

Staff Report

Report To: City Council
Report From: Pamela Coulter, Director of Community Services
Meeting Date: July 27, 2026
Report Code: CS-26-075
Subject: Potential Land Sale – Part of Part 2, Plan 16R8752

Recommendations:

THAT in consideration of Staff Report CS-26-075 respecting the potential sale of four acres of Part 2 on Plan 16R8752, City Council directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute all documents necessary to finalize the sale.

Highlights:

- The report addresses a request from Brad Duncan to purchase a 4-acre portion of a 7.31-acre City-owned parcel in the Employment Area on 23rd Street East for a proposed light industrial/indoor storage use associated with an excavation business.
- The subject lands are designated for employment uses under the current Official Plan and zoned General Industrial (M1), and the proposed use is generally consistent with applicable planning policy and zoning permissions, subject to the City's normal development approvals process.
- The lands were declared surplus in 2014 and notice and a by-law were completed at that time.

Vision 2050 - Strategic Plan Alignment:

[Strategic Plan](#) Priority: Prosperous City – Supporting initiatives that increase competitive economic advantages for current and new businesses and their employees.

Previous Report/Authority:

[EDT-14-042](#) – Declaring Industrial Lands Surplus

Closed Session Report CS-26-065

Background:

The City has received a request from Brad Duncan regarding the potential purchase of a 4-acre parcel of land in the Employment Area. The lands have frontage and access from 23rd Street East (see the Attachment). The subject property is part of a larger 7.31-acre parcel owned by the City.

The lands have frontage on 23rd Street East, which is an open street. To the west, is the Kenny Drain and further west are lands previously sold by the City that contain the Enbridge Gas office (formerly Union Gas). The lands to the south contain a variety of employment uses. Immediately east of the parcel is a planned municipal local road (18th Avenue East) and further east are vacant lands designated Employment.

The Official Plan (2021) designates the property 'Employment', and the lands are zoned 'General Industrial' (M1) in the City's Zoning By-law 2010-078, as amended. The recently approved Official Plan (OPA 14, 2026) designates the property 'Flexible Employment', and the lands are zoned 'General Industrial' (M1) in the approved Zoning By-law (ZBA No. 57) although these policies are not yet in force and effect.

The Official Plan describes Employment lands as intended for manufacturing, assembly, fabricating, processing, packaging, printing, warehousing as well as the storage of goods and materials, contemplating a wide range of employment and business uses. The M1 (General Industrial) Zone permits a wide range of uses, including light industrial, indoor storage, transportation depot, etc.

Council had directed that staff undertake an environmental analysis of the subject lands to understand the environmental condition of the site. A Phase 1 and Phase 2 Environmental Site Assessment were completed in 2024 by GEI.

The City's Land Sale By-law prescribes a certain process be followed in the sale of lands:

- Notice was provided in 2014.
- Lands were declared surplus by By-law No. 2014-171.

- A survey is available for the entire parcel; however, an updated survey has been requested for the 4-acre parcel.

Analysis and Options:

Based on direction provided to staff, the City solicitor has prepared an Agreement of Purchase and Sale (APS) for these lands. The table below summarizes the conditions and terms of this sale:

Provision	Comment for Offer
City Legal Fees	The City's legal fees will be collected in addition to the value of the lands as part of the APS.
Size of Parcel	A 4-acre area will be surveyed, excluding the Hazard lands to the west. The hazard lands will be retained by the City. The cost of the revised survey will be added to the land sale cost.
Irrevocability	August 7, 2026*
Due Diligence	August 21, 2026*
Closing Date	September 10, 2026*
Price	Lands valued at \$138,000
Buyer	Brad Duncan
Proposed Use	Light Industrial – indoor storage for excavation business. Based on the information provided, the proposed use is consistent with the Employment designation in the Official Plan and permitted by zoning. The lands would be subject to the City's normal development approvals process, which is not assumed by the sale.
Zoning – M1 (General Industrial)	Indoor storage is a permitted use. Outdoor storage is not permitted. Service use and light industrial are permitted.
Other Clauses	The City's Land Sale By-law requires that the vendor pay for all costs associated with the sale. The City has requested an updated survey. This cost will be added to any sale price.

	The City will clarify what municipal servicing is currently available in the 23rd Street East right of way. The offer acknowledges that the costs of extending services are the buyer's costs. 300 mm diameter watermain. 250 mm diameter sanitary. Paved road with ditch cross section. It should be noted that a capital contribution from this developer toward the future 18th Avenue East road allowance and servicing will be required as part of the development approval process and will be noted in the APS. The City normally requests a buy back. This offer provides that if after 18 months, if construction has not commenced, the City has the right to repurchase from 18 months to 3 years at the same price.
Environmental	The lands were used historically by the City's Public Works Division for excess soils and waste materials including concrete and other excavated materials from roads/public works projects. The City has Phase 1 and 2 Environmental Site Assessments for the subject lands. The environmental reports will be disclosed through the APS. The lands will be sold "as is". In consultation with the City Solicitor, a condition will be included in the APS to allow time for the purchaser to review the environmental report and condition. There will also be a clause ensuring that the purchaser acknowledges that the site will need to be developed in accordance with the requirements of the <i>Environmental Protection Act</i>.

*Dates may be adjusted by the City solicitor, as reasonable.

Resource Alignment:

Financial Resources

The lands were valued at \$34,500 per acre for a total of \$138,000. As noted, the buyer will be required to pay the survey costs as well as the City's legal costs in addition to the sale price.

As noted, it will be highlighted that the City anticipates a capital contribution for the future 18th Avenue East right of way and servicing through the development process to avoid any disagreement regarding this matter within the development approvals process.

The revenue from the sale will be placed in the City's land sale reserve.

Human Resources

Staff time from the Director of Community Services, City Clerk, Development Team, and the City's Solicitor are required to support the sale and closing.

Time and Scheduling

The sale is scheduled to close September 10.

Technology and Infrastructure

N/A.

Climate and Environmental Impacts:

The recommendation supports both the City's Corporate Climate Change Adaptation Plan and the City's Climate Mitigation Plan.

The development will be required to meet the policies and requirements of the City's Official Plan and will be on full urban services and will address matters such as landscaping, stormwater, etc. as part of the development approvals process.

Communication and Engagement:

Notice was provided in accordance with the City's Land Sale By-law, and the lands were declared surplus by By-law No. 2014-171.

Report Developed in Consultation With:

City Clerk, City Solicitor Jill Sampson, and GEI Engineering.

Attachments:

Location of Lands Proposed for Sale

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Pamela Coulter, Director of Community Services at pcoulter@owensound.ca or 519-376-4440 ext. 1252.