

Subject: Property Acquisition – 4095 Moodie Drive, Nepean

File Number: ACS2022-PIE-CRO-0008

Report to Finance and Economic Development Committee on 28 June 2022

and Council 6 July 2022

**Submitted on June 16, 2022 by Peter Radke, Director, Corporate Real Estate,
Planning, Real Estate and Economic Development**

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Ward: Rideau-Goulbourn (21)

Objet : Acquisition d'une propriété – 4095, promenade Moodie, Nepean

Dossier : ACS2022-PIE-CRO-0008

Rapport au Comité des finances et du développement économique

le 28 juin 2022

et au Conseil le 6 juillet 2022

**Soumis le 16 juin 2022 par Peter Radke, Directeur, Bureau des biens immobilier
municipal, Direction générale de la planification, des biens immobiliers et du
développement économique**

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REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend Council approve the fee simple acquisition and the funding source as described in the report for the purchase of 4095 Moodie Drive for future solid waste service operations (excluding landfilling) consisting of 76.37 acres (30.9 hectares) of vacant land owned by Larry Calagoure described as Part of Lot 4, Concession 4 (Rideau Front), geographic Township of Nepean, shown as Parcel 3A on attached

Document 1 for the consideration of \$2,672,950 plus applicable taxes related to the transaction subject to final adjustment on closing.

RECOMMANDATION DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil d'approuver l'acquisition en fief simple et la source de financement décrites dans le rapport, pour l'achat du bien-fonds situé au 4095, promenade Moodie en prévision d'activités relatives à la gestion des déchets solides (à l'exception de l'enfouissement de déchets), consistant en un terrain vague de 76,37 acres (30,9 hectares) appartenant à Larry Calagoure, décrit comme une partie du lot 4, concession 4 (façade Rideau), dans le canton géographique de Nepean, indiqué comme la parcelle 3A dans le document 1 ci-joint, pour la somme de 2 672 950 \$ plus les taxes applicables liées à la transaction, sous réserve de derniers ajustements au moment de conclure l'entente.

BACKGROUND

The City of Ottawa's Corporate Real Estate Office (CREO) identified a listing for an assembly of vacant rural lands south of Barnsdale Road along Moodie Drive containing an area of approximately 304 acres. The listing price for the package was \$17.02M based on an asking price of approximately \$56,000 per acre. (Refer to Parcels 1,2,3A,3B and 4 on attached Document 1.) The assembly is approximately 1.5 kilometers south of the Trail Waste Facility Landfill and adjacent to the City of Ottawa's leaf and yard waste composting facility.

On October 27, 2021, CREO completed an internal circulation to all City departments to gauge interest in a potential acquisition of all or some of the lands for municipal purposes. Solid Waste Services advised that the parcel identified as 4095 Moodie Drive, containing 76.37 acres, was of interest and could be utilized to facilitate a future expansion to the leaf and yard waste composting program (Refer to Parcel 3A on Document 1).

The opportunity to purchase the lands at 4095 Moodie Drive, given its location would strategically position the City to explore innovative opportunities such as:

- Expand the existing leaf and yard waste pad to meet future processing needs;
- Improve upon future soil management operations;

- Possible location for a future organics processing plant (current 20-year processing contract expires in 2030);
- Mixed waste processing facility; and
- Waste transfer station.

It is important to note that these lands would not be considered for a future landfill. The land use provisions as detailed in Schedule B9 – Rural Transept of the new Official Plan designate the property as Rural Countryside. Based on an internal review by Planning staff, the land may contain watercourses, areas of unevaluated wetlands, and a woodlot. The woodlot has been identified as a natural heritage feature but is not a core natural area or natural linkage in the Natural Heritage System Overlay (Schedule C11). The new Official Plan's Natural Heritage policies apply and would need to be considered when exploring potential future uses.

In anticipation of a possible acquisition, Planning staff identified potential constraints to the innovative property uses identified by Solid Waste staff. Appropriate planning policies will need to be addressed such as:

- An Official Plan (OP) amendment and zoning amendment would be required as the property would need to be re-designated to Rural Industrial and Logistics in the Official Plan;
- Per the new OP, staff will be required to demonstrate the impacts (if any) and mitigation strategies on traffic, natural systems, ground or surface water and on nearby land uses (including aggregates and agriculture);
- An Environmental Impact study identifying any risks and a mitigation strategy would be required to support an OP amendment;
- A study will need to be done to assess if the property contains any species at risk; and
- A zoning application to rezone to Rural Heavy Industrial in the Zoning By-law, to permit the range of anticipated uses on the site, including waste processing and transfer facilities.

Extensive geotechnical investigations scoped to any future proposed land use activities would also be required. Preliminary and informal high-level reviews of site geotechnical studies identified no obvious reason why facilities or operations such as an aerobic

digester, further leaf and yard waste operations, or soil management could not occur at 4095 Moodie Drive.

CREO completed an internal valuation and engaged 2 external appraisers to value the land parcels. Staff monitored market sales activity and the listings for the acreage parcels over January to May 2022. During this period, staff from Solid Waste Management and Financial Services examined the Department of Public Works Council approved budget to identify a funding source.

Given the preliminary operational review by Solid Waste, the assessment by Planning, the analysis by Corporate Real Estate and a method of funding acquisition from Finance, staff are of the opinion the acquisition of 4095 Moodie Drive is strategic with minimal risk. Based on the foregoing, in June 2022 CREO entered discussions with the Listing Broker to acquire 4095 Moodie Drive.

