

# **SPECIAL CITY COUNCIL AGENDA**



**Council Chambers, Guelph City Hall, 1 Carden Street**

**DATE    Wednesday February 26, 2014 – 6:00 p.m.**

Please turn off or place on non-audible all cell phones, PDAs, Blackberrys and pagers during the meeting.

## **Disclosure of Pecuniary Interest and General Nature Thereof**

## **Introduction to Guelph Economic Investment Fund (GEIF)**

Presentation:

- Ian Panabaker,
- Rob Spanier, LiveWorkLearnPlay Inc.

Delegations:

- Doug Minett, Chair, Downtown Advisory Committee
- Kristel Manes, Innovation Guelph
- Jim Bonk, YMCA Guelph
- Barb Kelly, Conestoga College
- Kitty Pope, Guelph Public Library
- Tyler Valiquette, Central Student Association, University of Guelph
- Belinda Leach, University of Guelph
- David Smiderle, Conestoga College
- Lloyd Longfield, Guelph Chamber of Commerce

## **INTRODUCTION TO THE GUELPH ECONOMIC INVESTMENT FUND (GEIF)**

1. That Downtown Renewal report FIN-DR-14-02, Introduction to the Guelph Economic Investment Fund (GEIF), dated February 26, 2014, be received.
2. That Council endorses the principles outlined in Attachment 1 to this report to structure the development of the Guelph Economic Investment Fund as identified in the staff report and that the Investment Fund

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recommendation be brought forward to Council at a meeting in May 2014.

3. That Council supports Staff executing Memorandums of Understanding (MOU's) with the emerging Baker Street partners to explore and refine program and funding opportunities to inform upcoming GEIF recommendations and project decisions.

**PROVINCE OF ONTARIO – MINISTRY OF TRAINING, COLLEGES AND UNIVERSITIES – POLICY FRAMEWORK ON MAJOR CAPACITY EXPANSION**

1. That Guelph City Council supports in principle the City's need for an expanded post-secondary school campus as recommended by the City of Guelph's Economic Development and Tourism Strategic Plan – 'Prosperity 2020'.
2. That Guelph City Council supports in principle the preparation of an Expression of Interest by Conestoga College and its partners which responds to the Province of Ontario's 2013 Post-Secondary Education Policy Framework on Major Capacity Expansion as described in report FIN-ED-14-01.
3. That Guelph City Council supports in principle the submission of an Expression of Interest for an expanded local post-secondary school capacity by Conestoga College and its partners to the Ministry of Training, Colleges and University, as described in report FIN-ED-14-01, subject to its contents being acceptable to the General Manager of Economic Development.
4. That Guelph City Council commits to the City's continued partnership with the University of Guelph, Conestoga College and the County of Wellington in developing a complete business case which will address the academic programming, funding models, physical requirements and local, regional and provincial benefits relating to expanded local post-secondary school capacity as described in report FIN-ED-14-01.

**ADJOURNMENT**

*Introduction to the*

# **Guelph Economic Investment Fund**

*Shaping Our Future*



**City Council**  
**February 26, 2014**

# Agenda

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**Introduction**

**Why an Investment Fund?**

**Emerging Opportunities: The Baker District**

**The Guelph Economic Investment Fund Model**



## Introduction

- **This is about a strategy begin to address major City Building initiatives identified in the Corporate Strategic Plan.**
- **The City needs to continue to project investor confidence in our targeted growth areas**
- **The City plays a significant role in activating this growth**

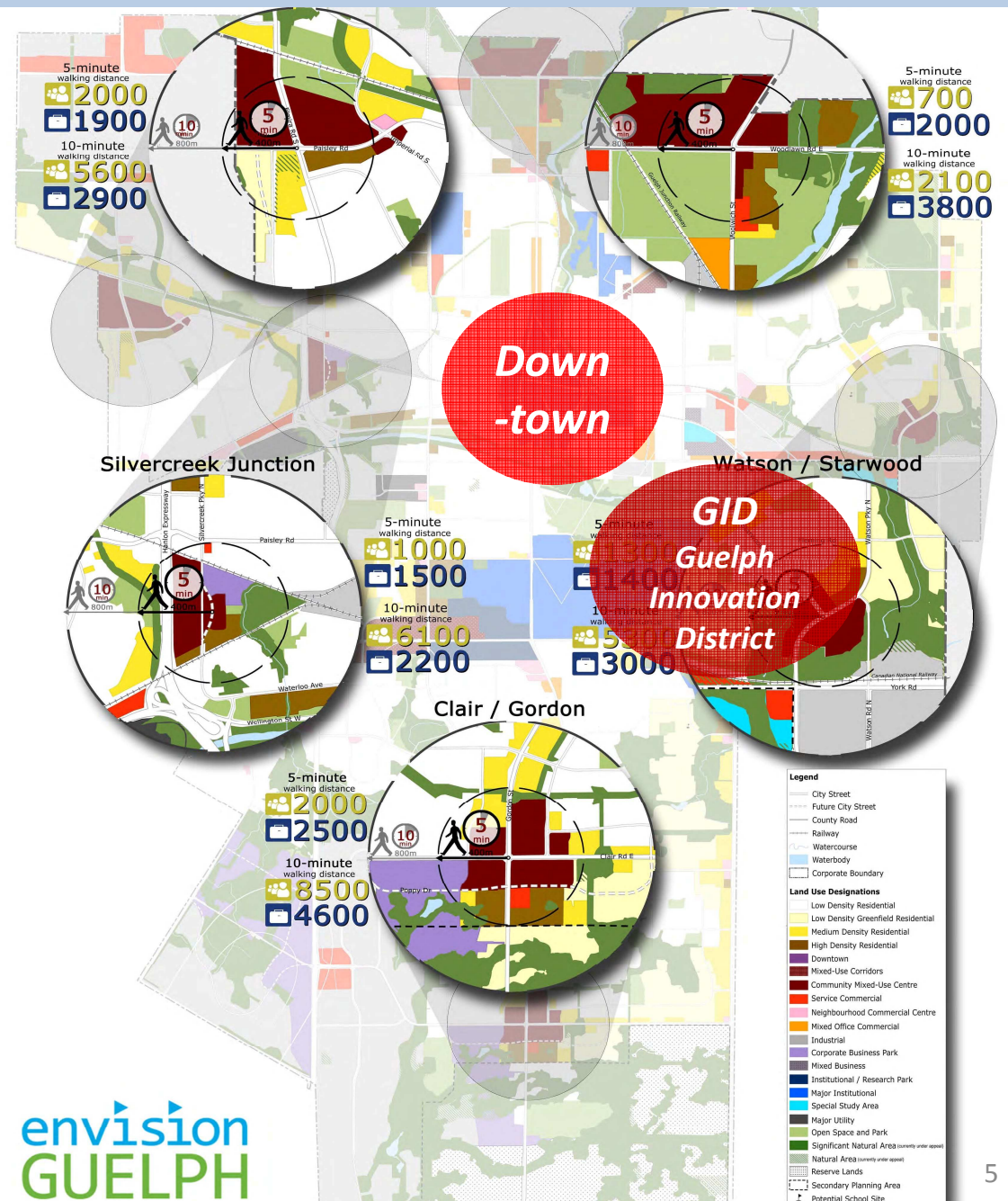
## Why an Investment Fund?

