



**RAINY RIVER FUTURE  
DEVELOPMENT CORPORATION**  
A Community Futures Development Corporation



## **Report to EDAC**

From: Tannis Drysdale RRFDC, Economic Development Consultant

Date: November 30, 2017

Regarding: Industrial Park Sales Policy

### **Background**

The Town of Fort Frances adopted its current Land Sale Policy in September of 2014 with input from several committees in a process lead by EDAC. The review was the result of a number of years of sluggish sales and the wish of the Council to find new economic opportunities in the wake of the mill closure.

### **Current Policy Summary**

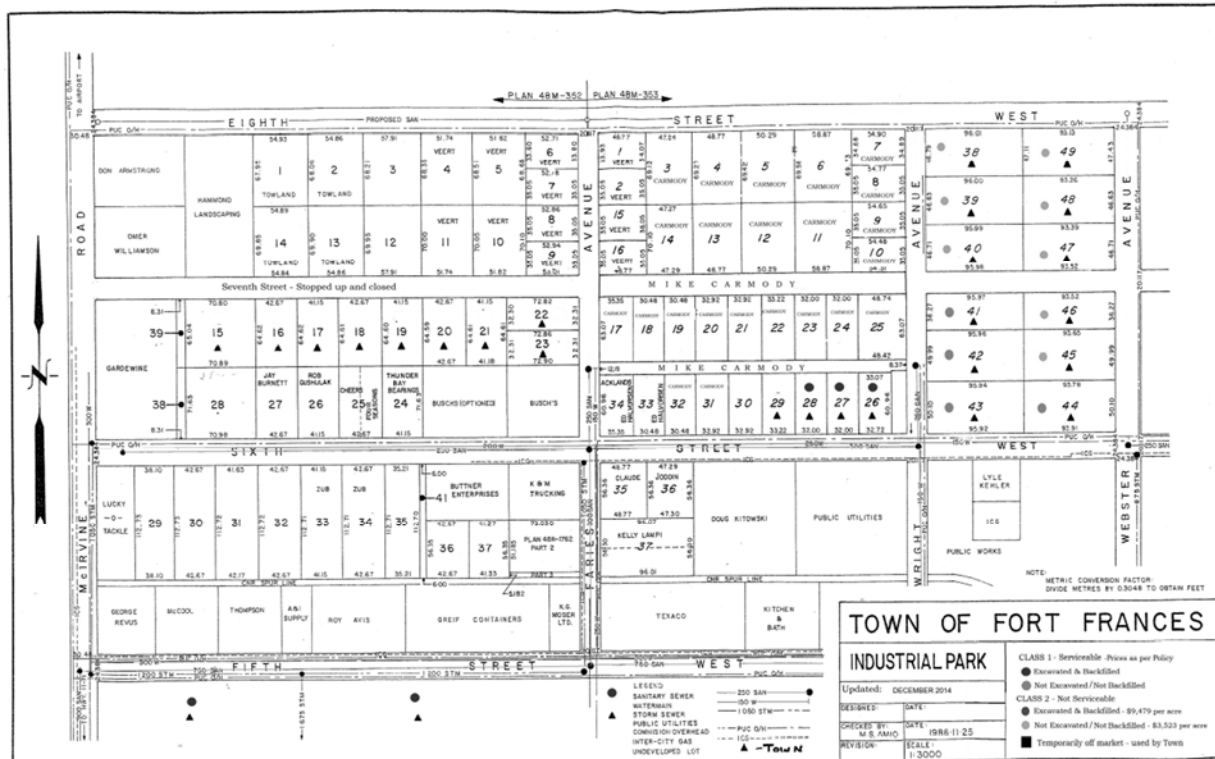
The policy adopted in 2014 provided a simplified sales strategy where all “shovel ready” properties were sold at \$3,500 an acre with a requirement of an investment of a building of \$40,000. There was a requirement to service all lots.

### **Sales since 2014**

Properties for sale at bylaw approval:



## Industrial Properties Available 2017:



### **Taxation value of sold property to the Town of Fort Frances**

The value of property sales between 2014 and 2017 in taxation dollars is \$26,800 annually. This figure requires some estimation as MPAC assessments on commercial property can typically take up to two years or more to arrive on tax rolls.

There is no evidence that the \$3,500 sales prices on town properties reduced other current land values, although again it is important to note that an MPAC lag may impact assessments in two to three years as adjustments are made based on sales prices. It does seem more logical that the resolution of the Resolute properties in future years will be the significant catalyst for assessment adjustments in industrial/commercial lands given the volume of land owned by the mill.

### **Current Portfolio**

The Town's current portfolio of industrial park lands has dramatically decreased in the last three years due to land sales to the private sector. A large swath of land near the railroad has an offer to purchase with the Town. The sale of most of these lots will further reduce the lots available. The quality of lots available is also diminishing as lots remaining in the eastern park require significant backfill and would be expensive to service.

The Town's property in the Industrial Park includes 3 shovel ready lots and private interests also have a number of properties (with or without buildings) that are currently for sale. It is likely that some or all of the mill properties suitable for commercial development will also be marketed in the next five years.

### **Recommendation for policy changes**

1. Maintain price at \$3,500 an acre but adjust the development guarantee to be \$10,000 per acre or lot whichever is the lesser. (to make all .5 acre lots charge move to \$10,000).
2. Require in policy a review of the economic significance of the land sale to the Town of Fort Frances to be included in the sales process.
3. Declare lots 28, 27, 26 surplus so this step does not have to be revisited at sales time.
4. Change wording for policy with references to the Planners office.