



REPORT OF COUNCIL-IN-COMMITTEE

For City Council – May 10, 2026

From: Office of the City Clerk

Date: Sunday, May 10, 2026

Title: Confirmation of Notice of Intent to Expropriate

Description:

Council-in-Committee, at its session held on May 10, 2026, considered an administrative report from the Director of Planning, Development, and By-law Enforcement which requested Council direction as to whether they wanted to confirm its notice of intent to expropriate the leasehold interest of the whole of the Exhibition Grounds.

City Council, at its regular meeting on September 22, 2025, adopted a resolution to commence the expropriation process with respect to expropriating the whole of the leasehold interest of the Exhibition Grounds.

After Council provided direction on September 22, 2025, the City filed a Notice of Intention to Expropriate with the Expropriations Advisory Officer on October 6, 2025. Parties with an interest in the property were served as stipulated under the Act. The Notice of Intention was registered at the Registry Office on October 16, 2025.

Fredericton Exhibition Limited, 2 Pats Enterprises Inc., William’s Seafood Ltd. and Trouw Nutrition Canada Inc. objected to the expropriation and a hearing was held on February 20, 2026 before Mr. François Carrier, the Expropriations Advisory Officer for the Province of New Brunswick.

The Expropriation Act sets out the process when objections are registered. The report of the Officer was received by the City at 4:15pm on May 8, 2026.

Section 17 of the Act provides that the report is to be provided to City Council. As required by Section 17(2) of the Act:

17(2) The report submitted under subsection (1) shall contain a summary of the evidence and arguments presented at the hearing and any finding of fact by the Officer and shall state the opinion of the Officer as to whether the proposed expropriation:

(a) is reasonably necessary to accomplish the objectives of the expropriating authority or applicant,

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(b) is fair, balancing the objectives of the expropriating authority or applicant against the interests of the owner that would be extinguished by the expropriation, and

(c) in the case of an application made under section 7, is consistent with the public interest.

The report of the Expropriations Advisory Officer has been publicly released. The opinion of the Officer is set out at pages 13 and 14 of his report. The Officer writes:

“After a careful analysis of the evidence and arguments of all parties, and having taken in consideration the history of the use of the said Lands for the past two centuries, having considered the capital investments of the sublessees and having taken into account the objectives of the City, I conclude that the City of Fredericton has established its need for a new Elementary (sic) School and the need for high-density housing development especially with the population increasing at an unexpected high rate. Therefore, it is my opinion that the City of Fredericton has established, on a balance of probabilities, that the said expropriation is reasonably necessary to accomplish their objectives as per sub-section 17(2)(a) of the Expropriation Act. In addition, it is my opinion that the expropriation is fair balancing the objectives of the expropriating authority against the interests of the objectors that would be extinguished by the expropriation as per sub-section 17(2)(b) of the said Act.”

Once the Expropriating Authority receives the Report from the Officer, if the Expropriating Authority wishes to continue with the expropriation, City Council must consider the Report and formally confirm the Notice of Intention to Expropriate by adopting a resolution.

Section 18 of the Act sets out the next step in the process. Section 18(1) provides that:

18(1) The Lieutenant-Governor in Council or the council of a local government may, after considering the report of the Officer, confirm its notice of intention in the manner provided in section 19, with such modifications as are considered appropriate, or may at any time prior to the confirmation of its notice of intention, abandon that intention.

The decision before City Council now is to confirm its notice of intention to expropriate. The resolution(s) before City Council effect the expropriation. Section 19(8) of the Act provides that:

19(8) The land described in a notice of expropriation is expropriated upon registration of the notice of expropriation in accordance with this section, and thereupon vests in the expropriating authority, and all right and title of any other person in such land ceases except to the extent that a possessory right is conferred upon the person by this Act.

City Council adoption of the resolution(s) contained in this report have the effect of expropriating the land upon registration of the notice of expropriation in the Registry Office. The City assumes ownership of the land. Taking physical possession of the land and/or making use of the land begins in a manner consistent with Section 22(1) of the Act.

The Act provides flexibility in terms of possession. The City has already stated that possession of the lands subject to the sub-leases shall only occur upon expiry of the sub-leases (and that the leasehold revenue shall remain with FEL until termination). For the balance of the lands, staff recommend that possession of PID 01440825 (the racetrack property) take effect as soon as possible after registration. Staff recommend that City Council be open to considering temporary use of the existing structures on the property for a short-period of time if successfully negotiated between the parties and subject to the approval of City Council. Staff also recommend that City Council be open to considering temporary use of lands regularly used by FEL for its activities but excepting all lands with short-term residential development potential.

