



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Dwayne Evans, CAO/Clerk
DATE: 04/09/2018
SUBJECT: Tuckersmith Telecommunications Severance Request
ATTACHMENTS: Lease Agreement with Tuckersmith Telecommunications; Lease Agreement with County of Huron

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives the report of the CAO/Clerk, dated September 4, 2018 regarding a possible severance of a 10 metre by 10 metre parcel of land from the north east corner of the Emergency Services Training Centre property;

AND FURTHER, THAT staff be directed to exercise the municipality's consent authority under the Planning Act and take the necessary steps to create a 10 metre by 10 metre parcel of land in the north east corner of the Emergency Services Training Centre property, as illustrated in a site sketch prepared by D. Culbert Ltd, Plan No. G-5068;

AND FURTHER, THAT staff be authorized to take the necessary steps to transfer the newly created parcel to Tuckersmith Telecommunication Co-operative at no cost to Tuckersmith Telecommunications;

AND FURTHER, THAT staff be directed to exercise the termination provisions in the agreement between Tuckersmith Telecommunications Co-operative and the Township of North Huron, dated June 3, 2013 by providing one year's written notice to Tuckersmith Telecommunications regarding the removal of equipment from the Emergency Services Training Centre;

AND FURTHER, THAT staff be directed to notify the County, in writing, of the potential sale of the Emergency Services Training Centre property.

EXECUTIVE SUMMARY

At the August 13, 2018 meeting, Council received a delegation from Tuckersmith Telecommunications regarding a request to sever a small parcel of land from the Emergency Services Training Centre property for the purposes of a utility building. Council directed staff to prepare a report in response to the request.

DISCUSSION

On June 3, 2013, the Township of North Huron entered into a lease agreement with Tuckersmith Telecommunications Co-operative regarding use of the Emergency Services Training Centre for IT service delivery. More specifically, in return for a \$150 monthly credit toward North Huron's account, Tuckersmith Telecommunications was permitted to install fibre and electronic equipment in the furnace room and have a power service entrance at the Emergency Services Training Centre building. The agreement was for a period of 5 years effective July 1, 2013 and continues after the 5 years until either party exercises the termination provisions. The termination notice period is one

year and upon termination, the agreement requires Tuckersmith Telecommunications to remove all their equipment and repair any damages caused to the building by removal of the equipment.

At the time of reviewing and discussing the future of the Emergency Services Training Centre property, staff was unaware of the ramifications of exercising the termination provision of this agreement. As written, the agreement suggests removal of the equipment is a non-issue. This is not the case. The infrastructure investment by Tuckersmith Telecommunications in the Emergency Services Training Centre building is more significant than staff realized. It is suggested the agreement with Tuckersmith Telecommunications does not accurately reflect the permanent nature of Tuckersmith's investment in infrastructure and equipment. As previously stated, the agreement suggests removal of Tuckersmith's **equipment** (emphasis added), is easily done.

When the permanent nature of Tuckersmith's investment became known, staff offered options for Tuckersmith's consideration. The options included, but were not limited to,: (1) entering into a new lease agreement with a potential new owner for use of the furnace room; (2) re-locate the equipment to the Blyth Community Centre; (3) re-locate the equipment to the proposed new fire hall; or (4) enter into an agreement and re-locate the equipment within an existing Blyth business. It was at this point that staff became aware of the permanent nature of the equipment arrangement. Tuckersmith Communications shared with staff the cost to re-locate the existing infrastructure and equipment. Tuckersmith also explained the importance of remaining in very close proximity of the Emergency Services Training Centre building. Re-locating to another municipally-owned property in Blyth or within an existing Blyth business were not options. Tuckersmith proposed the severance of a small parcel of land of the Emergency Services Training property for the construction of a building to house the necessary equipment.

As presented, Tuckersmith is proposing the severance of a 10 metre by 10 metre parcel of land in the north east corner of the Emergency Services Training Centre to accommodate a fibre hub building. Based on the drawing provided, the building will be approximately 4 metres by 4 metres and located in the south west corner of the severed parcel. In consultation with the County Planner, it has been determined that a re-zoning of the severed parcel would be required. Because the property is located in the Municipality of Central Huron, the re-zoning application would be submitted to the Municipality of Central Huron for review and approval. Under authority granted by the Planning Act, the Township of North Huron can grant the severance without going through the consent process. To create the parcel, a survey completed by a registered Ontario Land Surveyor would need to be completed and registered on title. The services of the Township's solicitor would be required to register the parcel on title.

In addition to creating and re-zoning the parcel, access to the parcel would need to be determined. The severed parcel fronts onto a County Road however, because the parcel would be within the urban limits of the Municipality of Central Huron, Central Huron would establish access privileges. Alternatively and as proposed by Tuckersmith Communications, an easement could be registered on title of the Emergency Services Training Centre property which would allow Tuckersmith Communications to access the fibre hub building in the absence of a separate road entrance. If a separate entrance was granted, staff have determined that adequate space exists to allow for the parking of one vehicle.

It is recommended Council direct staff to proceed with the creation and transfer of the severed parcel to Tuckersmith Communications Co-operative at the municipality's expense. The estimated cost for this action is approximately \$2,500. It is important to note the Township's Property Disposal By-law 25-2008 speaks to easements for utility purposes without declaring the property surplus. It is unclear whether this provision extends to the transfer of land for utility purposes. If Council decides to proceed in this direction, staff will consult with the Township's solicitor.

Regarding the required re-zoning application, it is recommended Tuckersmith Telecommunications complete and submit a re-zoning application to the Municipality of Central Huron at their expense. Similarly, it is recommended Tuckersmith Communications obtain the necessary building permit and construct a fibre hub building at their expense. The reason for this recommendation is because the parcel of land and the building will be owned and become part of Tuckersmith's capital facility assets. Further, the parcel is located in the Municipality of Central Huron and it is a best practice for 'developers' to work directly with municipalities when development is proposed.

FINANCIAL IMPACT

As discussed above, the cost to the municipality to create and transfer the proposed parcel of land to Tuckersmith Telecommunications is approximately \$2,500. The cost to re-zone the property is approximately \$1,900. A Municipality of Central Huron building permit for a 172 square foot utility building is approximately \$186.00.

FUTURE CONSIDERATIONS

As per the attached agreement between the Township of North Huron and Tuckersmith Telecommunications Co-operative, it is recommended staff be directed to exercise the termination provision and provide one year's written notice to Tuckersmith Telecommunications regarding removal of equipment from the Emergency Services Training Centre. If a transfer of ownership of the facility was to occur prior to removal of the equipment, the municipality will need to ensure Tuckersmith Telecommunications has 'reasonable access' (language from the lease agreement) to their equipment.

Similarly, there is a lease agreement between the Township of North Huron and the County of Huron regarding use of the Emergency Services Training Centre building as an Ambulance Post. As per the attached, the agreement was signed on October 17, 2011 and remains in effect "until it is terminated by either party with 90 days written notice". North Huron staff met with County staff and have been advised that the County is undertaking a facility accommodation review. County staff have advised vacating the Emergency Services Training Centre building is possible with one month's notice. It is recommended staff be directed to notify the County, in writing, of the potential sale of the Emergency Services Training Centre property.

RELATIONSHIP TO STRATEGIC PLAN

Goal #4-Administration is fiscally responsible and strives for operational excellence.

A handwritten signature in black ink, appearing to read "Dwayne L. Evans". The signature is written in a cursive, flowing style.

Dwayne Evans, CAO