

Council Chambers, Guelph City Hall, 1 Carden Street

DATE Wednesday June 18, 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**

Enterprise Framework

Introductory Remarks – Mayor Farbridge

Introduction – Al Horsman, Executive Director Finance & Enterprise

Video Presentation:

- How We Measure the City: Making Economics Work
 - Presented by Joe Minicozzi, Principal, Urban3

1. The Enterprise Framework Approach

Presentation:

- Al Horsman, Executive Director Finance & Enterprise
- Sarah Purton, Manager Financial Planning & Budgeting

Recommendation:

1. That Report FIN-DR-14-04 “The Enterprise Framework Approach” be received.
2. That Council endorses the “Enterprise Framework” approach and that the tool be further developed for inclusion in Council’s strategic planning process;
3. That the Strategic and Capital Planning priority setting discussions for the next term of Council inform use of the Framework; and,
4. That the Communications and Engagement Strategy as described in Attachment 1 be undertaken as part of this work.

2. Downtown Renewal Projects Update: Baker District and Parking Master Plan

Presentation:

- Ian Panabaker, Corporate Manager Downtown Renewal

Recommendation:

1. That Report FIN-DR-14-05 "Downtown Renewal Projects Update: Baker District and Parking Master Plan" be received.
2. That based on the decision level pro forma attached to this report, Council endorses the 'Private and Major Institutional' mixed-use development as the preferred option for the Baker District lands.
3. That Council directs that, while acknowledging the ongoing Parking Master Plan community discussions, a 350 space structured parking project is required in the immediate term, in that the project start be identified in Year One of the 2015 10 year Capital Budget for consideration.
4. That staff bring back to Council the recommended 'Level of Municipal Support' to be approved ahead of Conestoga College submitting a Post-Secondary Expansion RFP to the Province.

ADJOURNMENT

STAFF REPORT



TO City Council

SERVICE AREA Finance & Enterprise Services

DATE June 18, 2014

SUBJECT The Enterprise Framework Approach

REPORT NUMBER FIN-DR-14-04

EXECUTIVE SUMMARY

PURPOSE OF REPORT

This report introduces a proposed Enterprise Framework and draft enterprise planning tool that promotes and incents development and financial strategies to leverage significant investment across the municipality. In short, to help move major city building initiatives from the design to implementation stage.

The report complements a staff presentation scheduled for June 18, 2014 that builds on the enterprise investment discussion initiated in November, 2013 and continued on February 26, 2014 as part of the Guelph Economic Investment Strategy.

The report outlines an approach that would insert a new schedule into the annual budget documents that itemises and tracks currently unfunded yet identified major strategic projects and priorities. This 'Enterprise Framework' is an extended matrix to capture additional information, notations and values related to major strategic priority projects. As part of the budget documents, this framework would be readily available for monitoring and tracking by Council and the public. This framework would also begin to inform and be informed by the Strategic Plan priority setting discussions and other budget setting mechanisms. In summary, this approach begins to align adopted or developing policy with financial and enterprise realities.

The report includes communications directions that will help frame the approach and position this initiative as integrated into already well-established City processes and that also provides clarity and foundation to high-profile community objectives.

In addition to helping set the frame for the necessary transformational shift in the approach to City building the report responds to several community discussions, motions of Council, stakeholder interests, etc. surrounding the need for investment that leverages City assets to maximize community value and sustainable development.

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The status and direction of some key Downtown projects, such as Baker District and Parking Master Plan projects, are updated for Council in a companion report to this that explores these initiatives in the context of the frame described here.

KEY FINDINGS

Significant and necessary policy work has been completed to address major growth pressures in sustainable ways and support City building initiatives. These include but are not limited to the Growth Strategy, new Official Plan under Places to Grow, key Secondary Plans approved or in process, Brownfield Redevelopment, etc.

The challenge now exists in the implementation of these City building initiatives in affordable, predictable ways that leverage existing and new assets to create City-wide economic and community benefit consistent with stated planning policy and strategic objectives.

Implementation strategies and programs have already begun (e.g. Downtown Renewal). However, in this preliminary work it is clear that traditional approaches to development cannot achieve the desired outcomes within the targeted time frames. Innovative strategies that foster partnerships, increase assessment growth and provide tangible returns on investment are therefore paramount to successful City building.

Momentum has already commenced as illustrated in the highly successful Tax Increment Based Grant (TIBG) program first utilized in 2012. This momentum needs to continue or risks lessened competitiveness with other municipalities for diminishing resources as well as not achieving sustainable growth.

In the absence of continued investment in transformative projects, the base upon which to draw to provide basic community services diminishes threatening service cuts, major double digit tax rate increases and/or a combination of both in the next 20-30 years.

Innovative approaches have already been considered and in some cases (e.g. TIBG, Brownfield CIP) already been implemented successfully to achieve major City building initiatives. More is required that considers greater integration of efforts to maximize synergies and activate both public and private lands.

This report describes an Enterprise Framework approach that continues the journey recently started to build a vibrant, diverse and sustainable City form.

The Framework tempers qualitative and quantitative objectives of increased assessment growth, economic development and City wide community benefit within practical financial, operational and budget constraints that activate/incent development within established plans.