- We want to proactively shape a *future Guelph* that is attracting people, growing partnerships and investment.
- We want to be in the position to *seize opportunities* that build our city's productivity.
- Projects we invest in through the fund should be *transformative* and further the community's *vision* and *capacity*.

# Why an Investment Fund?

We are planning to grow the city differently and we need to be engaged differently:

- Downtown
- York Lands
- Major Nodes



## Proposed GEIF Principles:

- Diversify the local economy while strengthening existing industry and enabling new clusters
- Create new employment opportunities
- Leverage municipal funds to attract private and other public sector contributions
- Optimize the synergies & individual contributions to maximize the community's return on investment
- Demonstrate the value of sustainable development for citywide economic benefit
- Use GEIF to support 'investment ready' initiatives. Downtown is the first area for implementation.

# The Downtown Project

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**Downtown Guelph Strategic Assessment**

**Downtown Secondary Plan**

**Prosperity 2020**

**Local Growth  
Management Strategy**

**Urban Design Action Plan**

**Community Energy Plan**

**Agri-Innovation Cluster Strategy**

**River Systems Management Study**

**Parks & Rec Master Plan**

**Public Infrastructure  
Investments**

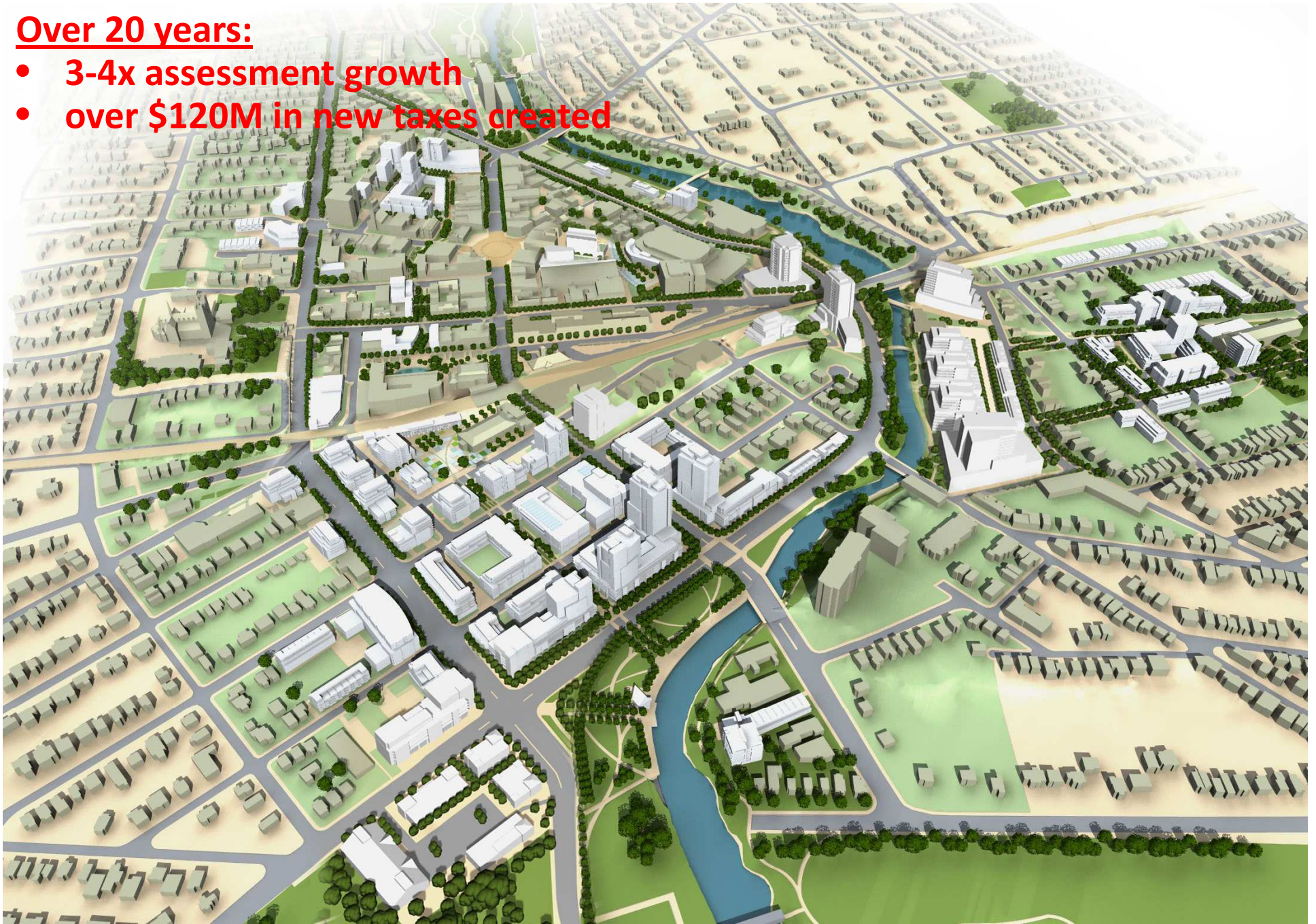
**Downtown Community  
Improvement Plan  
Investments**

