

Township of Southgate

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Staff Report CAO2021-057

Title of Report: Flato Developments Purchase of Eco Park Phase 1 Lands

Department: Administration

Council Date: August 4, 2021

Council Recommendation:

Be it resolved that Council receive staff report CAO2021-057 as information; and

That Council approve the purchase and sale agreement for 20 acres plus or minus of lands in the Eco Park to Flato Dundalk Community Inc.; and

That Council consider approval of Southgate By-law 2021-115 to execute this purchase and sale agreement.

Background:

At the April 6, 2016 Council meeting in the closed session, staff presented a proposal from Flato Developers Inc., to purchase 3 parcels of land in the Eco Park totalling about 30 to 35 acres. Council direction to staff in the closed meeting was as follows:

Proposed or pending disposition of land by the municipality (offer to purchase land)

Council directed staff to prepare an offer of purchase and sale for the 3 properties, and bring the offer back to Council at a future in-camera session for consideration.

At the April 20, 2016 Council meeting staff presented SR CAO2016-047 that reported on the following issues:

- Responses on the Council feedback from the April 6, 2016 closed session;
- Details on anticipated truck traffic, hours of operation, noise, dust, any other anticipated concerns and the anticipated number of local jobs in the short and long term;
- Details on what other approvals may be required aside from Southgate;
- Details on what services and infrastructure Southgate will provide, when, and at what estimated cost;
- A summary of DC income and annual tax income based on the appropriate zoning tax rate so we can forecast the short and long term impact on our budget for road upgrades and the Highway 10 bypass;
- Detail of the terms and security for the vendor take back mortgage; and
- That the developer agrees to pay for any costs not specifically outlined as being paid for by Southgate in the agreement.

Staff received comments from Council members on the draft Flato industrial lands purchase and sale agreements for one 3.5 acre parcel of land and two pieces of land being about approximately 14 acres each.

Staff reported to Council at the May 18, 2016 closed session on the concerns raised at the April 20, 2016 meeting. Staff was directed on April 20, 2016 to continue to negotiate these land sale agreements with Flato, have the agreement reviewed by our lawyer at the appropriate time and then present to Southgate Council for final approval.

Staff felt we had a workable development with Flato for these lands. After a Planning review by both Southgate's and Flato's Planning, staff felt there was a conflict with placing residential development any closer to other development in the Eco Park and the wastewater facility. The existing residential in the area is compatible with the planned commercial and light industrial type of projects. The developers planned uses of the properties is as follows:

1. Ida Street - Parcel #1 of 3.5 acres
 - Commercial office building with coffee shop and limited residential.
2. Eco Park Way West - Parcel #2 of 14 acres
 - Commercial/residential uses on this property.

Eco Park Way East - Parcel #3 of 14 acres

- Light industrial for a warehouse development.

To rationalize the exchange for employment planned lands for residential development was challenging for Southgate's planning because of our low existing availability of commercial-industrial lands focused at creating jobs. This required planning work on a Comprehensive Review Study Report of our industrial land stock, an Urban Justification Report and a Southgate Official Plan Review. The number of planning application files received, the study work required, the COVID challenges in 2020 and the developer focussing on other developments in Dundalk, the Eco Park project was not a major priority.

Staff Comments:

In 2021 we have requested Flato to reduce to very few residential units for this project because of the D6 guidelines related to residential setback from other developments and our present and possible future wastewater treatment facilities. In addition, the introduction of the Green Lid Project in cooperation with Flato we have reduced this property sale to about 20 acres from 32 acres.

Staff recommend Council approve the new purchase and sale agreement by By-law that reflects the changes to proceed with selling the 20 acre parcel to the company

Flato Dundalk for development. Attachment #1 is an aerial map of the Eco Park property that presents the lot fabric which has changed since the original proposal.

The developers planned uses of the properties is commercial office buildings, light industrial and some residential development along Ida Street to interface to the commercial and light industrial development areas along Eco Park Way.

Financial Impact or Long Term Implications

There is no financial impact as a result of this report other than providing lot line service connections as well as survey and legal cost to close the sale.

The financial impact as a result of this land sale and development is as follows.

Ida Street - Parcel #1:

Saleable Property Area:	20 acres
Sale Price:	\$700,000.00
Estimated Commercial & Industrial Bldg sizes:	100,000 square feet
Residential Units Types - Economical for first time buyers	
Development Charges (based on 2021 rates):	\$ 2,250,000.00
New Building Fees	\$ 15,000.00
Construction Value:	\$25,000,000.00
Estimate in new Annual Taxation developed :	\$ 250,000.00

Communications & Community Action Plan Impact:

This report has been written and presented to Council to communicate accurate information to the public. Southgate CAP Goal – Trusted, Timely, Transparent, Decision Making.

Goal 1-Attracting New and Supporting Existing Businesses & Farms

Action 1: The residents and businesses of Southgate envision a growing and diverse local economy, which respects our agricultural background while also attracting new businesses and new employment opportunities in keeping with the renewed growth of our population.

Concluding Comments

1. That Council receive this report as information.
2. That Council approve the purchase and sale agreement for lands in the Eco Park to Flato Dundalk Community Inc.
3. That Council approve Southgate By-law 2021-115 to execute this purchase and sale agreement.

Respectfully Submitted,

CAO approval: Original Signed By Dave Milliner – CAO

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- Attachment #1 – Aerial Map of Flato 20 acre property