

COMMITTEE AGENDA



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

DATE July 9, 2012

LOCATION Council Chambers

TIME 5 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES –

PRESENTATIONS (Items with no accompanying report)

a)

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-34 148-152 Macdonell Street – Downtown Guelph Community Improvement Plan (DGCIP) – Major Downtown Activation Grant (DAG) Request			

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.

NEXT MEETING – September 10, 2012

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

July 9, 2012

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.

A Reports from Administrative Staff

REPORT	DIRECTION
<p>CAFE-34) 148-152 MACDONELL STREET – DOWNTOWN GUELPH COMMUNITY IMPROVEMENT PLAN (DGCIP) – MAJOR DOWNTOWN ACTIVATION GRANT (DAG) REQUEST</p> <p>THAT Downtown Renewal Report FIN-DR-12-06 dated July 9, 2012 regarding a Major DAG application for the property municipally known as 148-152 Macdonell Street pursuant to the Downtown Guelph Community Improvement Plan, be received;</p> <p>AND THAT Council approve the Major DAG for 148-152 Macdonell Street and that the Mayor and Clerk be authorized to execute the Major Downtown Activation Grant Agreement between Carvest Properties Ltd. and the City of Guelph, subject to the satisfaction of the Corporate Manager of Downtown Renewal and the General Manager of Legal and Realty Services/City Solicitor.</p>	Approve

attach.

COMMITTEE REPORT



TO Corporate Administration, Finance & Enterprise Committee
(CAFE)

SERVICE AREA Finance & Enterprise Services: Downtown Renewal
DATE July 9, 2012

**SUBJECT 148-152 Macdonell Street - Downtown Guelph
Community Improvement Plan (DGCIP) - Major
Downtown Activation Grant (DAG) Request**

REPORT NUMBER FIN-DR-12-06

SUMMARY

Purpose of Report

To recommend to Council the approval of a DGCIP Major Downtown Activation Grant for 148-152 Macdonell Street. This is a tax increment-based grant (TIBG) involving significant redevelopment for commercial and/or residential buildings. The applicant is requesting TIBG funding for costs related to off-site infrastructure upgrades and construction cost premium for the provision of structured parking spaces. Redevelopment of the site includes a new 18-storey mixed-use building with 130 residential dwelling units and approximately 335m² of ground level commercial space. The site is considered a Brownfield and has been awarded TIBG assistance for remediation. All TIBG applications are coordinated to ensure the eligible costs under each program (i.e. Brownfield, Downtown, and Heritage) remain within the total tax increment created by the project.

Committee Action

Approve

RECOMMENDATION

“THAT Downtown Renewal Report FIN-DR-12-06 dated July 9, 2012 regarding a Major DAG application for the property municipally known as 148-152 Macdonell Street pursuant to the Downtown Guelph Community Improvement Plan, be received;

AND THAT Council approve the Major DAG for 148-152 Macdonell Street and that the Mayor and Clerk be authorized to execute the Major Downtown Activation Grant Agreement between Carvest Properties Ltd. and the City of Guelph, subject to the satisfaction of the Corporate Manager of Downtown Renewal and the General Manager of Legal and Realty Services/City Solicitor.”

BACKGROUND

Downtown Major Activation Grant

The City of Guelph has a Downtown Guelph Community Improvement Plan (DGCIP) which includes incentive programs for redevelopment within the planning area. The incentive programs are meant to address the outstanding barriers and create an environment that will encourage real intensification results for the downtown.

One of the programs in the DGCIP is the Major Downtown Activation Grant. This is a tax increment-based grant for major redevelopment projects involving significant redevelopment for commercial and/or residential buildings. This grant is based on the difference between property taxes collected on a property before development and the estimated taxes that will be collected after development. They are reconfirmed against actual taxes before any grant monies are paid.

DGCIP Projected CVA Growth

Finance staff have reviewed and estimated the Current Value Assessment (CVA) value for the Downtown Guelph area (based on the Urban Growth Centre definition) at **\$505 million**. The scale of new CVA growth represented by the Downtown Secondary Plan targets represents, conservatively, a **doubling** of the CVA. This was the economic basis for establishing the approved financial support for the DGCIP programs.

