

COMMITTEE AGENDA



TO **Corporate Administration, Finance and Enterprise Committee**

DATE August 12, 2014

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 5:30 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES - July 7, 2014 open and closed meeting minutes

PRESENTATIONS (Items with no accompanying report)

- a) IT Strategy GIS Profile – Mark Amorosi, Executive Director, Corporate & Human Resources
Peter Busatto, General Manager of Water Services
Curtis Hinton & Mathew McLamb, GTG Consultants

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee’s consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
CAFE-2014.34 Enterprise Services –Annual Activity Report <i>(‘Building a City: Guelph Enterprise Services Annual Review’ - under separate cover)</i>	Rob Kerr, Corporate Manager, Community Energy Peter Cartwright, General Manager of Economic Development Ian Panabaker, Corporate Manager, Downtown Renewal Alex Chapman, Program Manager, Community Energy		✓

CAFE-2014.35 200 Beverly Street - IMICO - Redevelopment Update			
CAFE-2014.36 Municipal Development Corporation Business Case Study Update			
CAFE-2014.37 Corporate Asset Management Update			
CAFE-2014.38 2014 Interim Investment Performance Report			
CAFE-2014.39 Outstanding CAFE Committee Motions for the Finance & Enterprise Service Area			
CAFE-2014.40 Outstanding Motions of the Corporate, Administration, Finance & Enterprise Committee			

Resolution to adopt the balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

STAFF UPDATES AND ANNOUNCEMENTS

ADJOURN

NEXT MEETING

**The Corporation of the City of Guelph
Corporate Administration, Finance and Enterprise Committee
Monday July 7, 2014 at 5:30 p.m.**

Draft Minutes – subject to confirmation

Attendance

Members: Chair Hofland Councillor Kovach
Mayor Farbridge Councillor Laidlaw
Councillor Burcher

Councillors: Councillor Bell Councillor Wettstein
Councillor Furfaro Councillor Van Hellemond

Staff: Mr. M. Amorosi, Executive Director, Corporate & Human Resources
Mr. A. Horsman, Executive Director, Finance & Enterprise/Chief Financial Officer
Ms. D. Jaques, General Manager Realty & Legal Services/City Solicitor
Mr. S. Armstrong, General Manager, Emergency Services/Fire Chief
Mr. P. Cartwright, General Manager, Economic Development
Mr. S. O'Brien, City Clerk
Ms. J. Sweeney, Council Committee Coordinator

Call to Order (5:30 p.m.)

Chair Hofland called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Authority to Resolve into a Closed Meeting

1. Moved by Councillor Burcher
Seconded by Mayor Farbridge

That the Corporate Administration, Finance & Enterprise Committee now hold a meeting that is closed to the public with respect to Sec. 239(2) (c) and (f) of the *Municipal Act* with respect to proposed or pending acquisition or disposition of land and advice that is subject to solicitor-client privilege.

CARRIED

Closed Meeting

The following matter was considered:

CAFE-C-2014.3 Advice that is Subject to Solicitor-Client Privilege

Rise from Closed Meeting (5:43 p.m.)

Confirmation of Minutes

2. Moved by Councillor Kovach
Seconded by Mayor Farbridge

That the open meeting minutes of the Corporate Administration, Finance and Enterprise Committee held on June 10, 2014 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Hofland, Kovach and Laidlaw (5)
VOTING AGAINST: (0)

CARRIED

Consent Agenda

The following items were extracted:

CAFE-2014.31 Guelph Police Services Headquarters – Business Case
CAFE-2104.32 Corporate Advertising Policy

Balance of Consent Items

3. Moved by Councillor Laidlaw
Seconded by Mayor Farbridge

That the balance of the Corporate Administration, Finance and Enterprise Committee July 7, 2014 Consent Agenda, as identified below, be adopted:

CAFE-2014.33 Legal Representation Audit – Update on Outstanding Recommendations

1. That the Corporate Administration, Finance and Enterprise Committee receive Report CHR-2014-51 entitled 'Legal Representation Audit – Update on Outstanding Recommendations' dated July 7, 2014, for information.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Hofland, Kovach and Laidlaw (5)
VOTING AGAINST: (0)

CARRIED

Presentation

Ms. Heather Millman presented a petition signed by 3,081 persons requesting removal of the anti-abortion ads from City buses. She further requested that the City exhibit more comprehensive standards about the content of its advertising.

Extracted Items

CAFE-2014.32 Corporate Advertising Policy

Ms. Jakki Jeffs, President of Guelph & Area Right to Life expressed concerns on comments made in the Guelph Mercury. She expressed concern with the proposed policy allowing advertisements to be removed or making it more difficult to have an advertisement campaign.

Ms. Jessica Brandon-Jepp was not present.

Ms. Elizabeth Quintanar spoke in support of the freedom of choice and expressed concern that removing the advertisements is taking away that freedom.

Ms. Emma Brown advised she supports the petition and suggested that people are affected by the advertisements in question and their presence on a City vehicle makes a strong statement.

Ms. Asia Barclay spoke in support of the petition and asked Council to set and maintain a written standard for public advertising and that the present Right to Life advertisements be removed from the buses and reposted advertising only their services.

Mr. Derrick Thomson, Executive Director of Community & Social Services introduced the staff report.

Ms. Donna Jaques, General Manager Legal & Realty Services/City Solicitor, in response to questions, outlined the *Charter of Rights and Freedoms*.

4. Moved by Councillor Kovach
Seconded by Councillor Laidlaw

1. That the Corporate Administration, Finance & Enterprise Committee staff report regarding advertising on city assets #OTES071431, dated July 7, 2014 be received.
2. That staff be directed to create a corporate policy regulating advertisements on city assets consistent with current applicable provincial and federal legislation, and in line with the *Canadian Code of Advertising Standards* as created and administered by Advertising Standards Canada.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Hofland, Kovach and Laidlaw (5)

VOTING AGAINST: (0)

CARRIED

CAFE-2014.31 Guelph Police Services Headquarters – Business Case

Mr. Al Horsman, Executive Director of Finance & Enterprise introduced the report and provided a brief history on 2014 budget discussion and direction relating to the Guelph Police Services Headquarters.

Mr. S. Armstrong, General Manager Emergency Services/Fire Chief advised that discussions are ongoing for opportunities to bring more administrative services together at the Clair Road Emergency Services Centre.

It was requested that the clauses be voted on separately.

5. Moved by Mayor Farbridge
Seconded by Councillor Burcher

1. That the Finance and Enterprise Services report FIN-14-35, entitled "Guelph Police Services Headquarters – Business Case", be received.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Hofland, Kovach and Laidlaw (5)

VOTING AGAINST: (0)

CARRIED

6. Moved by Mayor Farbridge
Seconded by Councillor Burcher

2. That the Guelph Police Services Headquarters project (PS0033) proceed as described in the 2014 Tax Supported Budget at a cost of up to \$34 million.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher and Hofland (3)

VOTING AGAINST: Councillors Kovach and Laidlaw (2)

CARRIED

7. Moved by Mayor Farbridge
Seconded by Councillor Burcher

3. That staff review options respecting consolidation of Emergency Services Communications (police and fire dispatch) in a central location and report back in Q1 2015 regarding a recommended approach for consideration as part of the 2015 Tax Supported Operating and Capital Budgets.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Hofland, Kovach and Laidlaw (5)

VOTING AGAINST: (0)

CARRIED

8. Moved by Mayor Farbridge
Seconded by Councillor Burcher

4. That staff in the Emergency Services Department, Guelph Police Services and Finance and Enterprise Services continue to explore potential savings available through synergies created in joint emergency services operations.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Hofland, Kovach and Laidlaw (5)

VOTING AGAINST: (0)

CARRIED

Recess

The Committee reconvened in a meeting that is closed to the public.

Closed Meeting (6:47 p.m.)

The following matter was considered:

CAFE-C-2014.2 Proposed or Pending Acquisition or Disposition of Land

Rise from Closed Meeting (7:03 p.m.)

Moved by Councillor Laidlaw
Seconded by Councillor Kovach

That the Corporate Administration, Finance and Enterprise Committee rise from its closed meeting.

CARRIED

Open Meeting (7:04 p.m.)

Staff Updates and Announcements

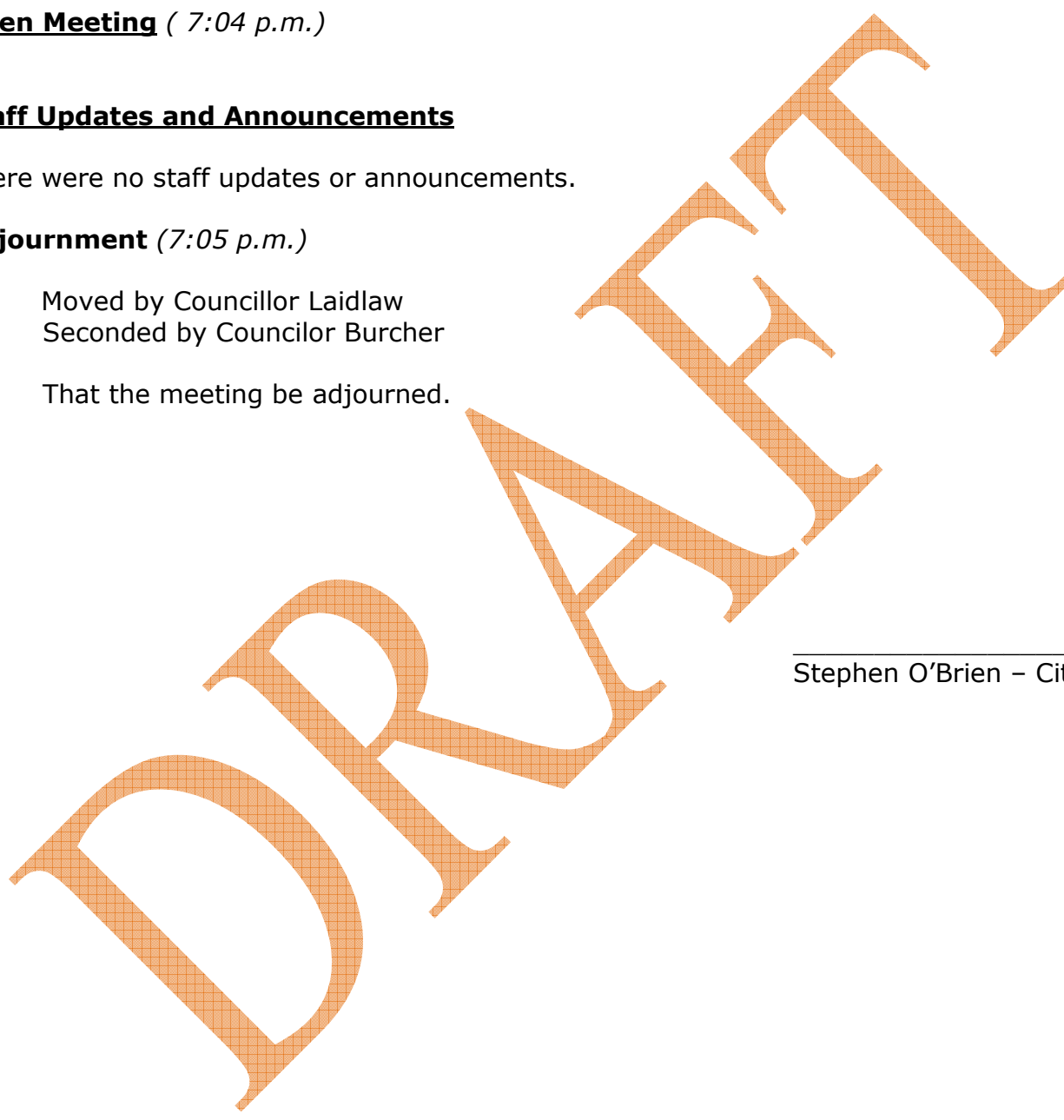
There were no staff updates or announcements.

Adjournment (7:05 p.m.)

7. Moved by Councillor Laidlaw
Seconded by Councilor Burcher

That the meeting be adjourned.

CARRIED



Stephen O'Brien – City Clerk

**CORPORATE ADMINISTRATION, FINANCE & ENTERPRISE COMMITTEE
CONSENT AGENDA**

August 12, 2014

Members of the Corporate Administration, Finance & Enterprise Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee’s consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda will be approved in one resolution.

Reports from Administrative Staff

REPORT	DIRECTION
<p>CAFE-2014.34 ENTERPRISE SERVICES –ANNUAL ACTIVITY REPORT</p> <p>That report number FIN-ED-14-07 titled, ‘<i>Enterprise Services – Annual Activity Report</i>’ be received for information.</p>	<p>Receive</p>
<p>CAFE-2014.35 200 BEVERLY STREET – IMICO - REDEVELOPMENT UPDATE</p> <ol style="list-style-type: none"> 1. That Council receive report # FIN-ED-14-08 titled ‘200 Beverly Street – IMICO – Redevelopment Update’; and 2. That Council direct staff to proceed with the IMICO Phase 2 Marketing Program as described in report FIN-ED-14-08; and 3. That Council approve the transfer of funds in the amount of Forty-Four Thousand, Six Hundred and Ten Dollars (\$44,610.00) from the DC Exempt Reserve Fund Account #156 for the purpose of implementing the IMICO Phase 2 Marketing Program as described in report FIN-ED-14-08; and 4. That Council direct staff to report back to Council on the status of the IMICO Phase 2 Marketing Program as described in report FIN-ED-14-08 by no later than the end of Q1 2015. 	<p>Approve</p>

**CAFE-2014.36 MUNICIPAL DEVELOPMENT CORPORATION
BUSINESS CASE STUDY UPDATE** Approve

1. That Council receive report # FIN-ED-14-09 titled 'Municipal Development Corporation Business Case Study Update'; and
2. That Council approve the business case study attached to Report FIN-ED-14-09; and
3. That Council directs staff to incorporate a municipal development corporation, as described in report # FIN-ED-14-09, with the first director of the corporation to be Barry Chuddy, CEO of GMHI.

CAFE-2014.37 CORPORATE ASSET MANAGEMENT UPDATE Receive

That FIN-14-36 Corporate Asset Management Update report, be received.

**CAFE-2014.38 2014 INTERIM INVESTMENT PERFORMANCE
REPORT** Receive

That report FIN-14-34 2014 Interim Investment Performance Report, be received.

**CAFE-2014.39 OUTSTANDING CAFE COMMITTEE MOTIONS FOR
THE FINANCE & ENTERPRISE SERVICE AREA** Receive

That report FIN-14-37 dated August 12, 2014 regarding outstanding motions of the Corporate Administration, Finance & Enterprise Committee, be received.

**CAFE-2014.40 OUTSTANDING MOTIONS OF THE CORPORATE,
ADMINISTRATION, FINANCE & ENTERPRISE
COMMITTEE** Receive

That the report dated August 12, 2014, regarding outstanding motions of the Corporate, Administration, Finance & Enterprise Committee, be received.

attach.

BUILDING A CITY

Guelph Enterprise Services
Annual Review



ENTERPRISE SERVICES:

A COLLABORATIVE APPROACH TO BUSINESS SERVICE

It's about collaboration. We're bringing people together within the hub of Enterprise Services to put ideas into action.

The mission of Enterprise Services is to grow Guelph's economic base by effectively leveraging municipal assets and services in innovative ways while making full use of partnerships, alternate delivery models and performance measurements.

We're on a fresh and evolving playing field, with a once-in-a-generation opportunity to shape Guelph's future.



BUILDING INVESTMENT

A PARTNER IN THE PROCESS



Enterprise Services partners with provincial consortiums to meet with companies who are looking to expand in to the North American market. In 2013 Guelph attended meetings in Germany, France and the U.S.A.

FDI

The Guelph Foreign Direct Investment (FDI) Attraction and Retention Strategy and Action Plan created by Enterprise Services, will help Guelph focus its FDI activities and promote the city as **“the gateway to the North American market.”**



In 2013 Enterprise Services hosted delegates from Brazil, U.S.A., China, England, Germany, India, Japan, Mexico and the Netherlands.

Guelph was ranked 5th in the Americas for economic potential of a small city.

- FDI magazine, 2012

“It’s comforting to have a municipal partner in business that you can trust to facilitate a development of this magnitude. Enterprise Services assisted us through the development process and has connected us with this community through both infrastructure and new relationships. We are proud of what we are building in Guelph.”

Ernie Sweeney, President, Würth Canada



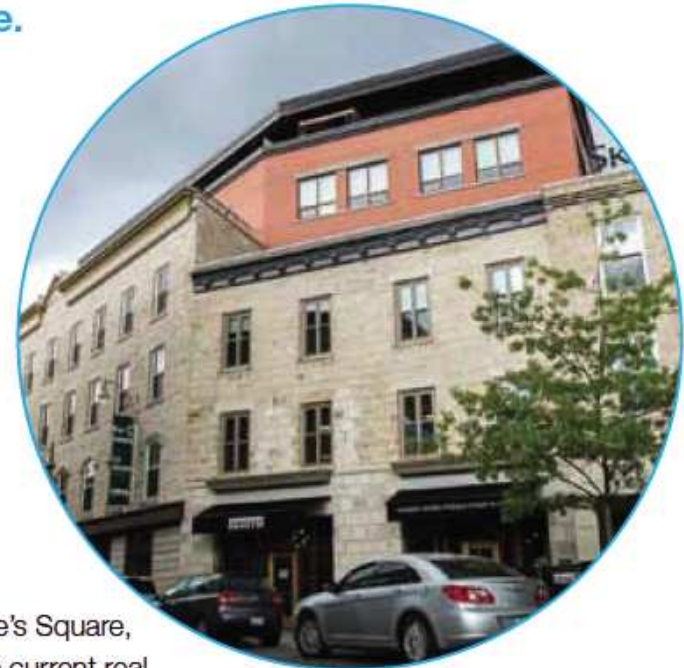
BUILDING INFRASTRUCTURE

SETTING FOUNDATIONS FOR THE FUTURE


Investing in infrastructure is an investment in Guelph's future.



15x



After the restoration and redevelopment of the historic Gummer building in St. George's Square, the City of Guelph was able to collect roughly 15 x the tax levy without expanding the current real estate footprint. This makes the Gummer building the second most valuable building in the city in terms of taxes per hectare.



At today's prices, Guelph's bill for electricity, natural gas and transportation fuels is approaching \$500 million annually. By 2031, the Community Energy Initiative will keep the majority of those dollars in Guelph by making much of the distribution infrastructure local. guelph.ca/energy.

\$500M

BUILDING AN ICONIC DOWNTOWN

Downtown Guelph is primed and ready for continued investment.

Renewal of Guelph's downtown increases the value of the city's pre-existing cultural and structural assets, converting underperforming properties, into higher value mixed use sites. This strengthening of the city's core is vital to maintaining smart long-range growth across the city.

