

Staff Report

Administration – Chief Administrative Officer

Report To: COW-Finance, Admin, Fire, Community Services

Meeting Date: October 16, 2023

Report Number: FAF.23.147

Title: Follow Up to Home Farm Memorandum of Understanding (MOU)

Opportunity

Prepared by: Shawn Everitt, Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report FAF.23.147, entitled "Follow Up to Home Farm Memorandum of Understanding (MOU) Opportunity";

AND THAT Council direct staff to finalize an MOU with MacPherson Homes in a form that is consistent with what has been presented through this report with the intention of twenty (20) residential units being offered as Below Market Rental Housing Units for a period of twenty-five (25) years;

AND THAT Council authorize the Mayor and Clerk to execute an MOU meeting the satisfaction of the Chief Administrative Officer, the Town's Senior Management Team, and Legal Counsel.

B. Overview

This report is a follow up to the March 6, 2023 <u>Deputation by Russell Higgins</u> regarding the Home Farm development in the Craigleith area.

C. Background

On June 29, 2021, staff brought forward <u>Staff Report FAF.21.106</u> entitled "Potential Location for a Craigleith Service Area Multi-Use Operations Facility" that identified the Town owned property being PLAN 529 PT LOT 159 RP 16R2536 PR PART 1 as the preferred location of a future Town facility that would provide a range of yet to be determined municipal services.

Over the course of the past two (2) years, Town staff have refined the potential uses of this property to an enhanced and larger Fire Hall to replace the existing Fire Hall 2 facility while also eliminating the option of incorporating a Public Works Facility. However, staff are suggesting that some storage facility will be required to house Town equipment, but at this time, the focus will be limited to the development of a Fire Hall.

Based on the review of the overall needs of the existing Town owned land, staff recommend that a potential land swap will not hinder or cause any logistical concern for the future development of the property. Therefore the following information will assist with providing some background and rationale for further consideration related to entering into a Memorandum of Understanding (MOU) along with the consideration of finalizing a formal land swap between the Town and MacPherson Homes.

MacPherson is the owner of the development identified as "Home Farm", which is a 140-acre property located on the east side of Grey Road 19 in Craigleith. The Home Farm development is a 215 unit, draft plan approved and zoned project. The Home Farm property is connected along the north and west property lines to a 9.2 acre parcel of Town owned land.

Staff Report PDS.17.014 provided a fulsome summary of a previous MOU that was executed in November 2014. The Town and MacPherson had a previous MOU that would have had the Town land swapped for land within the Home Farm property including one (1) of two (2) historically significant First Nations Villages. The site within the Home Farm property is officially named the Plater-Martin BdHb-1.

The Town later terminated the existing MOU with MacPherson because the original intended uses of the land the Town would have been transferred in the land swap were no longer possible, therefore, termination of the MOU was deemed appropriate at the time. MacPherson has long been a steadfast and committed community partner and has continued working with the Town towards a mutually beneficial development opportunity.

MacPherson Homes has presented the Town with an exciting opportunity that would see a land swap between the Town and MacPherson Homes of similar size and value. In addition to the proposed land swap, the MOU contains a proposal of sixty (60) rental units being constructed with twenty (20) of the sixty (60) units being priced within an attainable range.

On March 6, 2023, Council, with all members in attendance, unanimously passed the following motion:

Moved by: Councillor Hope Seconded by: Councillor Ardiel

THAT Council of Town of The Blue Mountains receives for information the deputation of Russell Higgins, MacPherson Builders (Blue Mountains) Limited regarding Affordable Housing at Home Farm (Grey Road 19);

AND THAT Council direct staff to continue the discussions with MacPherson Builders.

D. Analysis

Based on Council direction, Town staff met with Mr. Higgins and his MacPherson Team to further discuss the opportunity that was presented.

