



### REPORT # 2023-43

To: Mayor and Council

From: Julia Crowder, Manager, Economic Development & Tourism

Date: March 20, 2023

Committee of the Whole Date: March 27, 2023

Title: Former Water Treatment Plant Redevelopment - Request for Agreement Extension

☒ For Direction  
☐ For Information  
☐ For Adoption  
☐ Attachments:

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**Recommendation:** That Council provide direction to staff with regards to the request for extension of the Exclusivity Agreement between the Town of Smiths Falls and Guy Saumure & Sons Construction Ltd, for the redevelopment of the former water treatment plant property located at 25 Old Mill Rd.

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**Purpose:** To update Council on activities related to the redevelopment of the former water treatment plant, and seek direction of Council in response to the formal request by Guy Saumure & Sons Construction Ltd., for a 12-month extension of the current exclusive proposal agreement.

**Background:** The Town of Smiths Falls, over the last decade, has endeavoured to find a proponent who could undertake the redevelopment of the former water treatment plant property. Request for Proposals (RFP) were issued in 2013, 2017 and again in 2022.

In June of 2022, the Town received two submissions in response to the latest RFP for the purchase and redevelopment of the former water treatment plant. Council directed staff to enter into negotiations with Saumure Group to develop an agreement which would allow a set period of time for the proponent to assemble a conceptual plan and fulsome development proposal.

An agreement was executed through By-law 10369-2022 in September 2022, which allowed the proponent 180 days of exclusive permission to undertake due diligent activities with the expectation of developing and submitting a redevelopment proposal and offer to purchase. During this period, the Town would not be able to entertain other proposals from interested parties. This Agreement expired on March 24, 2023.

On March 15, 2023, Staff received written request from Saumure Group requesting a 12-month extension to the current agreement to allow further time to complete due diligence and submit a proposal.

#### **Analysis and Options:**

Redevelopment of the former water treatment plant was identified as a strategic initiative within the most recent Strategic Plan. The property and buildings were declared surplus to facilitate the issuing of an RFP to find a development partner. The sites proximity to the downtown core and waterfront

vistas present a unique opportunity for a potential developer who possess the experience and capital to see the project to completion.

It has been acknowledged that the redevelopment of the former water treatment plant is a large endeavor and poses challenges and costs related to environmental site remediation.

The current proponent had proposed a concept featuring mixed-use development which retains existing heritage characteristics and includes a wedding/meeting venue with supporting visitor accommodations, in addition to high end apartments and/or condominiums. They anticipate that construction would not commence for approximately 3 years (2026/2027).

Over the last decade with no upkeep and maintenance, the building has been vandalized on a number of occasions, and has required further measures to secure and mitigate unlawful entry, and continues to deteriorate from weather exposure.

**Option 1:** Council directs Staff to extended the current agreement, as written, for an additional 12 months as requested by the proponent.

**Option 2:** Council directs Staff to extend the agreement, as written, for an alternative period of time.

**Option 3:** Do not grant an extension and direct Staff to investigate remediation/demolition options of all or a portion of the former water treatment plant site.

**Option 4:** Do not grant an extension and direct staff to seek new investment opportunities, which could include reissue a future RFP with no additional investment into the property.

#### **Budget/Financial Implications:**

Should Council wish to invest in clean up of the site, whether in an effort to reduce liabilities related to the deterioration of buildings and/or remediation efforts to offer a more attractive development opportunity or both, there will be significant costs associated with studies and decommissioning/demolition. Staff would be required to obtain qualified contractors to assess and estimate costs. Preliminary discussions with engineers estimate approximately \$750,000 for demolition of the 1950's pump house, with no environmental remediation other than removal of demolition debris. The building being below the water level complicates the decommissioning or demolition process and costs could be significantly higher once environmental considerations are assessed.

Should Council wish to reissue a future RFP, the creation of professional marketing materials and expanded paid promotional advertising and or professional realtor services may be considered and would come at an additional cost.

#### **Link to Strategic Plan:**

## Strategic Initiative 4.1 - Redevelopment of the former WTP on Old Mill Road

### **Consultations:**

**N/A**

### **Existing Policy:**

- Consolidated By-Law # 7019-95, By-law to Regulate the Sale of Municipally Owned Real Property as amended.
- By-law 10369-2022, a by-law to grant exclusivity to Guy Saumure and Sons Construction Ltd to negotiate a redevelopment plan for the former water treatment plant at 25 Old Mill Road.

### **Attachments:**

**N/A**

### **Notes/Action (space for Council Member's notes):**

Respectfully Submitted:

Julia Crowder,  
Manager, Economic Development & Tourism

Approved for agenda by CAO:

Malcolm Morris, CMO