In 2013 the Downtown Guelph Strategic Assessment was completed, an important first step in gauging where to focus investment efforts in the core. This document provides an in-depth analysis of downtown Guelph's existing programming, ground floor customer base and commercial clusters. Now more than ever, Enterprise Services is equipped to better match business with opportunities that will grow our downtown community.

Done right, city building benefits everyone.



BUILDING RELATIONSHIPS

GROWING GUELPH

36

In its first few months the Grow Guelph BR+E program assisted and supported 36 local businesses.



In 2013 local companies could be found under the *Grow Guelph pavilion at the Canadian Restaurant and Foodservice show, Ontario Centres of Excellence Discovery show and the Canadian Manufacturing Technology Show.*

\$1.4M

The 4th annual Downtown CIP Grants Program assisted local businesses with 16 projects, a total construction value of \$1.4 million. Projects included facade improvements, minor activation projects, and feasibility studies.

Our existing businesses remain our greatest advocates and partners. When our partners are successful, the entire community benefits.

Hitachi's expansion, completed in 2013, was the **largest FDI project in Ontario** in terms of job creation.

Enterprise Services helped with a large volume of background approvals and processes to facilitate the project's timely completion.



CAPACITY BUILDING

BRINGING IT ALL TOGETHER

Guelph is projected to grow to 175,000 people by 2031.

The community-led decision not to expand beyond our current city boundaries means that new housing and employment needs to be managed within our existing footprint.

Every aspect of city building contributes to the city's capacity to manage growth.



Providing service to site selectors is key to promoting what real estate opportunities Guelph has to offer. For that reason Enterprise Services created an online directory for available land and space in Guelph at guelph.ca/realestate.



Getting a finger on the pulse, Enterprise Services completed a sector analysis to gain a better understanding of the composition of Guelph's identified growth sectors in terms of employment, wages and growth trends.



Not just a business park, this site acts as a platform from which many of Guelph's growth initiatives are supported.

BUILDING PROSPERITY

PROGRESS AND PARTNERSHIPS

Guiding Enterprise Services is Prosperity 2020, the strategic directions document for economic development in the City of Guelph. Working together with partners to sustain and enhance Guelph's position as a competitive and prosperous city for private and public sector investment over the coming decade to 2020.

But Enterprise Services can't do it alone, only by partnering with over 100 different public and private partners can we achieve Guelph's vision of being an economically viable, resilient, diverse and attractive city.





Invest in Guelph is an initiative of the City of Guelph to position and promote Guelph Ontario as an investment ready and responsive community. For more information on the services offered by Guelph Enterprise Services please visit:

guelph.ca/biz

STAFF REPORT



TO Corporate, Administrative, Finance and Enterprise Committee

SERVICE AREA Enterprise Services

DATE August 12, 2014

SUBJECT Enterprise Services – Annual Activity Report

REPORT NUMBER FIN-ED-14-07

EXECUTIVE SUMMARY

PURPOSE OF REPORT

Enterprise Services is pleased to present to its Annual Activity Report for the period of mid-2013 to mid-2014. The report summarizes the integrated 'City Building' activities of the Economic Development, Downtown Renewal and Corporate Energy offices. The report also serves to provide an overview of planned activities for the period mid-2014 to mid-2015.

The intent of the attached document is to also further promote the "*Guelph Advantage*" to prospective business investors considering Guelph as a place to locate or expand, and the facilitation roles and services provided by Enterprise Services. Enterprise Services therefore encourages members of Council to share this information with their constituents and business contacts.

KEY FINDINGS

Given the complex and multi-year nature of the 'City Building' projects and programs entrusted to Enterprise Services, this year's report differs from those of previous years. This year's report, provided in **Attachment # 1**, describes the on-going and ever evolving story of Enterprise Services, supplemented with examples of major accomplishments achieved during the period of mid-2013 to mid-2014. Key findings provided in this report include 'City Building' activities and results relating to:

- Foreign Direct Investment (FDI)
- Business Retention and Expansion (BRE)
- Building Capacity
- Partnerships
- Community Energy
- Downtown Renewal

FINANCIAL IMPLICATIONS

The 2013 – 2014 operational and program activities that are described in this report have been funded by Guelph City Council through its annual budget

STAFF REPORT

process. Where possible these funds have been used to leverage additional funds for specific initiatives.

Any new activities that have been highlighted for the period 2015 will be subject for review and consideration through the 2015 budget approval process.

ACTION REQUIRED

This report is being presented for information, and is to be received by the Corporate, Administrative, Finance and Enterprise Committee.

RECOMMENDATION

That report number FIN-ED-14-07, titled '*Enterprise Services - Annual Activity Report*' be received for information.

BACKGROUND

In early 2012 Finance and Enterprise Services was established for the purpose of better integrating the City's financial management and planning functions through an "enterprise" focused approach to program delivery. The intended results were to establish alternate and innovative approaches to municipal financial planning, management, budgeting and revenue generating practices and processes.

Vision Statement

"To grow the City's economic base through innovative approaches in developing and delivering municipal initiatives and services. Such approaches will consider alternate delivery models, partnerships, as well as performance measurements. The main operating principle of Enterprise Services is to grow Guelph's economic base through the effective positioning of municipal assets and services."

Mission Statement

"To create an environment that attracts and supports business investment; fosters collaboration and partnerships among stakeholders; and leverages local, regional and national assets to create sustainable 'City Building' opportunities for Guelph."

Enterprise Services conducts its activities within a framework of various strategic documents and directions that have been approved by Guelph City Council.

It is within this background and framework that Enterprise Services is pleased to provide the following report.

REPORT

The information provided in this section of the staff report augments the information provided in **Attachment #1**.

The City of Guelph's 2012-2016 Corporate Strategic Plan identifies the need for Guelph to be "economically viable, resilient and attractive for business".

In order to achieve this objective, the local environment and culture needs to be responsive to evolving and ever changing economic and social conditions. Enterprise Services plays a significant role in achieving this objective through the creation, delivery and management of the "**Guelph Advantage**" and the "**Invest in Guelph**" brand.

- o **Foreign Direct Investment (FDI):** In 2013 the City developed a multi-year FDI strategy which is being implemented through the City's participation in partnership with other Ontario municipalities. A copy of this strategy can be found at <http://guelph.ca/wp-content/uploads/GuelphFDIAttractionRetentionStrategyActionPlan.pdf>.

Throughout 2013 and 2014 Enterprise Services City hosted in-coming FDI delegations from Europe, Asia, South America and the United States. Progress was also made in hosting twelve Canadian foreign affairs and trade commission offices as well as the Consul General's office for the Netherlands.

A key strategy in the development of the Community Energy Plan was to benchmark the plan's goals and objectives to those achieved in Europe. As the Plan move to implementation through the CEI, this benchmarking process continued with the Transatlantic Urban Climate Dialogue (TUCD) – an exchange between two regions in North America and two regions in Germany. This has exposed Guelph to municipal best practice in community energy planning as well as providers of products and services supporting a well-developed market in the community energy space. Through the TUCD, The City has developed the strategic the Strategic Implementation Network (SIN) designed to build relationships with companies outside of the region that not only provide support for the development of projects in support of the CEI but to promote the concept of Guelph as the doorway to a changing and growing market in the area of community energy innovation. Guelph's reputation as a leader in the area of community energy planning has proven to be a valuable selling point. To date, four foreign companies have commitment to establish an early business presence in Guelph to begin a strategic process of serving the North American marketplace.

For the period 2014 – 2015 Enterprise Services will be working with the Consult General's office for the Netherlands to explore in-coming and out-going trade mission opportunities which will target potential new investment from the agri-food and environmental technology sectors. The City will also

STAFF REPORT



continue to be involved in two Pan-regional FDI marketing consortiums that target the Clean-tech, Advanced Manufacturing and Agri-tech sectors.

- **Business Retention and Expansion (BRE):** Late 2013 marked the launch of the City's BRE program, which included interviewing approximately 80 local businesses and industries. Interviews were concluded in early 2014 and a final report and action plan to address matters that were identified through this process will be made available later this summer. This information is currently being assessed, and a final summary report will be made available on the City's Economic Development web-site.

The objectives of the interviews include providing business assistance outreach services, better understanding the local business needs, and where beneficial invite businesses to attend trade shows as part of a Guelph consortium.

Staff also conducted post-site plan approvals audits with select businesses to continue to improve Guelph's planning approval processes.

The Community Energy Initiative has played a pivotal role in retaining and expanding business in Guelph. Two key examples have been Canadian Solar Solutions Inc. (CSSI) and Polycon Industries:

- CSSI has originally chosen Guelph to locate its manufacturing plant in Guelph largely due to the overall strategy of the CEI and demonstrated partnerships among local stakeholders particularly Guelph Hydro. Since that time Canadian Solar has developed partnerships with a number of local solar installers and contractors. In addition, Canadian Solar has recently opened its Microgrid Testing Centre, with support from the Province of Ontario. The city played a supporting role in advocating to the Province for this facility. CSSI has originally targeted 400 jobs for its Guelph plant. It has recently exceeded 500 jobs.
- Polycon Industries is one of Guelph's largest energy users. Energy costs and energy inflation are an ongoing challenge to this industry. Polycon has recently installed 8 MW of generation capacity on its site to ensure reliable energy supply and to control rising prices. The City played a major role in supporting the provincial process involved in confirming this project. Ontario Minister Bob Chiarelli acknowledged the City's role as Guelph the "poster child for municipal energy planning" in the province.

The results of these initiatives will greatly inform the BRE work plan for the period of 2014 – 2015. At the time of preparing this report next year's program will focus on:

1. Continuing to provide input into the City's Integrated Operational Review activities, specifically with respect to improvements to Guelph's approval processes, as well as providing improved communications and awareness of proposed new development activities;

2. Developing Trade Events that will support the needs of local business sectors;
 3. Promoting energy/water efficiency programs to current businesses;
 4. Providing input into local workforce attraction efforts;
 5. Holding workshops and programs which will better inform local businesses of Provincial/Federal funding programs, or marketing opportunities;
 6. Conduct an assessment of the local supply chain for the agri-tech, environmental and advanced manufacturing sectors;
 7. Develop and provide for business sector/city hall liaison opportunities, including possible opportunities for local elected officials.
- o **Building Capacity:** Enterprise Services plays a number of roles to help build the local capacity that is required to attract new investment to the City.

Enterprise Services continued to be directly involved in managing property development matters relating to the Hanlon Creek Business Park, IMICO, and Baker Street. The department significantly contributed and facilitated with private sector investment relating to a variety of downtown properties.

The Community Energy Initiative is playing a growing role in building the capacity to attract new investment to the City. Of particular focus in the last two years has been the ongoing development of the thermal strategies of the CEI in the form of District Energy. The provision of competitive and stably priced thermal energy services (i.e. – heating and cooling) has been very attractive to a number of investors. In addition, District Energy negates the need for on-site heating and cooling equipment thus avoiding significant capital costs. Currently, there are three district energy “nodes” in early operation – Sleeman Centre, West End Community Centre and the Hanlon Creek Business Park. All of these projects have been developed under the leadership of Envida Community Energy Inc. Two city facilities are connected to these nodes at this time – Sleeman Centre and WECC. Several private sector firms are also connect with a number of additional prospects in negotiations.

Potential activities for the period of 2014 – 2015 include:

1. The further identification and assessment of municipal stranded real estate assets;
2. The continued planning, positioning and management of such projects as the IMICO, Hanlon Creek Business Park (HCBP), and Baker Street projects;
3. Working with the Province of Ontario, and where appropriate other property owners to position the Guelph Innovation District (GID) for development;
4. Continue to work with Envida to implement its district energy plans in the HCBP, Downtown as well as within the GID.

- **Partnerships:** Where possible, Enterprise Services leverages funding and resources with a wide range of local, regional, provincial and national partners. In total we have partnered with over 100 different public and private organizations.

An excellent example of such partnerships is Connect Guelph/Wellington, which was established by Enterprise Services in 2012 and continues to work together to deliver projects and programs that were identified by Prosperity 2020. Connect Guelph/Wellington includes members from local and regional economic development programs. Its objective is to better coordinate and align programs, and where possible leverage resources. During the time period of this report key achievements include the creation of an economic development portal (<http://www.connectguelph.ca>).

Through a partnership with the Guelph Chamber of Commerce a Guelph based industrial, commercial and institutional real estate search engine was also activated. (<http://guelph.ca/realestate>)

Partnerships have not only driven support for the ongoing implementation of the CEI but have created important conduits for attracting development and investment to Guelph, as described above. There are three key partnerships that provide a profile for Guelph and support our message of the investment advantage provided by the CEI:

- **Transatlantic Urban Climate Dialogue (TUCD)** – The TUCD provides an ongoing venue for benchmarking best practices in implementing programs such as the CEI against European cities. Also, the TUCD provides a more direct connection to private sector firms providing products and services to the markets being driven by municipal energy planning. To date four companies have made initial commitments to locate their North American operations in Guelph.
- **Federation of Canadian Municipalities (FCM)** – Through their various Sustainable Communities activities, FCM provides a powerful venue for showcasing and promoting Guelph as well as garnering support for specific projects through the Green Municipal Funds. In 2013 the City was notified for winning the 2014 Sustainable Community Awards for the CEI.
- **Quality Urban Energy Systems of Tomorrow (QUEST)** – QUEST is in its 8th year of operations. The City was a founding member of QUEST and continues to benefit greatly from the growing community of practice in community energy planning. QUEST is also a very effective advocate for municipalities in acquiring policy and program support from other levels of government.

For the period of 2014 – 2015 Enterprise Services intends to expand these partnerships to include new international focused programs.

STAFF REPORT



- **Corporate Energy Management:** Under the strategic direction of the Corporate Energy Management Plan (CEMP) a number of key outcomes have been achieved through the leadership of the Community Energy office:
 - Capital energy retrofit projects as described in the CEMP for the City's Transit facility as well as the 45/50 Municipal street facility. These projects were implemented with the support and cooperation of Corporate Building Maintenance.
 - Final actuals for energy compared to the aggregated corporate energy budget for electricity and natural gas in 2013 showed a \$690K positive variance.
 - The Corporate Energy team continues to focus on building the corporation's capacity to manage its energy use. 2013 saw considerable focus on continuing to develop systems and processes to manage and report on the energy data supplied by over several hundred natural gas and electricity meters. Also, the manager of corporate energy received his Certified Energy Manager accreditation in early 2014.
 - Two city facilities, West End Community Centre and the Sleeman Centre became the first customers of district energy.
 - Six city facilities became hosts for solar photovoltaic installations under the Ontario Power Authority's Feed-In-Tariff program – Fire HQ, Fire Hall 3, Fire Hall 5 45 Municipal St., River Run Centre and the Speedvale Ave. water tower.
- **Downtown Renewal:** Specific to continuing the implementation of the Downtown Secondary Plan and the Prosperity 2020 directive to "Target Icon Status for Downtown Guelph" the following has been achieved over the report period:
 - Approvals or applications in queue for over 1,000 housing units in the downtown
 - Zoning approval for 150 Wellington East (Marsh Tire)
 - Downtown CIP and Brownfield CIP recommendations supporting 150 Wellington East and 5 Arthur Street
 - Supporting the Downtown Streetscape and Built Form Standards update process – recommendation coming forward in August 2014
 - Institutional Partnership development for Baker Street, Including Guelph Public Library, Conestoga College, University of Guelph, YMCA and Innovation Guelph.
 - Support to Intergovernmental Affairs/CAO Office on GO/Metrolinx Advocacy for increased rail investments and service: 'The Information SuperCluster' business case.

STAFF REPORT

(http://www.kitchener.ca/en/businesskitchener/resources/ED_GO_Train_Business_Case.pdf)

- Introduction of Downtown Strategic Assessment to inform strategic thinking for increasing Downtown economy
- Support for Urban Design Summit (Winter 2014) – including development of Urban3’s Tax-Density model of Guelph and presentations by Joe Minicozzi.

Potential activities for Downtown Renewal in 2014-15 are focussed on Rail Corridor investments, Baker Street development, maintaining residential and business investment momentum, concluding the enterprise analysis of the parking system to enable system and investment decisions in 2015.

CORPORATE STRATEGIC PLAN (CSP)

This initiative touches in whole, or in part on all of the CSP’s objectives.

1. Organizational Excellence

- 1.1 Engage employees through excellence in leadership
- 1.2 Develop collaborative work team and apply whole systems thinking to deliver creative solutions
- 1.3 Build robust systems, structures and frameworks aligned to strategy

2. Innovation in Local Government

- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability
- 2.2 Deliver Public Service better
- 2.3 Ensure accountability, transparency and engagement

3. City Building

- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City
- 3.2 Be economically viable, resilient, diverse and attractive for business
- 3.3 Strengthen citizen and stakeholder engagement and communications

DEPARTMENTAL CONSULTATION

N/A

FINANCIAL IMPLICATIONS

N/A

STAFF REPORT



COMMUNICATIONS

Upon Council's receipt of the Annual Report provided in Attachment #1, it is staff's intention to distribute copies to our strategic partners.

Staff welcomes the opportunity to provide copies to the members of Council for their use and distribution to constituents and business contacts.

ATTACHMENTS

Attachment 1 – Building a City – Guelph Enterprise Services Annual Review (This brochure is available upon request from the Economic Development Department)

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STAFF REPORT



TO Corporate, Administrative, Finance & Enterprise Committee

SERVICE AREA Enterprise Services

DATE August 12, 2014

SUBJECT 200 Beverly Street – IMICO – Redevelopment Update

REPORT NUMBER FIN-ED-14-08

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The purpose of this report (FIN-ED-14-08) is to:

1. Provide Council with an update on the status of this initiative;
2. Seek Council's direction with respect to implementing the marketing program proposed by CBRE; and
3. Obtain Council's approval to re-allocate funds for the purpose to implement the marketing program proposed by CBRE.

KEY FINDINGS

Based on the work conducted to date by CBRE, its consulting team and the unsolicited inquiries received from potential private investors, it is staff's opinion that the property has significant development potential and market interest.

CBRE's team has provided the following key market findings:

1. Development concepts prepared suggest an approach which may result in lower remediation costs and higher land valuation than originally contemplated. Information about the concepts and their respective elements are described further in this report.
2. The preliminary market assessment conducted by CBRE suggests there is a strong emerging market for new medium density rental residential development within the Guelph market place.
3. CBRE's involvement in other projects throughout the region indicates a growing involvement by GTA and Hamilton based investors in residential rental projects, including brownfield projects.
4. CBRE is aware of potential investors that may be interested in responding to the Request for Submission (RFS) phase of the marketing program.
5. The experience gained through the RFS process will assist with the creation of a Corporate Strategic Asset Real Estate Reserve Policy which may be applied to other stranded real estate assets.

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FINANCIAL IMPLICATIONS

To date Council has approved the reallocation of funds from Reserve Account # 357 (\$20,000) and Reserve Account # 156 (\$55,000) for the purpose of retaining CBRE and its team to conduct the due diligence and pre-marketing activities for the property. While funds are still available to conclude this work, it is anticipated that the property will be ready to market this fall, which will trigger the second phase of CBRE's contract.