Section I of the proposed MOU indicates that MacPherson and the Town wish to work cooperatively to manage the rental of residential units to be constructed through the

Development. It is the intention of MacPherson and the Town that twenty (20) of the residential units be offered as Below Market Rental Housing Units for a period of twenty-five (25) years.

In addition to the twenty (20) attainable units, the community would also benefit from the land swap that allows for enhanced positioning of the proposed Fire Hall construction that is scheduled for construction beginning in 2025, with completion by 2027.

Staff recommend that proceeding with the execution of the Memorandum of Understanding (MOU) and the land swap would allow the Town to begin preparing the retained property for site works while providing the community with clarity regarding the intended future use of the property.

Section 2 Definitions in the MOU defines "Below Market Rental Housing Unit(s)" as units that are rented at arm's length at a rate that is no greater than 80% of the average market rent for identical Residential Rental Units within the balance of the Development. The twenty (20) units would be defined as Below Market Rental Unit(s). It is anticipated that the Below Market Rental Units shall consist of twelve (12) one-bedroom units, six (6) two-bedroom units, and two (2) three-bedroom units.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

Any development on these lands will require the assurance of appropriate environmental protection along with the protection of the significant lands relating to the Plater-Martin and Plater Fleming sites.

G. Financial Impacts

Section 6. (e) notes that in exchange for the provision of 20 Below Market Rental Housing Units, the Town and the County of Grey shall agree to waive all Development Charges on the Below Market Rental Housing Units. In addition, the Development Charges reductions and other benefits available as a consequence of Bill 23 and any other relevant legislation for rental housing, including but not necessarily limited to those set out in section 26.2(1.1) of the Development Charges Act, 1997, S.O. 1997, c. 27, shall apply to all Residential Rental Units in the Development.

There will be some costs for legal and survey works to complete the land transaction.

H. In Consultation With

Senior Management Team

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Shawn Everitt, Chief Administrative Officer cao@thebluemountains.ca.

J. Attached

1. Proposed MOU Provided by MacPherson Homes

Respectfully submitted,

Shawn Everitt Chief Administrative Officer

For more information, please contact: Shawn Everitt, Chief Administrative Officer cao@thebluemountains.ca 519-599-3131 extension 234

Report Approval Details

Document Title:	FAF.23.147 Follow Up to Home Farm Memorandum of
	Understanding (MOU) Opportunity.docx
Attachments:	- Attachment-1-Proposed-MOU-Provided-by-MacPherson- Homes.pdf
Final Approval Date:	Oct 5, 2023

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

Shawn Everitt - Oct 5, 2023 - 7:58 AM

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF U	NDERSTANDING dated as of the	day of	, 2023
BETWEEN:			

MACPHERSON BUILDERS (BLUE MOUNTAINS) LIMITED

(hereinafter called "MacPherson")

- and -

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

(hereinafter called the "Town")

WHEREAS:

- A. The Town is the registered owner of lands in the Town of the Blue Mountains, being more particularly described in Schedule "A" attached hereto (the "Town Lands");
- B. MacPherson is the registered owner of lands in the Town of the Blue Mountains, being more particularly described in Schedule "B" attached hereto (the "MacPherson Lands"). The MacPherson Lands are located directly to the south and east and adjacent to the Town Lands.
- C. The MacPherson Lands are currently being developed as a 215 unit residential subdivision generally in accordance with draft approved Plan of Subdivision File No. 42T-2015-03 as in Schedule "C" attached hereto ("Draft Plan");
- D. The Town and MacPherson wish to jointly develop the Town Lands and a portion of the MacPherson Lands, consisting of Blocks 217, 235, 236 and a portion of Block 238 on the Draft Plan (together, the "Development Lands"), to include an EMS/Fire Hall, light equipment storage yard, a customer service building and/or other municipal facility, and approximately 130 residential rental units ("Residential Rental Units"), as generally depicted in the conceptual site plan and unit floor plans in Schedule "D" attached hereto ("Development").
- E. The Town is prepared to convey the portion of the Town Lands that is proposed to be developed for residential purposes, including parking, as part of the Development along with an access and servicing easement across the Town Lands ("Access and Servicing Easement") to MacPherson for nominal consideration.

