



**City of Kingston
Report to Council
Report Number 26-091**

To: Mayor and Members of Council
From: Jenna Morley, City Solicitor
Resource Staff: Andrew Reeson, Senior Legal Counsel
Date of Meeting: March 24, 2026
Subject: Purchase of Lemoine Point Farm

Council Strategic Plan Alignment:

Theme: 3. Build an Active and Connected Community

Goal: 2.3 Maintain the City's natural heritage and environmental assets.

Executive Summary:

Mary Fraser died in April 2022. At the time of her death, Ms. Fraser owned the Winnett Fraser Farm at 2000 Front Road (the "Property"). Ms. Fraser's secondary will provided direction to her estate trustees regarding the disposal of the Property.

Ms. Fraser's will gave the City an option to purchase the Property at 95% of fair market value on certain terms. Those terms included that any transfer of the Property to the City, under the option to purchase, must be subject to certain binding covenants, including that the City will not apply to re-zone the Property so that as far as possible it will be zoned for rural use.

With respect to the City's option to purchase, the will also stated that:

- (a) the fair market value of the Property will be determined by the estate trustees who must obtain two appraisals;
- (b) the appraisals must "take into account the proposed covenants";
- (c) the average of the two appraisals will constitute fair market value of the Property; and

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- (d) if the City fails to exercise the option to purchase the Property, the estate trustees must sell the Property.

In May 2023, the estate trustees notified the City of its option to purchase the Property for \$18,621,425 (based on two appraisals, one of which considered the value of residential development on the Property). The City disputed the purchase price. Essentially, the City argued that the will directed that the appraisals must “take into account the proposed covenants” and therefore the appraisals (and accordingly the purchase price) must be based on the Property’s value for rural use.

On July 31, 2024, the estate trustees applied to the Court seeking, amongst other things, the Court’s interpretation of the disputed parts of the will.

On February 3, 2026, the City and the estate trustees reached a settlement, conditional on Court approval, to resolve the dispute and the Court application. The essential term of the settlement was that the estate trustees will sell the Property to the City for \$12,000,000.

On February 17, 2026, the Court heard the estate trustees’ request for Court approval of the settlement and, in an oral decision, granted the request.

The parties have signed an agreement of purchase and sale for the Property that is consistent with the terms of the settlement. The City is completing its due diligence investigations on the Property. Provided that the City is satisfied following those investigations, staff expect the sale of the Property to close in mid-April.

Staff are not proposing any changes to the Property at this time. Any consideration of the future community uses of the Property will be guided by engagement with the public and the City’s not-for-profit partners, including the Cataraqui Region Conservation Authority and other agencies. The intent for this property has always been to be connected to the existing Lemoine Point and the Waterfront Master Plan. However, it is important to note that there are currently tenants residing on the Lemoine Point Farm property, and as such, it is not open to the public at this time.

Recommendation:

That Council approve the issuance of up to \$12.0M of debt for the acquisition of the Lemoine Point Farm with annual debt payments to be funded from the Municipal Capital Reserve Fund; and

That reserve fund models be updated as part of the 2027 capital budget process to reflect additional annual debt payments, including a review of the prioritization and timing of other capital projects and/or options for increasing the 1% capital levy.

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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

Ian Semple, Commissioner, Transportation & Infrastructure Services Not required

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Discussion:**Introduction**

Mary Fraser died in April 2022. At the time of her death, Ms. Fraser owned the Winnett Fraser Farm at 2000 Front Road (the “Property”).

The Property

The Property has significant cultural and natural attributes.

The Property’s approximately 80-acre lot is the remaining portion of what was once a 435-acre working estate owned by the descendants of William Coverdale (who purchased the property from Captain William Lemoine in 1918). The original property’s history dates to French occupation prior to the Seven Years War in 1760 (when it was seized by the British and awarded to United Empire Loyalist Captain Johan Jots Herkimer). In the 1830s, the Lemoine family purchased the original property. In 1975, the Cataraqui Region Conservation Authority purchased 337 acres of the original property with funding from the Province, the Township of Kingston and the City of Kingston.

The City’s Waterfront Master Plan identifies the Property as highly desirable in its long-term strategy. With over one kilometre of waterfront on a prominent point on Lake Ontario, the Property, if acquired by the City, would connect the existing conservation area to an extended walkway system, providing access to a number of sand and gravel beach areas.