**Early private-sector  
projects**



**Over 20 years:**

- 3-4x assessment growth
- over \$120M in new taxes created

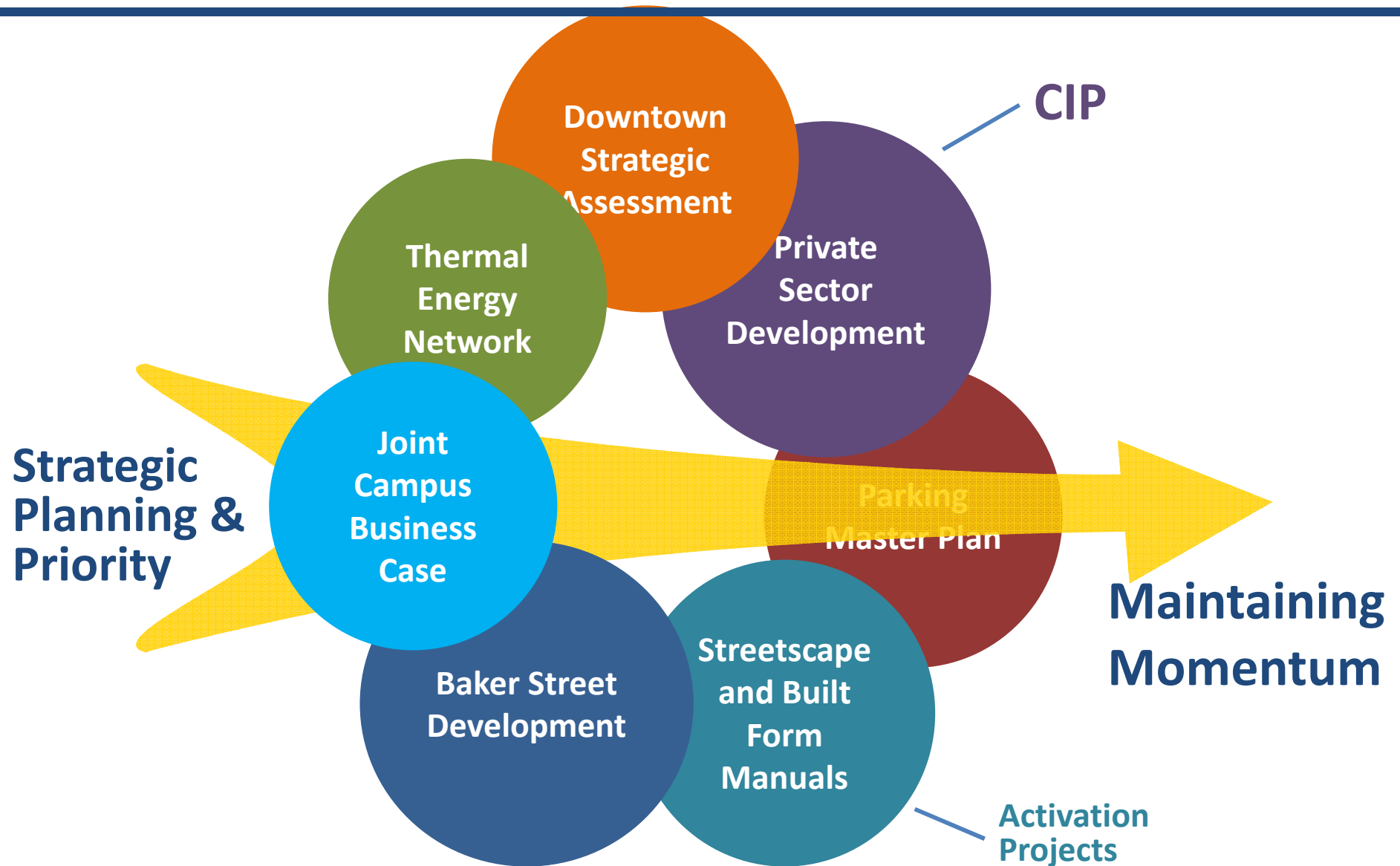


**and it looks like this...**



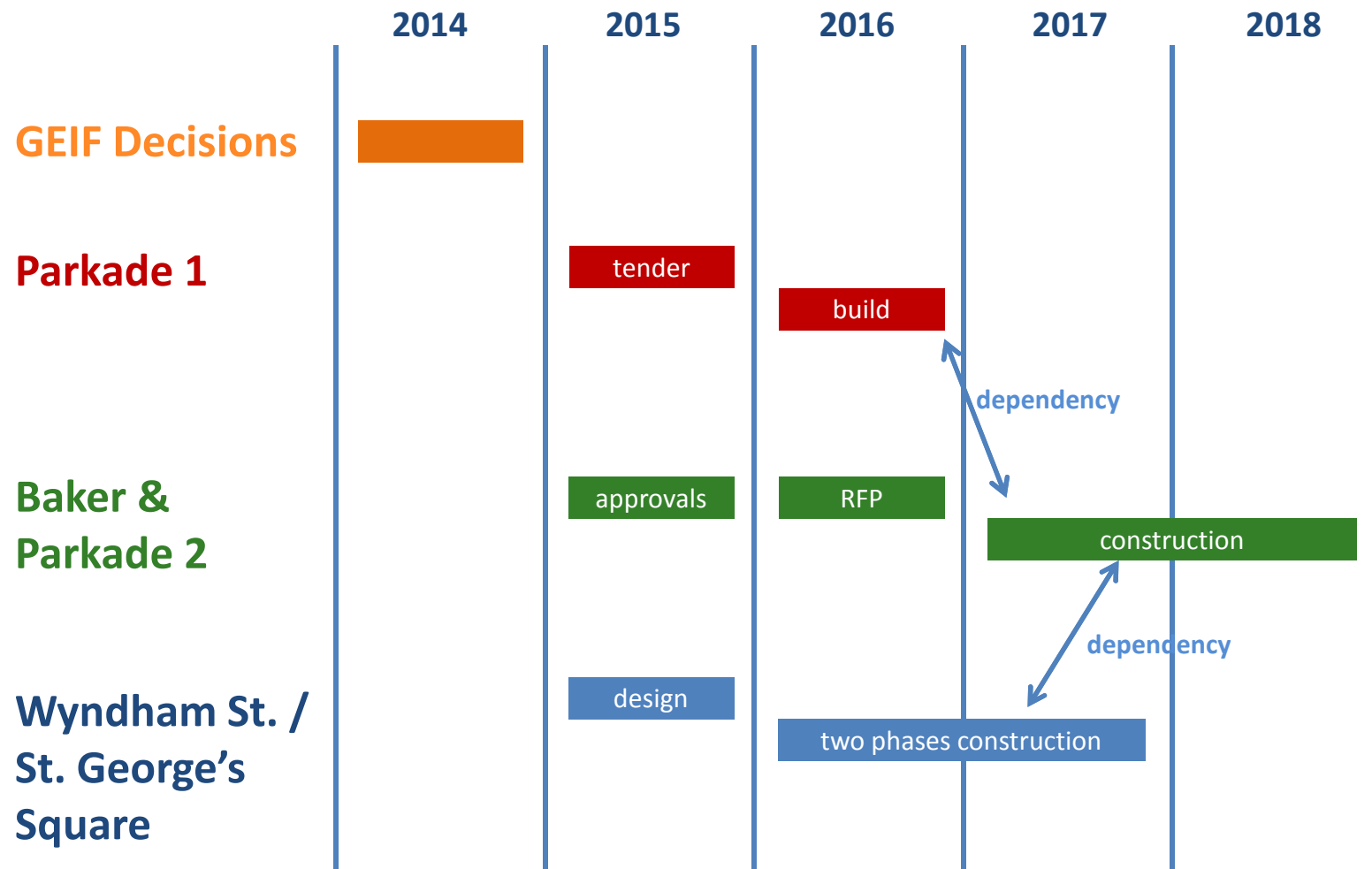
# Downtown: The Next Wave

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**Coordinated Implementation: \$60-80M**

