

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input checked="" type="checkbox"/> Low
Submitted by:	Melissa Graham, Small Business Facilitator, Economic Development, mgraham@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	January 4, 2021		
Report No.:	Corporate Services-003-21		
Submit comments to Council			

Subject/Title: Offer to Purchase Municipally Owned Land, Lucas Point Industrial Park - BevRij Packaging and Brock Street Brewing in Trust for a Corporation.

RECOMMENDATION:

THAT Council accept the offer to purchase of approximately 4 acres of industrial land in the Lucas Point Business & Industrial Park on Willmott Street from BevRij Packaging and Brock Street Brewing in trust for a corporation.

1. STRATEGIC PLAN

Prosperity Pillar – The Town plans for, markets and develops assets for economic growth and financial security.

2. PUBLIC ENGAGEMENT

Not Applicable.

3. PURPOSE

Lucas Point Business & Industrial Park Lands are municipally-owned, serviced lands which have been available for sale to proponents of light industrial and similar business uses since the 1980's. Development is subject to Site Plan Approval by Cobourg Municipal Council, which includes the installation of a development sign on the property and staff reports to Council.

4. ORIGIN AND LEGISLATION

The Economic Development Department received an offer to purchase of approximately 4 acres of industrial land from BevRij Packaging and Brock Street Brewing in trust for a corporation. BevRij Packaging and Brock Street Brewing are proposing a new packaging plant for canning ready to drink vodka soda's and gin cocktails. The packaging facility will also allow for packaging beer on site.

5. BACKGROUND

An offer was received by the Economic Development Department from Mr. Mark Woitzik to purchase approximately 4 acres of industrial property to construct an initial construction of the 12,000 ft.² with further construction shortly thereafter of the remainder of the property. The initial 12,000 ft.² building will be utilized for an additional beverage packaging production facility with the Cobourg site likely to have 25 to 35 employees once it is fully operational in the initial building. Brock Street Brewing does anticipate over 75 + jobs on a conservative estimate, and perhaps much higher over the entire site once all buildings are complete. These new positions will be available to residents of the Town of Cobourg or neighbouring communities.

The requested 4 acres will provide adequate room to develop the initial building for their proposed production beverage packing operation, while providing additional space to fulfill the full site plan. The total development will include approximately 65,000 ft.² of buildings over three separate structures. There will be 2 or 3 phases of the buildout of this site. It is entirely possible and more than likely that Phase 2 and 3 will happen simultaneously. It is expected Phase 2/3 will commence within one year following commencement of initial production operations on location. The following is the proposed build out of the development proposal.

1. The first phase, "Building 1" will include an initial construction of a 12,000 ft.² packaging facility. Construction of Build 1 will commence immediately following approvals of the site plan and closing of the purchase.
2. The 2nd phase will include the expansion of Building 1 by 18,000 ft.² (bringing the total square footage of Building 1 to 30,000 ft.²)
3. The 3rd phase will include the construction of Building 2 and Building 3. Building 2 will be 25,000 ft.² and Building 3 approximately 10,000 ft.². These additional buildings will be utilized for suppliers and complementary businesses to our project. They will either be rented out to independent companies, or operated solely by Brock Street and its affiliates.

The aerial photo attached depicts the section of land the company is interested in (outlined in green). This configuration will also keep the property lines abutting pending property and property lines abutting Rusco Manufacturing Inc and Enbridge Gas, while fronting west on Willmott Street.

It should be noted that in accordance with the Town's Purchase Offer Agreement, the sale of the property will not close until Site Plan Approval has been provided by the Town of Cobourg.

6. ANALYSIS

The Town's Planning Department staff has been consulted with regard to the location of the property and building and agree in principle, based upon the information provided by the proponent, that the Willmott Street location is suitable for the proposed use, taking into account future development of this particular parcel of land within the park and subject to the finalization of development details including but not limited to: site servicing and grading; building siting and coverage; site access, parking, loading/service and truck movements; and landscaping. It is further planning staff's opinion that the proposed land use, as described by the proponent, is of a light industrial nature and will fit within the permitted uses of the Light Industrial (LM) zoning for this property. The parcel is located on the east side of Willmott Street, fronting west, as depicted in the attached aerial map.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

An offer has been received in the amount of \$40,000.00 per acre. A deposit of \$5,000.00 has been provided to the Town of Cobourg.

