

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON FEBRUARY 27, 2012
FROM:	TOM JOHNSON MANAGING DIRECTOR - CORPORATE ASSETS
SUBJECT:	AGREEMENT OF PURCHASE AND SALE BETWEEN THE CITY AND DANCOR FOREST CITY INC. FOR THE PURCHASE OF PARTS 4 AND 6 , PLAN 33R-15731 FOREST CITY INDUSTRIAL PARK

RECOMMENDATION

That, on the recommendation of the Managing Director of Corporate Assets, on the advice of the Manager Realty Services, the following actions **BE TAKEN** with respect to the request from Dancor Forest City Inc. to amend the Agreement of Purchase and Sale dated November 18, 2011:

- a) the Agreement of Purchase and Sale **BE AMENDED** to provide for the creation of 2 parcels of land (a 6 acre parcel and a 2 acre parcel as shown on the attached diagram, Schedule A), subject to the following conditions:
 - i) the Purchaser be responsible for all costs associated with providing services to the 2 acre parcel to the satisfaction of the City;
 - ii) the Purchaser preparing and depositing, at its expense, a reference plan showing the proposed parcels of land and any necessary servicing easements, to the satisfaction of the City Engineer; and
- b) the City's Disposal of Industrial Land Procedures be amended with respect to the 2 acre parcel to allow the Purchaser 3 years from the completion date of the transaction to commence construction, whereas the Procedure requires construction to commence within 1 year.

It being noted that the purchase price will be allocated between the 2 parcels of land on the price per acre basis contained in the Agreement of Purchase and Sale.

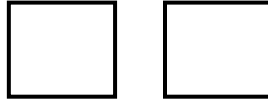
PREVIOUS REPORTS PERTINENT TO THIS MATTER
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December 12, 2011 - Finance and Administrative Services Committee Report

BACKGROUND

At its meeting on January 10, 2012 Municipal Council approved the sale of an 8 acre site in the City's Forest City Industrial Park to Dancor Forest City Inc. ("Dancor") for the construction of a distribution facility for FedEx Ground Package Systems Ltd.

The purchase price of \$520,000 reflects the Council-approved industrial land price for Forest City Industrial of \$65,000 per acre for parcels 4 acres and larger.



Following execution of the Agreement of Purchase and Sale, Dancor determined that it only requires 6 acres of the site for the proposed distribution facility. Accordingly, Dancor has requested that the Agreement of Purchase and Sale be amended to provide for the creation of 2 parcels of land. Dancor is proposing creating a 6 acre parcel of land which will be the site of the distribution facility and a 2 acre parcel which will be for future industrial development by Dancor.

Since Dancor does not have a tenant for the 2 acre site at this time they have requested an amendment to the City's Disposal of Industrial Land Procedures with respect to the 2 acre parcel to allow the Purchaser 3 years from the completion date of the transaction to commence construction, whereas the Procedure requires construction to commence within 1 year. Based on Dancor's previous development history, we are confident that the development of the 2 acre site will proceed within the next 3 years.

The creation of the 2 acre parcel does create servicing issues for the site since the sanitary and storm connection are located in the northwest corner of the FedEx site. Accordingly, Dancor will be responsible to extend services to the 2 acre site at its expense and to the satisfaction of the City. Water connections for both parcels are available in Wilton Grove Road.

PREPARED BY:	RECOMMENDED BY:
BILL WARNER MANAGER REALTY SERVICES	TOM JOHNSON MANAGING DIRECTOR - CORPORATE ASSETS

February 16, 2012
Attach.

cc: David G. Munteer, Solicitor
Mark Henderson, Director of Business Liaison
Jeff Leunissen, Manger, Development Planning

Schedule A

ILLUSTRATION OF PROPOSED DEVELOPMENT
OF PARTS 4 AND 6 OF PLAN 33R-15731

DANCOR FOREST CITY INC.