Phase two includes developing and implementing a process to solicit "Request for Submissions" from prospective parties, evaluating submissions, and if successful entering into an Offering Memorandum with a preferred party. The cost to do this work is Forty-Four Thousand, Six Hundred and Ten Dollars (\$44,610.00). It is proposed that further funds be re-allocated from the DC Exempt Reserve Fund Account # 156.

ACTION REQUIRED

While the main objective of this initiative is to implement a process which will result in the redevelopment and repurposing of this municipally owned stranded real estate asset, the process will also be used to influence a corporate wide approach to dealing with other stranded real estate assets. Therefore the actions that are required of Council to support both initiatives are:

1. To receive report FIN-ED-08;
2. To direct staff to proceed with Phase 2 of the marketing program; and
3. To provide the necessary financial resources to implement Phase 2 of this initiative.

RECOMMENDATION

THAT Council receive report # FIN-ED-14-08 titled '200 Beverly Street - IMICO - Redevelopment Update'; and

THAT Council direct staff to proceed with the IMICO Phase 2 Marketing Program as described in report FIN-ED-14-08; and

THAT Council approve the transfer of funds in the amount of Forty-Four Thousand, Six Hundred and Ten Dollars (\$44,610.00) from the DC Exempt Reserve Fund Account # 156 for the purpose of implementing the IMICO Phase 2 Marketing Program as described in report FIN-ED-14-08; and

THAT Council direct staff to report back to Council on the status of the IMICO Phase 2 Marketing Program as described in report FIN-ED-14-08 by no later than the end of Q1 2015.

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BACKGROUND

To provide further context to this report the following background is provided.

At its meeting of September 16, 2013 Council passed the following resolutions in response to Report FIN-ED-13-05.

***That** Council receive report FIN-ED-13-05; and*

***That** Council direct staff to proceed with the process to attract an investor that will acquire and redevelop 200 Beverly Street as described in report FIN-ED-13-05; and*

***That** Council direct staff to report back at the key milestones outlined in report FIN-ED-13-05 regarding the status of the process to attract an investor that will acquire and redevelop 200 Beverly Street.*

At its subsequent meeting of April 14, 2014 Council passed the following resolutions in response to Report FIN-ED-14-04.

***That** Guelph City Council receive report FIN-ED-14-04; and*

***That** Council approve the re-allocation of funds, in the total amount of \$75,000 from the Brownfield Capital Reserve Account # 357 in the amount of \$20,000 and the DC Exempt Reserve Account # 156 in the amount of \$55,000 for the purpose of contracting real estate advisory services for the IMICO property as described in report FIN-ED-14-04.*

REPORT

As mentioned elsewhere in this report, the real estate consulting/brokerage firm CBRE has been retained to implement a multi-phased "Modified Tender Process" for 200 Beverly Street. In summary the process is structured as follows:

- Phase 1 – Due Diligence and Pre-Marketing (Currently underway and substantially complete);
- Phase 2 – Request for Submission (RFS) & Offering Memorandum (Next Phase – To be conducted throughout the fall of 2014);
- Phase 3 – Evaluation of Submissions (To be conducted throughout the fall of 2014 and the results provided to Council in Q1 2015);
- Phase 4 – Negotiations (Q1 – 2015)

This report focuses on the Phase 1 results achieved to date.

In conducting its due diligence and pre-marketing activities CBRE's team has given due consideration to the following resolutions passed by Council.

STAFF REPORT

At its meeting of April 18, 2004, Council passed the following resolution:

***That** the identified uses for the former IMICO site at 200 Beverley Street include any of: (a) Community Use as a Single Use; (b) Community, Medium Density Residential and Commercial Uses; (c) Railway Use; or (d) Community and Government Uses.*

On June 19, 2006, Council passed a further resolution as follows:

***That** approximately 3 to 4 acres of the 200 Beverley Street property, with access to Stevenson Street, be dedicated for park purposes in the final redevelopment scheme for the site.*

As part of the due diligence, staff gave direction to CBRE to prepare development concepts which not only considers Council's 2004 and 2006 resolutions, but also considered development approaches which would hopefully result in reduced remediation costs, increased land valuation, and be responsive to emerging market demands and potential financial returns for an investor.

The concepts that have been prepared by CBRE's team are found in **Attachments 1 and 2**. They only serve as a guide to determine the potential economic potential of the property and will serve as a guide to further prepare RFS packages for the marketplace.

The concepts have been circulated to Planning, Engineering, Building and Parks Services for further input and comments which will assist in developing the RFS package. The concepts are not intended to imply in any sense a pre-approval of the development of the property.

The RFS process will incorporate a more detailed assessment by staff of planning, engineering and other development matters. It is also contemplated that the RFS evaluation process will provide for public communications and consultation.

In preparing these preliminary concepts the following information was considered by CBRE and its team.

- **Interim Market Findings (Summary)** – Using the 2011 *Market Update & Options for Redevelopment – 200 Beverley Street (IMICO site)* that was prepared by N. Barry Lyon Consultants Limited as a baseline, CBRE has conducted an interim assessment of market conditions. This assessment has been based on:
 - The current and emerging real estate development activity throughout the Region of Waterloo;

- The demonstrated increase in investment activity and interest in the local and regional market place for this type of product from the Greater Toronto and the Hamilton market areas; and
- An assessment of the current and planned inventory within the Guelph market place.

In summary, CBRE has offered an opinion that there is a strong emerging market, latent demand, and potential investment interest for new medium density rental residential units within the Guelph market place.

Staff agree that this product may be desirable with young professionals that are not yet at the stage to afford home ownership as well as the mature market segment that may wish to realize equity accrued in their current residences through the “right sizing” of their residential needs.

- **Proposed Land Use Mix** – As provided in the attached concepts, CBRE is proposing the optimum mixture of land uses for the property are:
 - Medium density rental residential buildings ranging in height from 3 to 5 stories.
 - The potential number of units would be in order of 490 units.
 - The projected resulting net density would be in the range of 38 units per acre, and the gross density may range between 49 to 52 units per acre.
 - All residential units would be constructed from the second floor and above.
 - The residential parking requirements, estimated to be between 458 and 498 would be located on the first level.
 - Other non-residential uses, including scaled commercial and community related uses would be provided on the first level of select buildings.

Attachment # 3 provides land use schedules for each concept.

- **Re-development Approach** – In order to manage potential remediation costs CBRE’s team has proposed the following:
 - Restricting the first floor use for a combination of resident parking, commercial and/or community purposes, and building construction. These uses will also be restricted to those areas of the property with the lowest environmental contamination. It is the recommendation of CBRE and its team that the combination of these two principles would result in lower remediation cost.
 - Public open spaces would be developed within those areas of the property that currently have the highest contamination. This land would be remediated to public use standards, and the resulting cost is

STAFF REPORT

projected to be far less than would be the case for residential, commercial or community building purposes.

- **Urban Design** – CBRE has conducted research of similar development projects to determine the level of urban design that is being developed.

Attachment # 4 provides visual examples of the built form envisaged for this property. Based on these examples, urban design principles are to be developed by CBRE’s team, with input from Planning Services for the purpose of the RFS process.

- **Assessment of Land Valuation** – Previous reports conducted for the property have suggested that the level of contamination exceeds the real estate value of the property.

Conestoga Rovers & Associates (CRA) has conducted a preliminary Environmental Scope of Work that is related to the re-development approach described in this report. It is CRA’s opinion this approach to remediate the property to acceptable Ministry of Environment (MOE) standards and to obtain a Record of Site Condition (RSC) may be substantially less than previously indicated.

CRA has stated that the re-development approach that is recommended would allow for proposed residential use while appropriately minimizing the scope, timing and cost for remediation by the development of site-specific remediation standards that are approved by the MOE. From an investment perspective, the ability to achieve this will serve to better provide certainty for potential investors, and potentially increase to land valuation.

CBRE has conducted a preliminary market assessment which includes data obtained from documents received from local appraisers, land titles, and the Kitchener-Waterloo Real Estate Board. CBRE also used market intelligence through its national operations.

Using the Direct Comparison Approach to property valuation, and considering site remediation work provided by CRA, it appears that based on the recommended approach to re-develop the property, a more positive property valuation than originally contemplated may be possible.

In order to proceed to market staff is seeking direction from Council with respect to the development approach described in this report.

In addition, should Council provide direction and approval of the re-allocation of funds to proceed further with this initiative staff is proposing to finalize phase 1 by the end of September, and implement the RFS Phase this fall. It is anticipated that

STAFF REPORT



the results of the RFS process would be presented to Council in early Q1 2015 for further consideration and direction.

CORPORATE STRATEGIC PLAN (CSP)

- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City
- 3.2 Be economically viable, resilient, diverse and attractive for business
- 3.3 Strengthen citizen and stakeholder engagement and communications

DEPARTMENTAL CONSULTATION

- Planning Services
- Realty and Legal Services
- Engineering Services
- Finance Services

FINANCIAL IMPLICATIONS

Phase two includes developing and implementing a Request for Submissions from prospective parties, evaluating submissions, and if successful entering into an Offering Memorandum with a preferred party. The cost to do this work is Forty-Four Thousand, Six Hundred and Ten Dollars (\$44,610.00), and it is proposed that funds be re-allocated from the DC Exempt Reserve Fund Account # 156. Future costs will be identified and budgeted for through the City's 2015 budget process.

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COMMUNICATIONS

It is staff's intention that details regarding the implementation and the status of the RFS process and will be made publically available on the City of Guelph's Economic Development web site.

ATTACHMENTS

Attachment 1 – Preliminary Land Use Development Concept Option 1

Attachment 2 – Preliminary Land Use Development Concept Option 2

Attachment 3 – Land Use Schedules for Land Use Concept Options 1 & 2

Attachment 4 – Urban Design Examples

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Attachment 1

Preliminary Land Use Development Concept Option 1



Attachment 2 Preliminary Land Use Development Concept Option 2



Attachment 3 Land Use Schedules for Land Use Concept Options 1 & 2

IMICO SITE GUELPH RESIDENTIAL UNIT AND PARKING COUNT | DENSITY CALCULATIONS

July 15, 2014 / File 1379 'B'

OPTION 1

Apartment Building	Height in Storeys	Ground Floor Area in Non-Residential Use	No. of Units	No. of Parking Spaces
1	3		32	
2	4		54	
3	5	1.155m ² (12,432ft ²)	64	
SUBTOTAL			150	157
4	5		72	
5	5		72	
SUBTOTAL			144	151
6	4	861M ² (9,267ft ²)	36	
7	5		72	
SUBTOTAL			108	99
8	4	1,302m ² (14,015ft ²)	54	
SUBTOTAL			54	51
APARTMENT TOTAL		3,318m² (35,715ft²)	456	458
NO. OF TOWNHOMES			36	
TOTAL NO. UNITS			492	

OPTION 2

Apartment Building	Height in Storeys	Ground Floor Area in Non-Residential Use	No. of Units	No. of Parking Spaces
1	3		32	
2	4		54	
3	5	1.155m ² (12,432ft ²)	64	
SUBTOTAL			150	157
4	4		54	
5	4		54	
6	6		72	
SUBTOTAL			180	191
7	4	861M ² (9,267ft ²)	36	
8	5		72	
SUBTOTAL			108	99
9	4	1,302m ² (14,015ft ²)	54	
SUBTOTAL			54	51
APARTMENT TOTAL		3,318m² (35,715ft²)	492	498
TOTAL NO. UNITS			492	

DENSITY

Option	No. of Units	Total Site Area Acres	Gross Density	Site Area Minus Linear Walk & Park	Net Density
1	492	12.99 ac	38 u.p.a.	10.05 ac	49.0 u.p.a.
2	492	12.99 ac	38 u.p.a.	9.53 ac	51.6 u.p.a.

Attachment 4 Urban Design Examples

VICTORIA COMMON, KITCHENER Mid Rise (4-12 Storey) and Townhouse Development



MIDRISE WITH ONE LEVEL AT-GRADE PARKING

University Avenue and Westmount, Waterloo



STAFF REPORT



TO Corporate, Administrative, Finance and Enterprise Committee

SERVICE AREA Enterprise Services

DATE August 12, 2014

SUBJECT Municipal Development Corporation Business Case Study Update

REPORT NUMBER FIN-ED-14-09

EXECUTIVE SUMMARY

In an effort to strengthen corporate governance practices regarding the management of current and future City-owned assets and further contribute to community well-being, in August 2011 the City of Guelph established the Guelph Municipal Holding Inc. (GMHI). GMHI is intended to provide the City powers to establish a range of corporations.

Since its inception GMHI has built up its governance structure and developed the capacity of the Board to manage City owned assets. The Board has recognized that there is potential for non-energy related assets to be transferred to GMHI to allow GMHI to leverage the assets in a for-profit structure.

At its meeting of December 2, 2013, the GMHI Board directed staff to seek City approval for the incorporation of a development company which would be used to develop City assets within the GMHI structure.

At its meeting of March 31, 2014, Guelph City Council further endorsed the direction of GMHI's Board by passing the following resolution:

'That City Staff be directed to complete the Municipal Act requirements for incorporation of a company, including public consultation and development of a business case study, that will be used by GMHI for the development of City assets and report back to Council with recommendations.'

PURPOSE OF REPORT

The purpose of this report is to provide a business case study which in part responds to Guelph City Council's March 31, 2014 resolution. At the time of preparing this report a July 30th public consultation meeting has been scheduled. A subsequent report, highlighting the findings of this public consultation meeting will be provided in the form of an addendum.

KEY FINDINGS

Like most other municipalities, the City of Guelph is experiencing financial challenges in delivering programs and projects that are intended to provide wide spread community benefit. The delivery of current and projected community based projects may be negatively impacted as a result of limited municipal financial and administrative resources. In seeking solutions to these challenges some municipalities have focused their efforts on reducing municipal programs, services and resources to match their current municipal revenue levels. Others have considered the establishment of 'Development Corporations' for the purpose of attracting new revenue sources through the strategic placement of municipal assets.

A number of Canadian municipalities are moving towards the creation of development corporations to better position and leverage municipal assets. The attached Business Case Study provides information on the following established corporations which have leverage municipal real estate assets to delivery community programs and projects.

- Calgary Municipal Land Corporation
- Build Toronto
- Waterfront Toronto
- SCDC (City of Surrey, British Columbia)

In Guelph's case there appears to exist a number assets that are either underperforming or stranded, but may be leveraged to attract new sources of capital from public and/or private sector sources. Examples of such assets may include, but are limited to:

- **Underperforming assets** – Current downtown parking facilities, such as Baker Street.
- **Stranded assets** – Abandoned Brownfield properties that are owned by the City. An example being the former IMICO property.
- **Leveraged Assets** – Current Greenfield and In-fill properties that are owned by the City such as the future development of the Hanlon Creek Business Park Phase 3 or the re-positioning of the Baker Street suite of properties.
- **Community Planned Assets** – Assets that will address the community's planned growth, such as the South-end Recreational Facility or the Guelph Innovation District.

The creation of a Development Corporation is permitted under the 2001 Municipal Act Legislation (O.R. 599/06) (the 'Act').

In order to incorporate a Development Corporation the 'Act' and its Regulations require the City to first prepare a business case study and engage in public

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consultation.

ACTION REQUIRED

In order to fulfill the 2001 Municipal Act Legislation requirements to commence with the establishment of a municipal development corporation, Guelph City Council must:

1. Receive report # FIN-ED-14-09 titled 'Municipal Development Corporation Business Case Study Update'; and
2. Approve the business case which is attached to # FIN-ED-14-09 titled 'Municipal Development Corporation Business Case Study'; and,
3. Direct the incorporation of the Development Corporation.

RECOMMENDATION

THAT Council receive report # FIN-ED-14-09 titled 'Municipal Development Corporation Business Case Study Update'; and,

THAT Council approve the business case study attached to Report FIN-ED-14-09; and,

THAT Council directs staff to incorporate a municipal development corporation, as described in report # FIN-ED-14-09, with the first director of the corporation to be Barry Chuddy, CEO of GMHI.

BACKGROUND

In an effort to strengthen corporate governance practices regarding the management of current and future City-owned assets and further contribute to community well-being, in August 2011 the City of Guelph established the Guelph Municipal Holding Inc. (GMHI). GMHI is intended to provide the City powers to establish a range of corporations.

The objectives for the establishment of GMHI are:

1. GMHI, reporting through the City, would work to build value for the community through synergistic collaboration that strengthens the individual and collective position of City-owned assets and investments.
2. Operating in a business environment, GMHI will play an integral role in achieving enhanced operational excellence through a continuum of improved communications between the operating companies and the Shareholder.
3. By capitalizing on synergies and unlocking greater potential, GMHI, through its management and oversight role, will help to ensure the continued generation of reliable returns and benefits from its assets.

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The establishment of a municipal development corporation is the next step in assisting GMHI to meet its objectives. The creation of this corporation will enable the following:

1. Provide a corporate structure into which City owned assets (both physical and knowledge based) can be transferred and “incubated” to achieve the desired returns from the assets.
2. Allow the City to pursue investors to stimulate the development of City owned assets.
3. Provide an opportunity to create the synergies between GHI and other City owned assets under the governance of GMHI.

At its meeting of March 31, 2014, Guelph City Council passed the following resolution:

'That City Staff be directed to complete the Municipal Act requirements for incorporation of a company, including public consultation and development of a business case study, that will be used by GMHI for the development of City assets and report back to Council with recommendations.'

REPORT

As referenced elsewhere in this document, a number of Canadian municipalities are moving towards the creation of development corporations to better position and leverage municipal assets. The following provides a summary of municipal development corporations operating in other jurisdictions. Further details of each are provided in the attached business case study.

Calgary Municipal Land Corporation (CMLC)

The Calgary Municipal Land Corporation was established in 2007 by the City of Calgary to implement its Rivers District Community Revitalization Plan – a public infrastructure program approved by the City of Calgary and the Province of Alberta to kick-start Calgary's urban renewal. The City of Calgary created CMLC for the purpose of establishing public/private strategic partnership that will reposition one of the city's most downtrodden areas into an asset that will result in a viable “work”, “live” and “play” district. The CMLC is accountable for the development and sale of land transferred from The City of Calgary and the implementation of public infrastructure improvements.

Additional information about CMLC can be found in its 2013 annual report which is found at: <http://www.calgarymlc.ca/sites/default/files/page-attach/CMLC%20Annual%20Report%202013%20LoRes,FNLSV.pdf>.

Toronto Port Lands Company (TPLC)

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Toronto Port Lands Company (TPLC) was incorporated as City of Toronto Economic Development Corporation in 1986. Provincial legislation was passed allowing the City to create the company under the Ontario Business Corporations Act. Its business model is based upon similar corporations in the United States, Europe and other international centres.

The corporation was designed to function as a self-financing, arms-length private company wholly-owned by its sole shareholder, the City of Toronto.

