

Township of Southgate

Administration Office

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Staff Report CAO2021-067

Title of Report: Flato Developments Proposals Report

Department: Administration

Council Date: October 20, 2021

Council Recommendation:

Be it resolved that Council receive staff report CAO2021-067 as information; and

That Council approve the cancellation of the purchase and sale agreement for 20 acres plus or minus of lands in the Eco Park to a Flato Dundalk Community Inc. and the approving Southgate By-law 2021-115; and

That Council direct the Mayor and CAO to work with Flato and meet with the Township of Melancthon Mayor and staff in relation to initial annexation discussions and creating a financial transition agreement to service lands on the east side of Hwy #10.

Background:

Flato and Eco Park Phase I - Purchase & Sale Agreement

Flato Developments recently informed Southgate staff that they have decided to back away from the purchase and sale agreement to develop of the 20 acres in Eco Park Phase I. Flato were very supportive of our request to sell 12 acres of the original 32 acre parcel to Green Lid. Since then, they have decided to focus their efforts on developing larger parcels of land on the west and east side of the Hwy #10 corridor.

Township of Melancthon Annexation & Property Servicing Discussion

Southgate has been informed by Flato that they have purchased 250 acres of land on the east side of Hwy #10 for future development of residential, commercial, industrial and work with Southgate on an affordable housing project. Flato has also informed Melancthon of the need for servicing this property and an annexation agreement with Southgate to proceed for the mutual benefit of both Township's.

Eco Park Phase II Property Development

Staff (CAO & EDO) have been working on the Eco Park Phase II property in relation to future development of the property to establish the best development of the Hwy #10 Southgate owned lands.

Staff Comments:

First, staff recommend that we release Flato from the Eco Park Phase I property sale, as we have companies lined up to buy the property.

Second, staff recommend Council direct the Mayor and the CAO to hold a meeting with Melancthon and Flato with the guidance of Municipal Affairs and Housing to service and annex lands on the east side of Hwy #10 for urban development.

The CAO and EDO have been discussing the JLL proposal Council received on October 6, 2021 in relation to the value of the Eco Park II property they proposed, the services they provide, the cost of those service, the timing of the flow of funding being generated and their sales/development process in relation Southgate having a say in who we are locating especially on the Hwy #10 commercial lands will contribute to the needs of our community and/or Highway only service businesses.

Staff are planning on inviting Flato Developments to the November 3rd, 2021 meeting to also present to Council followed by a staff report that will assess the 2 proposals and make recommendation that would best serve the Township of Southgate.

Financial Impact or Long Term Implications

There is no financial impact as a result of this report as we are now offering the remaining 20 acres in Eco Park Phase I to people on EDO's list of interested companies wanting to locate their business and develop an industrial property in Southgate. We will be offering some of the 20 acres at an increased sale price of \$45,000 to \$50,000 based on the size of the lands being purchased price.

Staff if directed by Council, would re-engage discussions with Flato Developers to further develop a project plan. This plan would include to negotiate an agreement to establish the following:

1. The land sale price;
2. Cost sharing of roadway & servicing (water, sewers, hydro and natural gas) development;
3. Be involved with the Hwy #10 commercial development planning to work with Flato and locate appropriate businesses needed in the Southgate community;
4. Develop an industrial land development plan with Flato;
5. Investigate residential development for an affordable housing project in the Hwy#10 development corridor south of Flato East residential project; and
6. Southgate develop its own plan to retain industrial land in Eco Park Phase II and the abutting lands to the new roadway from Phase I for possible development that could be sold.

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 accept the cancellation of the purchase and sale agreement for lands in the Eco Park Phase I to Flato Dundalk Community Inc.
3. That Council direct staff to work with Flato and Melancthan Township to discuss annexation of property on the east side of Hwy #10.
4. That Council direct staff to continue discussions with Flato in relation working with developing Eco Park Phase II property, constructing the roadway and services in comparison to the JLL proposal.

Respectfully Submitted,

CAO approval: Original Signed By Dave Milliner – CAO

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