8. CONCLUSION

It is the opinion of municipal staff that the offer to purchase submitted by BevRij Packaging and Brock Street Brewing in trust for a corporation; for approximately 4 acres of industrial land in the Lucas Point Business & Industrial Park fronting Willmott Street as depicted on map attached, is appropriate subject to the finalization of details by municipal staff and Site Plan Approval by Cobourg Municipal Council.

Report Approval Details

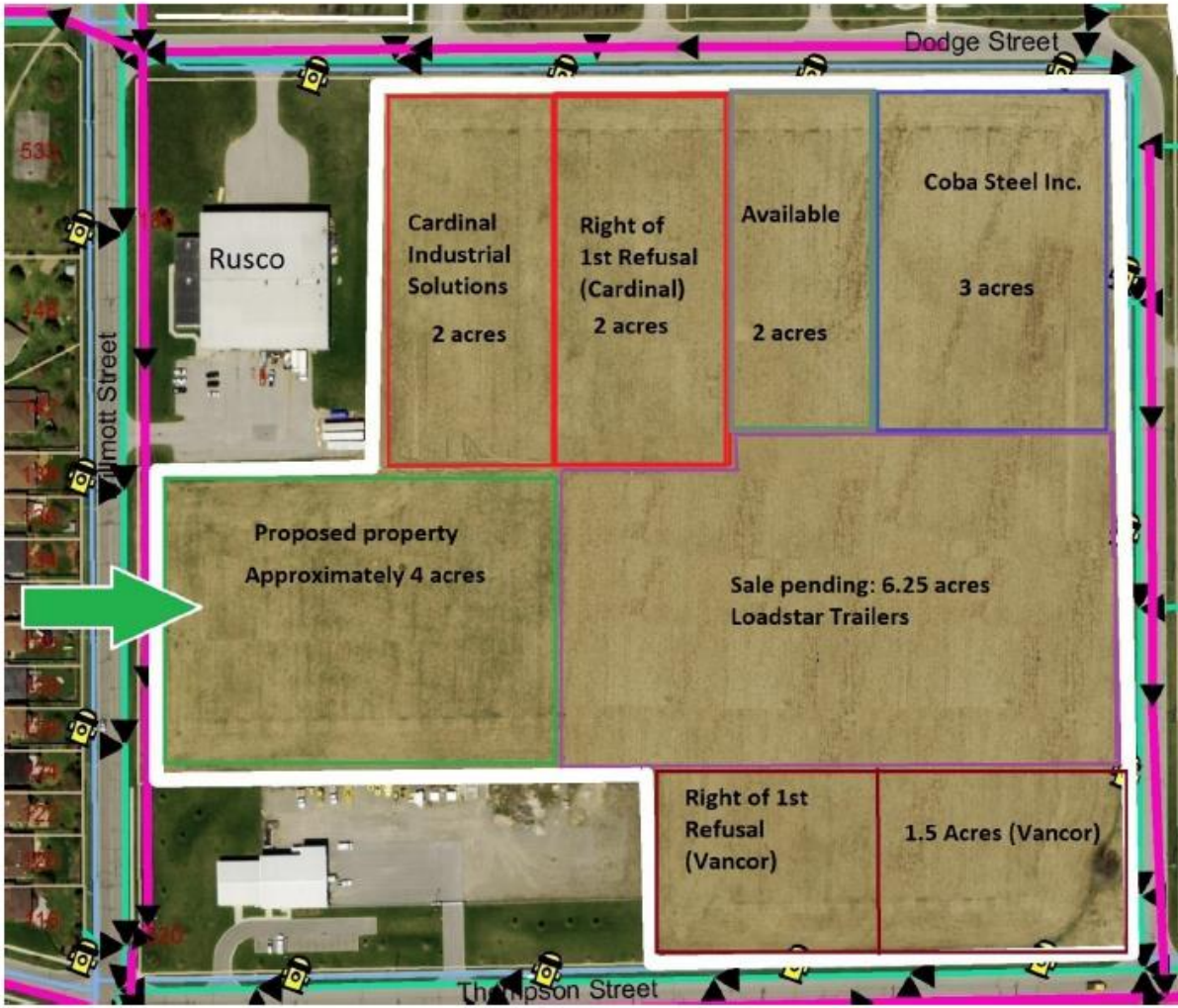
Document Title:	Offer to Purchase Municipally Owned Land, Lucas Point Industrial Park - BevRij Packaging and Brock Street Brewing in Trust for a Corporation.
Attachments:	1. Lucas Point Map – Proposed Property 2. Executive Summary – Brock Street Brewing
Final Approval Date:	Dec 28, 2020