TPLC's annual reports can be found at:
<http://www.tplc.ca/corporate/governance/annual-reports>.

Build Toronto

Build Toronto is the real estate and development corporation created to generate value from the City of Toronto's real estate assets. Incorporated in 2009 and launched in 2010, Build Toronto's mandate is to position properties that are under-utilized to being "development ready" and desirable for private sector investment. Its mandate is *'To create value from the City's underutilized real estate assets and generate a net financial return to the City'*. The vision is *'To maximize value in a responsible, innovative and integrated manner, creating City-Building opportunity and enhancing Toronto's economic competitiveness.'* Build Toronto's portfolio includes a wide range of industrial, brownfield, mixed use, office, residential and retail properties.

Build Toronto focuses mainly on positioning assets as being 'development ready' for private sector investment. This includes conducting studies, designs, assessments and preliminary financial studies that are intended to minimize an investors front end risk, and in some cases develop joint venture partnerships that are intended to share and mitigate longer term risk.

Further details about Build Toronto and its performance can be found in its 2012 Annual Report which is located at:
<http://www.builttoronto.ca/sites/default/files/files/062513BTAnnual%20Report2012-pt1.pdf>.

Waterfront Toronto

While not technically a municipal development corporation, Waterfront Toronto is a publically funded development corporation. Created and funded by the Governments of Canada and Ontario and the City of Toronto, Waterfront Toronto is mandated to deliver a revitalized waterfront.

Formally created in 2001, Waterfront Toronto has a 25-year mandate to transform 800 hectares (2,000 acres) of brownfield lands on the waterfront into beautiful,

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sustainable mixed-use communities and dynamic public spaces. The Waterfront Toronto model is recognized as leading edge in city-building.

A primary objective of Waterfront Toronto is to leverage the public funding of infrastructure projects to deliver key economic and social benefits through private investment in real estate development and job creation. Waterfront Toronto accomplishes this through innovative approaches to sustainable development, excellence in urban design, real estate development, and advanced technology infrastructure.

Further detailed information about Waterfront Toronto can be found at: http://www.waterfronttoronto.ca/about_us/accountability/annual_reports_and_financial_statements.

SCDC (City of Surrey, British Columbia)

SCDC was incorporated in 2007 and is one of the building blocks that the City of Surrey British Columbia is using to make the City a more vibrant, sustainable and complete community.

SCDC's mandate is to help advance the City's financial, social, business and community goals through the development of the City's surplus land holdings, strategic acquisition of properties for redevelopment, and the acquisition of income generating properties. It undertakes real estate development projects on City-owned sites which help achieve the City of Surrey's objectives. This is accomplished by:

- Acting as a catalyst and facilitator to accelerate beneficial development throughout the City;
- Partnering with private sector partners on real estate development projects;
- Providing real estate consulting advice to help the City achieve its vision for the various neighborhoods throughout the City; and
- Providing an annual dividend to the City of Surrey.

SCDC's 2012 financial results can be found at: <http://scdc.ca/media/scdc-2012-annual-report.pdf>.

Based on the above examples the following provides a consolidated summary of elements that are common amongst existing Canadian municipal development corporations.

Governance Model

- All have a dedicated board of directors, comprised of public/private members;
- Each has a government body as the principle shareholder;
- Annual financial and operating reports are produced and publically available;

STAFF REPORT

- Each operates arm's length from municipal government and its associated regulations;
- Each attempts to act like a private development corporation.

Activities

- Most reposition underperforming properties through various land use planning initiatives which enhance value and redevelopment potential;
- Properties are taken to market to seek private investment;
- In some cases the development corporation will actively participate in ventures through joint venture agreements with private investors;
- In rare cases, the development corporation will acquire new property and act as the property manager for the purpose securing long term commercial leases which assist in producing long term cash flows;
- Also, in some cases the development corporation acts the municipality's agent to deliver required off site municipal infrastructure.

Funding Models

- Each received substantial seed capital from government;
- Most provide their shareholders an annual return on investment through either paid dividends or profit sharing;
- Each seeks out private joint-venture partnerships to share in investment risk and revenues;
- Each has a mandate to become financially self-sufficient.

Revenues

- Each provide revenues through a combination of sale or redevelopment of property;
- In some cases the corporation acts as a property manager and achieves revenues through commercial leases;
- Each has a good inventory mix of valuable, underperforming and stranded real estate assets to provide for positive revenues.

Using this information as a bench mark, the attached business case study assesses the potential benefits and risks associated with the creation of a municipal development corporation for the City of Guelph this document will also examine and compare other potential options. In summary the options that are assessed are:

1. **Status-Quo** - Municipal real estate assets are retained within the current municipal structure.

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2. **Development Corporation** - Municipal real estate assets are transferred to a Development Corporation.

The assessment also provides context and examples of property that might benefit from the establishment of a development corporation. **Figure 1** provides a summary of the potential properties that could benefit from the establishment of a municipal development corporation.

Property Category
Underperforming assets
This asset class does not generate an expected or necessary return. While the asset may produce income, the income may not be sufficient and is certainly less than its potential.
Stranded Assets
This asset class is worth less on the market than it is on a balance sheet due to the fact that it has become obsolete in advance of complete depreciation.
Leveraged Assets
This class of asset includes real estate that is producing, or has the ability to produce sufficient positive financial benefit to attract new or additional public/private investment. Leveraged assets may be strategically bundled with other assets to make them more attractive.
Community Planned Assets
Community planned assets are those that have broader financial and/or social community benefits, and if positioned properly may be attractive to public and/or private partnerships.

Using the Corporation’s recently adopted Risk/Benefit assessment tools the attached business case suggests that Option 2 “**Development Corporation**” provides for the best combination of achieved benefit within a low and manageable framework with respect to:

1. Providing a corporate structure into which City owned assets (both physical and knowledge based) can be transferred and “incubated” to achieve the desired returns from the assets.
2. Allowing the City to pursue investors to stimulate the development of City owned assets.
3. Providing an opportunity to create the synergies between GHI and other City owned assets under the governance of GMHI.

CORPORATE STRATEGIC PLAN (CSP)

This initiative touches in whole, or in part on all of the CSP’s objectives.

1. Organizational Excellence

1.1 Engage employees through excellence in leadership

STAFF REPORT



1.2 Develop collaborative work team and apply whole systems thinking to deliver creative solutions

1.3 Build robust systems, structures and frameworks aligned to strategy

2. Innovation in Local Government

2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability

2.2 Deliver Public Service better

2.3 Ensure accountability, transparency and engagement

3. City Building

3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City

3.2 Be economically viable, resilient, diverse and attractive for business

3.3 Strengthen citizen and stakeholder engagement and communications [#.# Strategic Direction]

DEPARTMENTAL CONSULTATION

Economic Development Office

Legal and Realty Services

Downtown Renewal

GMHI

FINANCIAL IMPLICATIONS

Cost of Registration – 2k

COMMUNICATIONS

ATTACHMENTS

Attachment 1 - A Business Case Study to Establish a Development Corporation for the City of Guelph

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**A Business Case Study
To Establish
A
Development Corporation
For
The City of Guelph**

Prepared by: Peter J. Cartwright PLE MCIP RPP

Date: August 2014

Version: Final

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SECTION 1: EXECUTIVE SUMMARY

Effective corporate governance is essential to the success of all organizations, regardless of whether they exist in the public, private or not-for-profit sectors. Strong governance practices can generate several benefits including revenue maximization through strategic resource deployment, risk minimization from more integrated planning, communications enhancements, increased market responsiveness and higher levels of trust and confidence for all stakeholders including residents and employees.

In an effort to strengthen corporate governance practices regarding the management of current and future City-owned assets and further contribute to community well-being, in August 2011 the City of Guelph established the Guelph Municipal Holding Inc. (GMHI). GMHI is intended to provide the City powers to establish a range of corporations.

GMHI is structured under the Ontario Business Corporations Act (OBCA), will share core operating principles with subsidiary corporations that will be created to implement programs and projects. Such principles include, but are not limited to collaboration, transparency, efficiency and effectiveness.

GMHI is a strategic approach designed to achieve higher levels of excellence in asset management practices. It will primarily work towards improved communication and information flow between the shareholder and the operating companies, capitalize on potential synergies, and help to maximize value provided to the community.

Since its inception GMHI has built up its governance structure and developed the capacity of the Board to manage City owned assets. The Board has recognized that there is potential for non-energy related assets to be transferred to GMHI to allow GMHI to leverage the assets in a for-profit structure.

At its meeting of December 2, 2013, the GMHI Board directed staff to seek City approval for the incorporation of a development company which would be used to develop City assets within the GMHI structure.

At its meeting of March 31, 2014, Guelph City Council further endorsed the direction of GMHI's Board by passing the following resolution:

'That City Staff be directed to complete the Municipal Act requirements for incorporation of a company, including public consultation and development of a business case study, that will be used by GMHI for the development of City assets and report back to Council with recommendations.'

The purpose of this document is to provide a business case study which responds to Guelph City Council's direction.

SECTION 2: BACKGROUND (GAP ANALYSIS)

Like most other municipalities, the City of Guelph is experiencing financial challenges in delivering programs and projects that are intended to provide wide spread community benefit. The delivery of current and projected community based projects may be negatively impacted as a result of limited municipal financial and administrative resources. In seeking solutions to these challenges some municipalities have focused their efforts on reducing municipal programs, services and resources to match their current municipal revenue levels. Others have considered the establishment of 'Development Corporations' for the purpose of attracting new revenue sources through the strategic placement of municipal assets.

In Guelph's case there appears to exist a number assets that are either underperforming or stranded, but may be leveraged to attract new sources of capital from public and/or private sector sources. Examples of such assets may include, but are limited to:

- **Underperforming assets** – Current downtown parking facilities, such as Baker Street.
- **Stranded assets** – Abandoned Brownfield properties that are owned by the City. An example being the former IMICO property.
- **Leveraged Assets** – Current Greenfield and In-fill properties that are owned by the City such as the future development of the Hanlon Creek Business Park Phase 3 or the re-positioning of the Baker Street suite of properties.
- **Community Planned Assets** – Assets that will address the community's planned growth, such as the South-end Recreational Facility or the Guelph Innovation District.

The creation of a Development Corporation is permitted under the 2001 Municipal Act Legislation (O.R. 599/06) (the 'Act') which gives local governments the powers to establish a range of corporations. Such corporations will provide municipalities' greater ability and flexibility in addressing and responding to the business needs of the Community. Municipal governments are restricted in such matters due to their governing legislation as provided by the Municipal Act and their governance structure. As well, most municipalities do not have the required dedicated resources to assess, manage and conduct such business matters.

In order to incorporate a Development Corporation the 'Act' and its Regulations require the City to first prepare a business case study and engage in public consultation. This document will explore the necessity of establishing the corporation to achieve the City's objectives in creating GMHI – to achieve excellence in asset management practices.

SECTION 3: OBJECTIVES / DESIRED OUTCOMES

The business case study will explore the necessity of establishing the corporation to achieve the City's objectives in creating GMHI – to achieve excellence in asset management practices.

The objectives for the establishment of GMHI were:

1. GMHI, reporting through the City, would work to build value for the community through synergistic collaboration that strengthens the individual and collective position of City-owned assets and investments.
2. Operating in a business environment, GMHI will play an integral role in achieving enhanced operational excellence through a continuum of improved communications between the operating companies and the Shareholder.
3. By capitalizing on synergies and unlocking greater potential, GMHI, through its management and oversight role, will help to ensure the continued generation of reliable returns and benefits from its assets.

The creation of a Municipal Development Corporation (DevCo) is the next step in assisting GMHI to meet its objectives. Dev Co will enable the following:

1. Provide a corporate structure into which City owned assets (both physical and knowledge based) can be transferred and “incubated” to achieve the desired returns from the assets.
2. Allow the City to pursue investors to stimulate the development of City owned assets.
3. Provide an opportunity to create the synergies between GHI and other City owned assets under the governance of GMHI.

Figure # 1 sets out the process required to create a new company to be owned by GMHI.

Figure # 2 sets out the identified stakeholders in the creation of DevCo and a high level assessment of their interests and requirements.

Figure 1

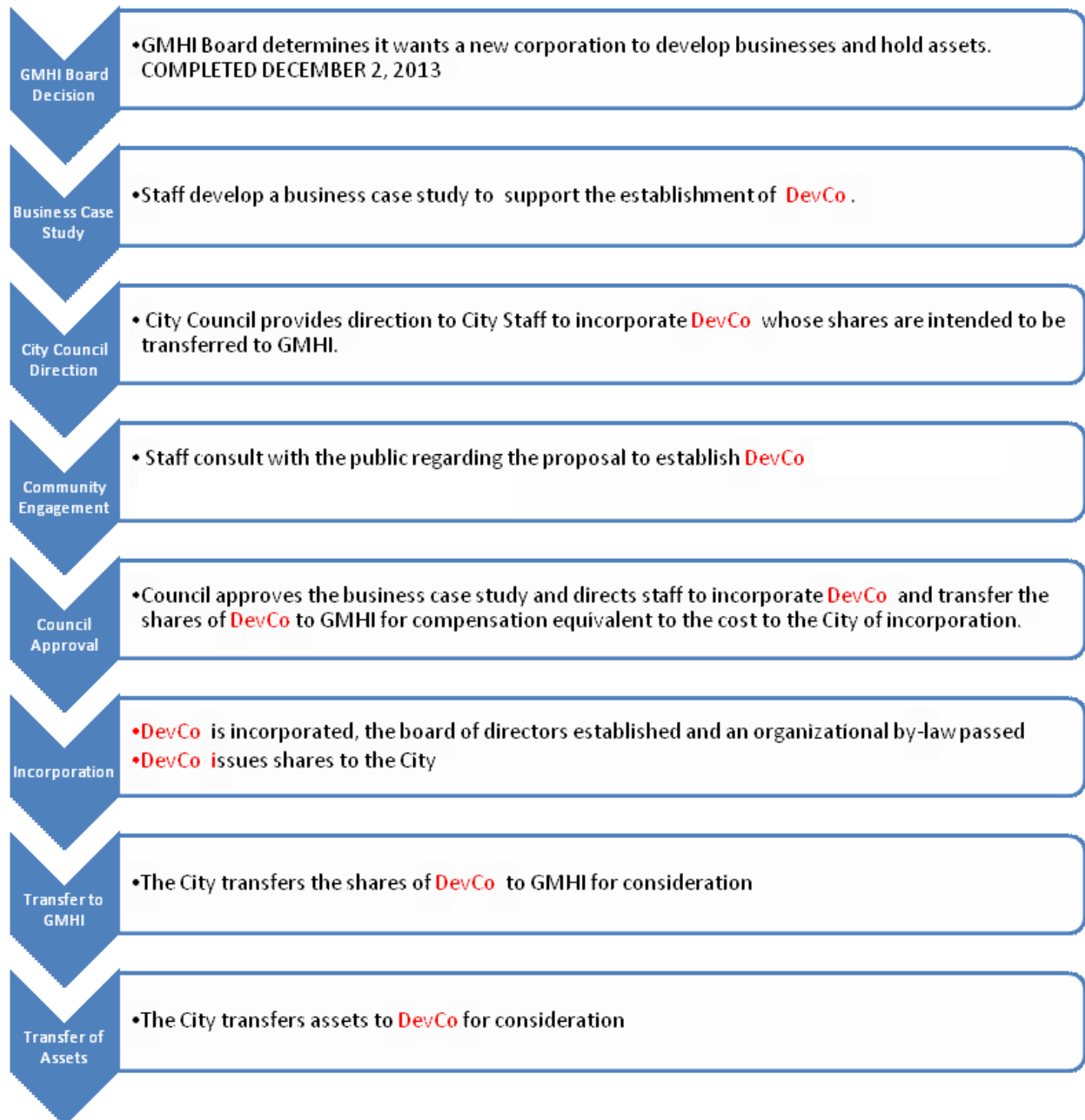


Figure 2

Stakeholder	Interest or Requirement	Assessment
City of Guelph	Excellence in asset management	The City's interest is being met in providing the corporate structure for asset management under the governance structure of GMHI
Residents	Prudent use of City resources; achieve reliable returns and benefits from City assets	Public consultation will be undertaken. DevCo will allow the City to leverage the assets to achieve greater benefits for the Residents
Investors	Investment opportunities to generate adequate ROIs	Dev Co will provide an opportunity for investors to participate in the development of City assets
GHI		

SECTION 4: ENVIRONMENTAL ANALYSIS

As referenced elsewhere in this document, a number of Canadian municipalities are moving towards the creation of development corporations to better position and leverage municipal assets. This section will serve to illustrate and provide a select sample of existing corporations.

Calgary Municipal Land Corporation (CMLC)

The Calgary Municipal Land Corporation was established in 2007 by the City of Calgary to implement its Rivers District Community Revitalization Plan – a public infrastructure program approved by the City of Calgary and the Province of Alberta to kick-start Calgary's urban renewal. The City of Calgary created CMLC for the purpose of establishing public/private strategic partnership that will reposition one of the city's most downtrodden areas into an asset that will result in a viable “work”, “live” and “play” district. The CMLC is accountable for the development and sale of land transferred from The City of Calgary and the implementation of public infrastructure improvements in The Rivers District. It operates arm's length from the municipal government. Its composition includes a Board of Directors comprised of a President, Mayor and 4 Independent Directors.

Since 2007, CMLC has committed \$345 million of public funds in infrastructure construction and improvement, an investment that has leveraged nearly \$2 billion in planned private sector investment. The private sector investment includes development projects from some of North America's most proficient and experienced real estate developers. Private sector projects include the development and marketing of mixed use neighbourhoods, a world class hotel, the re-purposing of existing public cultural amenities as well as the construction of district energy.

Additional information about CMLC can be found in its 2013 annual report which is found at:

<http://www.calgarymlc.ca/sites/default/files/page-attach/CMLC%20Annual%20Report%202013%20LoRes,FNLSV.pdf>.

Toronto Port Lands Company (TPLC)

Toronto Port Lands Company (TPLC) was incorporated as City of Toronto Economic Development Corporation in 1986. Provincial legislation was passed allowing the City to create the company under the Ontario Business Corporations Act. Its business model is based upon similar corporations in the United States, Europe and other international centres.

TPLC's mandate includes the ability to share profits and pay dividends to the City, leasing and management, the sale and purchase of property and support for economic development initiatives. For more than 20 years, TPLC has supported sector specific incubator and commercialization programs with funding and administrative support. TPLC continues to fund these programs for the City and also provides funding for Invest Toronto's operations. Invest Toronto is the City's economic development office.

The corporation was designed to function as a self-financing, arms-length private company wholly-owned by its sole shareholder, the City of Toronto.

TPLC is the largest landowner in the port lands with more than 400 acres under management. The lands are managed to a commercially prudent standard. TPLC focuses on the repositioning of brownfield port lands for private sector commercial, industrial and mixed-use development. Over the years TPLC has also been strategic investor and developer on catalyst projects such as Corus Quay. TPLC has also partnered with the private sector to create Canada's newest and largest film and media business district.

