

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON JULY 16, 2012
FROM:	TOM JOHNSON MANAGING DIRECTOR - CORPORATE ASSETS
SUBJECT:	REQUEST FROM STUDER HOLDINGS LIMITED TO SEVER A PORTION OF PART 1, PLAN 33R-17696 TRAFALGAR INDUSTRIAL PARK, PHASE III

RECOMMENDATION

That, on the recommendation of the Managing Director - Corporate Assets, on the advice of the Manager Realty Services, the following action **BE TAKEN**:

- a) the request, submitted on behalf of Studer Holdings Limited, to sever Part 1, Plan 33R-17696 in Trafalgar Industrial Park, Phase III, being 0.531 acre, **BE ACCEPTED.**

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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February 22, 2010 - Board of Control Report - Offer from Studer Holdings Limited to purchase 2.0 acres identified as 34 and 44 Swiftsure Court and Part of Lot 4, Plan 33M-239, Trafalgar Industrial Park, Phase III

BACKGROUND

On May 21, 2010, Studer Holdings Limited completed the purchase of 2.0 acres of City owned industrial land in Trafalgar Industrial Park. The company obtained a building permit to construct a 8,700 square foot refrigerated production and distribution facility on October 26, 2010. The building is now substantially complete.

The City received a written request from the solicitor for Studer Holdings Limited requesting the City's permission to permit his client to sever approximately 0.5 acres of the subject lands to an abutting owner located at 546 Sovereign Road.

Studer Holdings Limited is requesting the City's consent to this transfer of land as it is within 10 years of the purchase from the City and the City has an Option to Purchase.

Terms of the Agreement of Purchase and Sale

On February 23, 2010, Municipal Council accepted an agreement of purchase and sale from Studer Holdings Limited for 2.0 acres for the consideration of \$90,000 (reflecting \$45,000 per acre). An additional 1.99 acres was also optioned by Studer Holdings until December 31, 2012, at the price of \$45,000 per acre.

The building footprint of 8,700 square feet represented a building coverage of approximately 10%. When operational, Studer Holdings will employ 30 people at their new facility.

Restrictive Covenant:

The Agreement of Purchase and Sale for Studer Holdings Limited contained clauses from Attachment "A" of Schedule A, By-law No. A-6151-17, entitled "Disposal of Industrial Land Procedures". The paragraph relevant to this request states:

5. A Class 1 sale shall be subject to the following condition:

- (c) *The Purchaser shall not, within 10 years of the registration of the deed or transfer, convey any vacant part of the land by deed, transfer, grant, assignment, appointment, mortgage, charge, lease or sub-lease (Planning Act, R.S.O. 1990, Chapter P .13), without first notifying the City and, where it has been so notified, the City may either grant its consent (which shall not be unreasonably withheld) to the conveyance or application or may in its sole discretion require the purchaser to reconvey the vacant part to the City in accordance with Section 18 of this policy and free and clear of all encumbrances, easements, restrictions or covenants except as to those originally assumed by the purchaser from the City.*

The Civic Administration has reviewed the request of Studer Holdings Limited and does not object to the proposed severance for the following reasons:

- 1) The 1.5 acre parcel to be retained will provide Studer Holdings Limited ample land for future expansion opportunities. At present, the 8,700 square foot facility only represents 13.3% of the overall lot coverage.
- 2) The 0.5 acre parcel to be conveyed to the abutting owner at 546 Sovereign Road will permit greater truck turning capacity and land for future expansion opportunities. At present, 546 Sovereign Road is 1.0 acre in size, and the current building represents 25% of the overall lot size.

A plan showing the location of the subject property is attached as Schedule "C".

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

June 28, 2012
Attach.

cc: David G. Munteer, Solicitor II
Peter White, LEDC

SCHEDULE "C"