# The Interconnected Major Projects:





## Baker District Trigger:

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December 20, 2013:

Province issued its post-secondary education “Major Capacity Expansion Policy Framework”

They will be calling for proposals  
“Early 2014”

## Emerging Opportunities: The Baker District

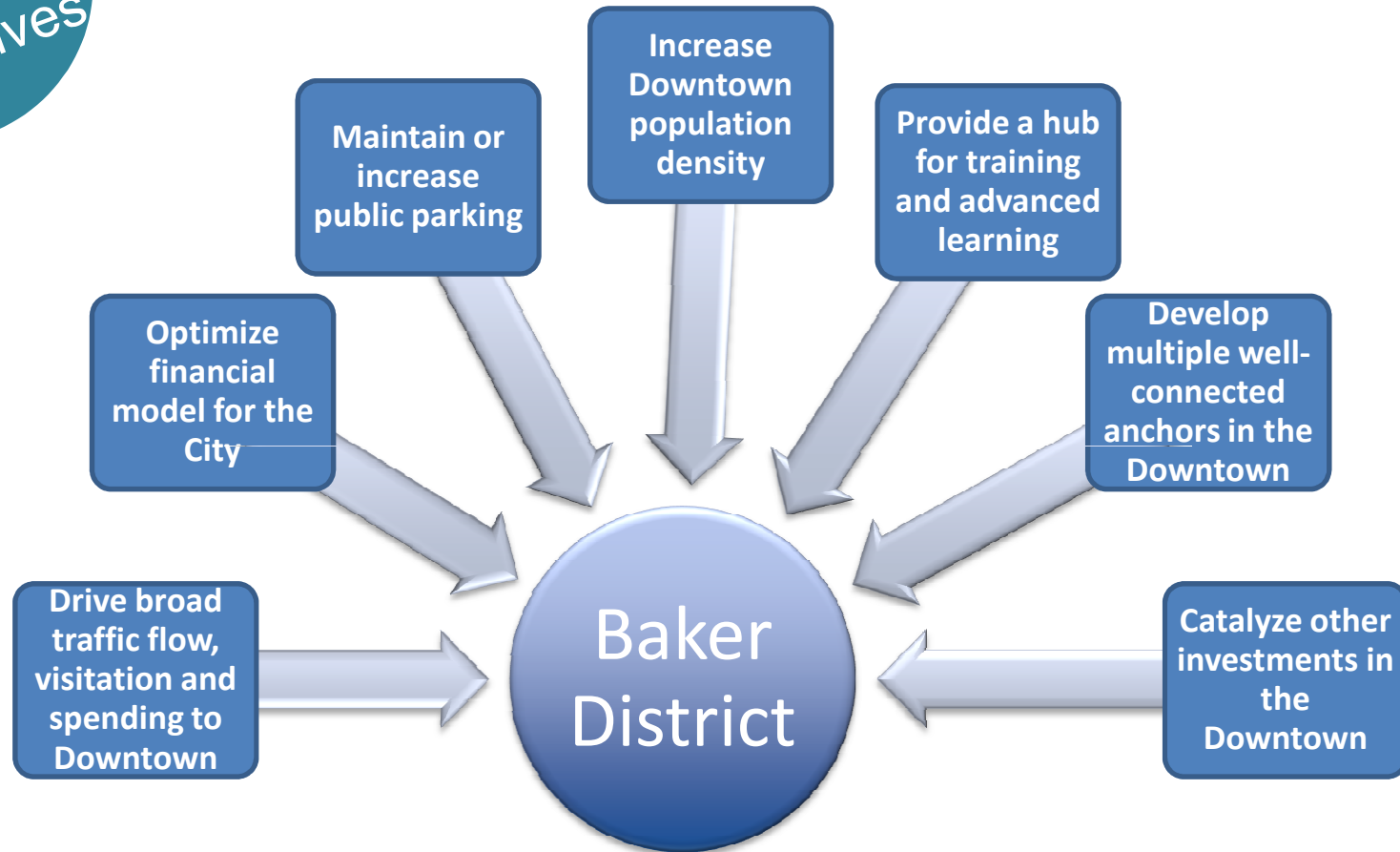


2009

**The Baker District**

Downtown  
Strategic  
Objectives

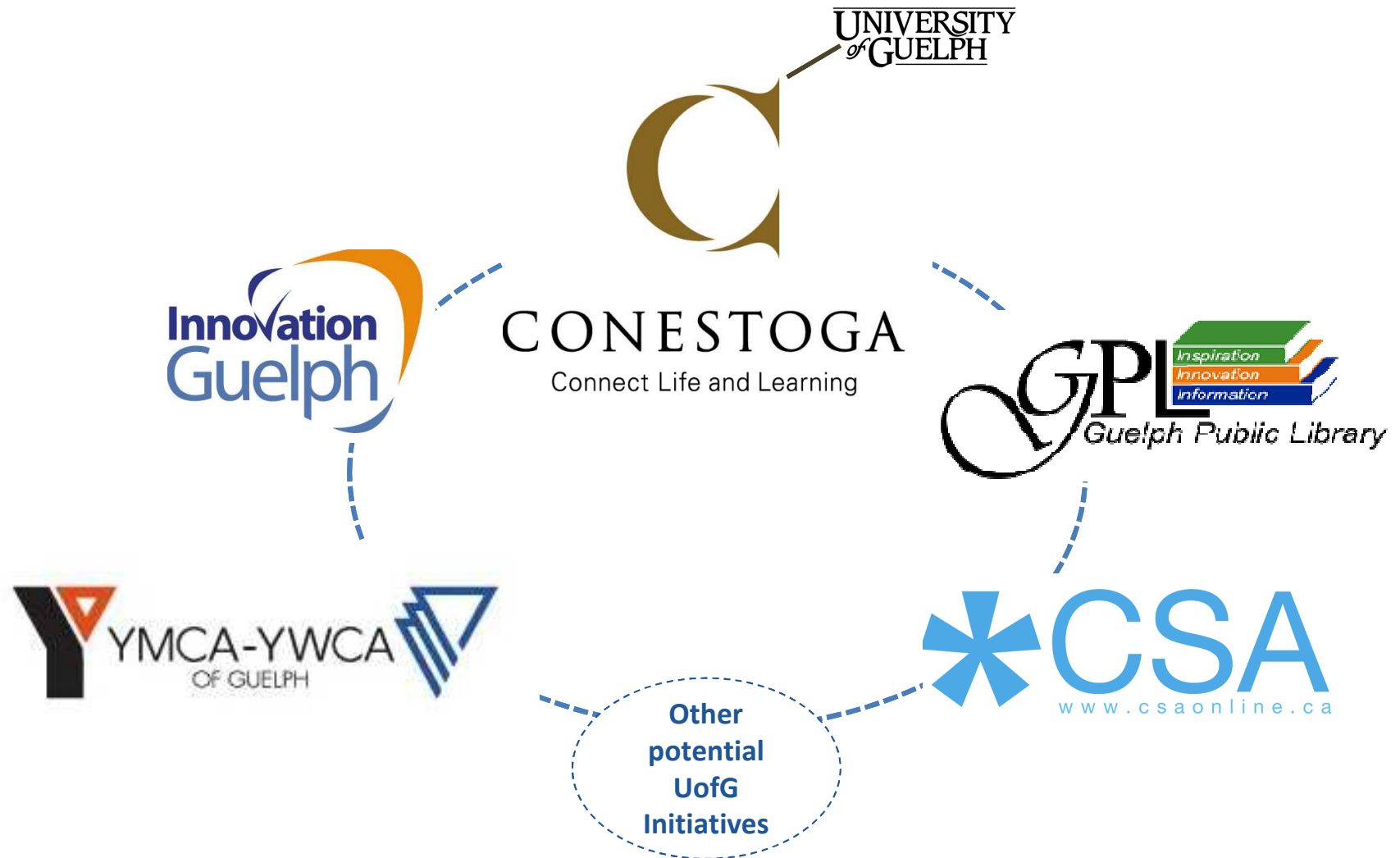
# Baker Street Redevelopment



DRAFT FOR REVIEW

# Emerging Institutional Partners

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# The Baker District is...



# The Baker District is...



# The Baker District will...

**\$2.7M**

Conestoga College students' estimated **annual spending** on goods & services



**1,500 PEOPLE**

VISIT THE LIBRARY EACH DAY. THAT

**GROWS TO**

**2,250+** AS THE NEW FACILITY OPENS.



Conestoga College

YMAC-YWCA Guelph