TPLC partners its real estate activities with its sister corporations Build Toronto and Invest Toronto.

TPLC's annual reports can be found at: <http://www.tplc.ca/corporate/governance/annual-reports>.

Build Toronto

Build Toronto is the real estate and development corporation created to generate value from the City of Toronto's real estate assets. Incorporated in 2009 and launched in 2010, Build Toronto's mandate is to position properties that are under-utilized to being "development ready" and desirable for private sector investment. Its mandate is *'To create value from the City's underutilized real estate assets and generate a net financial return to the City'*. The vision is *'To maximize value in a responsible, innovative and integrated manner, creating City-Building opportunity and enhancing Toronto's economic competitiveness.'* Build Toronto's portfolio includes a wide range of industrial, brownfield, mixed use, office, residential and retail properties.

In 2012 Build Toronto generate sales revenue of \$94 million from property transactions, three times what was achieved in 2011. These funds are strategically re-invested into long-term, high-risk and capital-intensive real estate assets for the long-term financial benefit of Toronto.

It is important to note that Build Toronto focuses mainly on positioning assets as being 'development ready' for private sector investment. This includes conducting studies, designs, assessments and preliminary financial studies that are intended to minimize an investors front end risk, and in some cases develop joint venture partnerships that are intended to share and mitigate longer term risk.

In Build Toronto's third year of operation (2012) it accomplished the following:

- Assets grew by over \$30 million to \$294 million;
- Shareholder Equity increased to approximately \$229 million, up \$43 million from the previous year;
- A \$20 million dividend was paid to its shareholder, the City of Toronto;
- Real estate transactions of \$94 million was realized, an increase of more than \$60 million from the previous year;
- The fair market value of its real estate portfolio increased by \$13 million over three years; and
- Net operating income for 2012 was approximately \$39 million.

Further details about Build Toronto and its performance can be found in its 2012 Annual Report which is located at: <http://www.buildtoronto.ca/sites/default/files/files/062513BTAnnual%20Report2012-pt1.pdf>.

Waterfront Toronto

While not technically a municipal development corporation, Waterfront Toronto is a publically funded development corporation. Created and funded by the Governments of Canada and Ontario and the City of Toronto, Waterfront Toronto is mandated to deliver a revitalized waterfront.

Formally created in 2001, Waterfront Toronto has a 25-year mandate to transform 800 hectares (2,000 acres) of brownfield lands on the waterfront into beautiful, sustainable mixed-use communities and dynamic public spaces. The Waterfront Toronto model is recognized as leading edge in city-building.

A primary objective of Waterfront Toronto is to leverage the public funding of infrastructure projects to deliver key economic and social benefits through private investment in real estate development and job creation. Waterfront Toronto accomplishes this through innovative approaches to sustainable development, excellence in urban design, real estate development, and advanced technology infrastructure.

When Waterfront Toronto was established, the three orders of government each committed \$500 million in seed capital to enable the organization to begin the revitalization process. The vast majority of the land in the waterfront revitalization area was owned by the governments and development control was given to Waterfront Toronto.

To facilitate the revitalization of this property, Waterfront Toronto works with public and private partners. Waterfront Toronto's funding model leverages public capital with private development partners who buy the land for development. Money earned through these real estate transactions is used to further fund public infrastructure.

From 2001 through March 31, 2011, Waterfront Toronto and its government partners invested approximately \$965 million dollars (\$769.5 million + \$195.4 million) of which \$458.9 million (48 percent) of the money invested was contributed by the federal government, \$330 million (34 percent) was contributed by the provincial government and \$176 million (18 percent) was from the City of Toronto.

The projected financial return on this investment includes an increase in annual property tax assessment totalling \$9.7 billion, which is estimated to result in \$136 million worth of new annual property tax revenue. In addition, this investment has generated approximately 9,700 full-time years of employment.

Further detailed information about Waterfront Toronto can be found at: http://www.waterfronttoronto.ca/about_us/accountability/annual_reports_and_financial_statements.

SCDC (City of Surrey, British Columbia)

SCDC was incorporated in 2007 and is one of the building blocks that the City of Surrey British Columbia is using to make the City a more vibrant, sustainable and complete community.

SCDC's mandate is to help advance the City's financial, social, business and community goals through the development of the City's surplus land holdings, strategic acquisition of properties for redevelopment, and the acquisition of income generating properties. It undertakes real estate development projects on City-owned sites which help achieve the City of Surrey's objectives. This is accomplished by:

- Acting as a catalyst and facilitator to accelerate beneficial development throughout the City;

- Partnering with private sector partners on real estate development projects;
- Providing real estate consulting advice to help the City achieve its vision for the various neighborhoods throughout the City; and
- Providing an annual dividend to the City of Surrey.

SCDC undertakes projects throughout Surrey that involve industrial, commercial, and residential developments designed to generate positive financial returns and achieve important community objectives.

SCDC is wholly-owned by the City of Surrey but operates with a market-based approach to development opportunities. Its business practices are consistent with private sector discipline which includes having a professional board of directors.

SCDC's 2012 financial results can be found at: <http://scdc.ca/media/scdc-2012-annual-report.pdf>.

Based on the above examples the following provides a consolidated summary of elements that are common amongst existing Canadian municipal development corporations.

Governance Model

- All have a dedicated board of directors, comprised of public/private members;
- Each has a government body as the principle shareholder;
- Annual financial and operating reports are produced and publically available;
- Each operates arm's length from municipal government and its associated regulations;
- Each attempts to act like a private development corporation.

Activities

- Most reposition underperforming properties through various land use planning initiatives which enhance value and redevelopment potential;
- Properties are taken to market to seek private investment;
- In some cases the development corporation will actively participate in ventures through joint venture agreements with private investors;
- In rare cases, the development corporation will acquire new property and act as the property manager for the purpose securing long term commercial leases which assist in producing long term cash flows;
- Also, in some cases the development corporation acts the municipality's agent to deliver required off site municipal infrastructure.

Funding Models

- Each received substantial seed capital from government;
- Most provide their shareholders an annual return on investment through either paid dividends or profit sharing;
- Each seeks out private joint-venture partnerships to share in investment risk and revenues;
- Each has a mandate to become financially self-sufficient.

Revenues

- Each provide revenues through a combination of sale or redevelopment of property;
- In some cases the corporation acts as a property manager and achieves revenues through commercial leases;
- Each has a good inventory mix of valuable, underperforming and stranded real estate assets to provide for positive revenues.

SECTION 5: OPTION IDENTIFICATION

In order to better assess the potential benefits and risks associated with the creation of a municipal development corporation for the City of Guelph this document will also examine and compare other potential options. In summary the options that will be assessed are:

1. **Status-Quo** - Municipal real estate assets are retained within the current municipal structure.
2. **Development Corporation** - Municipal real estate assets are transferred to a Development Corporation.

Option	Description Of Scope	SWOT Analysis
<p>Option 1: Status Quo</p>	<p>In this option municipal assets are retained and managed within the current municipal structure.</p> <p>The positioning of assets for development and/or investment purposes would be governed by the Ontario Municipal Act.</p> <p>The City would manage its business/government/administrative roles in a public manner.</p> <p>Within the current status quo the management of municipal property for the purpose of achieving commercial value is addressed in a fragmented and project specific manner.</p>	<p>Strengths</p> <p>Due to the governance framework resulting from the Ontario Municipal Act, this option will provide the opportunity for significant public disclosure of projects, supporting the objectives of “open government”.</p> <p>Weaknesses</p> <p>From past experience, this approach to developing municipal real estate has resulted in a blurring of the City’s development/approval roles and responsibilities. In such instances it has been difficult for the municipality to balance these matters.</p> <p>This option also provides significant challenges for the City to address proprietary business related matters in a public environment.</p> <p>Opportunities</p> <p>In this scenario Council is not divesting or delegating its direct influence over the redevelopment of municipal property.</p>

Option	Description Of Scope	SWOT Analysis
		<p>Council would have more direct involvement in decisions relating to providing direction within a public environment.</p> <p>Threats Due to the municipal nature of governing and managing potential municipal real estate/development matters, the decision making process associated with this option has the potential to <u>not</u> attract private sector investment in such projects.</p> <p>The private sector will need the confidence that a partner can address development matters in clear, concise and absolute term, which may be problematic for a municipality in this scenario.</p>
<p>Option 2: Development Corporation</p>	<p>In this option the City would create a development corporation which would operate within the umbrella of the Guelph Municipal Holding Inc. (GMHI). The subsidiary corporation would take on the responsibility of managing (with strategic private sector partnerships) select municipal real estate assets for development purposes.</p> <p>The resulting corporation would operate at arm's length from the municipality and would be governed by the Ontario Business Corporations Act.</p> <p>Most likely the City through GMHI would be the principle (and only) shareholder, receiving annual dividends or other financial benefits.</p> <p>Based on an examination of similar development corporations, the resulting corporation would also most likely be governed by a board of directors, consisting of a mix of public/private sector representatives.</p> <p>The corporation would have dedicated resources which would have the required skills</p>	<p>Strengths As described, the operation of a development corporation would be arm's length from municipal government, and governed by the requirements of the Ontario Business Corporations Act.</p> <p>This scenario would result in a more positive business approach to managing select municipal assets due to the noted governance structure, most likely enhancing the ability to attract new private sector investment.</p> <p>Weaknesses From the examples provided elsewhere in this document, the public disclosure of business related matters may not be as public as in the case of the "status quo" option.</p> <p>At the time of preparing this business case study it is uncertain if there is an adequate supply of real estate assets which would result in the development corporation becoming financially sustainable over time.</p>

Option	Description Of Scope	SWOT Analysis
	to focus on real estate development and management.	<p>This work is currently being undertaken through the Corporate Stranded Asset review.</p> <p>Opportunities A preliminary assessment of current real estate assets suggests there may be property that will lend itself well to be managed for development by a dedicated corporation. Figure 4 of this document provides a summary of the potential property that might benefit from the creation of a development corporation.</p> <p>Threats There is a risk that the public may perceived the transfer of select real estate to a development corporation may not provide for adequate public disclosure of information. The examples provided elsewhere in this document indicates there may be a need for pro-active public communications regarding the creation and operation of a development corporation.</p>


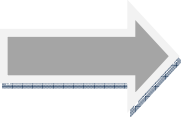
The next section of the document provides an assessment of each option. Before proceeding with the assessment it is important to provide context and examples of property that might benefit from the establishment of a development corporation. **Figure 4** provides a summary of the potential properties that could benefit from the establishment of a municipal development corporation.

Figure 4	
Property Category	Examples
Underperforming assets	
This asset class does not generate an expected or necessary return. While the asset may produce income, the income may not be sufficient and is certainly less than its potential.	<ul style="list-style-type: none"> • Baker Street Redevelopment • Fountain Street Redevelopment
Stranded Assets	
This asset class is worth less on the market than it is on a balance sheet due to the fact that it has become obsolete in advance of complete depreciation.	<ul style="list-style-type: none"> • IMICO – 200 Beverly Street • Hanlon Creek Business Park – Heritage House Redevelopment
Leveraged Assets	
This class of asset includes real estate that is producing, or has the ability to produce sufficient positive financial benefit to attract new or additional public/private investment. Leveraged assets may be strategically bundled with other assets to make them more attractive.	<ul style="list-style-type: none"> • Hanlon Creek Business Park – Phase 1 • Hanlon Creek Business Park – Phase 3
Community Planned Assets	
Community planned assets are those that have broader financial and/or social community benefits, and if positioned properly may be attractive to public and/or private partnerships.	<ul style="list-style-type: none"> • Guelph Innovation District • South-End Recreational Facility • GO Transit Parking Facility

SECTION 6: QUALITATIVE & QUANTITATIVE ANALYSIS

SECTION 6.1 RISK ANALYSIS OF OPTIONS

The current City of Guelph **Risk Matrix** below assigns colours to the resulting score based on the City's risk tolerance as set out below.

Impact Scale 					
4 Catastrophic	4	8	12	16	20
3 Major	3	6	9	12	15
2 Moderate	2	4	6	8	10
1 Minor	1	2	3	4	5
Likelihood Scale 	1	2	3	4	5
	Rare	Unlikely	Somewhat Likely	Likely	Almost Certain

Option 1		Description			
Status Quo		Reference Section 5.1			
Risk Categories	Category Definition	Description	Impact	Likelihood	TOTAL
Service Delivery	<i>Risk of not meeting customer expectations</i>	<p>For the purpose of this analysis it is assumed that the customer will be Guelph City Council, and the service that will be provided is to enhance property valuation to better position real estate assets to deliver projects and programs for the public good through new funding sources and models.</p> <p>The 'status quo' scenario does present risk in accomplishing this objective given the municipality will be governed by the Municipal Act. While the Act does not specifically address how business matters must be conducted it is apparent that the Act was not established with business matters in mind, which will most likely restrict the municipality's ability to achieve the goal of positioning certain real estate assets for the public good through new funding sources and models.</p>	3	4	12
Employees	<i>Risk that employees, contractors or other people at the City will be negatively impacted by a policy, program, process or project including physical harm.</i>	This assessment focuses only on the broader ability of certain municipal real estate assets to achieve better leverage new funding sources for the planning and development of property. At this time it is uncertain if this would result in the privatization in the delivery of programs or services. Further business cases for specific projects will be required to assess any potential impacts on employees.	1	1	1
Public	<i>Risk that the policy, program or action will have a negative impact on the citizens of Guelph</i>	This assessment focuses only on the broader ability of municipal real estate assets to better leverage new funding sources for the planning and development of property. At this time it is uncertain what, if any impacts this scenario would have on the public.	1	1	1
Physical Environment	<i>Risk that natural capital will be damaged</i>	This category is assessed within the context of 'stranded' or 'underperforming' real estate assets, and the ability of this scenario resulting in the improved community performance of such assets.	4	4	16
Reputation	<i>Risk associated with anything that can damage the reputation of the City or undermine confidence in the City of Guelph</i>	<p>This category is assessed within the context of this scenario's ability to delivery projects/programs through alternative funding models, including possible private/public joint venture partnerships.</p> <p>Given potential business partners will seek certainty and discretion in addressing business matters, this scenario provides challenges for the municipality to provide these assurances given the City's obligations through governing legislation.</p>	5	3	15

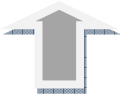

<i>Financial</i>	<i>Risk related to decisions about assets, liabilities, income and expenses including asset management, capital and operational funding, economic development, theft or fraud</i>	In this scenario the City's ability to plan, develop and manage its real estate assets will be governed by the Municipal Act. As illustrated elsewhere in this document, this approach to managing assets that have commercial value has been challenging with respect to clearly defining the City's roles and responsibilities (as developer or approval authority), and less successful in attracting new funding with private partners and/or other public sector programs.	5	3	15
Regulatory	<i>Risk related to the consequences of non-compliance with laws, regulations, policies or other rules</i>	As mentioned throughout this document, the City of Guelph is governed in its practices and policies by the Ontario Municipal Act. The intent of this legislation is to provide direction on municipal and public related matters. It does not lend itself well in addressing business matters. Given the potential business needs that are associated with certain real estate assets, this scenario does provide risk in legislative addressing matters relating to the Ontario Municipal Act specifically with respect balancing public transparency with proprietary business related matters.	5	3	15

Option 2		Description			
Development Corporation		Reference Section 5.1			
Risk Categories	Category Definition	Description	Impact	Likelihood	TOTAL
Service Delivery	<i>Risk of not meeting customer expectations</i>	The customer is the City of Guelph, and the service that will be delivered is the positioning of select real estate assets to achieve a reasonable financial return to the City, deliver municipal programs and projects with a reasonable amount of risk, and to provide a reasonable social return on investment.	2	2	4
Employees	<i>Risk that employees, contractors or other people at the City will be negatively impacted by a policy, program, process or project including physical harm.</i>	Select real estate assets will be positioned to attract new funding partners, which may include private partners that may develop and operate select assets. While not specifically intended, this could conceivably result in the outsourcing or privatization of some municipal services, which could result in the need to address and mitigate municipal labour related matters.	3	3	9
Public	<i>Risk that the policy, program or action will have a negative impact on the citizens of Guelph</i>	The intent of this scenario is to continue to deliver excellent public service and programs through alternate funding models that will not increase the cost to the public. Based on an understanding of other jurisdictions this appears reasonable; however there are examples where private partnerships exist for the delivery of community programs, new public user fees have resulted. While this is not the intent of Guelph's exercise, this point is worth noting.	3	1	3
Physical Environment	<i>Risk that natural capital will be damaged</i>	Where private funds contribute to the development and operation of select real estate assets (example: parking facilities), care will have to be taken in structuring legal agreements to include the care and maintenance of such facilities, especially where such facilities may be returned to the City at a future date. Within this scenario this risk is quite manageable.	3	2	6
Reputation	<i>Risk associated with anything that can damage the reputation of the City or undermine confidence in the City of Guelph</i>	This scenario would represent a new approach by the City of Guelph in its delivery of programs and services. Most likely the public and business community will follow events quite closely. Therefore, based on the examples of other municipal development corporations, there will need to be a committed and dedicated effort by the City of Guelph and GMHI to ensure proper governance and resources are established.	3	3	9
Financial	<i>Risk related to decisions about assets, liabilities, income and expenses including asset management, capital and operational funding, economic development, theft or fraud</i>	While the financial gain may be viewed as being positive, there are inherent risks associated relating to this option. The City will be transferring select assets that may have significant economic and social value. In short, the City will be entrusting its faith in the development corporation to properly manage such assets. This means there will need to be dedicate and skilled resources as well appropriate decision making and reporting structures in place. As shown in the other municipal examples if these	3	3	6

		structures are in place this risk becomes very manageable. The Ontario Business Corporation Act requires such practices.			
Regulatory	<i>Risk related to the consequences of non-compliance with laws, regulations, policies or other rules</i>	As mentioned elsewhere in the document, municipal development corporations are governed by the Ontario Business Corporation Act. It would operate in a similar fashion as GMHI, which has been in existence for the last number of years. Given the City's experience with GMHI this risk appears to be minor and manageable.	1	4	4

SECTION 6.2 BENEFIT ANALYSIS OF OPTIONS

The current City of Guelph **Benefit Matrix** below assigns colours to the resulting score based on the City's benefit significance as set out below.

