



**City of Kingston
Report to Council
Report Number 26-042**

To: Mayor and Members of Council
From: Jenna Morley, City Solicitor
Resource Staff: Same
Date of Meeting: December 16, 2025
Subject: Cancoil Corporation – 1000 Innovation Drive – Option to Repurchase Agreement

Council Strategic Plan Alignment:

Theme: Corporate business

Goal: See above

Executive Summary:

The purpose of this report is to obtain Council approval to waive the City's option to repurchase and to postpone the option to repurchase agreement between Cancoil Corporation ("Cancoil") and the City in favour of the Business Development Bank of Canada ("BDC"). The waiver and postponement will allow Cancoil to secure long-term financing from BDC to complete the construction of the development of the property at 1000 Innovation Drive.

Recommendation:

That Council waive the City's option to repurchase the lands municipally known as 1000 Innovation Drive pursuant to section 2.1 (a) of the option to repurchase agreement dated May 14, 2025 between Cancoil Corporation and the City and agree to postpone the City's interest in the option to repurchase agreement in favour of BDC, for the purpose of facilitating financing for the property, and that the City Solicitor be authorized to execute all necessary documents to give effect to the waiver and postponement.

December 16, 2025

Page 2 of 4

Authorizing Signatures:

ORIGINAL SIGNED BY CITY SOLICITOR

Jenna Morley, City Solicitor

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services Not required

Neil Carbone, Commissioner, Corporate & Emergency Services Not required

David Fell, President & CEO, Utilities Kingston Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer Not required

Ian Semple, Commissioner, Transportation & Infrastructure Services Not required

December 16, 2025

Page 3 of 4

Options/Discussion:**Background**

On May 15, 2025, Cancoil purchased a 3.45-acre parcel of land from the City as a lot addition to their current property at 1000 Innovation Drive.

As a condition of the transfer, the parties executed an option to repurchase agreement, which is registered on title to the lands and contains a series of milestones that Cancoil must achieve within prescribed timelines, failing which the City can take ownership of the property back from Cancoil.

Cancoil is in the process of securing long-term financing from BDC which has requested, as a condition of the financing, the waiver of the City's option to repurchase the property and the postponement of the City's option to repurchase agreement in BDC's favour.

Analysis

The City's standard agreement of purchase and sale for industrial/employment lands requires execution of an option to repurchase agreement, which is largely intended to ensure that construction of the development proceeds in a timely manner and that the lands do not remain vacant. In this case, the City's option to repurchase the property remains in effect until Cancoil obtains a shell occupancy permit for the development. While Cancoil has not yet obtained a shell occupancy permit, development of the Cancoil site is well underway. An independent surveyor has certified the project is currently 66% completed and Cancoil is targeting occupancy by the end of Q1 2026. As the intent of the option to repurchase agreement has been satisfied, staff supports waiving the City's option to repurchase the property and postponing the City's interest in the option to repurchase agreement to facilitate financing and to enable successful completion of the development.

This report recommends that Council waive the City's option to repurchase the lands known as 1000 Innovation Drive and agree to postpone the City's interest in the option to repurchase agreement in favour of BDC, for the purpose of facilitating financing for the property, and that the City Solicitor be authorized to execute all necessary documents to give effect to the waiver and postponement.

Financial Considerations

There are no financial considerations related to this request.

Contacts:

Jenna Morley, City Solicitor, 613-546-4291 extension 1365

December 16, 2025

Page 4 of 4

Other City of Kingston Staff Consulted:

Saru Bajwa, Land Development Manager, Business, Real Estate and Environment

Exhibits Attached:

None