Guelph Main Public Library

**Baker Street**

U of G Central Student Association

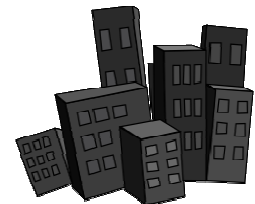
Innovation Guelph

Baker Street provides a **multiplier effect** that further increases the level of employment and spending in the City



**OVER 600,000 SF**  
OF DEVELOPMENT

Urban cores rely on anchor uses to **drive large visitation** flows, which support smaller ancillary uses – Baker Street is the key anchor for 'Upper Town'





# The Baker District Value Proposition:





# Baker Next Steps

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- **Execute Partner MOUs**
- **Continue to refine Baker programme**
- **Update Financial Analysis**
- **Achieve Council Financial Support through GEIF Recommendation in May**

# Guelph Economic Investment Fund

*Shaping Our Future*

# Budgeting for City Building

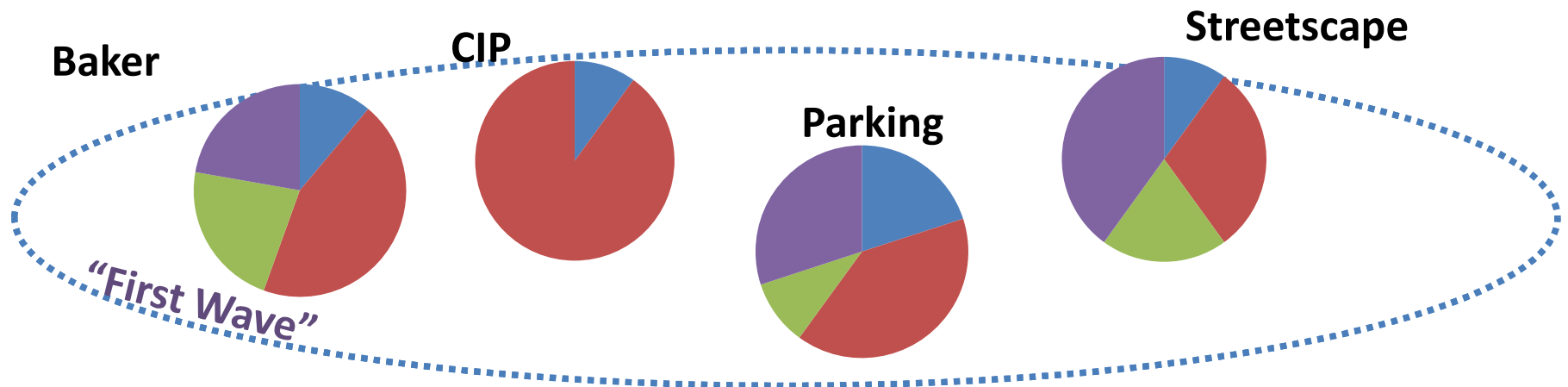
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# Developing GEIF

