

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Melissa Graham Small Business Facilitator Economic Development mgraham@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	March 8, 2021		
Report No.:	[Report Number]		
Submit comments to Council			

Subject/Title: Lucas Point Land Sale: GVK Chemicals Inc.

RECOMMENDATION:

THAT Council accept the offer to purchase of approximately 2 acres of industrial land in the Lucas Point Business & Industrial Park on Dodge Street from GVK Chemicals Inc.

1. STRATEGIC PLAN

PROSPERITY PILLAR: The Town plans for, markets and develops assets for economic growth and financial security.

2. PUBLIC ENGAGEMENT

Lucas Point Business & Industrial Park Lands are municipally-owned, serviced lands which have been available for sale to proponents of light industrial and similar business uses since the 1980's. Development is subject to Site Plan Approval by Cobourg Municipal Council, which includes the installation of a development sign on the property and staff reports to Council.

3. PURPOSE

This report is to provide Council with a background on the client and rational on the offer to purchase request.

4. ORIGIN AND LEGISLATION

The Economic Development Department received an offer to purchase of approximately 2 acres of light industrial land from GVK Chemicals Inc. GVK Chemicals Inc. is a technical consulting service for businesses within the chemical, metal, pigment recycling, blending and packaging and selling.

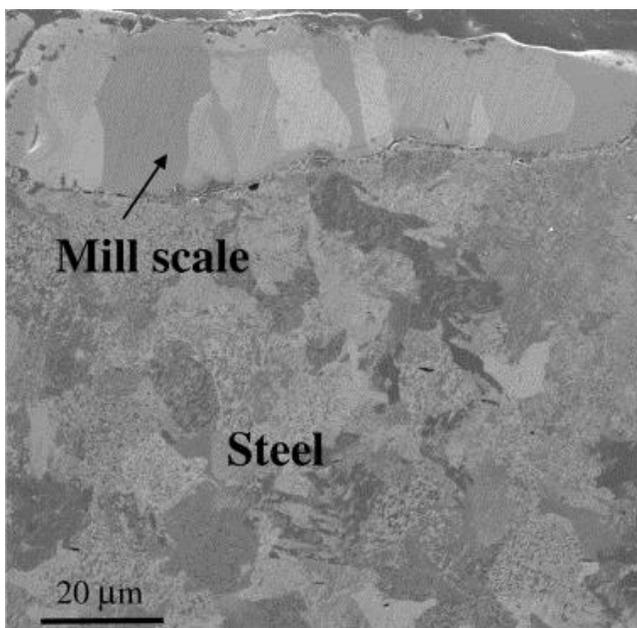
5. BACKGROUND

An offer was received by the Economic Development Department from Mr. George Puvvada to purchase approximately 2 acres of industrial property to construct a steel clad building in an initial construction of 7,000 ft². The initial 7,000 ft² building will be utilized to remove a steel by-product called mill scale, which contains 90% of the iron component. Mill scale as defined by Merriam- Webster is a black scale of magnetic oxide of iron formed on iron and steel when heated for rolling, forging, or other processing.

The business model will purchase the mill scale from these industries to produce iron products such as iron metal powder and iron metal. Once the business has commenced production, further building development will be phased in with the total building resulting in 30,000 ft². With the full building proposal the purchaser has estimated job creation of fifteen (15) full time positions ranging from operators to management roles, with the potential of two (2) part time positions. Full breakdown of the proposed staffing and shifts are listed in the attachment.

As indicated in the executive summary, the steps included in removing the mill scale include;