Go-Forward Timeline Summarized

Step 1

What - Receive report of the Expropriations Advisory Officer
When - Report received on May 8, 2026.

Step 2

What - City Council consider report of the Officer
City Council either confirms, modifies, defers a decision, or abandons the Notice of Intention to Expropriate
When - At an open meeting of City Council, May 10, 2026.

Step 3

What-If City Council confirms or modifies the Notice of Intention to Expropriate, documents are finalized and a notice of expropriation is registered at the Registry Office
When - Expected date would be around May 19, 2026 if confirmation occurs on May 10, 2026.

Step 4

What - City assumes ownership of the expropriated interest
When - Effective as of filing so expected date would be around May 19, 2026.

Step 5a

What - Sale of the school parcel to the Government of New Brunswick
When - Anticipated closing date of June 1, 2026.

Step 5b

What - Demolition of Winners Building
When - City responsibility to be completed prior to construction of the school

Step 5c

What - Confirm subleases will expire with no further renewals to 2 Pats Enterprises Inc., William's Seafood Ltd. and Trouw Nutrition Canada Inc.
When - Various expiry dates

Step 5d

What -Discuss continued temporary/short-term use of existing buildings and lands by FEL.

When - If requested by their Board.

Step 6

What - Amendments to the NBEx Secondary Municipal Plan and rezonings.

When - A three to four month process with expected completion of late 2026, early 2027

Step 7

What - Proceed to requests for proposals for the sale and development of residential parcels.

When - RFP process executed in winter 2026-2027.

Step 8

What -Residential development

When - After conveyance of land to residential developers.

Compensation

The matter remaining after registration of Notice of Expropriation and addressing possession of the lands is the matter of compensation.

The motion in this report directs that payment of \$4,140,000 be made to Fredericton Exhibition Limited in full compensation for its interests in the Property. This amount represents 100% of the market value of the interests as determined by appraisal plus an amount for damages under Section 38 of the Act attributable to disturbance such as business losses and compensation for special economic advantage FEL derives from the property. The expropriation process allows FEL to challenge valuation but if exercised, this would follow title transferring to the City and after the City tenders its payment. The Act provides that the Court of King’s Bench has exclusive jurisdiction to determine challenges with respect to compensation.

Conveyance of Property to GNB for the School

Included in the recommendations is a resolution to enter into an Agreement of Purchase and Sale (APS) with the Province of New Brunswick for the sale of the parcel required by the Province for the new middle school. The APS reflects the discussion between the City and GNB and is consistent with previous communications with Council and summarized as follows:

Parcel Size – 4.82 hectares (11.9 acres)

Purchase Price – \$7,735,000

Closing Date – June 1, 2026

Restriction on Land Use – The Parties agree to a restrictive covenant to the effect that the sole permitted use of the Lands will be for the operation of a school and ancillary uses.

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Buy-Back Clause – The City can buy back the property if a school is not constructed or if there are lands surplus to the needs of the school after its construction.

Zoning – GNB is responsible to rezone the property for the school. If the rezoning application is unsuccessful, the Province can require the City to reacquire the land.

Demolition – The City is responsible for the demolition of the Winners Building.

The Agreement of Purchase and Sale is attached.

Zoning

If Council decides to expropriate, it will now be appropriate to initiate the necessary amendments to the NBEx Secondary Municipal Plan to reflect expropriation of the whole of the Exhibition Grounds. Planned land uses will need to be revised to reflect potential development of the whole site. Amendments to the Secondary Plan and the Zoning By-law are also required to address future land uses and to secure the planning approvals to allow for development of the new school on a portion of the property. The fourth resolution in the recommendation provides the Director of Planning, Development, and By-law Enforcement with the direction required to prepare amendments and then initiate the planning process.

Continue Negotiations

The final resolution before Council provides authority for staff to continue to engage in discussions with FEL to acquire all or specific portions of the exhibition grounds. Throughout this process, the City has committed to good-faith discussions to resolve this matter in the interests of both parties.