## Guelph Economic Investment Fund

Seeding and Leveraging City  
Contribution to achieve  
Community Goals

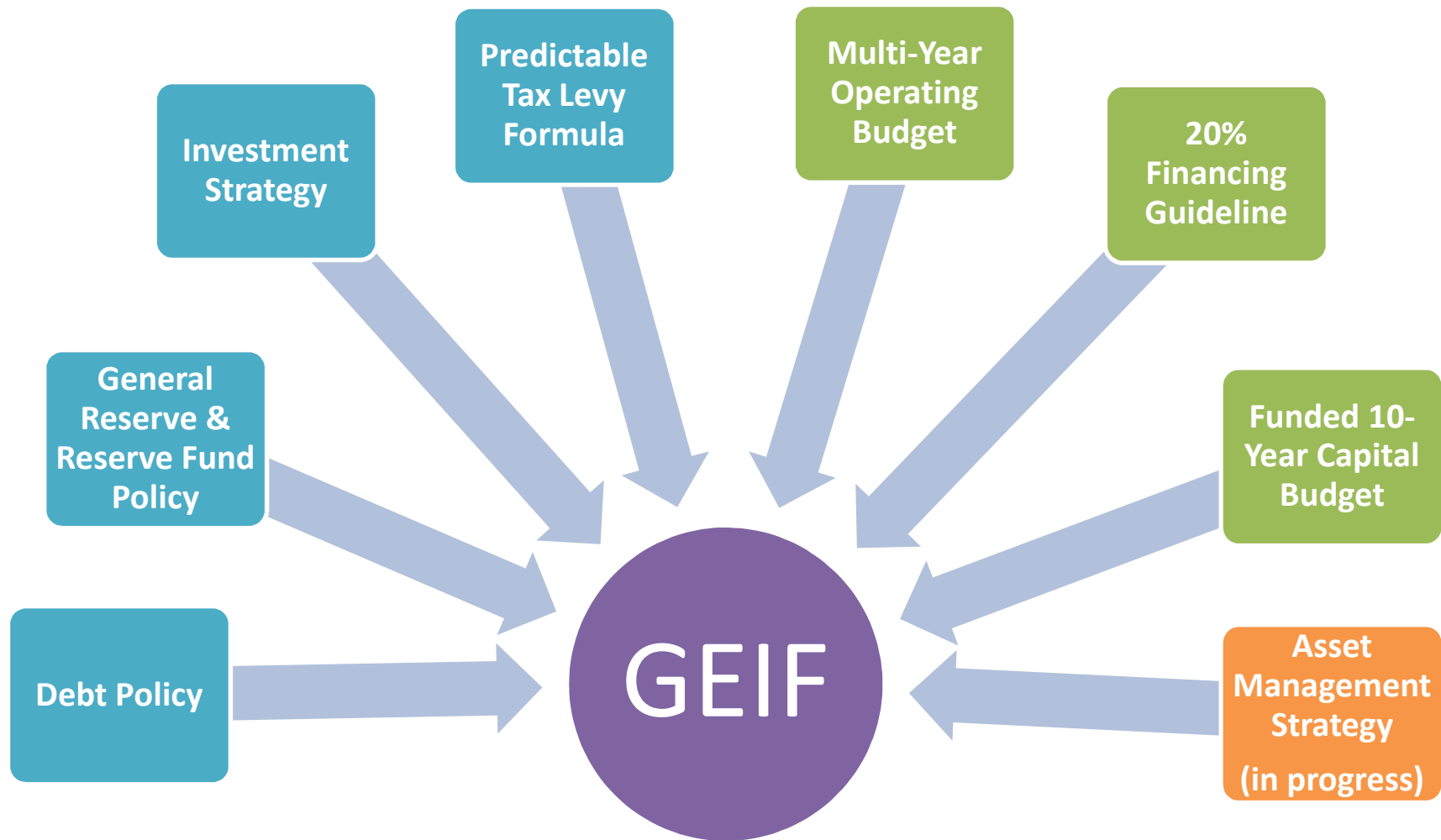


- Each project has individual funding streams + City contribution
- Other Initiatives to follow!

# Existing Financial Framework

- Funding options for the City share of GEIF projects need to fit within the framework of Council approved policies and practices
- These policies and practices will impact and are predicated on:
  - 1) **Timing** When can we start?
  - 2) **Scope** How much funding can we secure?
  - 3) **Priority** Ability to initiate other corporate projects

# Financial Framework



# GEIF Opportunities

- **External Funding:**

- Development Charges
- Other Levels of Government
- Sponsorship/Naming Rights
- Land Sales
- Fundraising

- **Internal Funding:**

- Tax Supported Contributions
  - Special Levy
  - Separate Levy
- User Pay Contributions
- Debenture

# Recommendations

- **THAT Council endorses the principles to structure the development of the Guelph Investment Fund as identified in the staff report and that the Investment Fund recommendation be brought forward to Council at a meeting in May 2014;**
- **THAT Council supports Staff executing Memorandums of Understanding (MOU's) with the emerging Baker Street partners to explore and refine program and funding opportunities to inform upcoming GEIF recommendations and project decisions;**



# GEIF Next Steps:

- **Continue to refine Baker opportunity**
- **Build Financial Model(s)**
- **Public Engagement**
- **Communications Plan Development**
- **Council Recommendation: May 2014**



**Thank you**



# STAFF REPORT



TO City Council

SERVICE AREA Finance and Enterprise Services

DATE February 26, 2014

**SUBJECT Introduction to the Guelph Economic Investment Fund (GEIF)**

REPORT NUMBER FIN-DR-14-02

## EXECUTIVE SUMMARY

### SUMMARY OF REPORT

This report introduces the Guelph Economic Investment Fund (GEIF) to City Council and the public at large. Building on the November 12, 2013 presentation and report "Downtown Renewal Update and Guelph Economic Investment Strategy", staff have begun framing a Guelph Economic Investment Fund comprised of several projects and refocusing these high profile initiatives into a *co-ordinated* City Building proposal.

In addition, staff are to updating Council on emerging Baker Street institutional partnerships.

### KEY FINDINGS

GEIF would provide a dedicated funding source recognizing emerging opportunities that bring new value and catalyze economic development and investment for the City. This approach to investment will also include private partnerships, stakeholder partnerships, asset leveraging, in-kind contributions and other funding options. The strategy must address City approved financial policies and practices.

While at a preliminary stage given the scale of the proposal staff need to identify that using a separate tax levy will be an important financial component to the strategy. This along with the other levers will be presented at the May Council meeting with a preferred recommendation.

### FINANCIAL IMPLICATIONS

The quantum to support the GEIF is in the order of \$60-80M. These projects are currently being analysed in detail and will be placed within an integrated GEIF framework. The completed analysis for each of the individual projects will be presented at the May Council meeting. As highlighted in this report and presentation, this investment would be recovered over time through increased economic potential, increased assessment value and therefore tax income. The existing City financial framework requires consideration throughout, as GEIF

# STAFF REPORT

decisions will impact the City's ability to initiate other corporate projects.

## **ACTION REQUIRED**

Receive and Approve.

