiver, Ken Pearl from BDO Canada Limited (the "**Receiver**"), Larry Hogarth and I regarding completion of the works set out in the Site Plan Agreement dated October 6, 2005 as amended on December 28, 2008 (collectively, the "**Site Plan Agreement**"). As discussed, the Receiver is in the process of moving forward with the sale of the units in the Project and we would also like to finalize the second phase of the condominium. In order to do that we require the Town of the Blue Mountains (the "**Town**") to consent to the application previously submitted to the Planning Department. We also understand that there are currently realty tax, water and sewer arrears owed to the Town.

As discussed, we propose that in order address all of the forgoing issues, we propose the following:

- the Receiver pay all outstanding water and sewer arrears forthwith;
- Larry Hogarth meet with Mike Campbell to finalize the list of outstanding deficiencies and works that need to be completed for the Town to issue Town Certificate of Completion for above ground works and a certificate of substantial performance for in-ground works pursuant to the Site Plan Agreement (collectively, the "**Certificates**");
- Once the deficiency list is prepared that the Receiver will move expeditiously to complete all required works within 6-8 weeks and request a re-inspection with a view to obtaining the Certificates;
- CareVest, as lender and pursuant to its right to sell the units in the Project in accordance with a court order dated November 30, 2010 provide the Town with an undertaking to direct to the Town the proceeds from the first sales of units in the

Project less transactions costs to be applied to realty tax arrears for the Project until such realty tax arrears are fully paid;

- the Town and the Receiver will enter into an amendment of the Site Plan Agreement that will be registered on title to reflect the foregoing as well as reduce the time requirement to maintain the works from two (2) years to one (1) year on the basis that the in-ground works were construction and installed some time ago and associated and related works have in all likelihood settled;
- the Receiver will pay the Town's legal costs in connection with the preparation and review of same; and
- the Town will forthwith sign the consent regarding the requested extension of the period to register the condominium corporation and forward it to the Planning Department.

Please advise me if the foregoing properly reflect our discussion and if you are in a position to move forward with the above-noted proposal. Please don't hesitate to contact me do discuss the foregoing

Yours truly,

**GOWLING LAFLEUR HENDERSON LLP**



susan D. Rosen

SDR:sdr

cc: Jill Plasteras

Ken Pearl

TOR\_LAW\7659442\2