Impact Scale 					
3 Significant	3	6	9	12	15
2 Moderate	2	4	6	8	10
1 Minor	1	2	3	4	5
Likelihood Scale 	1	2	3	4	5
	Rare	Unlikely	Somewhat Likely	Likely	Almost Certain

Option 1		Description			
'Status' Quo'		Reference Section 5.1			
Benefit Categories	Stakeholders (Specific Groups)	Description	Impact	Likelihood	TOTAL
Organizational Culture	City Staff	This scenario assumes that there currently exists adequate staff resources and expertise.	3	1	3
Organizational Performance	Corporation	This scenario assumes there will be the dedicated Corporate support resources available, and there will not be competing Corporate priorities which will impact these resources.	3	1	3

Organizational Sustainability	Corporation	This scenario assumes the Corporation will provide the necessary financial resources and timeframe to achieve success.	3	1	3
Organizational Accountability	Public/Private Stakeholders	The scenario assumes that it will be possible for the Corporation to balance its accountability obligations to the public and potential private partners.	3	1	3
Healthy Populations	Public	This options ability of contributing to a Healthy Population by generating new revenue streams, accessing new funding sources, or re-allocating current municipal funds for other community priorities is constrained due to the public governance and its impact on attracting new private investment.	3	1	3
Democratic Engagement	Public	In this scenario it is assumed that the public would have a greater say in how public assets will be used, maintained and financed. The assessment is conducted from the point of view of leveraging assets to attract new funding and/or revenues.	3	2	6
Leisure and Culture	Public	The Status Quo option assumes the delivery of Public Leisure and Cultural programs and facilities will continue to be provided through the existing public tax based model, and that there will be capacity to continue to fund such programs and facilities. This assessment is made on the basis that this model will continue to be sustainable and achieve the expected results.	3	1	3
Time Use	Staff	This assessment is based on the premise that current municipal resources, that have dedicated expertise in the development of municipal assets currently exists, and that such resources will be entirely focused on the needs of such assets and not distracted by other municipal priorities.	3	1	3

Option 2		Description			
'Development Corporation'		Reference Section 5.1			
Benefit Categories	Stakeholders (Specific Groups)	Description	Impact	Likelihood	TOTAL
Organizational Culture	Corporation Council Public Private Investment	It is assumed that this option will operate at arm's length from the City, and will have skilled/dedicated resources. This would result in a more focused and business-like approach to managing select municipal real estate assets.	3	4	12
Organizational Performance	Corporation	It is anticipated that the transfer of select municipal real estate assets to a development corporation will result in freeing up City staff capacity and resources to attend to other Corporate priorities.	3	3	9

Organizational Sustainability	Corporation	From the examples noted elsewhere in this document, the initial establishment of development corporations required seed capital. Given one of the objectives of a development corporation is to generate new revenue streams for the City it may be possible for a development corporation to become self-sustainable over time. In such cases where this has been possible there has been significant assets transferred. In the case of Guelph it is uncertain at this time if adequate asset capacity exists for a development corporation to become sustainable.	2	3	6
Organizational Accountability	Council Public Private Stakeholders	As mentioned elsewhere in this document, development corporations are governed by the Ontario Business Corporation Act, and therefore subject to all of the rule and regulations relating to the report of its activities and finances to shareholders. It is anticipated that because the City will be the only shareholder that there will also be the reporting of activities to the public. This model provides for the best balance of reporting to the public, the shareholder as well as potential private project partners.	3	5	15
Healthy Populations	n/a	The intent of this option is to generate new cash flow for the City's benefit, which could be used to reinvest and fund a broader range of community priorities relating to all aspects of Community Well Being.	3	3	9
<i>Democratic Engagement</i>	Public	The intent of this option is to generate new cash flow for the City's benefit, which could be used to reinvest and fund a broader range of community priorities relating to all aspects of Community Well Being.	3	3	9
<i>Living Standards</i>	n/a	The intent of this option is to generate new cash flow for the City's benefit, which could be used to reinvest and fund a broader range of community priorities relating to all aspects of Community Well Being.	3	3	9
<i>Time Use</i>	Staff	The intent of this option is to generate new cash flow for the City's benefit, which could be used to reinvest and fund a broader range of community priorities relating to all aspects of Community Well Being.	3	3	9

SECTION 6.3 RISK ANALYSIS SUMMARY

Viable Options	Risk Categories							
	Service Delivery	Employees	Public	Physical Environment	Reputation	Financial	Regulatory	TOTAL
Option 1: 'Status Quo'	12	1	1	16	15	15	15	75
Option 2: 'Development Corporation'	4	9	3	6	9	6	6	43

SECTION 6.4 BENEFIT ANALYSIS SUMMARY

Viable Options	Benefit Categories					TOTAL
	Org Culture	Org Performance	Org Sustainability	Org Accountability	Avg. of 8 domains	
Option 1: 'Status Quo'	3	3	3	3	3.75	15.75
Option 2: 'Development Corporation'	12	9	6	15	9	51

SECTION 7: CONCLUSIONS & RECOMMENDATIONS

As mentioned earlier in this document, this business case study was conducted to best determine which delivery model would best:

1. Provide a corporate structure into which City owned assets (both physical and knowledge based) can be transferred and “incubated” to achieve the desired returns from the assets.
2. Allow the City to pursue investors to stimulate the development of City owned assets.
3. Provide an opportunity to create the synergies between GHI and other City owned assets under the governance of GMHI.

From the assessment conducted for this business case study it appears that Option 2 “**Development Corporation**” offers the best prospect of achieving these objectives. This option appears to provide the best combination of achieved benefit within low and manageable risk factors.

SECTION 8: IMPLEMENTATION STRATEGY

After approval by Council of the incorporation of DevCo, the following steps will be undertaken:

1. The articles of incorporation will be completed and filed with the Ministry. The first director of DevCo will be Barry Chuddy, CEO of GMHI. The officers of the corporation will be Barry Chuddy, CEO and Seymour Trachimovsky, Corporate Secretary.
2. After incorporation, the required corporate and Municipal Act documents will be prepared and approved by Mr. Chuddy, as director of DevCo.
3. One share of DevCo will be issued to GMHI.
4. GMHI Staff in conjunction with the Enterprise group will begin the process of identifying assets of the City that could be transferred to DevCo. Once an asset is agreed upon, Council will be asked to approve the transfer of the asset and establish the compensation to be paid by DevCo to the City for the asset.
5. GMHI, as Shareholder of DevCo, will provide oversight for DevCo's operations.

STAFF REPORT

TO Corporate Administration, Finance and Enterprise

SERVICE AREA Finance and Enterprise

DATE August 12, 2014

SUBJECT Corporate Asset Management Update

REPORT NUMBER FIN-14-36

EXECUTIVE SUMMARY

PURPOSE OF REPORT

- To update Committee on the progress of Asset Management activities within the City
- To provide a forecast of planned activity & requests required to implement Asset Management

KEY FINDINGS

- Current staff capacity is insufficient as required to properly implement and oversee Corporate Asset Management

FINANCIAL IMPLICATIONS

- This report includes no specific financial requests, however, it does identify requests for staffing that will be incorporated into the 2015 budget process

ACTION REQUIRED

THAT FIN-14-36 Corporate Asset Management Update report be received.

RECOMMENDATION

THAT FIN-14-36 Corporate Asset Management Update report be received.

BACKGROUND

As required by the Ministry of Infrastructure, a Corporate Asset Management Program Policy was approved by Council prior to December 31, 2013. This Policy laid the foundation for all Asset Management work to be undertaken at the City and demonstrated Council's commitment to moving the City in that direction. The Policy provides guidelines on what an Asset Management Plan (AMP) should include and the type of activities that it will drive. With regards to Ministry requirements there is still some uncertainty regarding the level of detail that the plan must include. The Ministry is continuing to work with municipalities to articulate this through workshops and webinars. The expectations are that as the City uses and revises the plans they will also increase the detail and scope of them over time.

STAFF REPORT



REPORT

Current Status

Since the December 3, 2013 report, "Corporate Asset Management Program", limited progress has been made with regards to the issues identified in the report. The main reason for this has been a lack of dedicated resources to both lead and complete the work required.

Within Finance the role of Corporate Asset Management lead has fallen to the Sr. Corp Analyst, Capital Planning, who is also responsible for Capital Budgeting and Capital Reporting. Due to these competing time sensitive activities limited time is available to dedicate to Asset Management (AM). In other departments staff availability has been limited for activities related to data gathering, process review and condition assessment.

Through communications with other municipalities and participation in training and seminars it has been demonstrated that municipalities that are successful in developing and implementing an AM strategy have dedicated resources responsible solely for these activities. Most municipalities have someone in a leadership role, dedicated full-time to Asset Management. This role is responsible for guiding the development of asset management strategy across the organization. In addition resources are dedicated for activities such as data gathering and input, condition assessments and scenario analysis. These resources may be temporary or permanent and either in-house or external. The common element is that where learning and knowledge development is involved, the resources dedicated to those functions are in-house permanent staff so as to create a foundation that the organization can build on in the future.

Through the 2015 Budget process requests for these resources will be presented for consideration. The proposal will include one position to function as leader and manager of the AM process, and potentially 1-2 positions to assist with gap identification, data gathering, data input and preliminary analysis.

In relation to an IT system for use in AM planning, the ongoing IT Strategic Plan, specifically work related to WAM, GIS and JDE, has made it prudent to pause the exploration of specific software until such time as decisions regarding these systems have been made. Any AM planning software would use the data within the core financial systems and therefore determining the ending state for these systems is the key to determining next steps.

STAFF REPORT

Future Considerations

Although the development of AM plans is in the early stages, consideration of long term funding for the plans is a critical component at this time. The exact amount of funds required over the coming years is not fully known, however, it is reasonable to assume that it will be greater than the funds currently being expended. This is based on the "Sustainable Infrastructure Report" prepared by AECOM for the City in 2012, which identified that the average annual cost to replace our current infrastructure is greater than the amount being allocated. This is further supported by publications such as "The Canadian Infrastructure Report Card" which was prepared by a consortium of organizations including the Federation of Canadian Municipalities and construction industry groups. This report was based on surveys completed by 346 municipalities from across Canada and clearly shows that the level of funding currently in place is not sufficient to sustain municipal infrastructure in the long term.

In order to begin the transition to a sustainable funding model increased amounts of capital funding will need to be identified. This may include a number of sources such as:

- Federal and Provincial Grant funding through the Build Canada Fund
- Increased funding through the annual Operating budget
- Implementation of a dedicated Infrastructure levy
- Introduction of/or modification to user fees
- Private partnerships

As the City moves forward the key to successfully delivering on AM planning is to identify stable and reliable funding that will allow for long-term planning. This stable funding will ensure the resiliency of the City's infrastructure.

CORPORATE STRATEGIC PLAN

3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City.

DEPARTMENTAL CONSULTATION

For this report Engineering Services was consulted.

FINANCIAL IMPLICATIONS

No specific financial needs identified at this time. Future reports will outline the required funding to move the process forward.

COMMUNICATIONS

None

STAFF REPORT



ATTACHMENTS

None

Report Author

Greg Clark
Sr. Corp Analyst, Capital Asset Management

Approved By

Jade Surgeoner
Manager
Financial Reporting & Accounting

Recommended By

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STAFF REPORT



TO Corporate Administration, Finance and Enterprise Committee

SERVICE AREA Finance & Enterprise

DATE August 12, 2014

SUBJECT 2014 Interim Investment Performance Report

REPORT NUMBER FIN-14-34

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To report on the interim 2014 investment portfolio performance and holdings as required by Ontario Regulation 438/97 of the *Municipal Act, 2001*, and the City's Council approved Investment Policy.

KEY FINDINGS

The City has earned \$2.6 million in investment income as of June 30, 2014. This is \$0.5 million over the budgeted amount and an increase of \$0.8 million compared to the same period in 2013.

The City has managed its investment portfolio in accordance with Ontario Regulation 438/97 of the *Municipal Act, 2001*, and in accordance with the December 2011 Council approved Investment Policy.

FINANCIAL IMPLICATIONS

Investment income reduces the amount otherwise required from property taxation to finance City services, as well as increases the value of reserve funds used to finance capital projects.

ACTION REQUIRED

That report FIN-14-34 2014 Interim Investment Performance Report be received.

RECOMMENDATION

That report FIN-14-34 2014 Interim Investment Performance Report be received.

STAFF REPORT

BACKGROUND

Ontario Regulation 438/97 of the *Municipal Act, 2001*, requires a municipality to adopt a statement of investment policies and goals and requires an investment report to be provided to Council at least annually. This report has been prepared in compliance with this regulation.

The primary objectives of the investment policy are as follows:

- Adherence to statutory requirements,
- Preservation of capital,
- Maintaining liquidity, and
- Earning a competitive rate of return

Provincial legislation requires that the Treasurer submit an investment report to Council, each year or more frequently as specified by Council. The current Investment Policy requires a report on the financial position, investment performance, market value, and compliance status of the portfolio at least twice per year. In accordance with Ontario Regulation 438/97, the investment report is to include:

- **Statement of Performance:** A statement about the performance of the portfolio of investments of the City during the period covered by the report;
- **Investments in Own Securities:** A description of the estimated proportion of the total investments of the City that are invested in its own long-term and short-term securities to the total investment portfolio of the City, and a description of the change, if any, in that estimated proportion since the previous year's report;
- **Record of Own Security Transactions:** A record of the date of each transaction in or disposal of the City's own securities, including a statement of the purchase and sale price of each security;
- **Investment Policy Compliance:** A statement by the Treasurer as to whether or not all investments are consistent with the investment policies and goals adopted by the City;
- **Regulation Investment Standard Compliance:** A statement by the treasurer as to whether any of the investments fall below the standard required for that investment during the period covered by the report; and
- **Other:** Such other information that the council may require or that, in the opinion of the treasurer, should be included.

In accordance with the City's Investment Policy, the following information should also be included in the investment report:

STAFF REPORT



- A summary, by amount and percentage, of the composition of the investment portfolio;
- Monthly investment balances; and
- Year-end investment balance

REPORT

Definitions

Carrying Value - The portion of an asset's value that is not depreciated. Also called book value. Carrying value is not market value, which is determined by market forces, such as stock prices. A company assigns carrying value to its assets.

Face Value - The value of a bond or another type of debt instrument at maturity. Also called par value.

Market Value - The price at which a security currently can be sold.

Statement of Performance

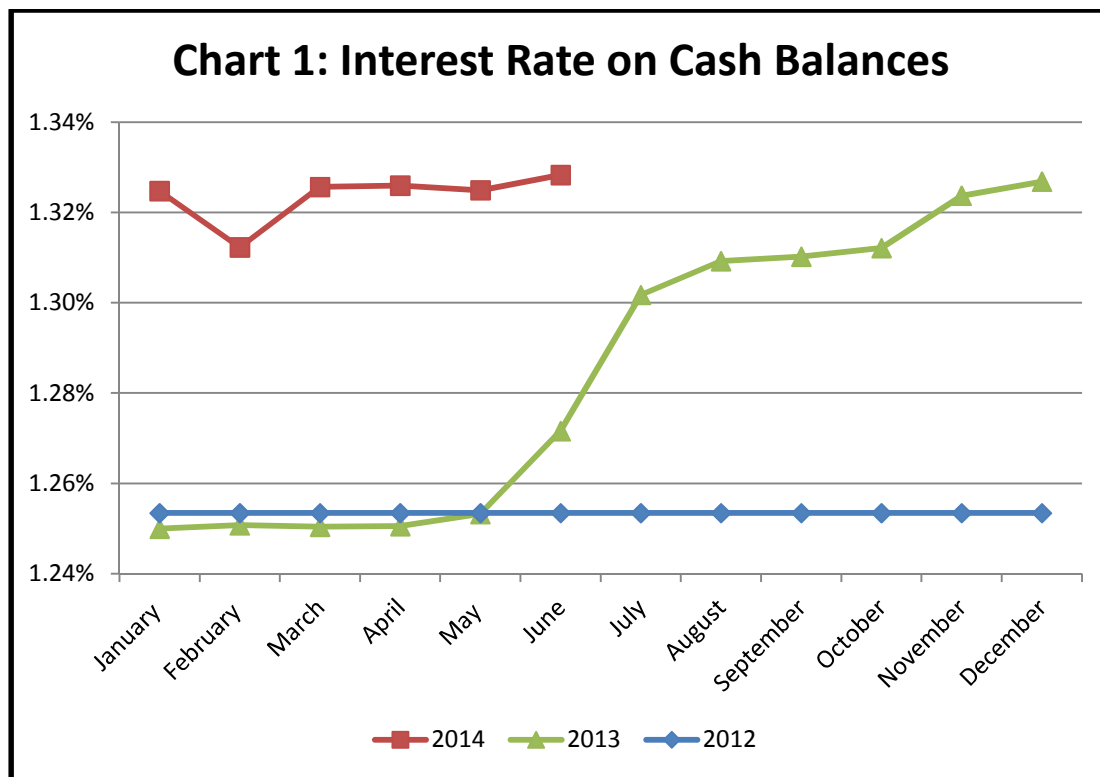
Interest earned on investments and cash as of June 30, 2014 totals \$2.6 million. Compared to the budgeted amount of \$2.1 million, we currently have a favourable variance of \$0.5 million. These earnings are also favourable when compared to the June 30, 2013 earnings of \$1.8 million.

The carrying value of the total investment and cash portfolio as of June 30, 2014 was \$189.2 million, plus average cash holdings of \$44.8 million. This computes to an average rate of return of 2.41% (2013 – 2.07%).

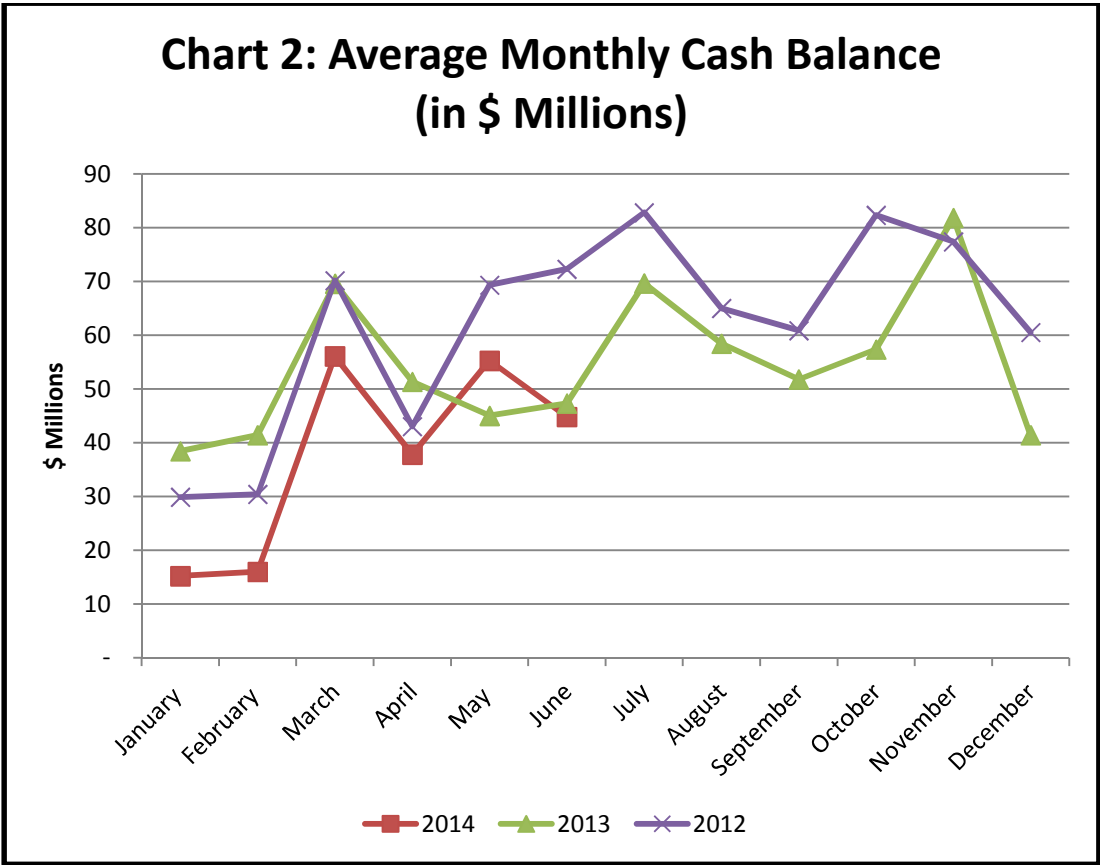
Interest earned on investments and cash balances will be allocated between operating, obligatory and capital reserve funds at year end in proportion to their average balances. This is in accordance with the City's General Reserve and Reserve Fund Policy.