The Property is designated as Open Space in the Official Plan and is also zoned Open Space in the City’s Zoning By-law.

The Will

Ms. Fraser’s secondary will provided direction to her estate trustees regarding the disposal of the Property. Ms. Fraser’s will gave the City an option to purchase the Property at 95% of fair market value on certain terms. Those terms included that any transfer of the Property to the City, under the option to purchase, must be subject to certain binding covenants, including that the City will not apply to re-zone the Property so that as far as possible it will be zoned for rural use.

With respect to the City’s option to purchase, the will also stated that:

- (a) the fair market value of the Property will be determined by the estate trustees who must obtain two appraisals;
- (b) the appraisals must “take into account the proposed covenants”;
- (c) the average of the two appraisals will constitute fair market value of the Property; and

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- (d) if the City fails to exercise the option to purchase the Property, the estate trustees must sell the Property.

The Appraisals

In May 2023, the estate trustees notified the City of its option to purchase the Property for \$18,621,425, being 95% of the average of two appraisals obtained by the estate trustees from certified appraisers:

- (a) one appraisal which valued the Property at \$29,300,000 (as at September 2022) based on its value for, amongst other things, potential residential development; and
- (b) another appraisal which valued the Property at \$9,903,000 (as at September 2022) based on its value as a hobby farm.

The Dispute

The City disputed the purchase price derived from the two appraisals. Essentially, the City argued that the will directed that the appraisals must “take into account the proposed covenants” and therefore the appraisals (and accordingly the purchase price) must be based on the Property’s value for rural use.

The Court Application

On July 31, 2024, the estate trustees applied to the Court seeking, amongst other things, the Court’s interpretation of the disputed parts of the will, including:

- (a) whether the appraisals may consider the development value of the Property; and
- (b) alternatively, whether the statement in the will that the appraisals must “take into account the proposed covenants” was void because it was so uncertain, and whether, therefore, the City’s option to purchase the Property was also void.

Negotiations

The City and the estate trustees were unable to resolve the dispute themselves.

On January 16 and 23, 2026, the parties engaged in mediation before the Honourable Thomas Cromwell, a former Supreme Court of Canada judge.

On February 3, 2026, the City and the estate trustees reached a settlement, conditional on Court approval, to resolve the dispute and the Court application. The essential term of the settlement was that the estate trustees will sell the Property to the City for \$12,000,000. Under the purchase agreement, the City is not bound by a covenant that it will not apply to re-zone the Property as it was not necessary to agree to such a covenant to reach a settlement. The City was prepared to accept such a covenant if required during negotiations, as there is no intention to re-zone the Property for residential or commercial uses.

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On February 17, 2026, the Court heard the estate trustees' request for Court approval of the settlement. The judge made an oral decision granting the request, with a written decision to follow.

Purchase of the Property

The parties have signed an agreement of purchase and sale for the Property that is consistent with the terms of the settlement. At the time of writing this report, the City is completing its due diligence investigations on the Property. Provided that the City is satisfied following those investigations, staff expect the sale of the Property to close in mid-April.

Next Steps After Purchase

City staff are not proposing any immediate changes to the Property at this time. Any consideration of the future community uses of the Property will be guided by community-informed planning with the public and the City's not-for-profit partners, including the Cataraqui Region Conservation Authority, and other community agencies that have expressed interest in offering programming and activities on the Property. It is anticipated that a detailed engagement process will be formulated over the coming year, with updates and opportunities for input to be shared with the public through a dedicated project page on the City's website. It is important to note that the property is currently occupied by residential tenants, and is therefore, not yet open to the public.

Existing Policy/By-Law

None

Notice Provisions

None

Financial Considerations

Staff are recommending that the \$12,000,000 purchase price be financed through debt with annual debt payments of approximately \$800K to be funded from the Municipal Capital Reserve Fund.

Reserve fund models will be updated as part of the 2027 capital budget process to reflect funding of the debt charges. Continued pressure on reserve funds to support capital initiatives will require adjustments to the prioritization and timing of other capital projects and/or consideration for increasing the 1% capital levy in order to avoid reducing or deferring funding to other capital priorities.

Contacts:

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Other City of Kingston Staff Consulted:

Desiree Kennedy, Chief Financial Officer & City Treasurer

Exhibits Attached:

None