

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input checked="" 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 29, 2021		
Report No.:	Corporate Services-037-21		
Submit comments to Council			

Subject/Title: Audcomp Land Sale – Approximately 3 Acre

RECOMMENDATION:

THAT Council accept the offer to purchase of approximately 3 acres of industrial land in the Lucas Point Business & Industrial Park on the corner of Dodge and Thompson Street from Gary Sohal in trust for a corporation to be named; and

FURTHER THAT Council direct staff to provide correspondence to initiate the right of first refusal process.

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 3 acres of industrial land from Mr. Gary Sohal from Audcomp. Audcomp is an IT business which has utilized funding to invest in real estate since 2003. Audcomp Group Inc. owns commercial property across Canada with all space being leased to National Tenants with leases ranging from 10 to 30 year terms.

5. BACKGROUND

An offer was received by the Economic Development Department from Mr. Gary Sohal from Audcomp Inc to purchase approximately 3 acres of industrial property to construct a building of approximately 8,000 ft² to 14,000 ft² with provision to expand the building size as operations increase for the tenant.

The proposed tenant shares a joint interest in the property on the corner of Dodge Street for their National Distribution/Logistic Centre for their Canadian operations. They will warehouse tools and equipment at this location to distribute to field locations across Canada. Currently they utilize their USA distribution centre located in Kent, Ohio and it has become necessary to establish their own Canadian distribution/logistics centre. They have also deemed it necessary to have their Emergency Preparedness Task Team at this location. This team would manage all emergency logistics across Canada. Additionally, this location would be utilized by the three divisions within the proposed tenants operation; Rail, Utility, Residential and Commercial thus the distribution and logistics for all divisions would be stationed at this proposed location. This distribution centre will ship all tools, skill saws, ladders, wood chippers and other equipment across Canada.

The proposed tenant would be creating more than fifty (50) new local jobs paying approximately \$50/hour. With plans to expand on this premises as the distribution and logistics needs increase. Through Audcomp, their tenant will be signing a 20 year lease with an option of an additional 10 years. This tenant would like to commence operations at the location by the end of this year. There will be outdoor storage for larger equipment in the outside lot, the whole property will be fenced and gated with two accesses for equipment movement.

Once the Town's Planning Department staff has been consulted with regard to the location of the property, building and formal site plan application process has been completed, Audcomp plans to construct the building as soon as possible with the tenants moving in by the end of the year. They will be working with the Town Planning Department to satisfy all requirements and hope to have a site plan application submitted and approved within the 180 day conditional date window.

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 corner parcel on 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 corner of Dodge Street and Thompson Street, fronting East, 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 Gary Sohal from Audcomp for approximately 3 acres of industrial in the Lucas Point Business and Industrial Park on the corner of Dodge Street and Thompson Street 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:	Audcomp Land Sale.docx
Attachments:	- Audcomp Available Land Lucas Point.jpg - Audcomp Proposal for Land Purchase.docx
Final Approval Date:	Mar 19, 2021

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

Tracey Vaughan, Chief Administrative Officer - Mar 19, 2021 - 11:46 AM