- F. MacPherson is prepared to convey a portion of the MacPherson Lands to be used for public works and open space purposes as part of the Development to the Town for nominal consideration.
- G. The Town Lands are currently designated "Institutional Area" in the Town of The Blue Mountains Official Plan, 2016 ("TOBMOP"). The Town Lands are zoned "D Development" in the Town Zoning By-law. Official Plan and Zoning By-law Amendments will be required for that portion of the Town Lands being used for residential purposes.
- H. Blocks 217, 235, 236 and 238 on the Draft Plan are currently designated "Residential Recreational Area" on Schedule 'A-4' of the TOBMOP and are zoned "D Development" in the Town's Zoning By-law. A Zoning By-law Amendment will be required in order to develop these lands for residential purposes.
- I. MacPherson and the Town wish to work cooperatively to manage the rental of residential units to be constructed through the Development. It is the intention of MacPherson and the Town that twenty (20) of the residential units be offered as Below Market Rental Housing Units for a period of twenty-five (25) years.
- J. MacPherson and the Town have agreed to execute and deliver this Memorandum of Understanding ("MOU") confirming the principles upon which it is proposed that the foregoing objectives will be achieved;

Based on the foregoing, MacPherson and the Town confirm that this MOU constitutes a non-binding expression of their mutual intention in respect of the proposed joint development of the Development Lands, the management of the residential rental units that are proposed to be developed, the proposed planning applications required to facilitate the Development, and a statement in principle of the basic terms which would govern the resolution of such applications and the Development, and which would, in addition, provide the basis for any formal and binding agreements to be entered into between MacPherson and the Town, as provided for herein.

1. Recitals

The Parties agree that the recitals herein are true and accurate and form part of this MOU.

2. Definitions

In this MOU, save to the extent expressly set out below, any capitalized or defined terms shall have the meanings ascribed thereto in the recitals above:

"Act" means the *Planning Act*, R.S.O. 1990, c. P. 13, as amended;

"Below Market Rental Housing Unit(s)" are units that are rented at arm's length at a rate that is no greater than 80 percent of the average market rent for identical Residential Rental Units within the balance of the Development.

"Approval Authority" means the County of Grey

"Official Plan" means the Town's official plan in force at the date of this MOU which affects the Development Lands

"Parties" mean MacPherson and the Town

"Zoning By-law" means the Town's zoning by-law in force at the date of this MOU which affects the Development Lands

3. Official Plan and Zoning By-law Amendments

- (a) The Parties acknowledge that MacPherson proposes to make applications to the Town in accordance with the Act for amendments to the Official Plan and/or Zoning By-law to facilitate the residential portion of the Development on the Development Lands (the "Applications"). The Town hereby appoints MacPherson as the Town's agent on the Applications. For clarity, the Town shall be responsible for seeking and obtaining any necessary approvals that are required to facilitate the development of the non-residential portion of the Development Lands.
- (b) The Town agrees to process the Applications in a timely and expeditious manner in accordance with the requirements of the Act.

4. Conveyance of the Town Lands and Access and Servicing Easement

Conveyance of the Town Lands and the Access and Servicing Easement to MacPherson will be on the following terms:

- (a) The exact boundaries and area of the portion of the Town Lands to be conveyed to MacPherson in fee simple to facilitate the residential portion of the Development shall be determined at a later date once more details regarding the nature of and requirements for the Development have been determined through further study;
- (b) The exact boundaries and area of the portion of the Town Lands to be conveyed to MacPherson as an Access and Servicing Easement to facilitate the provision of access and servicing to the residential portion of the Development shall be determined at a later date once more details regarding the nature of and requirements for the Development have been determined through further study;
- (c) The lands and the Access and Servicing Easement are to be conveyed for nominal consideration, free and clear of any liens or encumbrances;