2014 Investment Activity - Cash

Prime rate has remained steady at 3% since September 9, 2010. TD sets the City's deposit rate at prime minus 1.67%, which has enabled the City to earn higher returns on the bank account as can be seen below in **Chart 1**. This compares favourably to our previous bank, the RBC which was prime less 1.75%. The anomaly observed on the chart in February is due to the City's deposits with TD being very low and resident taxes still being paid through the RBC account.



See **Chart 2** below for a comparison of average monthly cash balances in 2014, 2013 and 2012



The City attempts to maximize the long-term investment position of the portfolio by using a cash flow model to estimate cash needs over the next 12 months. The City's cash balances are determined by balancing the availability of high yielding investment options in the market with the appropriate level of liquidity for operations.

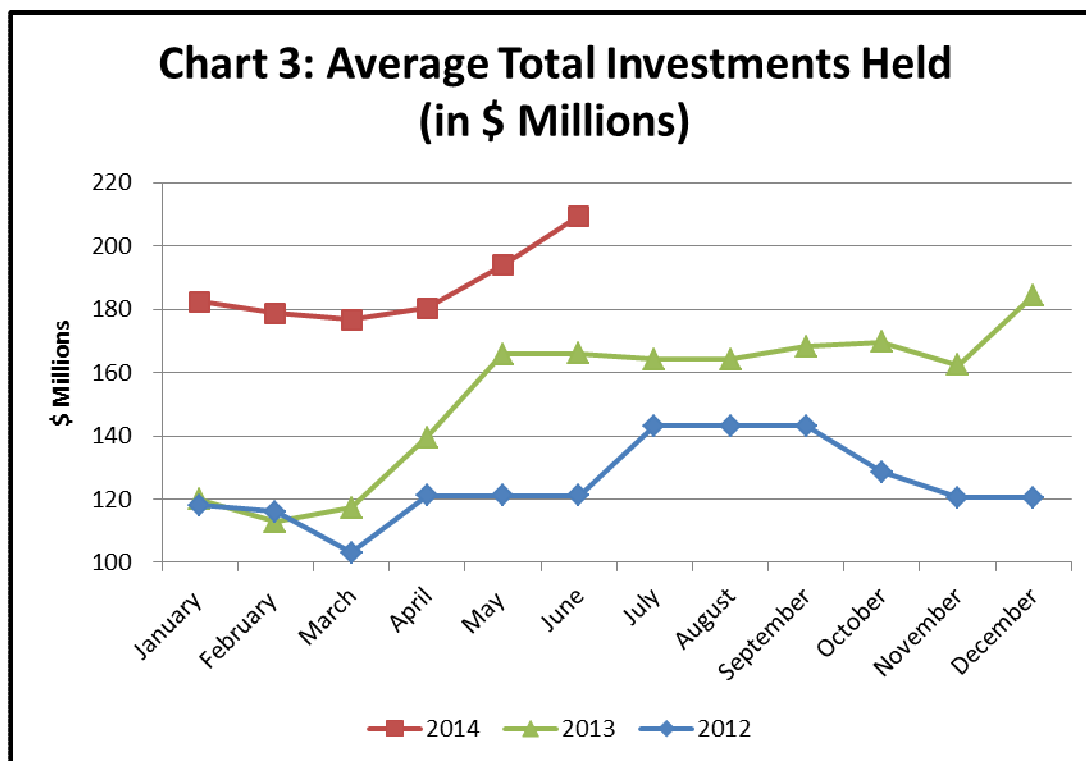
The city attempts to maximize short-term investments while complying with the investment policy. Financial institutions provide the best short-term rates, but the City is limited to a maximum of 75% of the portfolio that can be invested in this type of investment. Otherwise, in today's market, it remains difficult to find short term investment vehicles that produce a higher rate of return than the City is currently earning on the bank account.

2014 Investment Activity - Investments

Investment projections are reviewed monthly, and quotes are obtained from a minimum of three financial institutions. The City uses specific criteria within the investment model and follows a strict investment process to ensure adherence to the Investment Policy, security of funds and maximization of returns.

STAFF REPORT

The City earned a total of \$2.4 million from their investments. This represents a return of 2.63% on the investment portfolio as at June 30, 2014 compared with \$1.6 million and 2.33% return for 2013. See **Chart 3** below for a comparison of average total investments held in 2014, 2013 and 2012.



The cash and investment positions (carrying value) of the City are as follows:

	June 30, 2014 (Carrying Value)	June 30, 2013 (Carrying Value)
Long-Term*	\$ 114,190,383	\$ 92,309,287
Short-Term	\$ 75,000,000	\$ 67,834,123
Total Investments	\$ 189,190,383	\$ 160,143,410
Avg. Monthly Cash Balance	\$ 44,819,448	\$ 47,332,405
Total	\$234,009,831	\$207,475,815

*Note: Includes MAV II notes with face value of \$2.066 million and market value of \$1.853 million for 2013.

STAFF REPORT



The total investment and cash market value was \$235.3 million (2013 - \$208.6 million). Investment market value is based on May information.

The attached **Schedules I and II** provide the portfolio mix, term limits, and holding limits as at June 30, 2014.

Asset-Backed Commercial Paper (ABCP) Restructuring

In January of 2009, a restructuring plan was implemented to convert frozen short-term asset-backed commercial paper to long-term notes of various classes with terms matching the maturity of the underlying assets. Recognizing the highly speculative nature of the ultimate payment of principal at maturity, provisions for impairment totalling \$1.144 million were recorded in 2009 and 2010. In 2011, notice was received that the principal amount of MAV II 3 notes, with a face value of \$245,818, had been reduced to zero, and this amount was written off against the provision. The remaining MAV II notes as of December 31, 2013, have a face value of \$2.066 million and a market value of \$1.853 million. The current asset impairment provision related to MAV II notes is \$213,354.

The remaining MAV II notes as of December 31, 2013, are as follows:

Class	Maturity	Rating	Face Value	Market Value	Impairment Provision
MAV II A-1	07/15/2056	A+	\$ 502,795	\$ 463,828	
MAV II A-2	07/15/2056	BBB+	\$ 1,270,940	\$ 1,137,491	
MAV II B	07/15/2056	Not Rated	\$ 230,711	\$ 201,872	
MAV II C	07/15/2056	Not Rated	\$ 62,043	\$ 49,944	
Total			\$ 2,066,489	\$ 1,853,135	\$213,354

Own Securities

The City has not invested in its own long-term or short-term securities.

STAFF REPORT



Investment Policy and Regulation Investment Standard Compliance

To aid in the achievement of the primary objectives of the Investment Policy, the policy places restrictions and limitations on investment quality, diversification, and term. The current portfolio is in compliance with the *Municipal Act* and Ontario Regulation 438/97 and within the targets set out in the current City Investment Policy in all but the following respects:

- Under Ontario Regulation 438/97, a municipality **shall not invest in a bond, debenture, promissory note or evidence of indebtedness with a Dominion Bond Rating Service Limited (DBRS), or equivalent, rating lower than AA (low)**. As outlined above, most of the MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet this requirement.
- Under the current policy, the **City shall not invest in a security with a DBRS or equivalent bond rating lower than A**. As outlined above, most of the MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet this requirement.
- Under the current policy, the **maximum term** for asset backed securities is 5 years. As outlined above, the MAV II notes acquired in January of 2009 and maturing in 2056 do not meet this requirement.
- The City should have a minimum investment in Government of Canada and Federal Guarantees of 5%. We currently hold 2.6% of our portfolio in this type of investment. However, investment rates in these vehicles are very low, and in today's market are not practical. Today's short term rates are between 1% and 1.15% compared to the TD bank deposit rate of 1.33%. Long term investment vehicles such as Guaranteed Investment Certificates earn about 2.6%, while Government of Canada and Federal Guarantees earn between 1.5% to 1.7%.

In all other respects, investments are fully consistent with the investment policies and goals adopted by the City.

CORPORATE STRATEGIC PLAN

2.1 – Build an adaptive environment for government innovation to ensure fiscal and service sustainability.

2.3 – Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

None noted

COMMUNICATIONS

No communications are required

STAFF REPORT



ATTACHMENTS

Appendix 1: Investment Reporting Requirements

Schedule I – City of Guelph Investment Portfolio by Issuer as of June 30, 2014

Schedule II – City of Guelph Investment Portfolio by Security as of June 30, 2014

Prepared By:

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Investment Reporting Requirements

These investment reporting requirements are in accordance with Ontario Regulation 438/97 of the *Municipal Act, 2001*.

1. Statement of Performance

The City of Guelph earned an average return of 2.4% on its investment and cash as at June 30, 2014.

2. Investments in Own Securities

None of the 2014 investments of the City were invested in its own long-term or short-term securities.

3. Record of Own Security Transactions

None of the 2014 investments of the City were invested in its own long-term or short-term securities.

4. Statement of Treasurer re Investment Policy Compliance

I, Al Horsman, Treasurer for the City of Guelph, hereby state that:

- a) \$1,563,694 in MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet the requirement of a DBRS or equivalent bond rating of at least A.
- b) \$2,066,489 in MAV II notes acquired in January of 2009 and maturing in 2056 exceed the maximum term of 5 years for asset backed securities.
- c) The City should have a minimum investment in Government of Canada and Federal Guarantees of 5%. We currently hold 2.6% of our portfolio in this type of investment. However, investment rates in these vehicles are very low, and in today's market are not practical. Today's short term rates are between 1% and 1.15% compared to the TD bank deposit rate of 1.33%. Long term investment vehicles such as Guaranteed Investment Certificates earn about 2.6%, while Government of Canada and Federal Guarantees earn between 1.5% to 1.7%.

The remaining investments have been made in accordance with the investment policies adopted by the City of Guelph.

(continued)

STAFF REPORT



5. Statement of Treasurer re O.R. 438/97 Investment Standard Compliance

I, Al Horsman, Treasurer for the City of Guelph, hereby state that:

\$1,563,694 in MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet the requirement of a DBRS or equivalent bond rating of at least AA(low).

None of the other investments held by the City of Guelph fell below the required standard during the first 6 months of 2014.

Al Horsman, CFO

Date

City of Guelph Investment Portfolio by Issuer as at June 30, 2014

Short-Term Investment Portfolio

Issuer	Yield	Maturity Date	Carrying Value	Term to Maturity (Days)		
				At June 30/14	Restriction	Exceeded
Bank of Nova Scotia	1.71%	23-Feb-15	10,000,000	238	365	-
BMO	1.73%	06-Apr-15	10,000,000	280	365	-
BMO	1.81%	21-May-15	10,000,000	325	365	-
TD	1.55%	25-Aug-14	20,000,000	56	365	-
Bank of Nova Scotia	1.47%	18-Dec-14	20,000,000	171	365	-
Bank of Nova Scotia	1.47%	18-Dec-14	5,000,000	171	365	-
Short-Term Investment Total			75,000,000			

Long-Term Investment Portfolio

Issuer	Yield	Maturity Date	Carrying Value	Term to Maturity (Years)		
				At June 30/14	Restriction	Exceeded
MAVII CL A-1 Note	-	15-Jul-56	502,795	42.1	5	38.6
MAVII CL A-2 Note	-	15-Jul-56	1,270,940	42.1	5	38.6
MAV II CL B Note	-	15-Jul-56	230,711	42.1	5	38.6
MAV II CL C Note	-	15-Jul-56	62,043	42.1	5	38.6
CIBC	2.69%	02-Nov-15	5,000,000	1.3	10	-
FCC (Farm Credit Corp)	2.00%	15-Dec-15	4,860,671	1.4	20	-
CIBC	3.20%	15-Mar-16	10,000,000	1.7	10	-
Bank of Montreal	2.60%	08-Jul-16	10,000,000	2.0	10	-
Bank of Montreal	2.90%	08-Jul-16	2,363,938	2.0	10	-
Bank of Montreal	2.86%	08-Jul-16	1,950,371	2.0	10	-
Bank of Montreal	3.03%	08-Jul-16	2,499,998	2.0	10	-
Regional Municipality of Waterloo	3.51%	01-Dec-16	1,147,628	2.4	10	-
City of Toronto	5.08%	18-Jul-17	4,996,917	3.0	10	-
Province of Ontario	3.72%	02-Dec-26	19,999,845	12.4	20	-
Province of Ontario	2.98%	02-Dec-21	13,048,937	7.4	20	-
Province of Ontario	4.08%	02-Dec-26	6,136,427	12.4	20	-
Province of Ontario	3.30%	12-Feb-24	7,119,152	9.6	20	-
Province of Ontario	3.04%	02-Dec-22	5,000,010	8.4	20	-
TD Bank	3.65%	09-May-23	18,000,000	8.8	10	-
Long-Term Investment Total			114,190,383			
Total Investment Portfolio			189,190,383			

Schedule II

City of Guelph Investment Portfolio by Security as at June 30, 2014

Securities	Investment Value	Investment Percentage of Holdings	Policy Maximum Portfolio Percentage Limit
Federal			
Government of Canada	\$0	0.00%	100%
Federal Guarantees	\$4,860,673	2.57%	50%
Provincial Governments & Provincial Guarantees	\$51,304,367	27.12%	75%
Country Other than Canada			5%
Municipal			
City of Guelph			50%
Other Municipalities & OSIFA – AAA & AA	\$6,144,545	3.25%	50%
Other Municipalities & OSIFA – A			10%
School Board, Ont. University, Local Board, Conservation Authority, Public Hospital, Housing Corp.			20%
Financial Institutions			
Schedule I Banks	\$124,814,309	65.97%	75%
Schedule II and III Banks			25%
Loan or Trust Corporations, Credit Union			5%
Supranational Financial Institution or Government Organization			25%
Asset Backed Securities	\$2,066,489	1.09%	25%
Corporate Debt			25%
Commercial Paper			15%
Joint Municipal Investment Pools			15%
TOTAL	\$189,190,383	100.00%	

STAFF REPORT



TO Corporate Administration, Finance & Enterprise Committee

SERVICE AREA Finance & Enterprise Services

DATE August 12, 2014

SUBJECT Outstanding CAFE Committee Motions for the Finance & Enterprise Service Area

REPORT NUMBER FIN-14-37

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To advise the Corporate Administration, Finance & Enterprise Committee of the status of all outstanding Committee resolutions, and to advise the Committee if there are any outstanding resolutions that may no longer be of community and Council interest.

KEY FINDINGS

Staff are continuing to plan work required to address outstanding motions previously passed by the Committee. In some cases, motions previously passed may no longer be of community interest or have the same level of priority, based on more recent events or circumstances.

Staff have reviewed all outstanding motions for the CAFE Committee and are recommending that 6 outstanding motions no longer be given priority for staff/budgetary resources and be eliminated from the outstanding motion list. A further 8 items are being recommended to remain on the outstanding motion list and continue to be resourced in accordance with the approved annual budget. The status of all outstanding motions is provided in **Attachment 1**

FINANCIAL IMPLICATIONS

There are no direct financial implications.

ACTION REQUIRED

To be advised of the status/timing of all outstanding CAFE Committee motions and to update the outstanding motion list by eliminating any motions no longer of priority to the Committee.

RECOMMENDATION

“That report FIN-14-37 dated August 12, 2014 regarding outstanding motions of the Corporate Administration, Finance & Enterprise Committee, be received.”

STAFF REPORT



BACKGROUND

For some time, with input from the Clerk's Department, a record of outstanding motions of Committee has been maintained. The Executive Team has decided to bring to each Committee of Council an update of all outstanding motions. The biannual report may include recommendations, where appropriate, to eliminate from the list any outstanding motions that may no longer be of priority to the Committee. The current report is the second bi-annual report and covers reports presented up until May 26, 2014.

