

# COMMITTEE AGENDA



**Consolidated as of August 8, 2014**

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  (Memo regarding Public Consultations)			
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**

# INTERNAL MEMO



DATE August 12, 2014

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

FROM Peter Cartwright

DIVISION Economic Development

DEPARTMENT Finance & Enterprise Services

**SUBJECT Municipal Development Corporation Business Case Study Update – Addendum (FIN-ED-14-09)**

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This information is an addendum to Report FIN-ED-14-09 Municipal Development Corporation Business Case Study Update.

Report FIN ED-14-09 cites Council's March 31, 2014 resolution which states:

*'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 FIN ED-14-09 also states that, 'a July 30<sup>th</sup> **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.'

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 consultation.

To date response to the public consultation process for a Municipal Development Corporation has been minimal and informal.

A number of activities were initiated through mid to late July to communicate the public consultation process that is required under the Municipal Act. They are itemized below:

- A web page on Guelph.ca entitled: **A City of Guelph Development Corporation**
  - <http://guelph.ca/2014/07/city-guelph-development-corporation/>
- **City's Events calendar:**
  - <http://guelph.ca/events/>
- **Guelph Tribune City Pages:** An advertisement run on July 24, 2014 on promoting the public meeting and open house, July 30, 2014 (see below):

**RE: Municipal Development Corporation Business Case Study Update – Addendum  
(FIN-ED-14-09)**

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- Promotion of the event sent out through the **City's Twitter** account on July 29, 2014.
- Contact information for Rob Kerr, GM, GMHI and Peter Cartwright, GM, Economic Development were included in all communications.
- Personal invitations to the July 30, 2014 public open house were extended informally to interested parties and stakeholders with relationship to the City's Enterprise activities.
- Public meeting and open house: On July 30, 2014 a public meeting was conducted in City Hall from 6PM to 8PM. It was attended by City and GMHI staff. Information and background on the Development Corporation proposal and related GMHI and Enterprise activity was provided.

A core message document, with questions and answers, was created and used as content for all of the above activities, is provided as **Attachment #1**.

At the time of preparing this addendum neither the City nor GMHI have received substantial or significant public feedback regarding the establishment of a Municipal Development Corporation.

Despite efforts to provide public notice and extend personal invitations to the July 30<sup>th</sup> public meeting these actions resulted in one attendee. As well, through other communication mediums to date public response has been minimal and informal. Themes that have been discussed at the July 30<sup>th</sup> open house and in various public documents include:

- The role of the Development Corporation in supporting the objectives of Guelph Municipal Holdings Inc.
- The governance structure of the Development Corporation
- Public opportunity and involvement in the Development Corporation's governance
- Legislative details of the Municipal Act regarding the creation of a Development Corporation.

It is therefore the opinion of City and GMHI staff that the requirements for Public Consultation for the creation of a Development Corporation under the Municipal Act have been met.

**RE: Municipal Development Corporation Business Case Study Update – Addendum  
(FIN-ED-14-09)**

Further opportunity for public consultation and input will be afforded through the ongoing development of Guelph Municipal Holdings Inc. and its interaction with Council, as shareholder.

**Report Author**

Peter Cartwright, General Manager – Economic Development

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**Approved By**

Al Horsman  
Executive Director and CFO  
Finance and Enterprise Services  
519-822-1260 x 5606  
al.horsman@guelph.ca

**Attachment 1  
July 30, 2014  
Public Open House Core Message Document**

**A City of Guelph Development Corporation  
Open house July 30, 2014**

In August 2011, in an effort to strengthen corporate governance practices regarding the management of current and future City-owned assets, Guelph City Council directed staff to establish Guelph Municipal Holding Incorporated. Since its inception Guelph Municipal Holding Incorporated. has established a Board of Directors and developed the capacity to manage City-owned assets.

At its meeting of December 2, 2013, the Guelph Municipal Holding Incorporated Board directed staff to seek City approval for the incorporation of a development company which would be used to develop City assets within the Guelph Municipal Holding Incorporated structure and provide the municipality with greater ability and flexibility in addressing and responding to the business needs of the community.

At its meeting of March 31, 2014, Guelph City Council endorsed the direction of Guelph Municipal Holding Incorporated's Board and directed staff to complete the requirements of the Ontario Municipal Act Legislation (O.R. 599/06) to form a development corporation for the City of Guelph.

The development corporation will:

- Provide a corporate structure into which City-owned assets (both physical and knowledge based) can be transferred and incubated to achieve the desired returns.
- Allow the City to pursue investors to stimulate the development of City-owned assets.
- Create the synergies between the asset owned assets under the governance of GMHI.

Once Guelph City Council approves the business case the development corporation is established, the City will transfer all shares of the development company to Guelph Municipal Holding Incorporated followed soon after by City-owned assets.

The creation of a development company fulfills both the corporate strategic direction of innovation in local government and the objectives of Guelph Municipal Holding Incorporated.

## **Frequently Asked Questions**

### **Why is the City of Guelph creating a development corporation?**

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.

### **What are other examples of development corporations?**

Municipally owned development corporations are a common method of governance enacted by municipalities to manage public assets.

Other municipalities that have created development corporations include:

- City of Calgary - Calgary Municipal Land Corporation
- City of Toronto - Build Toronto, Waterfront Toronto, and Toronto Port Lands Company
- City of Surrey, British Columbia - Surrey City Development Corporation

### **What kinds of assets are being transferred to the development corporation?**

Types of assets that can be managed by a municipal development company are:

- **Underperforming assets:** Current lands or facilities owned by the City that have potential to generate a higher level of revenue.
- **Stranded assets:** Abandoned brownfield properties that are owned by the City.
- **Leveraged Assets:** Current greenfield and infill properties that are owned by the City.
- **Community Planned Assets** – Assets that will address the community's planned growth.

### **Who will be responsible for running the corporation?**

A board of directors will be determined by a nominating committee appointed by Guelph Municipal Holding Incorporated.

**What is the difference between the Development Corporation and Guelph Municipal Holding Incorporated?**

Guelph Municipal Holdings Incorporated is designed to provide the City powers to establish and hold shares in a range of corporations, but is to participate in the operations of those corporations. Guelph Municipal Holding Incorporated will improve communication and information flow between the shareholder and the operating companies, capitalize on potential synergies, and help to maximize value provided to the community.

**For more information regarding the establishment of a development corporation:**

**Peter Cartwright**

General Manager, Economic Development  
Finance and Enterprise Services  
519-822-1260 extension 2820  
[peter.cartwright@guelph.ca](mailto:peter.cartwright@guelph.ca)

**For more information regarding Guelph Municipal Holdings Incorporated:**

**Rob Kerr**

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Guelph Municipal Holdings Incorporated  
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