



STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG

Regular Council

Report to: Mayor, Deputy Mayor, and Councillors

From: Daniel Van Kampen, Manager of Economic Development
and Melissa Graham, Economic Development Coordinator

Report Number: DS-2024-017

Council Meeting Date: July 31, 2024

Subject: **Lucas Point Industrial Park Land Sale to Eupherbia
Canada**

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1. Recommendation:

THAT Council accept this staff report for information purposes;

FURTHER THAT Council accept Eupherbia Canada's request to purchase the 10-acre municipal land known as 0 Thompson Street in the Lucas Point Industrial Park for the following amounts;

- \$118,000 per acre for the developable land portion and
- \$25,000 per acre for the undevelopable land portion; and

FURTHER THAT Council authorize the preparation of a By-law to be presented to Council for adoption at a Regular Council Meeting to authorize the Mayor and Municipal Clerk to enter and execute a Purchase and Sale Agreement with Eupherbia Canada for the sale of the land known municipally at 0 Thompson Street.

2. Executive Summary:

The Town of Cobourg's economic development team actively promotes available land for sale for business purposes throughout Cobourg. This ongoing effort is consistent with the economic development and Venture13 strategy and action

plan. Specifically, the strategic goal to be the first point of contact for non-residential development projects and business requirements from the Town. The Town has two unique business and industrial park assets (Northam Industrial Park and Lucas Point Industrial Park) that position Cobourg nicely for controlling the type of non-residential development they would like to see with the best economic impact to the community.

The Town of Cobourg's economic development team has been promoting the remaining unsold and undeveloped parcels at both industrial parks to expanding businesses. The team recognizes the site opportunities and constraints, which has been a contributing factor to the remaining undeveloped parcels. In April 2024, the team received a development proposal from Eupherbia Canada Inc. to develop the 4.05-hectare (10.01 acres) Town site along Thompson Street.

Eupherbia Canada specializes in producing saffron products for their customers. This company imports premium-grade saffron and salt from various regions and employs proprietary processing methods to create a range of high-quality saffron products. Saffron is known for its distinctive flavour, aroma and vibrant colour. It is known to have health benefits including anti-inflammatory, antioxidant, and mood-enhancing properties. The natural ingredient incorporates into diets and holistic wellness routines.

Eupherbia is proposing to build a 100,000 sq.ft. facility. The facility's development will occur in three phases, with the first phase covering 20,000 sq.ft, followed by 40,000 sq.ft. and another 40,000 sq.ft. Upon completion, 70,000 sq.ft. will be allocated for manufacturing and 30,000 sq.ft. will be allocated for warehousing. The company's owner will initially invest in acquiring the land for expansion. Existing machinery is valued at \$2 million. As the company scales up and builds customers, additional investment in machinery to boost production capacity and new product lines is expected to occur.

Eupherbia Canada Inc. currently operates from a 6,042 square foot facility in Toronto and employs 10 people. Six of these employees are general labourers who help store, warehouse, and package the premium salts. The proposed development would have the number of employees increase to 30 people.

3. Background

The Town of Cobourg's economic development team has been actively promoting available land for sale for light industrial purposes at the Lucas Point Industrial Park for several years.

The subject property is located on the south side of Thompson Street (between the two properties at 130 Wilmott Street and 95 Normar Road). The property is 10.01 acres (4.05 hectares); however, the developable area will be impacted by

environmental constraints. Preliminary study has been completed and this purchaser will be required to complete further study to determine developable limits. In addition, appropriate development on this property will be subject to development review and site plan approval.

Figure 1: Site Context (highlighted in red)



Site Servicing Details

Water and Sanitary Sewer - There is a watermain and sanitary sewer on Thompson Street.

Storm Sewer - Existing storm sewer drainage coverage does not cover this area. A prospective developer would have to provide the Town with an engineering assessment of how the site will drain post construction. There is a ditch/creek on the site that heads east towards Normar Road. The storm runoff may be able to connect to Thompson Street, but this confirmation would require an engineering assessment.

Electrical - The site has overhead electricity fronting along Thompson Street. The applicant will be required to receive approval from Lakefront Utilities Inc. (LUI) through the Town's Site Plan Approval process and LUI's Offer to Connect process.