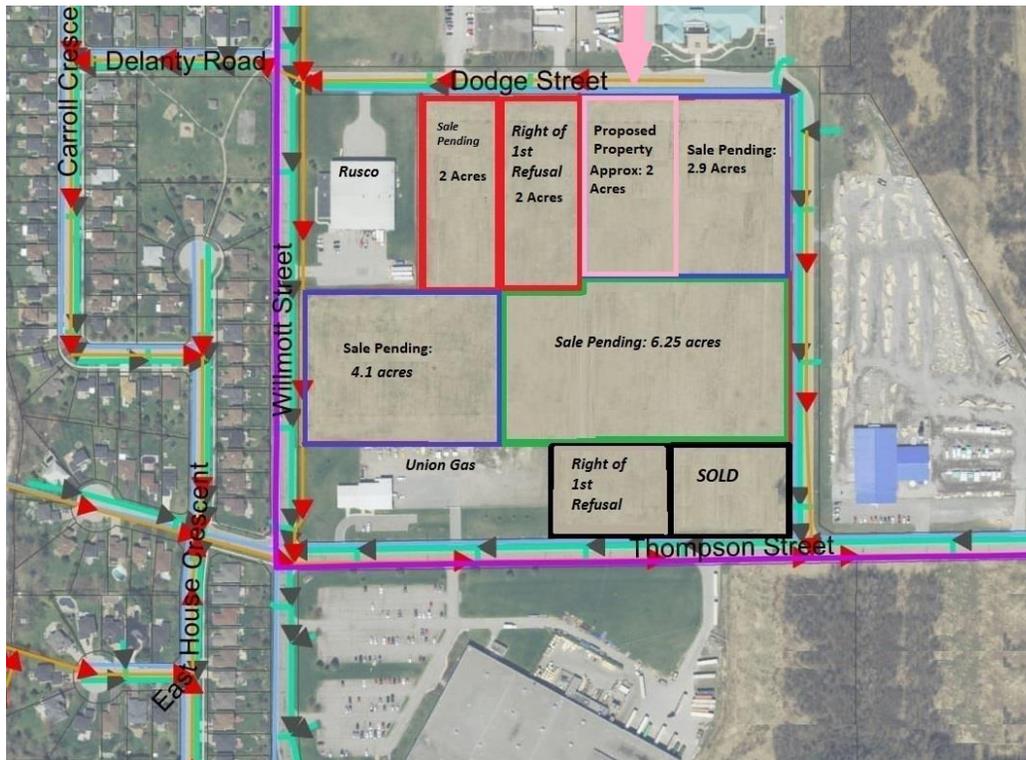
- Grinding
- Cleaning
- Reducing the metal powders
-



(photo courtesy of ScienceDirect.com)

Once the removal stage has completed, the powder which is produced will be bagged and shipped to clients across Ontario and Quebec. This also includes, the iron metal which can be produced by melting the mill scale into iron metal units which will also be sold to clients in Ontario and Quebec.

The aerial photo attached depicts the section of land the GVK Chemicals is interested in (outlined in pink). This configuration will also keep the property lines abutting pending property and the property lines abutting Loadstar Trailers, while fronting north on Dodge Street.



It should be noted that in accordance with the Town's Purchase Offer Agreement, the sale of the property will not close until Site Plan Approval has been provided by the Town of Cobourg.

6. ANALYSIS

The Town's Planning Department staff has been consulted with regard to the location of the property and building and agree in principle, based upon the information provided by the proponent, that the Dodge Street location is suitable for the proposed use, taking into account future development of this particular parcel of land within the park and subject to the finalization of development details including but not limited to: site servicing and grading; building siting and coverage; site access, parking, loading/service and truck movements; and landscaping. It is further planning staff's opinion that the proposed land use, as described by the proponent, is of a light industrial nature and will fit within the permitted uses of the Light Industrial (LM) zoning for this property. The parcel is located on the south side of Dodge Street, fronting North, as depicted in the attached aerial map.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

An offer has been received in the amount of \$40,000 per acre. A deposit of \$5,000.00 has been provided by the Town of Cobourg.

8. CONCLUSION

In the opinion of municipal staff that the offer to purchase submitted by GVK Chemicals Inc. for approximately 2 acres of industrial in the Lucas Point Business and Industrial Park on the south side of Dodge Street, east of Willmott as depicted on map attached, is appropriate subject to the finalization of details by municipal staff and site plan approval by Cobourg Municipal Council.

Report Approval Details

Document Title:	Lucas Point Land Sale GVK Chemicals Inc - Corporate Services-026-21.docx
Attachments:	- GVK CHEMICALS EXECUTIVE SUMMARY (002).pdf
Final Approval Date:	Feb 19, 2021

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

Tracey Vaughan, Chief Administrative Officer - Feb 19, 2021 - 11:43 AM

Report Approval Details

Document Title:	Lucas Point Land Sale GVK Chemicals Inc - Corporate Services-035-21.docx
Attachments:	- GVK CHEMICALS EXECUTIVE SUMMARY (002).pdf
Final Approval Date:	Feb 26, 2021

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

Tracey Vaughan, Chief Administrative Officer - Feb 26, 2021 - 1:18 PM