REPORT

Carvest Properties Ltd. has applied for the Major Downtown Activation Grant pursuant to the DGCIP for **148-152 Macdonell Street**, which is located at the northwest corner of Macdonell Street and Woolwich Street. The property was historically used for residential and commercial purposes, including tire and battery repair, foundry supply, offices and most recently as a daycare.

On May 7, 2012 City Council approved Official Plan and Zoning By-law Amendments to permit the development of an 18-storey mixed-use building with 130 residential dwelling units and 335m² of ground floor commercial space. The applicant is now in the final stages of the site plan approval process with the City.

This application for the Downtown Major DAG is requesting TIBG funding for costs related to off-site infrastructure upgrades and construction cost premium for the provision of structured parking spaces.

Evaluation Criteria

As outlined in the DGCIP Implementation Guidelines, the application was assessed by the following criteria:

CRITERIA	REQUIREMENTS	APPLICANT
1. Eligibility	Minimum of eight residential units or 800 square metres of office/commercial space.	This project will consist of 130 residential units and 1 commercial unit (335m ²).
	Eligible costs include:	Applicant has applied for the following eligible costs:
	• Parkland Dedication contributions	\$51,810
	• Municipal planning and building permit fees	\$281,845
	• Off-site infrastructure improvement costs but exclude costs that are not <i>routinely</i> required for servicing the site.	\$700,000 Includes: • Underground services including relocation • Intersection and right-of way improvements
	• Construction cost premium for the provision of underground parking or structured spaces vs. surface parking	\$6,114,000
	Total Eligible Costs	\$7,147,655
	Potential Maximum of 10 year Tax Increment-Based Grant	\$3,122,553
	Total Eligible TIBG = \$3,122,553	\$312,255 for 10 years
	Recommended Annual Grant	
2. Type of Development	Priority to residential or mixed use projects.	✓ Mixed Use
3. Meets CIP Principles and Goals	The project meets all CIP Principles and Goals including the creation of a new focal area for investment in employment, entertainment and tourism uses.	✓
4. Project Excellence	As established through the CIP, the project must reinforce the role of urban design and adhere to principles within City approved policy documents (e.g. Urban Design Action Plan, 2009.)	The building will provide sustainable and compatible urban development and improves the pedestrian realm. This investment is considered a development catalyst in the downtown core.
5. Quality of Application	Complete application and pre-consultation with Downtown Renewal Staff	✓

The Downtown Renewal Office is recommending that this project has met the eligibility requirements and that the City proceed with a Major DAG agreement with the applicant.

For this application, City staff has estimated a **30X** increase of the municipal tax levy for 148-152 Macdonell Street on completion.

FINANCIAL IMPLICATIONS

Grant payments are to be funded by the Downtown TIBG Reserve which was established on April 23, 2012 when City Council approved a total program cap for all multi-year redevelopment incentive programs. The total program cap for the Downtown TIBG is \$12.4M for the five year program.

The following table highlights approved and pending applications (including the 148-152 Macdonell Street Major DAG request) to the Downtown TIBG program:

Total Downtown TIBG Funding	\$12,400,000
Less 2 applications to date	\$1,919,562
	\$10,480,438
Less current application	\$3,122,553
Downtown TIBG Funding Remaining/Available	\$7,357,885

Relationship to the Brownfield CIP

On March 26, 2012 City Council approved a Brownfield TIBG for 148-152 Macdonell Street pursuant to the Brownfield Redevelopment Community Improvement Plan to an upset limit of \$1,750,700. This TIBG was associated with the remediation of contaminants in soil and groundwater beneath the site.

Applications are evaluated against one tax increment for their proposed development. 148-152 Macdonell Street will create an estimated tax increment of \$4,873,253. The total grants pursuant to the Brownfield TIBG and the Downtown Major DAG/TIBG are within the tax increment envelope for this property. There is no 'double-dipping' to offset the same costs under different CIP programs.

CORPORATE STRATEGIC PLAN

2012 Strategic Focus Area 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*

DEPARTMENTAL CONSULTATION

Finance & Enterprise: Finance Dept.

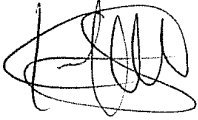
Planning & Building, Engineering and Environment: Planning Dept.

COMMUNICATIONS

Communications staff is working with staff to ensure there is consistent messaging for all CIP programs.

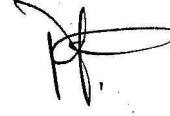
ATTACHMENTS

N/A



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