

Township of Southgate

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Staff Report CAO2022-067

Title of Report: Mid West (Huron Bay) Coop-Southgate Development Plan and Land Lease Agreement

Department: Administration

Council Date: September 21, 2022

Council Recommendation:

Be it resolved that Council receive staff report CAO2022-067 as information; and

That Council approve the Mid West Cooperative Inc. (formally Huron Bay Coop) concept of their development plans; and

That Council approve the Mid West Cooperative Inc.-Southgate Draft Land Lease Agreement as presented; and

That Council consider approval of the of the Mid West Cooperative Inc. Land Lease Agreement by municipal By-law 2022-140 at the October 5, 2022 Council meeting.

Background:

An agreement with the Huron Bay Coop and the Township of Southgate has been in place for many years, for the lease of the lands where the mill building is located on the north east corner of Dundalk and Holland Streets. The lands on the west side of the rail trail from Holland to Grey Street, that also fronts onto Dundalk Street has been under municipal ownership for a long time, to our knowledge.

Staff reviewed and updated the agreement in 2017 with current information and changed the lease payment to the current annual rate. The lease rate is annually increased by a rate of 2% as spelled out in Article 2.04 of the agreement.

At the April 19, 2017 meeting Council approved the following motion was approved:

Moved by Councillor Woodbury, Seconded by Councillor Frew;

Be it resolved that Council receive staff report CAO2017-040 as information; and

That Council provide direction and feedback to staff for changes to this agreement; and

That Council consider approval of the agreement by municipal By-law at a future Council meeting, once approved by Huron Bay Coop. **Carried.** No. 2017-248

Staff Comments:

Huron Bay Cooperative has amalgamated with North Wellington Cooperative to create a new business entity call Mid West Cooperative Inc., with their head office still located in Teeswater, Ontario. As part of these business changes, they want to reinvest and re-establish their business commitments in the Dundalk location by;

1. Refreshing the land lease agreement with Southgate to reflect their new business name Mid West Cooperative Inc.;
2. Demolish the old Feed Mill building on the property and reconstruct a new structure on the property within the leased lands that does not encroach onto the rail trail lands;
3. Seek approval through a Site Planning process with Southgate and Grey County to locate the new Mid West Cooperative building for agriculture feed and crop related products; and
4. To purchase from Grey the Coop's Fertilizer Plant lands located on Proton Street north of the Library and south of the new Dundalk SEGCHC proposed parking lot.

The Agreement:

No changes are recommended to the agreement for Council approval other than the name change and the new dates to restart the 10 year agreement term. A copy of the 2017 Huron Bay Agreement is included in this staff report as Attachment #1 and the new Mid West Coop Draft Agreement is provided as Attachment #2. The agreement has been refresh with a current payment schedule that respects the 2017 agreement.

Old Feed Mill Building Demolition:

This will remove the existing structure from the property and eliminate encroachments on the Grey County Rail Trail property. Mid West Coop will request a building demolition permit from Southgate.

Site Plan Agreement and Construction of New Building

Mid West Cooperative are working with Southgate staff to develop a site plan for the lease land property envelop to locate their new building and to eliminate the present Grey Rail Trail building encroachment of the existing structures. Included in this staff report Attachment #3, which is part of a survey document of the Mid West Coop Feed Mill property on the north side Holland Street. The survey document shows the 9.785 meters (32.1 feet) encroachment of the Feed Mill Building. The leased land is 30.471 meters (99.8 feet) wide with Holland Street frontage and 53.569 meters (175.8 feet) deep along Dundalk Street. They plan to erect a new building 50 feet wide by 150 feet deep on the property, while retaining the existing weigh scales. The new building would set on the east side of the leased land, with

the front of the building being 15 feet from the Holland Street property line. On the north side of the new building structure would allow 90 feet of space traffic flow and storage area between the Township's Dundalk Works Garage and the new facility. An aerial map is also included in this report as Attachment #4 that frames the Grey County owned lands in yellow. In the aerial photo you can see the old Feed Mill encroachment and the leased lands. A copy of a preliminary site plan drawing for their new building on the property is included in this staff report as Attachment #5.

Fertilizer Plant Property Purchase of Lands from Grey County

This discussion started to purchase the Fertilizer Plant lands from the County of Grey prior to the COVID Pandemic and was lost as a priority during the last 3 years. Mid West Coop have now raised this again as an issue that they would like to see addressed during our present discussions with the County Planning staff. A site meeting is scheduled for Mid West Coop, County and Southgate staff to get the sale of the land process started now for consideration early in the new term of the Grey Council. The Attachment #4 documents shows the Grey property occupied by the Fertilizer Plant on Proton Street half way between Holland and Grey Streets.

Financial Impact or Long Term Implications

There is no financial impact to the municipality as a result of this report related to expenses. This agreement will generate \$1,265.00 in revenue from 2023 to 2026 for leasing of the land and increase by 2% per year starting in 2027 until 2032 when the agreement will be up for renewal March 1st of 2033. Mid West Cooperative also pays taxation on this property annually.

Communications & Community Action Plan Impact:

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

Goal 2 - Revitalizing Downtown Dundalk

Action 2: The residents and businesses of Southgate envision our largest town once again becoming a source of community pride and a hotbed of community activity, with a much-improved appearance and a broader range of business opportunity.

Concluding Comments:

1. That Council receive this staff report as information.
2. That Council approve the Mid West Cooperative Inc. Agreement by Municipal By-law 2022-140.

Respectfully Submitted,

Planning approval: Original Signed By

Clinton Stredwick – Planner

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CAO approval: Original Signed By

Dave Milliner – CAO

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Attachments:

- Attachment #1 - Existing Huron Bay Coop-Southgate Land Lease Agreement
- Attachment #2 - Mid West Coop-Southgate Draft Land Lease Agreement
- Attachment #3 - Mid West Coop Businesses Aerial Photo and Survey documents
- Attachment #4 - Mid West Coop Holland-Dundalk Street location Draft Development Site Plan
- Attachment#5 – Mid West Cooperative Preliminary Site Plan Drawing of their New Building location