



**Subject: Offer to Purchase – 1410 Bell Mill Sideroad Property**

**Report Number:** EDM 22-29

Department: Economic Development Department

Submitted by: Cephas Panschow

Meeting Type: Council Meeting

Meeting Date: Monday, December 12, 2022

## **RECOMMENDATION**

THAT a by-law be brought forward to authorize the Mayor and Clerk to enter into an agreement of purchase and sale with Metalfer Iron Designs Inc for the Unopened Right-of-Way, described as a Road Allowance Between Concession 3 and 4, North of Talbot Road, Middleton, East of Bell Mill Sideroad and West of Portion 25 on 431429.

## **BACKGROUND**

The purpose of this report is to seek Council approval to move forward with respect to the interest received for the Unopened Right-of-Way property adjacent to Bell Mill Sideroad. Subsequent to the property being declared surplus at Council's September 26, 2022 meeting, two expressions of interest were received by the October 26, 2022 deadline with staff recommending that the Town move forward with the Offer to Purchase received from Metalfer Iron Designs Inc of Brampton.

Metalfer Iron Designs is proposing to construct a 5,000 square foot industrial building for their wrought iron railing and gate manufacturing operations. The relocation of their operations will result in 3 new jobs initially and up to 5 jobs in the future.

## DISCUSSION

Figure 1 shows the Unopened Right-of-Way property adjacent to Bell Mill Sideroad.

**Figure 1 - Unopened Right-of-Way Lands**



The details of the Offer to Purchase received are:

<b>Purchaser:</b>	<b>Metalfer Iron Designs</b>
<b>Acreage</b>	0.5 Acres
<b>Proposed Building Size(s)</b>	5,000 Square Feet (SF) initially with potential to add another 2,000 SF
<b>Anticipated Employment</b>	3 jobs initially with potential for 2 more in the future
<b>Total Price</b>	\$69,000
<b>Price/Acre</b>	\$138,000/Acre
<b>Proposed Uses</b>	Manufacturing of wrought iron railings and gates
<b>Purchaser Conditions</b>	None
<b>Timelines for Development</b>	Standard 1 year to start construction with an additional year to complete

Based on the proposed purchase price, 5,000 square feet of new building and the up to five jobs being created as well as the proposed manufacturing operations supporting the Town's strength in the Fabricated Metal Product Sector, the Development Commissioner is recommending that the Town move forward with their offer.

## CONSULTATION

Notice of the surplus property has been provided in accordance with Bylaw 2021-031, and specifically, by:

- Posting a notice on the property (September 12, 2022);
- Posting a notice on the Town's website (September 12, 2022); and,
- Publishing a notice in the Tillsonburg News (September 15, 2022).

Metalfer's offer to purchase has been provided to Duncan, Linton LLP for review. There are minimal changes from the Town's standard template.

## FINANCIAL IMPACT/FUNDING SOURCE

If approved, the Town will receive revenue of \$69,000, which will be used to pay the Town's legal and closing costs with the net amount being contributed to the Economic Development Reserve.

Based on BMA 2021 data of \$1.03 per square foot in tax revenue for a standard industrial building, the tax revenue for the proposed 5,000 square foot building is estimated at \$5,150. It is important to note that, due to the significant increases in assessed values being experienced across the Province, a new industrial building, particularly those with smaller building footprints, could have a significantly higher assessed value (although the assessed value would still have to be in line with the existing industrial assessments in the area). Hence, the potential tax revenue will likely be significantly higher.

## CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- ☐ Lifestyle and amenities
- ☐ Customer service, communication and engagement
- ☒ Business attraction, retention and expansion
- ☐ Community growth
- ☐ Connectivity and transportation
- ☐ Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

**Goal** – Through community and regional partnerships, Tillsonburg will attract and retain a diverse range of businesses, creating employment opportunities for residents and a balanced tax base.

**Strategic Direction** – Ensure adequate supply of “shovel ready” land for business attraction and expansion.

**Priority Project** – *Ongoing Projects* - Increase diversity in manufacturing and other key sectors

## ATTACHMENTS

Appendix A – Offer to Purchase – Metalferr Iron Designs Ltd