

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 CAO2021-066

Title of Report: Purchase & Sale Agreement Approval of Eco Park Land to Casa Terre Corporation Report

Department: Economic Development

Council Date: October 6, 2021

Council Recommendation:

Be it resolved that Council receive Staff Report CAO2021-066 for information; and

That Council approve amending the Purchase & Sale Agreements for 7 acres of industrial land in the Southgate Eco Park to Casa Terre Corporation formerly Suleyman Chekdar Batgi land sale to close December 15, 2021; and

That Council consider approval of Southgate By-laws 2021-149 to execute the Purchase & Sale Agreement to sell industrial lands in the Eco Park to Casa Terre Corporation at the October 6, 2021 meeting.

Background:

Southgate staff has been working with Suleyman Chekdar Batgi for some time to develop a project and to purchase property in the Eco Park to construct a 5,000 square foot building to start the business and expand later to a 30,000 to 40,000 square foot facility. They are a modular pre-fabrication construction company that will construct prefabricated building walls, floors, panel structures and cabins inside their building. They use steel, EPS Expanded Insulation, wood and external finishing materials in their process.

The facility would start with 6 employees and expand to 30 once they expand their building and reach planned production capacity. There would be about 1 or 2 trucks per day delivering materials or picking up finished products for delivery. There would be no offsite impacts related to noise, vibration, odours or air quality. About 20 percent of the property would be used for outside storage of the manufactured products and construction materials for their construction process. The outside storage would be contained by security fencing and visual barrier toward Eco Park Way using their building, trees and other mitigation methods.

The original purchase and sale agreement was for a 7 acre parcel of industrial zoned land in the Eco Park closing September 24th, 2021 at the cost of \$35,000.00 per acre. This property lot has been surveyed and has access to connect to water & sewer servicing from Eco Park Way.

At the February 17th, 2021 Council meeting the following resolution was approved:

Moved By Deputy Mayor Milne; **Seconded By** Councillor Dobreen;

Be it resolved that Council receive Staff Report CAO2021-013 for information; and

That Council approve the Purchase & Sale Agreements for 7 acres of industrial land in the Southgate Eco Park to Suleyman Chekdar Batgi; and

That Council consider approval of Southgate By-laws 2021-023 to execute the Purchase & Sale Agreement to sell industrial lands in the Eco Park to Suleyman Chekdar Batgi at the February 17, 2021 meeting.

Carried Report No. 2021-078

Staff Comments:

Mr. Batgi has been working on developing 2 properties in Southgate being the Eco Park property for the Casa Terre Corp project to construct modular building panels for housing and a campground property at the corner of Southgate Road 22 and Sideroad 61. The second property has been looking to develop a Housing Park Development and has had more focus and progress made on the planning process. Both projects are important to support affordable future housing strategies in Southgate and our new Affordable Attainable Housing Committee.

The original purchase and sale agreement for a 7 acre parcel of industrial zoned land in the Eco Park remains the with the same terms with the following changes made to the new amended Purchase and Sale Agreement:

1. Changed the name of the purchaser to Casa Terre Corporation on the first page and in the signature approval part of the Purchase and Sale Agreement that was being undertaken legally prior to the original closing sale date anyway;
2. Section 1 (a) - The financial deposit has been increased by \$10,000.00 to \$22,500.00 as a further commitment of security provided to the Township by the purchaser;
3. Section 3 - The irrevocable date has been changed to October 15, 2021.
4. Section 4 - The closing date has been changed to December 15, 2021 at the request of the purchaser with clear messaging that no further extensions will be made unless required by the lawyers for additional days to clear up details to finalize the transaction;
5. Section 15 Examination of Title - The last day for the examination of title date has been changed to October 15, 2021;
6. On signature page Mr. Batgi's title has been changed to Director; and
7. Schedule C, Section 1 (a) Title Control – The purchaser is now required to commence construction of a permanent building within one year and to substantially complete the construction within two years from the registration of the Purchaser's ownership of the Property.

Staff recommends that this purchase and sale agreement be approved with the new closing date without any further closing extensions communicated to the purchase and that Planning staff work with Casa Terre Corporation to create the Site Plan for the development.

Financial Implications:

The financial cost as a result of this report was the cost of surveying the property to create this 7 acre lot which was incurred in 2019.

The other expense is the servicing costs of providing 3 water connections and extending wastewater force main servicing to the Eco Park access service easement of the 2 acre properties that front onto Ida Street.

The financial revenue impact of this land sale to Suleyman Chekdar Batgi is:

- \$245,000 sale of the property (7 acres at \$35,000 per acre)
- \$59,970.00 in Development Charges (5,000 sq. ft. X \$11.994/sq. ft.), plus future DC potential of about \$270,000.00 based on 2021 rates.
- \$3,060 Site Plan Fees plus a \$5,000 contingency fee for expenses
- Building Permit Fees (\$10 per \$1,000 of estimated construction cost)
- Municipal Tax Revenue (TBD)

Communications & Community Action Plan Impact:

Goal 1 - Attracting New and Supporting Existing Businesses and Farms

Action 1:

The residents and businesses of Southgate envision a growing and diverse local economy, which respects our agricultural background development, and development will be underway.

Concluding Comments:

1. That Council receive this report as information.
2. That Council approve the amended Purchase and Sale Agreements for the purchase of lands in the Eco Park to Casa Terre Corporation formerly Suleyman Chekdar Batgi.
3. That Council approve of Southgate By-laws 2021-149 to execute the Purchase & Sale Agreements.

Respectfully Submitted,

CAO Approval: *Original Signed By*
Dave Milliner, CAO