



<b>Report Presented To:</b>	Township of Southgate Council Meeting
<b>Meeting Date:</b>	2024-10-02
<b>Report Number</b>	CAO2024-017
<b>Title:</b>	Agreement Timelines Re: Block 58-59
<b>Open/Closed Session:</b>	Open Session
<b>Prepared By:</b>	Dina Lundy
<b>Approved By:</b>	Dina Lundy Chief Administrative Officer

**Executive Summary:**

This report seeks direction to amend the purchase and sale agreement for block 58-59, due to delays and studies required for the developer to undertake.

**Recommendation:**

**Be it resolved that** Staff report CAO2024-017 be received for information; and  
**That** Council approves the development timeline extensions in this report; and  
**That** a by-law to approve the amended agreement be considered.

**Background:**

On May 15, 2024 Council adopted by-law 2024-014 authorizing the township enter into a purchase and sale agreement with 2821921 Ontario Inc. for block 58-59 on plan 852 in Dundalk, with a closing date of December 26, 2024.

The development agreement includes a minimum of 6 affordable rental housing units for a period of at least 10 years, and penalties if these units are not occupied as affordable housing within 6 months of satisfying the provisions of the development agreement, subject to requests for extension.

**Analysis**

The agreement of purchase and sale (APS) includes timelines relating to the due diligence period, as well as development timelines as follows:

Due Diligence Timelines:

- Satisfactory Soil Testing Report: 120 days from date of APS, requesting 550 days
- Verification of Municipal Services Capacity: 180 days from date of APS, requesting 360 days
- Rezoning and Site Plan Approval: 180 days from date of APS, requesting 550 days

### Development Timelines:

Commence Construction: 24 months from date of property transfer (approximately December 26, 2026), requesting a date on or about November 1, 2025.

Substantial Completion: 48 months from date of property transfer (approximately December 26, 2028), requesting a date on or about November 1, 2025.

The request to extend the due diligence period for soil testing, rezoning and site plan approval, and verification of municipal servicing capacity means that the closing date would be extended to on or about November 1, 2025, and the transfer would not take place until approximately this date.

The developer details the reasons for the request in the attached letter. The main reason is due to delays in the GRCA's review and recommendations. As a result of these recommendations, the developer is required to complete an environmental impact study (EIS), which is expected to take 9-10 months to complete in order to obtain the multi-seasonal data required by the GRCA. Township planning staff have confirmed the length of this type of study is typical. This study must be completed prior to the developer making application for site plan approval, which makes adherence to the current timelines impossible.

### **Financial and Resource Implications:**

The developer has paid the required 10% performance deposit of \$7,500 to allow the extension request to come forward for council consideration. The deposit will be returned without interest, if the newly adopted timelines are adhered to. If they are not, the township retains these funds as liquidated damages as detailed in Schedule B 1b). Revenue from the sale of the township land of \$71,000 would be accounted for in the 2025 budget.

### **Strategic Priorities:**

Priority: Happy, Healthy Communities

Goal: Goal 7: Improve Access to Housing

Action Items:

7 a). Determine and Implement a Process to Initiate Affordable Housing Agreements on Township Properties with Developers

7 b). Work with Developers and Landowners to Increase Rental Housing Opportunities in the Township

### **Attachments:**

Attachment 1: Request for Extension Letter – 282921 Ontario Inc.