(d) The timing of the conveyance shall be no later than thirty (30) days following the approval of the Applications and the expiry of any applicable appeal periods, or in the event of an appeal, a final Order of the Ontario Land Tribunal or any reviewing Court that approves the Applications;

5. Conveyance of the MacPherson Lands

Conveyance of the MacPherson Lands to the Town will be on the following terms:

- (a) The exact boundaries and area of the portion of the MacPherson Lands to be conveyed to the Town in fee simple shall be determined at a later date once more details regarding the nature of and requirements for the Development have been determined through further study;
- (a) The lands are to be conveyed for nominal consideration, free and clear of any liens or encumbrances:
- (b) The timing of the conveyance shall be no later than thirty (30) days following the approval of the Applications and the expiry of any applicable appeal periods, or in the event of an appeal, a final Order of the Ontario Land Tribunal or any reviewing Court that approves the Applications;

6. Joint Development

The Parties agree that the Development Lands will be jointly developed as follows:

- (a) MacPherson will construct up to 130 purpose built rental stacked townhouse units on the Development Lands, generally with the following characteristics:
 - i. a mix of 1-, 2-, and 3- bedroom units;
 - ii. Three storey buildings
 - iii. Approximately 550 to 1,400 square feet per unit
 - iv. Single car garage with driveway in front attached to some of the units
 - v. Overall parking ratio of 1.25 spots/unit
 - vi. Up to 20 units will consist of Below Market Rental Housing Units
 - vii. It is anticipated that the Below Market Rental Housing Units shall consist of 12 one-bedroom units, 6 two-bedroom units, and 2 three-bedroom units
- (b) MacPherson will be fully responsible for the costs, design, approval and construction of the residential portion of the Development;
- (c) MacPherson shall be responsible for the cost of bringing municipal services, including sanitary sewers, storm sewers, watermains and paved roads to the limit

of the Town Lands at MacPherson's expense. The cost of oversizing of any hydroelectric or utility infrastructure beyond what is required for the 215 Draft Approved Units on the MacPherson Lands plus the residential portion of the Development shall be for the Town's account.

- (d) The Town will be fully responsible for the costs, design, construction, and approval of the EMS/Fire Hall, light equipment storage yard, customer service building or any other Town building(s), or improvements to be constructed as part of the Development along with any associated grading, landscaping, road/driveway construction (including improvements to Grey County Road 19 triggered by the development of the Town Lands), and servicing that may be required. The Town shall also be responsible for its pro rata share of the capital cost of the sanitary sewage pumping station ("SSPS") being constructed on Block 234 of the Draft Plan, plus its pro rata share of the cost of operating the SSPS prior to assumption of the SSPS by the Town, based on the flows being contributed by the buildings to be constructed on the Town Lands, relative to the flows being contributed by the 215 Units on the Draft Plan plus the flows from the residential portion of the Development. MacPherson agrees to help facilitate the site servicing of the Town Lands once building layout and footprints have been established.
- (e) In exchange for the provision of 20 Below Market Rental Housing Units, the Town and the County of Grey shall agree to waive all Development Charges on the Below Market Rental Housing Units. In addition, the Development Charges reductions and other benefits available as a consequence of Bill 23 and any other relevant legislation for rental housing, including but not necessarily limited to those set out in section 26.2(1.1) of the *Development Charges Act*, 1997, S.O. 1997, c. 27, shall apply to all Residential Rental Units in the Development.

7. Management of Residential Rental Units

The Parties agree that the Residential Rental Units will be managed as follows:

- (a) MacPherson will construct and own all Residential Rental Units and shall be entitled to/responsible for all profits or losses generated by the Residential Rental Units;
- (b) The Residential Rental Units will be purpose-built rentals (i.e. not a condominium);
- (c) The applications of individuals or families to whom Below Market Rental Housing Units are to be rented shall be reviewed by the Town prior to lease finalization by MacPherson and shall be subject to the approval of the Town to ensure compliance

with the Town and MacPherson's criteria for the Below Market Rental Housing Units, such criteria to be mutually agreed upon by the Parties;

- (d) The balance of the Residential Rental Units shall be rented at market rates by MacPherson at its sole discretion;
- (e) MacPherson shall be solely responsible for the management of all Residential Rental Units.

