



TOWN STATEMENT

Settlement Achieved in the Matter of Hummel Properties Inc. (“Hummel”) v the Town of Niagara-on-the-Lake (the “Town”)

For Immediate Release

September 24, 2025

As approved by Town Council during its September 23, 2025, Council Meeting, and subsequently accepted by Hummel, a settlement of \$1,000,000.00 was agreed to by both parties. This concludes the litigation between the Town and Hummel concerning the previous Council's unlawful use of an Interim Control By-law.

Background

In October 2022, the Ontario Court of Appeal overturned a 2021 Superior Court decision concerning the Interim Control By-law (the “ICBL”) passed by the previous Town Council on December 5, 2018.

An interim control by-law provides a temporary pause on certain types of development, giving the Town time to review and update its planning rules, but the circumstances in which it can be used are strictly controlled under the Planning Act.

The Court of Appeal found that the ICBL was illegal because it was beyond the Town's statutory powers and violated the terms of the Planning Act. The Court of Appeal allowed the appeal, and sent the case back to the Superior Court for fresh pleadings and a trial on Hummel's claims that the Town engaged in misfeasance in public office and negligent misrepresentation in relation to the passage and extension of the ICBL.

Prior to December 5, 2018, the Town had passed another interim control by-law that affected the land subject to the December 5, 2018 ICBL. Given the terms of the Planning Act, the previous Council for the Town ought not to have passed the December 5th ICBL. A former Councillor sent an email flagging that issue to the attention of the former Lord Mayor on December 11, 2018. That raised a serious statutory concern under the Planning Act, which prohibits the passage of a further



Interim Control By-law for the same lands within a three-year period. The Town failed to investigate the concern and seek legal advice on the December 5, 2018 ICBL, thereby allowing the ICBL to pass and remain in effect, and exposing the Town to ongoing allegations of illegal activity.

The Town also acknowledges that it followed a process that did not provide sufficient notice or opportunity for public input with respect to the ICBL, and confirms that:

- The previous Council's process in passing the December 5, 2018 ICBL contravened the Town's own Procedural By-law 5125-18;
- The previous Council engaged in closed discussions about the ICBL (contrary to the Municipal Act); and
- The former Lord Mayor improperly called an "emergency" meeting on December 5, 2018 (where the ICBL was passed), when no genuine emergency existed.

The ICBL forced Hummel's development plans for certain lands to be suspended, despite significant preparatory work that had been completed at the Town's direction, resulting in Hummel suffering significant damages. When the ICBL was later repealed, Hummel was required to redo its background studies to comply with updated policies and by-laws.

Going forward, current Council acknowledges that should it consider using interim control powers, it commits to doing better. This includes seeking legal advice before acting and ensuring that the process is conducted reasonably, lawfully, and with fair public notice and input.

Click here to read the full [Statement of Claim](#) and [Statement of Defence](#).