REPORT

Please find attached for information the outstanding motion list for the CAFE Committee, including the status of the work and the timing, when available, for when the work may be completed.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

Office of the CAO

Community and Social Services

Executive Team

Planning, Building, Engineering and Environment

COMMUNICATIONS

N/A

ATTACHMENTS

Attachment 1: Finance & Enterprise Services Outstanding Resolutions

Approved and Recommended By

Al Horsman

Executive Director and CFO

Finance and Enterprise Services

519-822-1260 ext 5606

al.horsman@guelph.ca

FINANCE AND ENTERPRISE SERVICES

(Council/Committee Outstanding Items)

Date	Resolution	Contact/Dept	Status
FINANCE AND ENTERPRISE SERVICES			
April 28 Special Resolution	<p>Moved by Councillor Findlay Seconded by Councillor Piper</p> <p>Whereas public urination continues to detract from the presentation of our downtown; and</p> <p>Whereas Council has approved the use of pissiors conditional on a permanent public washroom facility being available; and</p> <p>Whereas there are no permanent public washrooms in place or currently planned for that would service late night downtown activity;</p> <ol style="list-style-type: none"> That this resolution be forwarded to the Corporate Administration, Finance & Enterprise Committee for consideration. Therefore be it resolved that the Downtown Renewal Office be charged with collaborating with downtown stakeholders to determine the most effective and timely manner to create a public washroom to serve downtown activity during all hours for the consideration of City Council. That the Downtown Renewal Office present its recommendation by the end of Q3. 	Downtown Renewal Ian Panabaker	<p><u>Item Outstanding/ Work still in progress</u></p> <p>Q3 Status – (July – Sept) –</p> <ul style="list-style-type: none"> DRO working on report and ‘downtown stakeholder’ collaboration Recommendation to coordinate with Streetscape Manual project to allow Council to understand connections between public realm objectives and potential washroom directions Last CAFE committee is August 12 – Preview deadline July 24th Seeking ET direction on level of information required to meet Q3 deadline.
April 7 2014 Report # FIN-DR-14-03	<p>150-152 Wellington Street East – Downtown Guelph Community Improvement Plan (DGCIP) – Major Downtown Activation Grant (MDAG) Request</p> <p>That the following staff recommendation with respect to 150-152 Wellington Street East – Downtown Guelph Community Improvement Plan (DGCIP) and Mayor Downtown Activation Grant (MDAG) Request, be referred to Council:</p> <ol style="list-style-type: none"> That \$2,801,339 of Brownfield TIBG Reserve Funds be reallocated to the Downtown TIBG Reserve Funds. 	Karol Murillo	<p><u>Item Outstanding/ Work still in progress</u></p> <p>Approved by Council – staff now working on executing agreement</p>

FINANCE AND ENTERPRISE SERVICES

(Council/Committee Outstanding Items)

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	<ol style="list-style-type: none"> 2. That \$1,838,870 of the Heritage Redevelopment Reserve TIBG Funds be reallocated to the Downtown TIBG Reserve Funds. 3. That the application by 150 Wellington Guelph Limited for a Tax Increment-Based Grant pursuant to the Downtown Guelph Community Improvement Plan and applying to 150-152 Wellington Street East, be approved with an upset limit of \$4,640,209. 4. That the remaining TIBG funds be directed to the Heritage Redevelopment Reserve. 5. That staff be directed to finalize Downtown Tax Increment-Based Grant agreements between the City and 150 Wellington Guelph Limited, or any subsequent owner, as described in this report to the satisfaction of the Corporate Manager, Downtown Renewal; the City Solicitor; and the City Treasurer. 6. That the Mayor and Clerk be authorized to execute the agreements. 		
<p>Feb. 24 2014 Council Meeting</p>	<p>Special Resolution – Councillor Findlay</p> <p>That the following be referred to the Corporate Administration, Finance & Enterprise Committee:</p> <p>That staff be directed to provide a full cost accounting for development projects for Council approval.</p>	<p>Katrina Power/ Al Horsman</p>	<p><u>Item Outstanding/ Work still in progress</u></p> <p>Staff will prepare a report addressing this special resolution and submit to Council in Q4 2014 or Q1 2015.</p>
<p>Feb 10 2014 PBEE Report#14- 01/CAFE # FIN-DR-14- 01</p>	<p>Brownfield and Downtown Community Improvement Plan (CIP) Tax Increment Based Grant Applications – 5 Arthur Street South</p> <p>Main Motion as Amended</p> <ol style="list-style-type: none"> 1. That the application by 5 Arthur Street Developments, 2278560 Ontario Inc. for a Tax Increment-Based Grant (TIBG) pursuant to the Brownfield Redevelopment Community Improvement Plan and applying to 5 Arthur Street South, be approved with an upset limit of \$3,121,305. 2. That \$2,319,694 of Brownfield TIBG Reserve Funds be reallocated to the Downtown TIBG Reserve Funds. 	<p>Tim Donegani/Karol Murillo</p>	<p><u>Item Outstanding/ Work still in progress</u></p> <p>Approved by Council – staff now working on executing agreement</p> <p>Item 6 – GEIF referral occurred June 18th 2014 – TIBG program extension to form part of strategic planning for next Council term</p>

(Council/Committee Outstanding Items)

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	<p>3. That the application by 5 Arthur Street Developments, 2278560 Ontario Inc. for a Tax Increment-Based Grant pursuant to the Downtown Guelph Community Improvement Plan and applying to 5 Arthur Street South, be approved with an upset limit of \$8,566,117.</p> <p>4. That staff be directed to finalize Brownfield and Downtown Tax Increment-Based Grant agreements between the City and 5 Arthur Street Developments, 2278560 Ontario Inc., or any subsequent owner, as described in this report to the satisfaction of the General Manager of Planning Services; Corporate Manager, Downtown Renewal; the City Solicitor; and the City Treasurer.</p> <p>5. That staff be directed to respond to the next application (Tricar) received in sequence within the remaining funds allocated across the TIBG reserves and provide their recommendation to committee.</p> <p>6. That staff include options for the replenishment and/or continuation of TIBG programs reserve funding within the Guelph Economic Investment Fund discussions occurring over Q1.2 2014.</p>		
<p>Dec 5 2013 Council Meeting</p>	<p><u>Main Motion 13</u></p> <p>Whereas the Capital Renewal Reserve Fund is to be used for the exclusive purpose of financing capital assets identified in the City’s strategic priorities and in accordance with the limitations set out in its policy;</p> <p>And whereas it may be utilized to leverage funding from other sources (such as grants or partnerships), to loan funds for a project which might otherwise require outside debt, or to provide bride financing for an emergency infrastructure project; Be it resolved</p> <p>1. That an allocation of \$250,000 from the Capital Renewal Reserve Fund will be approved in principle to support the development of the IMICO site subject to the intention and conditions of the policy.</p> <p>2. That the transfer of this allocation from the Capital Renewal Reserve Fund to a capital project will only</p>	<p>Al Horsman Peter Cartwright Katrina Power</p>	<p><u>Item Outstanding/ Work still in progress</u></p> <ul style="list-style-type: none"> • Resolutions 1 through 3 <ul style="list-style-type: none"> ○ CBRE and staff are currently working to prepare an investment prospectus for the IMICO property. ○ Staff will be providing Council with a briefing on this activity this August, and will be seeking direction to continue to market with the IMICO property. ○ It is anticipated that the Capital Renewal Reserve Fund will form part of the prospectus. ○ It is also assumed that the market response to the prospectus will include information to support a business case to access funds from this reserve. • Resolution 4 <ul style="list-style-type: none"> ○ This matter is being addressed by Finance as well as Corporate Services.

FINANCE AND ENTERPRISE SERVICES

(Council/Committee Outstanding Items)

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	<p>be approved upon the acceptance of a business case including but not limited to the leveraging of funding from other sources.</p> <p>3. That staff pursue applications under the eligible Brownfield components of the federal FCM Green Municipal Fund as potential matching funds for IMICO (200 Beverley) and other strategic property development needs.</p> <p>4. That Finance and Enterprise staff conduct a comprehensive review of the City's strategic real estate needs and report back in Q2 2014 with a policy framework supporting the creation and administration of a Strategic Real Estate Reserve.</p>		
<p>Dec 5 2013 Council Meeting</p>	<p><u>Main Motion 34</u></p> <p>That the Chief Financial Officer report back to the Corporate Administration, Finance & Enterprise Committee regarding the incorporation of a productivity/continuous improvement measure into the budget formula.</p>	<p>Al Horsman</p>	<p><u>Item Outstanding/ Work still in progress</u></p> <p>A report addressing this motion will be submitted to CAFES in Q4 2014.</p>
<p>Dec 5 2013 Council Meeting</p>	<p><u>Main Motion 35</u></p> <p>That the Chief Administrative Officer report back to the Corporate Administration, Finance & Enterprise Committee with a review of the value of introducing additional zero-base budgeting processes.</p>	<p>Al Horsman</p>	<p><u>Item Outstanding/ Work still in progress</u></p> <p>A report addressing this motion will be submitted to CAFES in Q4 2014.</p>
<p>Dec 3 2013 Report # FIN-13-49</p>	<p>Metrolinx Contribution Agreement</p> <p>1. That the Mayor and Clerk be authorized to execute the Metrolinx Contribution Agreement as described in report FIN-13-49.</p> <p>2. That staff be directed to contribute at least \$150,000 annually into a reserve fund towards satisfying this commitment.</p>	<p>Jade Surgeoner</p>	<p><u>Issue has been addressed.</u></p> <p>The Metrolinx Contribution Agreement was signed on December 17, 2013, and the 2014 budget includes a contribution to the reserve of \$150,000. This contribution to the reserve is expected to continue annually.</p>
<p>Sept 16, 2013 Report # FIN-13-36</p>	<p>June 2013 Operating Variance Report be received for information and; That staff provide the Corporate Administration, Finance and Enterprise Committee with a monthly update on the operating variance including the efficiency, target until the end of 2013, and that this monthly update is in addition to the quarterly report to the Committee.</p>	<p>Sarah Purton</p>	<p><u>Issue has been addressed.</u></p> <p>Staff provided updates to Council with respect to the 2013 operating variance status. The Q3 2103 variance report was presented to CAFE Committee on December 3, 2013.</p>

FINANCE AND ENTERPRISE SERVICES

(Council/Committee Outstanding Items)

Date	Resolution	Contact/Dept	Status
Sept 16, 2013 Report # FIN-ED-13-05	Disposition and Redevelopment of Property Framework 200 Beverley Street, Guelph, Ontario (former IMICO) 1. That Council receive report FIN-ED-13-05. 2. That Council direct staff to proceed with the process to attract an investor that will acquire and redevelop 200 Beverley Street as described in report FIN-ED-13-05. 3. That Council direct staff to report back at the key milestones outlined in report FIN-ED-13-05 regarding the status of the process to attract an investor that will acquire and redevelop 200 Beverley Street.	Peter Cartwright	<u>Item Outstanding/ Work still in progress</u> <ul style="list-style-type: none"> • CBRE, a real estate brokerage and consulting firm has been retained to advise the City of actions required to position the IMICO property for private investment. • CBRE is scheduled to present its preliminary findings and recommendations to staff this July regarding redevelopment options, funding and possible incentive requirements to market the property. • Staff will be reporting CBRE's findings to Council this August, and will be providing further recommendations regarding the marketing of the property.
July 15, 2013 Report # FIN-13-31	2013 Efficiency Target Progress Update be received and; 1. That new revenue not be included in the reporting on the 2013 Efficiency Target. 2. That staff include in their reporting on the 2013 Efficiency Target a summary of their approaches to engage employees in identifying opportunities for efficiency and continuous improvement.	Sarah Purton	<u>Issue has been addressed.</u> Since the July 2013 report, staff have excluded new revenue and identified approaches taken to engaging employees. A formal update on the 2013 Efficiency Target was presented to CAFE committee on December 3, 2013.
July 15, 2013 Report # FIN-13-32	Property Taxes for Condominiums be received for information. Amendment 1. That FIN-13-32 Property Taxes for Condominiums be received for information. 2. That the matter of "willing properties", those who want to three stream their waste, be referred to the Waste Management Master Plan Update to consider options.	James Krauter	<u>Issue has been addressed.</u> Council June 23, 2014 – 2014 Solid Waste Management Master Plan Task 26.0 Explore types of collection services provided to multi-residential properties 26.1 Review types of collection service offered to multi-residential properties willing to source separate into three streams; May require reconfiguring the collection fleet with specialized vehicles for medium and high density multi-residential properties 26.2 Staff to bring forward a report to Council outlining recommendations and costs associated with expanding the type of collection service offered to multi-residential properties 26.3 May include a front-end bin cost recovery service to City operated facilities and other interested parties
April 29, 2013 Council	That Property Tax Policy, specifically as it relates to all classes ratio, be looked at to establish a long term objective and rationale for these categories in advance of the next tax policy annual review. (2013 Property Tax Policy)	James Krauter	<u>Issue has been addressed.</u> CAFE March 3, 2014 Report # FIN-14-10 Council March 31,2014

FINANCE AND ENTERPRISE SERVICES

(Council/Committee Outstanding Items)

Date	Resolution	Contact/Dept	Status
April 15 2013 FIN- 13-12	<p>2013 Property Tax Policy</p> <ol style="list-style-type: none"> 1. That the 2013 City of Guelph Property Tax Policies as set out in Schedule 1 be approved; 2. That the following tax policies be incorporated into the tax rate, ratio and capping by-laws and submitted to Council on April 29, 2013: <ol style="list-style-type: none"> b) That the industrial tax ratio be reduced from 2.63 to 2.5237; c) That all other class ratios and vacancy discounts remain the same as 2012; d) That the capping parameters used for 2012 be adopted for 2013; e) That all other tax policies, including optional property classes, graduated tax rates, relief to charities, low income and disabled persons (as detailed in Schedule 1 to Report FIN-13-12) remain the same as 2012. and <p>That the following tax policies be incorporated into the tax rate, ratio and capping by-laws and submitted to Council on April 29, 2013:</p> <ol style="list-style-type: none"> a) That the multi-residential ratio be reduced from 2.1659 to 2.1239; 	James Krauter	<p><u>Issue has been addressed.</u></p> <p>Tax Policy for 2014 CAFE April 7,2014 Report # FIN-14-15</p> <p>That the following tax policies be incorporated into the tax ratio, tax rate, and capping by-laws and submitted to Council on April 28, 2014:</p> <ol style="list-style-type: none"> 1. That the multi-residential ratio be reduced from 2.1239 to 2.0819; 2. That the industrial tax ratio be reduced from 2.5237 to 2.4174; 3. That all other class ratios and vacancy discounts remain the same as 2013; 4. That the capping parameters used for 2013 be adopted for 2014 (as outlined on Appendix A) and 5. That all other tax policies, including optional property classes, graduated tax rates, relief to charities, low income and disabled persons (as detailed in Schedule 1 to Report Fin-14-15) remain the same as 2013.

STAFF REPORT



TO Corporate, Administration, Finance & Enterprise Committee

SERVICE AREA Corporate & Human Resources

DATE August 12, 2014

SUBJECT Outstanding Motions of the Corporate, Administration, Finance & Enterprise Committee

REPORT Number **CHR-2014-48**

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To advise the Corporate, Administration, Finance & Enterprise Committee of the status of all outstanding Committee resolutions pertaining to Corporate & Human Resources.

KEY FINDINGS

Staff are continuing to plan work required to address outstanding motions previously passed by the Committee.

Staff have reviewed all outstanding motions and have provided updated as applicable.

FINANCIAL IMPLICATIONS

None

ACTION REQUIRED

To be advised of the status/timing of all outstanding Corporate, Administration, Finance & Enterprise Committee motions pertaining to Corporate & Human Resources and to update the outstanding motion list.

RECOMMENDATION

That the report dated August 12, 2014, regarding outstanding motions of the Corporate, Administration, Finance & Enterprise Committee, be received;

BACKGROUND

For some time, with input from the Clerk's Department, a record of outstanding motions of Committee has been maintained. The Executive Team has decided to bring to each Committee of Council an update of all outstanding motions. The biannual report may include recommendations, where appropriate, to eliminate

STAFF REPORT



from the list any outstanding motions that may no longer be of priority to the Committee. The current report is the first biannual report. There are no motions from Governance Committee that staff recommend be eliminated at this time.

REPORT

Included for information is the outstanding motion for the Corporate, Administration, Finance & Enterprise Committee, including the status of the work and the timing, when available, for when the work may be completed.

Date	Resolution	Lead	Status
Jul 25/11 Council	That the Executive Team be authorized to manage within their approved annual budgets and adjust staffing levels to maintain the level of Council approved programs and services provided that no costs are incurred in the current or subsequent budget years and that staff changes be reported.	C & HR / HR	Outstanding pending review of CAO By-law
May 25/09	Canada Revenue Agency AND THAT staff report back on the financial impact of the final decision of the appeal to ascertain Council's commitment to offset the impact on staff.	C & HR / HR	Ongoing

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

Finance & Enterprise – Finance Department,
Corporate & Human Resources – Clerks Department

COMMUNICATIONS

N/A

ATTACHMENTS

None

Approved and Recommended By

Mark Amorosi,
Executive Director
Corporate & Human Resources
519.822.1260 ext 2281
Mark.amorosi@guelph.ca

FINANCE AND ENTERPRISE SERVICES

(Council/Committee Outstanding Items)

Date	Resolution	Contact/Dept	Status
FINANCE AND ENTERPRISE SERVICES			
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	<p>3. That the application by 5 Arthur Street Developments, 2278560 Ontario Inc. for a Tax Increment-Based Grant pursuant to the Downtown Guelph Community Improvement Plan and applying to 5 Arthur Street South, be approved with an upset limit of \$8,566,117.</p> <p>4. That staff be directed to finalize Brownfield and Downtown Tax Increment-Based Grant agreements between the City and 5 Arthur Street Developments, 2278560 Ontario Inc., or any subsequent owner, as described in this report to the satisfaction of the General Manager of Planning Services; Corporate Manager, Downtown Renewal; the City Solicitor; and the City Treasurer.</p> <p>5. That staff be directed to respond to the next application (Tricar) received in sequence within the remaining funds allocated across the TIBG reserves and provide their recommendation to committee.</p> <p>6. That staff include options for the replenishment and/or continuation of TIBG programs reserve funding within the Guelph Economic Investment Fund discussions occurring over Q1.2 2014.</p>		
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FINANCE AND ENTERPRISE SERVICES

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	<p>be approved upon the acceptance of a business case including but not limited to the leveraging of funding from other sources.</p> <p>3. That staff pursue applications under the eligible Brownfield components of the federal FCM Green Municipal Fund as potential matching funds for IMICO (200 Beverley) and other strategic property development needs.</p> <p>4. That Finance and Enterprise staff conduct a comprehensive review of the City's strategic real estate needs and report back in Q2 2014 with a policy framework supporting the creation and administration of a Strategic Real Estate Reserve.</p>		
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FINANCE AND ENTERPRISE SERVICES

(Council/Committee Outstanding Items)

Date	Resolution	Contact/Dept	Status
April 15 2013 FIN- 13-12	<p>2013 Property Tax Policy</p> <ol style="list-style-type: none"> 1. That the 2013 City of Guelph Property Tax Policies as set out in Schedule 1 be approved; 2. That the following tax policies be incorporated into the tax rate, ratio and capping by-laws and submitted to Council on April 29, 2013: <ol style="list-style-type: none"> b) That the industrial tax ratio be reduced from 2.63 to 2.5237; c) That all other class ratios and vacancy discounts remain the same as 2012; d) That the capping parameters used for 2012 be adopted for 2013; e) That all other tax policies, including optional property classes, graduated tax rates, relief to charities, low income and disabled persons (as detailed in Schedule 1 to Report FIN-13-12) remain the same as 2012. and <p>That the following tax policies be incorporated into the tax rate, ratio and capping by-laws and submitted to Council on April 29, 2013:</p> <ol style="list-style-type: none"> a) That the multi-residential ratio be reduced from 2.1659 to 2.1239; 	James Krauter	<p><u>Issue has been addressed.</u></p> <p>Tax Policy for 2014 CAFE April 7,2014 Report # FIN-14-15</p> <p>That the following tax policies be incorporated into the tax ratio, tax rate, and capping by-laws and submitted to Council on April 28, 2014:</p> <ol style="list-style-type: none"> 1. That the multi-residential ratio be reduced from 2.1239 to 2.0819; 2. That the industrial tax ratio be reduced from 2.5237 to 2.4174; 3. That all other class ratios and vacancy discounts remain the same as 2013; 4. That the capping parameters used for 2013 be adopted for 2014 (as outlined on Appendix A) and 5. That all other tax policies, including optional property classes, graduated tax rates, relief to charities, low income and disabled persons (as detailed in Schedule 1 to Report Fin-14-15) remain the same as 2013.