8. Costs

MacPherson shall be responsible for any reasonable surveying costs, all legal and other costs incurred by the Town to complete the transfers of lands referred to in section 4, including, without limitation, registration costs and Land Transfer Tax. The Town shall be responsible for any surveying costs, all legal and other costs incurred by the Town to complete the transfers of lands referred to in section 5, including, without limitation registration costs and Land Transfer Tax.

9. Obligation to Act in Good Faith

Subject to Section 11, the Parties will at all times act in good faith in the negotiation of such formal agreements as described herein to give legal and binding effect to their mutual intention as set out in this MOU.

10. Governing Law

This MOU shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada.

11. MOU Non-binding

The parties hereto expressly acknowledge that this MOU in not intended to be a binding agreement and that the execution and delivery of this MOU and, in due course, of any formal agreements between the parties based on this MOU, would in each case be subject to formal approval of the parties, including Town Council.

12. Term

This MOU shall remain in effect for a term of 3 years from the date of execution hereof, and thereafter shall be automatically renewed for successive 1 year terms unless terminated by 5 days' notice in writing by either party to the other.

13. Notice

All notices, demands or requests provided for or permitted to be given pursuant to this MOU shall be made in writing as follows:

- (a) If made to the Town, shall be addressed to The Clerk, The Town of the Blue Mountains, P.O. Box 310, Thornbury, Ontario N0H 2P0 or via email to townclerk@thebluemountains.ca;
- (b) If made to MacPherson at 5525 Eglinton Avenue West, Unit 128, Etobicoke, Ontario M9C 5K5 or via email to russell@macphersonbuilders.com, with a copy to Loopstra Nixon LLP at 135 Queens Plate Drive, Suite 600, Toronto Ontario M9W 6V7 or via email to bruddick@loonix.com

14. Execution by Electronic Signature

The signature of any of the parties hereto may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

15. Counterparts

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

THE PARTIES by signing this MOU hereby confirm their understanding with respect to the matters contemplated herein above.

MACPHERSON BUILDERS (BLUE MOUNTAINS) LIMITED
Name: Russell S. Higgins Title: Authorized Signing Officer
THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS
Name: Title:

Schedule "A"

Legal Description of the Town Lands

PIN: 37313-0528

Legal Description: PART LOT 159 PLAN 529 COLLINGWOOD, PART 1, 16R2536 EXCEPT

PARTS 2 & 4, 16R11114 TOWN OF THE BLUE MOUNTAINS

Schedule "B"