## **RECOMMENDATION**

- That Downtown Renewal report FIN-DR-14-02, Introduction to the Guelph Economic Investment Fund (GEIF), dated February 26, 2014, BE RECEIVED;
- THAT Council endorses the principles outlined in Attachment 1 to this report to structure the development of the Guelph Economic Investment Fund as identified in the staff report and that the Investment Fund recommendation be brought forward to Council at a meeting in May 2014;
- THAT Council supports Staff executing Memorandums of Understanding (MOU's) with the emerging Baker Street partners to explore and refine program and funding opportunities to inform upcoming GEIF recommendations and project decisions.

## **BACKGROUND**

The report and presentation includes the principles for the GEIF, financial considerations, and the emerging program for the Baker Street Development. This lead project represents an opportunity to land a significant city-building project for the community and region.

## **REPORT**

### **GEIF PRINCIPLES**

The GEIF Principles (Attachment 1) are focused on supporting economic development strategies. Downtown Guelph has been identified as the first opportunity. The intent of GEIF is to position Guelph to attract investment and capitalize on new and transformative projects. Criteria and metrics are being developed to track that GEIF can deliver the following:

- Increased assessment growth
- New partnerships
- New jobs
- Return on community investment
- Creating City wide economic and community benefit

The GEIF allows the City to activate the 'next wave' of downtown projects based on the above criteria. It is intended that other major initiatives, such as the Guelph Innovation District (GID), come forward at the appropriate time using a similar model.

# STAFF REPORT

Identified as the third objective in the Corporate Strategic Plan (2012-2016), City Building strategic objectives are as follows:

- 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

The economic intensification of Downtown Guelph requires the City to act on its priorities and state its continued commitment. Over the last several years, key programs and initiatives have jumpstarted downtown development and now require the City to be more explicit and deliberate in maintaining the development momentum created.

## FINANCIAL FRAMEWORK

The City has created a vision for the future Downtown. Supported by the Downtown Guelph Strategic Assessment, Downtown Secondary Plan, Prosperity 2020 Economic Strategy and other Council approved policies, Downtown Guelph is seeing the results of public infrastructure investments, CIP investments and early private sector projects.

The list of current projects that form the basis for the current GEIF include the Baker Street Development, Parking Master Plan, and the Streetscape and Built Form Manuals. These are major initiatives identified in the Downtown Secondary Plan and the Downtown Guelph Strategic Assessment. Other initiatives that complement these construction-oriented projects are related to addressing CIP Investment tools, as well as other public realm and anchor activation strategies described in the Strategic Assessment.

The direct benefit of these projects is maintaining growth in redevelopment applications as well as economic vitality of the area. This provides increased assessment to the city budget to address other priorities.

### *Downtown Growth Analysis*

Downtown Renewal has been working with Finance to understand the long-term projections of achieving the Downtown Secondary Plan targets and it is summarized as follows:

*All figures present value	2012	2031
		<i>Adding 6,000 new people and 1,500 new jobs</i>
CVA of Urban Growth Centre	\$300,000,000* <small>*excludes non-taxed properties</small>	\$1,300,000,000
Municipal Tax Income	\$4,700,000	\$16,700,000

# STAFF REPORT

		Over 3.5X Increase
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As the table indicates, the potential tax income over the next 20 years could increase over 3.5 times. When accumulated over the 20 year period, this could amount to over \$120M in new municipal tax income. Without GEIF, this future revenue potential and future growth opportunities are greatly diminished.

Seeding and leveraging these projects enables the City to achieve its community goals. More importantly, growth in the downtown will allow the City to activate other areas of the City.

## *Policies and Practices*

The GEIF recommendation needs to fit within the Long Term Financial Strategy and address the following:

- Debt Policy
- General Reserve & Reserve Fund Policy
- Investment Strategy
- Predictable Tax Levy Formula
- Multi-Year Operating Budget provided for information
- 20% Financing Guideline
- Funded 10-Year Capital Budget
- Asset Management Strategy (In progress)

All of the listed elements prompt how the GEIF is structured as each individual project needs to be appropriately scoped, timed and aligned with other corporate projects.

Following preliminary financial analysis, it appears to maintain existing financial commitments and projections, a separate or special tax levy may be required as one of the components.

Staff want to ensure Council is aware of this financial treatment of the GEIF. Staff analysis will continue to build and refine options and form part of the recommendation to be presented in May.

## **BAKER STREET DEVELOPMENT**

Following the Downtown Renewal presentation in November 2013, the Province of Ontario issued its post-secondary education "Major Capacity Expansion Policy framework" on December 20, 2013. This call for proposal aims to guide major capacity expansions at postsecondary institutions to ensure students have access to more spaces and programs. The call involves offering where new or expanded campuses should be located and is framed around collaborations with municipalities, universities and colleges.

# STAFF REPORT

As discussed in fall 2013, Downtown Renewal was working with the Guelph Public Library and various partners to develop the program for this mixed use development. The space and program analysis offered a lot of potential for partnerships to take shape within this emerging community model. With the provincial call on the table, Conestoga College with the support of the University of Guelph, are planning to submit a proposal for a new campus for over 1000 students seeking post-secondary, academic upgrading, training, and/or continuing education. This downtown educational potential has also been identified through the Joint Campus Business Case study under development between the partners and the City.

The attached presentation identified the six emerging partners: Conestoga College, University of Guelph, Guelph Public Library, Innovation Guelph, YMCA-YWCA of Guelph and the UofG Central Student Association. This cluster has the potential to be a community anchor of significant scale and has lead to a real discussion of community engagement, collaboration, synergies, financial commitments and space requirements .

Pro forma work is currently being refined with the new program and includes key components from the Parking Master Plan and Streetscape and Built Form Manuals work. All three projects must align and form part of the GEIF as they are interdependent and together can maximize the use of city directed funding towards strategic objectives.

## **CONCLUSION**

Staff are seeking acknowledgement from Council to continue to pursue these initiatives under the GEIF framework. The completed GEIF recommendation with all projects and financial modelling will be presented at the May Council meeting.

## **CORPORATE STRATEGIC PLAN**

- 1.3 Build robust systems, structures and frameworks aligned to strategy
- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability
- 3.2 Be economically viable, resilient, diverse and attractive for business

## **DEPARTMENTAL CONSULTATION**

The GEIF Project Team includes representatives from all City departments.

## **COMMUNICATIONS**

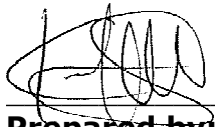
Enterprise Communications Plan related to Guelph Economic Investment Fund is being developed as Council discussions take place.