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

Brent Larmer, Municipal Clerk / Manager of Legislative Services - Dec 28, 2020 - 9:28 AM

Tracey Vaughan, Chief Administrative Officer - Dec 28, 2020 – 11:31 AM

ATTACHMENT #1



ATTACHMENT #2

Executive Summary – Brock Street Brewing

History:

Brock Street has been in operation since 2015. Brock Street is a leader in the craft Beer community and is currently the largest production capable brewery east of Toronto and West of Ottawa. This past year, revenue growth was 76% higher than projections, and sales doubled year-over-year. Brock Street anticipates growth will continue at 20% plus per year and requires industrial land to allow construction of additional facilities for expansion, fulfil its growth targets, and allow us to supply to both domestic and foreign markets.

Cobourg:

Brock Street is undergoing a major growth phase and is looking for opportunities in exciting communities. Cobourg, with available industrial land and a forward thinking Council and Staff, a beautiful downtown, and one of the best waterfronts in Ontario, presents itself as an incredible opportunity for Brock Street to continue its growth and for the surrounding communities and its citizens to find good paying jobs with a growing company.

The project:

The initial buildout will include a 12,000 ft.² packaging plant for canning ready to drink vodka soda's and gin cocktails (RTD's) in 473mL cans. These RTD's would have approximate ABV of 4% to 6% per unit. The building would also operate a small retail store/on-site restaurant if permitted. The packaging facility will also allow for packaging beer on site.

As discussed with Town Staff, finished spirits (liquor) would be brought in, diluted accordingly, flavoured, and utilized in packaging RTD's into cans/bottles. Notwithstanding the fact that finished spirit production would not happen on site, this facility would require a "manufacturing spirit's license" from the AGCO to accept delivery of finished spirits.

The site plan will include approximately 65,000 ft.² of buildings over three separate structures. There will be 2 or 3 phases of the buildout of this site:

1. The first phase, "Building 1" will include an initial construction of a 12,000 ft.² packaging facility. Construction of Build 1 will commence immediately following approvals of the site plan.
2. The 2nd phase will include the expansion of Building 1 by 18,000 ft.² (bringing the total square footage of Building 1 to 30,000 ft.²)
3. The 3rd phase will include the construction of Building 2 and Building 3. Building 2 will be 25,000 ft.² and Building 3 approximately 10,000 ft.². These additional buildings will be utilized for suppliers and complementary businesses to our project. They will either be rented out to independent companies, or operated solely by Brock Street and its affiliates.

It is entirely possible and more than likely that Phase 2 and 3 will happen simultaneously. It is expected Phase 2/3 will commence within one year following commencement of initial operations on location.

Employment:

Trying to put the employment numbers in perspective, the best way I can do it is to summarize our current operations. Brock Street opened its initial facilities on Hopkins Street in 2015 and relocated to Brock Street in downtown Whitby in April 2019. At our new Brock Street facility we have over 50 employees combined from the brewery and the on-site restaurant. Production at the Cobourg site will likely have 25 to 35 employees once it is fully operational and that is just at the 12,000 ft.² building. We anticipate over 75 + jobs on the conservative estimate, and perhaps much higher over the entire site once all buildings are complete.