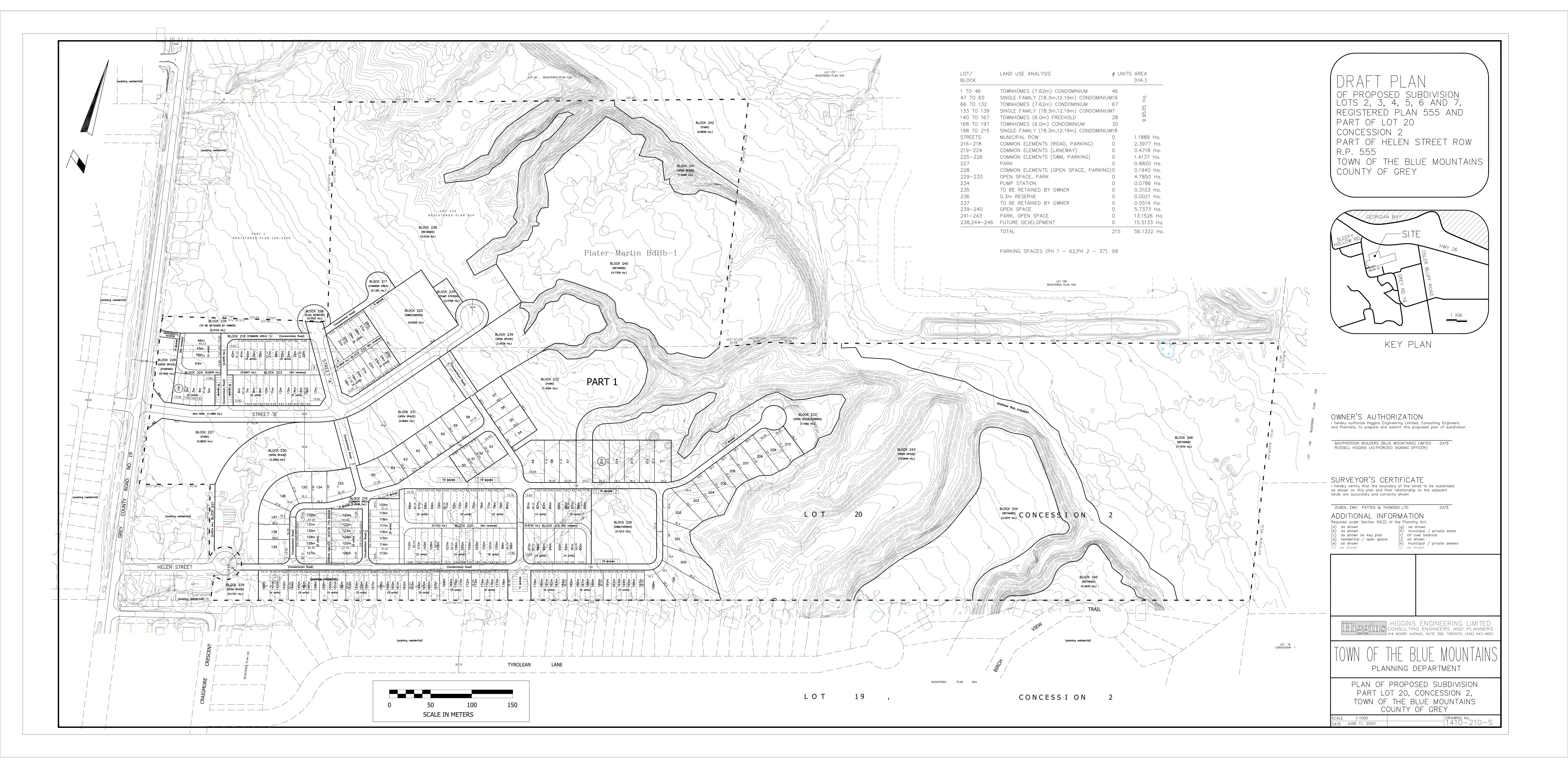
Legal Description of the MacPherson Lands

PIN: 37313-0503

Legal Description: LOTS 2, 3, 4, 5, 6 & 7 PL 555 ; PT LT 159 PL 529 & PT LT 20 CON 2 COLLINGWOOD ALL BEING PART 1 ON 16R10467 TOWN OF THE BLUE MOUNTAINS

Schedule "C"

Home Farm Draft Plan of Subdivision



Schedule "D"

TOTAL UNITS: 130 TOTAL PARKING SPACES: 163 PARKING SPACE PER UNIT: 1.25

THESE DRAWINGS ARE NOT TO BE SCALED:

ALL DIMENSIONS MUST BE VERIFIED BY CONTRACTOR PRIOR TO COMMENCEMENT OF ANY WORK. ANY DISCREPANCIES MUST BE REPORTED DIRECTLY TO SRN ARCHITECTS INC.

