



**CAPE BRETON**  
REGIONAL MUNICIPALITY

## **CBRM Northside Industrial Park Lot Sales Summary of Conditions**

The Cape Breton Regional Municipality includes terms and conditions in the sale of its lots in the Northside Industrial Park in order to foster job creation, investment, commercial development, and to discourage land speculation.

Detailed terms and conditions are contained in the agreement of purchase and sale and the buyback and right of first refusal agreement, they are summarized below for information purposes only.

## 10% down deposit

- The purchaser must submit a deposit equal to 10% of the purchase price to accompany this Application to Purchase. This will be credited towards the purchase price on the date of closing.
  - The deposit will be returned to the Purchaser, without interest, in the event that the CBRM fails to fulfil the terms of the Agreement of Purchase and Sale.
  - The deposit will be forfeited if the Purchaser fails to complete the sale in accordance with the terms of the Agreement of Purchase and Sale in addition to any other rights, costs or damages that the CBRM may otherwise be entitled to.

## Minimum Value of Construction

- Upon completion, the construction value of development on this property (not including the value of the land) will be at least \$150,000/acre based on the number of acres purchased.
- For example, the purchase of 3 acres in the Northside Business Park will require a total construction value of \$450,000.
- The Development shall be in accordance with the provisions of the Land Use By-Laws of the Municipality. Any changes to the proposed Development shall be approved in writing by the Municipality.

## Commencement and Completion of Construction

- Commencement of Construction shall occur no later than twelve (12) months from Closing.
- Construction of the Development, including landscaping, paving and curbing, and fencing as required, shall be completed no later than twenty-four (24) months from Closing.

## Municipality's Right to Buy Back the Property

- If, no earlier than twenty-four (24) months from Closing, the Purchaser has not complied with the provisions of the buyback and right of first refusal agreement, the Municipality may buy-back the Property.
- If the Municipality elects to buy back the Property, the purchase price shall be the same price paid to the Municipality by the first purchaser that purchased the Property from the Municipality, less costs to reinstate the property to its condition at Closing, legal fees, and administration costs.
- If the Development is substantially complete to the roof-tight construction stage as confirmed by a Municipality building inspector the Purchaser shall be entitled to request a release of this Agreement from the Municipality and the Municipality shall provide same to the Purchaser and the Purchaser shall be responsible for its registration.



## Fee Payment as an Alternative to Buy-Back

- If, within twenty-four (24) months of Closing the Purchaser has not complied with the provisions of the buyback and right of first refusal agreement, the Municipality may, instead of buying back the Property, permit the Purchaser to retain ownership of the Property upon paying a fee to the Municipality (the “Fee”).
- The Fee shall be an amount equal to the total annual commercial real property taxes levied on a commercial property valued at the sum of the sale price of the property and the agreed upon minimum Value of Construction, less any annual property tax levied on the lot. The Purchaser shall pay the Fee retroactively from the date twenty-four (24) months after Closing to the date that the Municipality elects to impose the Fee, until construction of the Development is complete, or the Municipality elects to buy-back the Property.
- As an example of how the Fee is determined, if the Purchaser buys two (2) acres in the Northside Business Park, thirty (30) months after Closing Commencement of Construction has not occurred, and the Municipality elects to permit the Purchaser to retain ownership of the Property by paying the Fee, the Fee to be paid will be equal to the commercial real property taxes levied on a commercial property valued at \$315,000 (\$15,000 value of the land, plus \$300,000 minimum construction value) for six (6) months, based on the commercial real property tax rates applicable at that time, less any annual property tax levied on the lot.

## Municipality’s Right of First Refusal

- If the Purchaser decides to sell all or a portion of the Property prior to the Commencement of Construction and receives a bona fide offer from a third party purchaser that the Purchaser is willing to accept, the Municipality shall have a right of first refusal to purchase.
- This right of first refusal shall be terminated and be of no force or effect from and after the date that construction of the Development is complete, including landscaping, paving and curbing, and fencing as required.

