

Report to Council

Report Title:	East Ridge Business Park Expansion Update		
Prepared By:	Sonya Watson, Chief Administrative Officer		
Department:	Administration		
Date:	April 27, 2021		
Report Number:	CAO2021-07	File Number:	C11AD, D02EA
Attachments:	Phasing Plan, Probable Cost Summary		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number CAO2021-07 - East Ridge Business Park Expansion Update, prepared by Sonya Watson, Chief Administrative Officer and in doing so approves proceeding to issue a tender for construction of "Road D", the "Stormwater Management Pond" as previously approved in Report Number CAO2021-04 and additionally Road "A" Phase 2 B estimated in the amount of \$685,000.

Report:

Background:

On July 9, 2019, Report Number CAO2019-18: Master Servicing Plan for East Ridge Business Park was presented to Council. Within this presentation was a high-level overview of the various aspects that would need to be considered when moving into the expansion of the business park. The Master Plan documents and the processes followed were required to complete Phases 1 and 2 of the Municipal Class EA process. A Notice of Completion followed approval by Council in the fall of 2019.

Meetings with BM Ross continued throughout the fall of 2019 and in the spring of 2020 to advance the project. The COVID pandemic has resulted in delays of retrieval of information in a timely manner for the many aspects to this development but we are now on track to move forward.

As Council is aware all of the Phase 1 lots have been sold or are pending a sale. On March 9, 2021 Frank Vanderloo from BM Ross came and presented the engineering plans for the expansion area. At that meeting staff proposed and Council supported proceeding with Road "D" as Phase 1 to the expansion.

Analysis:

Staff proposes that constructing the north south “Road D” first, followed by the east west “Road A” in one - three phases, then the East Ridge Road extension. By constructing “Road D” first, we are able to open 14 acres of land (2 acres sold). Then following “Road D”, a section of “Road A” would be proposed.

Since the March 9th meeting we have had a number of inquiries. One very serious inquiry that is still active requires lands in the back 42 acres for adequate turning radius for transport trucks. This is the type of business, size of facility and employment capacity we have been desiring in East Ridge. Although any interested party can change their plans staff are of the opinion prior to tendering for just Road “D” we should re-visit this.

Staff are now proposing to proceed with Road “D” as previously approved and in the same tender but priced as an additional project also tender for Road “A” Phase 2B. This additional area is estimated to cost \$685,000 and would be preferable by some purchasers for ease of traffic flow, turning radius and location. Together Road “D” and the area of Road A” Phase 2 B flow nicely and it adds an additional 8 acres of available serviced lands. Additionally, this makes for a more substantial project for bidders and opens up more lands for sale.

It is very challenging to address the inquiries for land without the serviced lands available. It would seem that there are always varying factors required by different manufactures, business and by having more serviced lands ready to purchase we are positioning the entire business park more favorably. It would seem we are slightly ahead of many areas that have some type of industrial park area under development and I do feel with the spur of development we are experiencing in the area “if we build it they will come.”

Therefore, I am recommending we proceed to tender both road sections in addition to the Storm Water Management Pond (SWMP) that is required as part of the first phase of construction and is required for further lots sales. The SWMP will service the entire park with limited exceptions.

- Road “D” and the SWMP is estimated at \$1,929,200.
- Road “A” Phase 2 B is estimated at \$685,000

We await the approval of the financing from Infrastructure Ontario.

We have applied to the Southwestern Ontario Development Fund for \$1.5 million that we will receive notification about on or before June 4th, 2021.

The next steps will require approval of the SWMP by the Ministry, finalization of the plans by the engineers, hydro and gas servicing plans, issuance of the tenders, surveying the areas to create the reference plan, declaration of the lands as surplus and proceeding to construction in the fall pending tender results and contractor availability.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? Yes
- Do the recommendations contribute to achieving Cultural Vibrancy? Yes
- Do the recommendations contribute to achieving Economic Prosperity? Yes
- Do the recommendations contribute to Environmental Integrity? Yes
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Based on the Construction Capital Loan, with a current borrowing rate of 0.6%, the inclusion of Road “D”, Road “A”, Phase 2 B and the SWMP being completed in 2021/2022 would be an estimated cost of \$2,614,200. The estimated annual interest costs would be incorporated in the annual operating budget.

If the entire capital works (\$6,376,300) was to be converted to a loan through Infrastructure Ontario the yearly re-payment fee would be \$317,621.06 based on today’s rates and amortized over 30 years. This would be the worst-case scenario based on not having a successful grant application and no sale of land to off-set the capital costs of the project. However, there is approximately \$435,000 of this total project costs that will be funded from the Utilities Reserve Fund and based on interest we expect the sale of lands to be successful and can determine advancing to next Phases based on the interest in lands we receive.

Monies to cover the construction of “Road D” and the Stormwater Management Pond have been approved in the 2021 budget we would seek Council’s approval to add Road “A” phase 2B in the amount of \$685,000 to the tender documents.

Reviewed By:



Trish Serratore, Chief Financial Officer

Respectfully Submitted by:



Sonya Watson, Chief Administrative Officer