PROJECT CONSULTANTS:

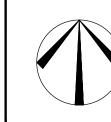
CONSULT
ADDRESS, SUITE
CITY, PROVINCE, POSTAL CODE
T: 111-111-1111 F: 111-1111

FSE FINISHED SECOND FLOOR ELEVATION
FFE FINISHED FLOOR ELEVATION
FFE CHAMBER
FFE WATER VALVE
CHAMBER
FFE VALVE
CHAMBER
HYDRO METER
GAS METER
FOR SAMETER
FOR S

	ISSUED OR REVISION			
NO.	DESCRIPTION	DATE	DWN	Cŀ
_				
-				



WWW.RNDESIGN.COM T:905-738-3177 WWW.THEPLUSGROUP.CA



1 1 1 0 DI IEE

MACPHERSON

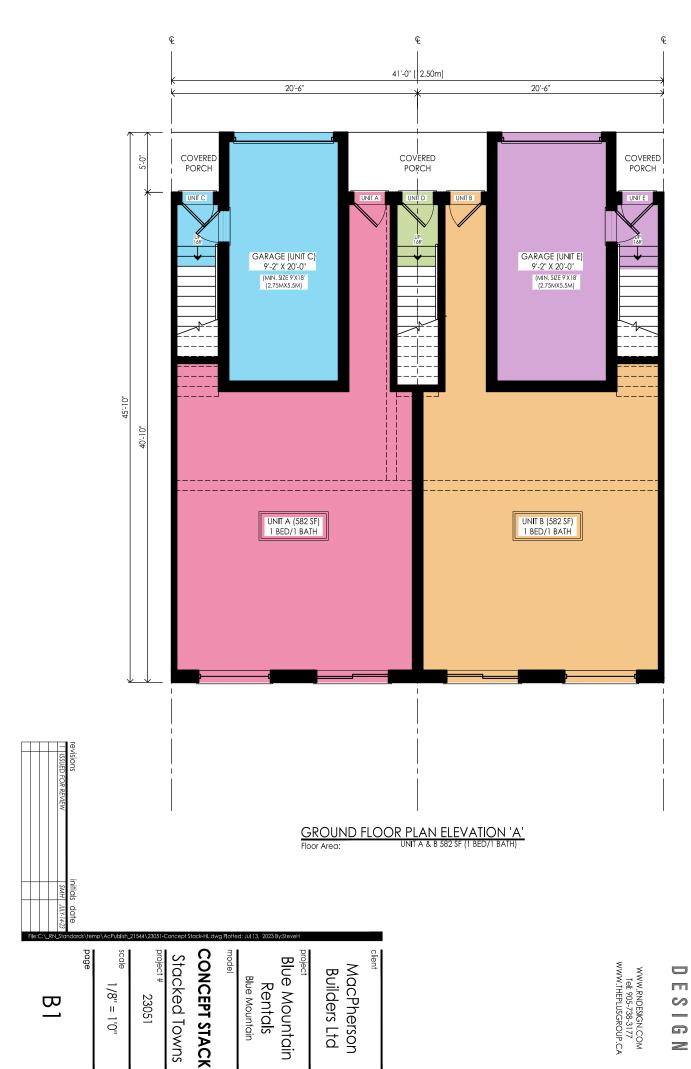
PROJECT/LOCATION

RENTAL BUILD BLUE MOUNTAIN

CONCEPT PLAN

SCALE 1:750

JUL 14/23	1:750	
DRAWN BY AG	CHECKED BY RP	
PROJECT NUMBER XXXXX	CONCEPT 1	



Blue Mountain

1/8" = 1'0"

Β

23051

DESIGN

WWW.RNDESIGN.COM
Tel: 905-738-3177
WWW.THEPLUSGROUP.CA



Blue Mountain Rentals

1/8" = 1'0"

B2

23051

WWW.RNDESIGN.COM
Tel: 905-738-3177
WWW.THEPLUSGROUP.CA





Blue Mountain

1/8" = 1'0"

ВЗ

23051

WWW.RNDESIGN.COM
Tel: 905-738-3177
WWW.THEPLUSGROUP.CA

