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The Corporation of the Town of Niagara-on-the-Lake Information Report to Council

SUBJECT: 2025 Legal Expenditure Disclosure
DATE: 2026-04-21
REPORT #: CS-26-016
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DEPARTMENT: Corporate Services

BACKGROUND INFORMATION

In accordance with the Town's commitment to financial transparency and accountability, this report provides Council with a comprehensive summary of legal expenditures incurred during the 2025 fiscal year. The annual legal cost disclosure enables Council to assess the Town's legal exposure, evaluate the effectiveness of risk management practices, and inform budgetary planning for future periods.

As of December 31, 2025, the Town has incurred the following costs with respect to legal matters, insurable claims, and Ontario Land Tribunal matters:

Type of Expenditure	2025 Budget	2025 Expenditures to December 31, 2025	Variance
Ontario Land Tribunal and Planning Matters	\$650,000	\$61,354	(\$804,476)
General Litigation		\$1,384,445	
Insurable Claims	\$105,000	\$102,301	\$2,699
Other Legal (advice, contract review, procurement, etc.)	\$54,000	\$170,636	(\$116,636)
Total	\$809,000	\$1,718,737	(\$909,737)

Note: The 2025 Budget of \$650,000 for Ontario Land Tribunal and Planning Matters represents a combined allocation covering both Ontario Land Tribunal and Planning Matters and General Litigation, with no specific sub-allocation between the two categories.

Two major settlements were reached during 2025, which contributed heavily to the 2025 unfavourable variance:

- 2022 Interim Control By-law Appeal – Hummel Properties Inc. v. Town of Niagara-on-the-Lake: \$1,000,000 (Public Statement)
- 2019 Heritage Designation Matter – Black 27 Prideaux v. Town of Niagara-on-the-Lake: \$225,000 (Public Statement)

For previous years, total legal expenses related to insurable claims, litigation, and planning matters are as follows:

Year	Budget	Actual	Variance
2024	\$817,000	\$1,921,621	(\$1,104,621)
2023	\$675,000	\$1,222,335	(\$547,335)
2022	\$673,000	\$1,086,058	(\$412,988)
2021	\$684,870	\$668,750	\$16,120

In addition to the above settlements, a significant and ongoing contributor to legal costs has been the Randwood Estate matter (200 John Street East and 588 Charlotte Street), involving appeals by Solmar (Niagara 2) Inc. related to Official Plan Amendment, Zoning By-law Amendment, Plan of Subdivision, and Heritage Permit applications. This matter, which originated in 2018 with objections to heritage designations under the Ontario Heritage Act, proceeded through extensive Ontario Land Tribunal proceedings, including a seven-week hearing in 2024. At times, Randwood-related costs accounted for upwards of 90% of the Town's total legal expenditures.

On October 11, 2024, the OLT issued its decision requiring Solmar to undertake significant revisions to its proposed subdivision before any approvals could be considered. Solmar challenged this decision; however, the OLT dismissed the challenge on January 28, 2025. On April 11, 2025, Solmar advised the Tribunal that it was not prepared to pursue the required studies and revisions, and on April 15, 2025, the OLT issued a final order dismissing the appeals. No planning approvals or heritage permits have been granted for the development of these lands.

As of December 31, 2025, the cumulative cost of the Randwood matter to the Town totals \$3,467,668, of which \$127,497 was incurred in 2025. Staff continue to monitor developments related to this matter.

Collectively, these three matters account for approximately 94% of the Town's total legal expenditures in 2025, underscoring that the unfavourable budget variance is attributable to a limited number of significant legacy proceedings rather than to a systemic increase in legal activity.

NEXT STEP / CONCLUSION

The total legal expenditure of \$1,718,737 exceeded the approved 2025 budget of \$809,000 by \$909,737, driven primarily by two significant settlements totalling \$1,225,000 and continued costs associated with the Randwood Estate proceedings of \$127,497.

This annual disclosure assists Staff in establishing appropriate legal budgets for future fiscal years. Over the 2022–2025 period, three significant matters have driven the majority of the Town's legal expenditures:

- The 2022 Interim Control By-law Appeal (Hummel Properties Inc.) — settled in 2025 for \$1,000,000;
- The 2019 Heritage Designation Matter (Black 27 Prideaux) — settled in 2025 for \$225,000; and
- The Randwood Estate proceedings (Solmar (Niagara 2) Inc.) — cumulative cost of \$3,467,668 since 2018, with the OLT issuing a final order dismissing Solmar's appeals in April 2025.

The first two matters have been fully resolved and will no longer contribute to the Town's ongoing legal costs. With respect to Randwood, while the OLT's dismissal of the appeals represents a significant milestone, Staff will continue to monitor any further proceedings related to this matter. Collectively, the resolution of these matters is expected to result in a substantially more stable legal expenditure profile in future fiscal years.