



# REPORT

## Planning & Development

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**Meeting:** Committee of the Whole

**Date:** August 20, 2020

**Report No.:** PLAN-20-20

RESOLUTION NO: \_\_\_\_\_ BY-LAW NO: \_\_\_\_\_

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**Subject:** Industrial Park Development Policies – Status and Update

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**Recommendation(s):**

BE IT RESOLVED THAT Committee of the Whole receive Report PLAN-20-20 for information.

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**Background:**

**1.1 Development Policy**

In April of 2010, Council for the Township of Cramahe approved a Development Policy for the Cramahe Industrial Park North. According to the document, the objective of the Industrial Land Development Policy was “to provide a framework for the purchase and development of land in the municipally owned park including site development process, application process, applicable uses, permitted industrial uses, zoning provisions and applicable charges”. The document provided a framework to be used for each purchase/sale transaction and “intended business development use” of the industrial park land.

The Development Policy included the advertised sale price for the industrial park approved by Council on June 4, 2009:

- north side lots with Hwy #401 exposure: \$14,164 per ha (\$35,000 per ac.);
- south side lots along Purdy Road: \$12,141 per ha (\$30,000 per ac.).

It was noted that the prices were subject to change at Council's discretion and should be confirmed at the consultation stage by any prospective purchaser. The Municipal Act requires that lands sold by the Municipality be sold at fair market value.

A formal Agreement of Purchase and Sale was prepared by the Township's Solicitor and was available to prospective purchasers upon request. Agreements of Purchase and Sale were subject to review by the Municipality's solicitor and approval by Council.

## **1.2 Council Approval**

As set out in the Development Policy, Cramahe Council approval of the land sale is to be exercised through a Resolution and the passing of a by-law in a public Council meeting. Staff will present Council with the Agreement to Purchase and Sale and accompanying Staff Report. Council will then determine whether it wishes to accept the offer. The policy requires a deposit of 10% of the purchase price with every Agreement of Purchase and Sale to be presented to Council.

## **1.3 Lands Available**

There is land available on the south side of the easterly extension and to the east of the 'Cheer' property, and east of the CESB, as shown in Figure 1. The extension of Industrial Park Road North provides access to all lands within the development. Water service is available along Purdy Road. Municipal staff can investigate with LUSI, the option to extend the service to the north and east along the Industrial Park Road North. As Members of the Committee know, there is no sewer service available. As a result, only dry industries can be accommodated.



**Figure 1 – Lands Available Within Industrial Park North – 2020**

Staff has completed a rough layout design for the remaining lands within the CIPN and has determined that a five (5) lot plan, with lot sizes ranging from 1.6 acres to 4.1 acres, is feasible for the lands. This layout would maximize the use of frontage for all lots, while continuing to provide adequate.

Although some flexibility in lot layout is reasonable, the Township should strive to maintain the integrity of the lot fabric of the lands, as a whole. The proposed layout provides variety in the configuration and location of access as well as size. Having said that, It would be possible to create fewer, larger lots, provided that the balance of the lands retain sufficient market value. It would also be possible to sell the entire parcel as a single unit, should a single prospective purchaser come forward.

#### **1.4 Servicing Availability**

Official Plan policies permit partial servicing, as per Section 5.1.12.1 General Servicing Policies, as follows:

*Partial servicing will generally be discouraged, except where necessary to address failed services or because of physical constraints, and except in*

*the Township Industrial Park, which is presently serviced with municipal water services.*

*Unless on full municipal services or approved communal services, industrial and commercial uses will be restricted to those of a dry nature only. Those commercial or industrial uses of a dry nature will be permitted on private services on lands designated to permit industrial uses, or on partial services (i.e., municipal water services only) in the Township Industrial Park.*

*For the purposes of this Plan, a use of a “dry nature” shall mean one in which water is not required in the processing, assembling, fabricating, manufacturing, washing or cooling, or similar function of the establishment, and which requires water and sewage disposal facilities only for domestic uses, i.e., for employees and visitors to the establishment.*

## **1.5 Updates to Current Policy**

The Policy was updated in 2014. In 2016, a Closed Session of Council was held to discuss a matter subject to solicitor client privilege, relating to the sale of municipal land. There were no motions passed in Open Council as a result of the closed session (Minutes of Township of Cramahe Council in Committee held Dec 6, 2016). As such, the 2014 policy remains in effect for the Industrial Park.

### **Staff Comments:**

We have recently received two inquiries regarding the opportunity to purchase lands within the Cramahe North Industrial Park. Should an Offer of Purchase be received by Township Staff, we will be advising Council that the current policies are applicable until such time as they are revised by Council. Council can consider an Offer, provided that the purchase price put forward in the Offer reflects current market value for the lands, based on values of comparable lands.

Given that the policies date from 2014, we are recommending that the Development Policy be updated to better reflect current requirements. A copy of the proposed revisions will be brought forward to a future meeting of the Committee of the Whole, following review by the Planning & Development Committee. Highlights of the changes include:

- Updating the lot area available for development
- A statement with respect to Source Protection and restricted uses within the WHPA
- Revised land costs, fees, etc.
- Changes to the administrative structure at Town Hall.
- In the meantime, the current policies remain applicable.

### **Financial Implications:**

Although the current value of the lands is unknown, it is understood that the value of the lands will have increased from 2014 levels, especially given that the access road is now in place. There are 5.44 hectares (13.45 acres) available within the Industrial park. If we assume a value of \$103,782 per hectare (\$42,000 per acre) for un-serviced lands, the total value of lands is approximately \$564,500.

The Municipality currently receives no taxes for these lands. Based on average assessments values and resultant property taxes for developed lands within the Industrial Park, it is estimated that the average tax revenue per acre of land in the Industrial Park is \$4800 per acre. If the entire area of land owned by the municipality were developed at a scale which reflects an average assessment value, the taxes generated would be approximately \$64,000. Should full municipal servicing become available in future, it is possible that the lands would further increase in value and further increases in property taxes receivable would result.

### **Concluding Comments:**

We are seeing a definite increase in development pressures from the GTA, especially since the onset of COVID-19. It would be beneficial to the Township to be able to take advantage of this demand, to the greatest extent possible. In our experience, municipalities that fail to respond to a wave of interest in development within their boundaries can be left behind, as prospective purchasers look to other areas in which to invest. The old adage "*A bird in the hand is worth two in the bush*" may well be applicable here.

Given the financial hardship to the Township resulting from the COVID-19 pandemic and the high costs of bringing full servicing to the Industrial Park, including upgrades to the existing Wastewater

Treatment Plant, it may be in Council's best interests to consider Offers moving forward.

**Submitted by:** \_\_\_\_\_  
**Heather Sadler, Manager of Planning and Development**

**Reviewed by:** \_\_\_\_\_  
**Arryn McNichol, CAO/Treasurer**

## Report Approval Details

Document Title:	Industrial Lands Development Policy - Status and Update.docx
Attachments:	
Final Approval Date:	Aug 13, 2020

This report and all of its attachments were approved and signed as outlined below:

**JOANNE HYDE - Aug 13, 2020 - 11:06 AM**

**No Signature - Task assigned to ARRYN MCNICHOL was completed by workflow administrator JOANNE HYDE**

**ARRYN MCNICHOL - Aug 13, 2020 - 11:08 AM**