BE IT RESOLVED that Resolution #1

WHEREAS the Council of the City of Fredericton adopted a resolution on September 22, 2025 with respect to authorizing the commencement of the expropriation process by the preparation and filing of a Notice of Intention to Expropriate the interests described therein in the property situated at the corner of Smythe Street and Saunders Street, and identified as PIDs 1440825, 1440833, 75026641, 75262808, 75569566 and 75569574 consisting of approximately 30 acres (the “Property”);

AND WHEREAS a hearing was held before the Expropriations Advisory Officer on February 20, 2026 pursuant to the Expropriation Act, RSNB 1973, c E-14, as amended (the “Act”);

AND WHEREAS by Extension Order dated February 27, 2026, the Expropriations Advisory Officer extended the 180-day period under subsection 19(11) of the Act to register a Notice of Expropriation by a period of 60 days ending June 3, 2026, pursuant to subsection 19(12) of the Act;

BE IT RESOLVED THAT the Council of the City of Fredericton hereby receives the Report from the Expropriations Advisory Officer dated May 8, 2026, in the matter of a Notice of

Intention to Expropriate filed with the Expropriations Advisory Officer on October 6, 2025 (the "Report") wherein it is the Officer's opinion that the City of Fredericton has established that the expropriation is reasonably necessary and is fair balancing the objectives of the expropriating authority against the interests of the objectors; and

BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton having considered the Report hereby confirms its Notice of Intention to Expropriate filed October 6, 2025 with respect to the Property, AND THAT the Council does hereby authorize and direct the expropriation of the Property for the municipal purposes set out in the said Notice of Intention to Expropriate, in particular section 5 thereof, in accordance with the Act and sections 5 and 184 of the Local Governance Act, SNB 2017, c 18, as amended; and, with respect to the expropriation as a whole, for the provision of educational, housing and other community-enriching services, facilities and things deemed necessary and desirable by City Council and the promotion of the safety, well-being and viability of the City and its residents; and

BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs City staff and the City's external legal counsel to take any and all necessary actions to finalize the expropriation process with respect to the Property under the Act including without limitation sections 19, 21, 22 and 25 thereof AND without in any way limiting the generality of the foregoing, the Council of the City of Fredericton hereby authorizes and directs City staff and/or the City's external legal counsel to;

(a) prepare, in such form as may be required under the Act, a Notice of Expropriation;

(b) register the Notice of Expropriation in the York County Registry Office;

(c) serve the Notice of Expropriation on the persons and in the manner required by the Act; and

(d) take any and all steps that City staff deem necessary to facilitate the expropriation of the Property; and

BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs the Mayor and City Clerk to execute all documents on behalf of the City of Fredericton, the expropriating authority, to facilitate and give effect to this resolution and the expropriation authorized herein, AND THAT this resolution shall take effect immediately upon its adoption.

Resolution #2

WHEREAS the Council of the City of Fredericton adopted a resolution dated May 10, 2026 herewith, confirming its Notice of Intention to Expropriate filed October 6, 2025 in respect of the interests described in the said Notice of Intention to Expropriate in the property situated at the corner of Smythe Street and Saunders Street, and identified as PIDs 1440825, 1440833, 75026641, 75262808, 75569566 and 75569574 consisting of approximately 30 acres (the "Property"), and authorizing the expropriation of the said

interests in the Property pursuant to the Expropriation Act, RSNB 1973, c E-14, as amended (the "Act"); and

WHEREAS the Property is occupied by Fredericton Exhibition Limited;

BE IT RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs that;

(a) an offer of \$4,140,000 shall be made to Fredericton Exhibition Limited in full compensation for all its interests of any kind in the Property, which amount represents 100% of the market value of the said interests as determined by CBRE Limited and such other amounts as may be payable under the Act;

(b) a Form B-2 Offer and Tender of Compensation shall be served upon Fredericton Exhibition Limited;

(c) the aforesaid amount of \$4,140,000 shall be tendered upon Fredericton Exhibition Limited (subject to payout of the mortgage in favour of the Royal Bank of Canada granted by Fredericton Exhibition Limited over its said interests); and

(d) a copy of the Appraisal Report prepared by Jason White (BBA, P.App, AACI, R/W-AC), Senior Vice President – Valuation; Advisory Services of CBRE Limited, upon which the Offer and Tender are based, shall be served upon Fredericton Exhibition Limited; and

BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs the preparation and service by City staff of a Notice of Possession upon Fredericton Exhibition Limited pursuant to section 22 of the Act, specifying a date for the City's possession of the Property that is not sooner than 90 days after the date of registration of the Notice of Expropriation, such date to be determined by City staff, or a date as may be mutually agreed between City staff and Fredericton Exhibition Limited, AND the Council further authorizes and directs City staff to serve the said Notice of Possession or a copy thereof on 2 Pats Enterprises Inc., William's Seafood (2025) Ltd., Trouw Nutrition Canada Inc. and any other person who is entitled to receive the said Notice of Possession or a copy thereof in accordance with the Act; and

BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs City staff and the City's external legal counsel to take any and all necessary actions to facilitate and give effect to this resolution, and further authorizes and directs the Mayor and City Clerk to execute all documents on behalf of the City of Fredericton, the expropriating authority, to facilitate and give effect to this resolution; AND THAT this resolution shall take effect immediately upon its adoption.