## **ATTACHMENTS**

- ATT-1 GEIF Principles
- ATT-2 GEIF Presentation

# STAFF REPORT

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"original signed by Ian Panabaker for"

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**Approved & Recommended By**

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## Attachment 1 – Proposed GEIF Principles

Guelph Economic Investment Fund (GEIF) Principles:
Diversify the local economy while strengthening existing industry and enabling new clusters.
Create new employment opportunities.
Leverage municipal funds to attract private and public sector contributions.
Optimize the synergies & individual contributions to maximize the community's return on investment.
Demonstrate the value of sustainable development for citywide economic benefit.
Use GEIF to support 'investment ready' initiatives. Downtown is the first area ready for implementation.

# STAFF REPORT



TO Guelph City Council

SERVICE AREA Finance & Enterprise Services

DATE February 26<sup>th</sup>, 2014

**SUBJECT Province of Ontario – Ministry of Training, Colleges and Universities - Policy Framework on Major Capacity Expansion**

REPORT NUMBER FIN-ED-14-01

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

The purpose of this report is to:

- 1) Inform Guelph City Council that the Province of Ontario, through the Ministry of Training, Colleges and Universities (MTCU) recently announced a policy framework for the purpose of creating or expanding post-secondary academic capacity;
- 2) Provide background regarding MTCU's request of academic institutions to submit expressions of interest to be considered for the funding to expand local post-secondary capacity; and
- 3) Seek Council's endorsement of Conestoga College's expression of interest as well as the City's continued partnership with the College, University of Guelph and the County of Wellington to pursue this opportunity further with MTCU.

### KEY FINDINGS

In 2010 'Prosperity 2020', the City of Guelph's Economic Development and Tourism Strategy identified the need for an expanded local community college presence to address matters such as skilled labour shortages as well as emerging youth un-employment issues.

In its 2011 election platform the Ontario Liberal party announced its intention, if elected, to expand the Province's post-secondary education capacity.

In 2013, the City of Guelph, Conestoga College, the University of Guelph and the County of Wellington jointly retained the consulting firm Deloitte and Touche to further assess the local post-secondary education needs. Interviews were conducted with local business and industry stakeholders. Information resulting from this assessment suggests there is a need for increased post-secondary education capacity which will address the focused and scoped educational and training needs of local industry and business.

Also in 2013 the Workforce Planning Board of Waterloo Wellington Dufferin completed an assessment of the workforce development needs for the County of Wellington which compliments the findings of Deloitte and Touche.

In late 2013 MCTU issued the Province's Policy Framework on Major Capacity Expansion for post-secondary school institutions. It also announced its intention to issue in early 2014 a request for Expressions of Interest (EOI) from academic institutions that may be interested in expanding local post-secondary education capacity. A copy of the policy framework can be found at: <http://www.tcu.gov.on.ca/pepg/publications/MajorPolicyFramework.pdf>.

Conestoga College, with input from the City, County and University is preparing an expression of interest which is to be completed and submitted to MTCU by no later than the end of February.

## **FINANCIAL IMPLICATIONS**

At this time the City's financial commitment to assess the community's post-secondary education needs has been capped at approximately \$40,000.

Future financial implications, if any, will be determined through a detailed business case assessment that will be done in partnership with the University, College and possibly the County. The business case as it may relate to the City will be reported at a later date to Council for its consideration.

## **ACTION REQUIRED**

MTCU has indicated that EOI's submitted by interested academic institutions should also provide demonstrated support from the local municipal government.

The following Council recommendations have been prepared to illustrate Guelph City Council's support in principle of:

- 1) The need for increased local post-secondary school capacity as recommended by 'Prosperity 2020';
- 2) The efforts of Conestoga College and its partners to develop an EOI, which will be submitted for consideration to MTCU; and
- 3) The on-going collaboration between the College, University and County to further assess this opportunity.

As can hopefully be appreciated, there are tight timeframes in which to respond to MTCU which has triggered the need for this report and its proposed Council recommendations.

## RECOMMENDATION

**THAT** Guelph City Council supports in principle the City's need for an expanded post-secondary school campus as recommended by the City of Guelph's Economic Development and Tourism Strategic Plan – 'Prosperity 2020', and

**THAT** Guelph City Council supports in principle the preparation of an Expression of Interest by Conestoga College and its partners which responds to the Province of Ontario's 2013 Post-Secondary Education Policy Framework on Major Capacity Expansion as described in report FIN-ED-14-01, and

**THAT** Guelph City Council supports in principle the submission of an Expression of Interest for an expanded local post-secondary school capacity by Conestoga College and its partners to the Ministry of Training, Colleges and University, as described in report FIN-ED-14-01, subject to its contents being acceptable to the General Manager of Economic Development; and

**THAT** Guelph City Council commits to the City's continued partnership with the University of Guelph, Conestoga College and the County of Wellington in developing a complete business case which will address the academic programming, funding models, physical requirements and local, regional and provincial benefits relating to expanded local post-secondary school capacity as described in report FIN-ED-14-01.

## BACKGROUND

On December 20<sup>th</sup>, 2013, the Deputy Minister of Training, Colleges and Universities released information regarding the Province of Ontario's Policy Framework on Major Capacity Expansion, which will govern the Province's funding of future post-secondary institution expansions, or the establishment of new institutions.

In its release MTCU indicates it will conduct a request for proposals (RFP) for major capacity expansions in early 2014. The call is to be directed at all publically funded post-secondary institutions in Ontario. Proposals will have to demonstrate strong collaboration between academic institutions and community partners, including municipal government.

The first phase of MTCU's RFP process is the submission of an Expression of Interest from local institutions, which should be accompanied with support from the host municipality.

Currently Conestoga College with input from the University, the City and County is preparing a submission. It is hoped the submission will be completed and submitted (along with a resolution of support by Guelph City Council) to MTCU by no later than the end of February.

# STAFF REPORT

## REPORT

To date Economic Development has coordinated activities between the referenced partners and the consultant. It is proposed that Economic Development will continue to represent the City on this project.

## CORPORATE STRATEGIC PLAN

- 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

Downtown Renewal

## FINANCIAL IMPLICATIONS

At this time the City's financial commitment to assess the community's post-secondary education needs has been capped at approximately \$40,000.

Future financial implications, if any, will be determined through a detailed business case assessment that will be done in partnership with the University, College and possibly the County. The business case as it may relate to the City will be reported at a later date to Council for its consideration.

## COMMUNICATIONS

N/A

## ATTACHMENTS

N/A



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"original signed by Al Horsman"

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