

Township of Southgate

Administration Office

185667 Grey Road 9, RR 1

Dundalk, ON N0C 1B0

Phone: 519-923-2110

Toll Free: 1-888-560-6607

Fax: 519-923-9262

Web: www.southgate.ca

Staff Report CAO2021-045

Title of Report: Purchase & Sale Final Agreement for Eco Park
Property to Nicola Rago

Department: Administration & Economic Development

Council Date: June 2, 2019

Council Recommendation

Be it resolved that Council receive staff report CAO2021-045 as information; and

That Council approve the present Purchase & Sale Extension Agreement offer received from Nicola Rago with new closing date of October 29th, 2021; and

That Council approve By-law 2021-083 for the Mayor and the Clerk to sign and execute this Purchase & Sale Extension Agreement for Nicola Rago.

Background:

The purchaser Nicola Rago is a furniture maker that has made an offer to purchase a 2.3 acre parcel of land in the Eco Park. This lot is located on the south side of Eco Park Way across from the Lystek plant.

The proposed use of the property is for the inside storage of wood for the processing and manufacturing of furniture countertop wood slabs. The wood is imported from South America after his personal selection of the trees by Mr. Rago.

There is a building proposed to be constructed on the property that will be a 6,000 square feet structure. There is no work expected to be performed outside the building. All materials will be stored inside the building with no outdoor storage of materials. It is projected to only have an average of one (1) truck per week visiting the site. It is not expected to have any issues with noise, vibration, air emissions or odours from the proposed use.

While the offer of \$20,000 per acre is below the list price of \$35,000 per acre, it is reasonable given that the site requires the clearing of trees, leveled for the proposed development and a substantial amount of fill to make the site developable. The \$35,000 list price is an appropriate price for sites in the Eco Park with ideal conditions for industrial development and gravity access to sewer connections not available on this property. Considering the development charges and fees, plus the present and future potential for job creation and business growth, this is a positive development for the community.

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The site includes part of the current turning circle at the end of Eco Park Way which will not be required when Eco Park Way is extended to Hwy 10. The current turning circle is sufficient for the current needs with the road allowance ditch portion of the roadway accessible as a temporary use until the road extension is constructed.

The purchase and sale agreement and By-law 2019-008 for the Nicola Rago Purchase & Sale Agreement was approved by Council at the January 16, 2019 Council meeting as follows:

Moved By Councillor Dobreen; **Seconded By** Councillor Shipston;

Be it resolved that by-law number 2019-008 being a by-law to authorize the Mayor and the Clerk to sign the purchase and sale agreement between Nicola Rago and the Township of Southgate be read a first, second and third time, finally passed, signed by the Mayor and the Clerk, sealed with the seal of the Corporation and entered into the by-law book.

Carried No. 2019-025

Because of development delays in 2019 we executed an extension agreement with Council approving By-law 2019-189 with the following resolution:

Moved By Councillor Sherson; **Seconded By** Councillor Shipston;

Be it resolved that Council receive staff report CAO2019-126 as information; and **That** Council approve the Purchase & Sale Extension Agreement offer received from Nicola Rago; and

That Council approve By-law 2019-189 for the Mayor and the Deputy Clerk to sign and execute this Purchase & Sale Extension Agreement for Nicola Rago.

Carried No. 2019-777

Staff Comments:

With the COVID-19 pandemic it put a halt to several Eco Park land Purchase and Sale Agreements. This agreement expired between Nicola Rago and the Township however the purchaser remains committed to closing on the land sale when it was again safe for him to travel and visit the site. The CAO and the EDO recently met with Mr. Rago to complete the updated purchase and sale agreement.

A copy of the Nicola Rago new purchase and sale agreement is included with By-law 2021-083 for Council approval.

Financial Impact or Long Term Implications

The financial impact as a result of this report in 2021 will be legal costs to close the property sale. In addition the Township will need to provide a water connection and

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wastewater force main service line to the front of this property. A survey of the property was completed in 2019.

The proposed development should generate:

- 3-5 jobs and the potential for future job growth;
- Sale of the property is \$46,000.00;
- Development Charges of \$71,964.00;
- Site Plan fees;
- Building Permit fees; and
- Annual Municipal Property Tax revenue.

Communications & Community Action Plan Impact:

This report has been written and presented to Council to communicate accurate information to the public.

Concluding Comments

1. That Council receive this report as information.
2. That Council approve the Purchase and Sale Extension Agreement for the purchase of 2.3 acres of land in the Eco Park to Nicola Rago by Southgate By-law 2021-083.

Respectfully Submitted,

CAO approval: Original Signed By
Dave Milliner – CAO
dmilliner@southgate.ca
519-923-2110 x210