Resolution #3

BE IT RESOLVED THAT the Council of the City of Fredericton hereby declares surplus and authorizes and approves the sale of a +/- 4.82 hectare (11.9 acre) parcel of land

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situated on City owned property at 10 Saunders Street, Fredericton, New Brunswick, being a portion of PID 01440825 to the Province of New Brunswick, as represented by the Minister of Transportation and Infrastructure for the construction of a school for the amount of Seven Million Seven Hundred and Thirty-Five Thousand Dollars (\$7,735,000.00) subject to applicable terms and conditions; and

BE IT FURTHER RESOLVED THAT the Mayor and City Clerk approve and are authorized to execute the Agreement of Purchase and Sale (“Agreement”), substantially in the form as attached, on behalf of the local government and such further legal documents as may be required to facilitate the Agreement between the parties and this resolution.

Resolution #4

WHEREAS the Council of the City of Fredericton adopted a resolution on May 10, 2026 confirming its Notice of Intention to Expropriate filed October 6, 2025 with respect to the interests described therein in the property situated at the corner of Smythe Street and Saunders Street, and identified as PIDs 1440825, 1440833, 75026641, 75262808, 75569566 and 75569574 consisting of approximately 30 acres (the “Property”);

BE IT RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs the Director of Planning, Development, and By-law Enforcement to prepare appropriate amendments to By-law No Z-6, A By-law to Adopt a Municipal Plan for the City of Fredericton; By-law No. Z-5, A Zoning By-law for the City of Fredericton, and By-law No. Z-12, New Brunswick Exhibition Grounds Secondary Municipal Plan as required to give effect to the development of educational, housing and other community-enriching services, facilities and things deemed necessary and desirable by City Council and the promotion of the safety, well-being and viability of the City and its residents for the Property.

Resolution #5

WHEREAS by resolution of Council of the City of Fredericton (the “City”) dated May 10, 2026, Council authorized and directed the expropriation of all of the interests held by Fredericton Exhibition Limited (“FEL”) in the exhibition grounds, racetrack, and adjacent lands and premises located along Saunders Street and Smythe Street in Fredericton, New Brunswick, approximately 30 acres in size and currently identified as PIDs 1440825, 1440833, 75026641, 75262808, 75569566 and 75569574 (the “Property”);

AND WHEREAS the City Operating Procedure No. COR-OP-033 provides that the City’s approach to expropriation be guided by the principles of transparency and good faith negotiation, among others;

AND WHEREAS City Council deems it desirable for the City to continue negotiating with FEL throughout the expropriation process to provide the City and FEL with the opportunity to reach agreement by negotiation;

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NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. Notwithstanding the expropriation proceedings, the Council of the City of Fredericton hereby authorizes and directs City staff and external legal counsel to continue negotiating with FEL in good faith in respect of:

(a) the acquisition of all of FEL's interests in the Property; and/or

(b) the agreement by the City and FEL to permit the development of:

(i) approximately 11.9 acres of the Property for a new school (the "School Project"; and

(ii) the remainder of the Property, being for greater certainty approximately 18.1 acres in size, for

(A) the development of high-density and other housing and/or mixed-use buildings (including housing) thereon (the "Housing Project"), and/or

(B) such community uses as may be identified by the City for the economic, social and/or environmental well-being of the community and its residents (the "Community Project").

2. For purposes of the negotiations as authorized herein, and for greater certainty, City Council hereby confirms that the City may negotiate to:

(a) lease a portion of the Property back to FEL, pursuant to a new lease agreement (the terms of which shall be subject to the approval of City Council), until such time as the City determines that such portion of the Property is required in connection with the Housing Project and/or the Community Project; and/or

(b) assist FEL with the acquisition of an alternate site for FEL's agricultural/exhibition-related activities and purposes.

3. The Mayor and Clerk are hereby authorized and directed to execute all documents and take all actions necessary in connection with the foregoing.

4. City staff are hereby authorized and directed:

(a) to report back to Council as considered necessary by City staff with any relevant documents or communications in connection with the foregoing; and

(b) to engage, or continue to engage, external legal counsel and other professional advisors as needed in connection with this resolution and the actions authorized herein.

5. This resolution shall take effect immediately upon its adoption.

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