Natural Gas - Any works to extend natural gas services to the property limit may be at the sole cost of the proponent, in addition to any servicing and connection costs for the private development site.

Recent Land Sale Processes

The most recent land sale was for a two-acre site to Loadstar Trailers in March 2023 through a formal expression of interest (EOI) process and sold for \$70,000 per acre. The economic development team went through a similar EOI process for this 10-acre town owned site in 2023. The first EOI was issued to many of the same companies that were included for the two-acre site in March 2023. No

submissions were received by developers or companies. In the fall of 2023, the economic development team reissued this EOI with the intent that the real estate and development industry event would help generate interest. Unfortunately, no submissions were received in October 2023 again for this town owned site. Team members continued to promote the site to business investors and developers as a suitable location for expansion throughout the remainder of 2023 and 2024.

4. Discussion:

Eupherbia Canada specializes in producing saffron products for their customers. This company imports premium-grade saffron and salt from various regions and employs proprietary processing methods to create a range of high-quality saffron products.

Eupherbia Canada offers a range of premium salts, including blue salt and pink salt. This company is owned by Alireza Bakhtari Torbati. Mr. Torbati has successfully managed and modernized businesses in Iran around cultivation of medicinal herbs. He is also the founder of Zaveh Persian Medical Plants Company, which does the cultivation, processing and production of medicinal plants in Iran.

Project Investment - The facility is projected to be 100,000 sq.ft. and occur in three phases. The first phase would be 20,000 sq.ft., followed by 40,000 sq.ft. and another 40,000 sq.ft. in the third phase. Upon completion, 70,000 sq.ft. will be allocated for manufacturing and 30,000 sq.ft. will be allocated for warehousing. The company's owner will initially invest in acquiring the land for expansion. Existing machinery is valued at \$2 million. As the company scales up and builds a customer base, additional investment in machinery to boost production capacity and new product lines is expected to occur.

Employment creation – Eupherbia Canada Inc. currently operates from a 6,042 sq.ft. facility in Toronto and employs 10 people. Six of these employees are general labourers who help store, warehouse, and package the premium salts. The proposed development would increase the number of employees to 30 people.

5. Financial Impact and Budget

The most recent land sale to LoadStar Trailers ([Report No. Planning and Development-93-23](#)) sold at \$70,000 per acre in February 2023. More recently, a serviced industrial parcel sold for \$118,000 per acre at Princess Street in Cobourg. A selling price of \$118,000 per developable acre represents a fair market value in Cobourg and an offer will be extended to Eupherbia Canada at this price for this portion of the property. The undevelopable area will have a selling price of \$25,000 per acre. The estimated developable area is six acres

and undevelopable area is four acres. The estimated purchase price is \$808,000 for the property. The developable area may be modified slightly after an environmental impact study is complete.

6. Relationship to Council's Strategic Plan Priorities 2023 to 2027 and beyond:

☒ Thriving Community

This report is most aligned with the Thriving Community priority. The report demonstrates how a strong economy and employment opportunities contribute to the well-being of the town. Cobourg is demonstrating resiliency and competitiveness by offering locations like the Lucas Point Industrial Park for business expansion. This business park supports a complete community where people can work and access services within Cobourg.

☒ Service Excellence

The industrial land sale and development build's the Town of Cobourg capacity to deliver municipal programs and services.

☐ Sustainability

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7. Public Engagement:

The Lucas Point Business and Industrial Park is municipally owned and largely serviced. Land has been available for light industrial and business uses since the 1980s.

8. Attachments:

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9. Report Not Considered by Standing Committee Because:

☐ Time Sensitive Issue (information received too late for Standing Committee consideration)

☐ Urgent Matter (issue arose after this month's Standing Committee Meeting)

☒ Other: Municipal land sale

Report Approval Details

Document Title:	Lucas Point Land Sale of 10 acres to Eupherbia Canada Inc.docx
Attachments:	
Final Approval Date:	Jul 11, 2024

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

Tracey Vaughan, Chief Administrative Officer - Jul 11, 2024 - 1:57 PM