DISCUSSION

The property is currently listed for sale, together with 4184 William McEwan Drive (Parcel 3B Document 1) for a noncontiguous land assembly of 93.4 acres. The two parcels are divided by an Ontario Power Hydro Corridor. The asking price for the package is \$5,231,000 translating to approximately \$56,000 per acre. This is consistent with the asking prices of the adjacent lands in the 304 acre assembly. The intent of the Listing Broker is to market various permutations of the land assembly to rural industrial users or to land speculators.

In December 2021, approximately 2 months into the listing period, CREO commissioned two external valuation reports and an internal valuation to establish pricing parameters as per the [City's Real Property Acquisition Policy](#). These resulted in the establishment of a market value range of \$20,000 to \$30,000 per acre for the properties identified in the land assembly.

In March 2022, the Listing Broker reported a conditional sale of 105.9 acres at 4221 Moodie Drive for \$5,100,000 or \$48,158 per acre (Parcel 1, Document 1). This property had been listed at \$56,000 per acre or \$5,930,000. The offer became unconditional June 3, 2022 and set a benchmark indicator of market value for lands in the vicinity.

In the first week of June 2022 negotiations ensued with the owner through the Listing Broker. In light of the recent sale of 4221 Moodie Drive, and reported market activity, CREO Acquisition staff felt justified in exceeding the appraiser's earlier \$30,000 per acre value estimate by 16.7% in order to reach an agreement for this strategic property.

Staff entered into an Agreement of Purchase and Sale for 4095 Moodie Drive at \$35,000 per acre generating an acquisition price of \$2,672,950 subject to any adjustment on closing and applicable taxes.

As per the Council approved Real Property Acquisition Policy, the Agreement of Purchase and Sale is conditional on an Environmental Assessment. The proximity to both closed and operating landfills and mineral extraction sites have the potential to impact the subject property. A Phase One Environmental Site Assessment has been commissioned to review past and present land uses including a review of available environmental reports. Based on the findings of the Phase One, an intrusive Phase Two ESA could be undertaken to collect soil and groundwater samples to assess impacts to the property.

In addition to the Environmental Assessment due diligence, the Offer of Purchase and Sale is conditional (subject) to Council approval.

Summary

The acquisition of 4095 Moodie Drive is a unique and rare opportunity for the City to acquire, in close proximity to existing operations, lands that could be utilized to meet future waste processing/management needs. The negotiated price of \$2,672,950, based on \$35,000 per acre, is considered fair and reasonable value and supported by staff.

Based on the foregoing, staff recommend Council approve the Agreement of Purchase and Sale, and the funding method as described in the Financial Section of this report, for the fee simple acquisition of 4095 Moodie Drive consisting of 76.37 acres (30.9 hectares) of vacant land owned by Larry Calagoure for the consideration of \$2,672,950 plus applicable taxes related to the transaction subject to final adjustments on closing.

RURAL IMPLICATIONS

Though in the rural area, the property is not in agricultural production and is sitting vacant/dormant. An internal review by Planning staff noted the lands contain areas of unevaluated wetlands, and a woodland. The woodlot has been identified as a natural heritage feature but is not a core natural area or natural linkage in the Natural Heritage System Overlay (Schedule C11). The new Official Plan's Natural Heritage policies apply to this property and would need to be addressed.

CONSULTATION

City departments were circulated for comment on the merits of the property acquisition. Given the Solid Waste Services interest in the property some concerns were noted by Planning Staff over the land use attributes of the property. Based on the internal responses and further consultation, the risk in acquiring this property and not being able to use it for the intended programming, was considered low.

Given this is an internal corporate function no public consultation was completed for this report.

COMMENTS BY THE WARD COUNCILLOR

The Ward Councillor, Scott Moffatt, has received a copy of this report and is in support of the staff recommendation.

LEGAL IMPLICATIONS

There are no legal impediments to the adoption of the recommendation in this report.

RISK MANAGEMENT IMPLICATIONS

There are risk implications. These risks have been identified and explained in the report and are being managed by the appropriate staff.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications.

FINANCIAL IMPLICATIONS

The required funding of \$2,672,950 plus applicable taxes is available from two existing Solid Waste Services capital projects. The available funds will be leveraged from the following two projects: \$1,700,000 from 907238 Landfill Disposal Stage 2 Capping and \$972,950 from 907352 Landfill Stage 3 Capping.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with implementing the recommendations of this report.

ENVIRONMENTAL IMPLICATIONS

The proximity to both closed and operating landfills and mineral extraction sites have the potential to impact the subject property. A Phase One Environmental Site Assessment has been commissioned to review past and present land uses including a review of available environmental reports. Based on the findings of the Phase One, an intrusive Phase Two ESA could be undertaken to collect soil and groundwater samples to assess impacts to the property.

TERM OF COUNCIL PRIORITIES

The report aligns with the Environmental Stewardship priority, to grow and protect a healthy, beautiful and vibrant city that can adapt to changes.

SUPPORTING DOCUMENTATION

Document 1 Property Location Map

DISPOSITION

Following approval by Council, the Corporate Real Estate Office and Legal Services Branch will finalize this transaction.

Document 1 – Property Location Map