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It is proposed that the concepts and tools described here continue to be developed ultimately for inclusion in the future year tax and rate supported budgets respecting major strategic priorities of Council.

In time, the application of the Framework will consider key City nodes such as the Guelph Innovation District (GID), emerging suburban nodes as well as central Downtown and will begin to share investment decisions as the City continues to grow.

FINANCIAL IMPLICATIONS

There are no major financial implications.

There is communications support required in an amount of up to \$20,000 to be funded through the Enterprise Services consulting and contracted services accounts.

The Enterprise Framework describes a change of focus to implementation of City building initiatives. Considerations identified here include, from the economic development lens, considerations of Council plans, policies and strategic priorities as well as direct and indirect qualitative and quantitative investment returns such as increased tax assessment, increased employment and improved quality of life factors. The economic perspective is tempered with more traditional financial considerations such as affordability/predictability, financial policy objectives (e.g. debt ratios) and innovative financing solutions (e.g. joint ventures, partnership agreements, alternative financing and procurement approaches, etc.). It is recommended that the Framework and attendant Enterprise Framework tool be further developed for inclusion in the 2015 and future year tax and rate supported budgets and that a Communications and Engagement strategy as described in **Attachment 1** be undertaken as part of this work.

ACTION REQUIRED

City Council to receive the report and approve the recommendations.

RECOMMENDATION

THAT Report FIN-DR-14-04 'The Enterprise Framework Approach' be received;

THAT Council endorses the 'Enterprise Framework' approach and that the tool be further developed for inclusion in Council's strategic planning process;

THAT the Strategic and Capital Planning priority setting discussions for the next term of Council inform use of the Framework; and,

STAFF REPORT



THAT the Communications and Engagement Strategy as described in Attachment 1 be undertaken as part of this work.

BACKGROUND

On February 26, 2014 Finance & Enterprise Services discussed with Council the development of an approach to funding strategic initiatives based on the following tests:

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

At that time, the language was focused on a 'fund' that would support projects that met these tests and would lead to significant economic growth. Downtown projects were highlighted as these were understood enough in context to model return on investment at a macro level.

The financial constraints and policies that such a fund would be required to address in its development were also described. Staff were to return with a recommendation on an approach to creating such a fund within the City's financial framework.

This report is the continuation and evolution of that discussion and identifies the need for a continued transformation to an enterprise approach versus specific fund for implementing development found in the City's various plans, policies and strategic priorities.

REPORT

Council and the community it serves as well as other key stakeholders have consistently indicated frustration that traditional approaches to City building no longer work.

Evidence of this frustration is found in several staff discussions with Council which derived motions and resolutions relating to improving capital project priority setting, desire for more fulsome disclosure related to all aspects of development applications, greater transparency for return on investment, improved business case frameworks that consider integrated versus asset specific outcomes, etc.

Similarly, the community and key stakeholders including the other orders of government have consistently expressed through various forums (including most recently the City of Guelph hosted Urban Design Summit) the need for greater flexibility and more business like approaches in the development process.

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And, finally, potential partners in the development community, investment sector and elsewhere continue to be reticent in participating with the City to develop large scale City building initiatives worrying over capacity and true financial commitment of the municipality.

Work has already been undertaken in response to these calls and there has already been some successes on various fronts and at varying scales that take a more enterprise like approach to planning and development. These include implementation of the Integrated Operational Review (IOR) recommendations, highly successful TIBG program, creation of Guelph Municipal Holdings Inc. (GMHI) to leverage City assets and unique one-off approaches such as the recent IMICO marketing strategy for the 200 Beverley Street stranded asset. It also includes active interaction with key stakeholders on major initiatives such as Baker Street and the GID Secondary Plan which not only gains from differing perspectives but develops buy-in and participation by other partners for actual implementation.

Staff hasn't been strong in communicating that this work is already reaping significant returns as most recently witnessed in the downtown Tricar and 5 Arthur projects as well as renewed interest in the Hanlon Creek Business Park and growing interest in the Clair Maltby corridor. This report and the accompanying presentation are therefore provided in part to better communicate efforts and describe a go forward communications strategy to further better inform and engage the community on City building efforts.

This report builds on the conversation first broached with Council in November 2013 and most recently the February 26, 2014 Economic Investment Strategy discussion to expose work already in process and articulated more formally in an Enterprise Framework. This is not intended as a white paper. Instead, the overarching framework described here will be part of the discussion / presentation to Council at its Special Council Meeting of June 18, 2014 where the principles will be explored further. However, this report also introduces some tools for making more explicit the Enterprise Framework approach already in play and to be described in the June 18, 2014 presentation.

The Enterprise Framework Tool

Based on the direction coming from both the January 27, 2014 and February 26, 2014 Guelph Economic Investment Fund meetings of Council, staff are proposing the piloting of a comprehensive tool that would provide Council with a qualitative and quantitative analysis of policy and planning documents whose objectives would require a significant amount of City investment and are directly related to economic growth. These documents would often be related to Community Improvement Plans or significant policy documents such as the Downtown Secondary Plan, or could relate more specifically to an activation site such as the Baker District.

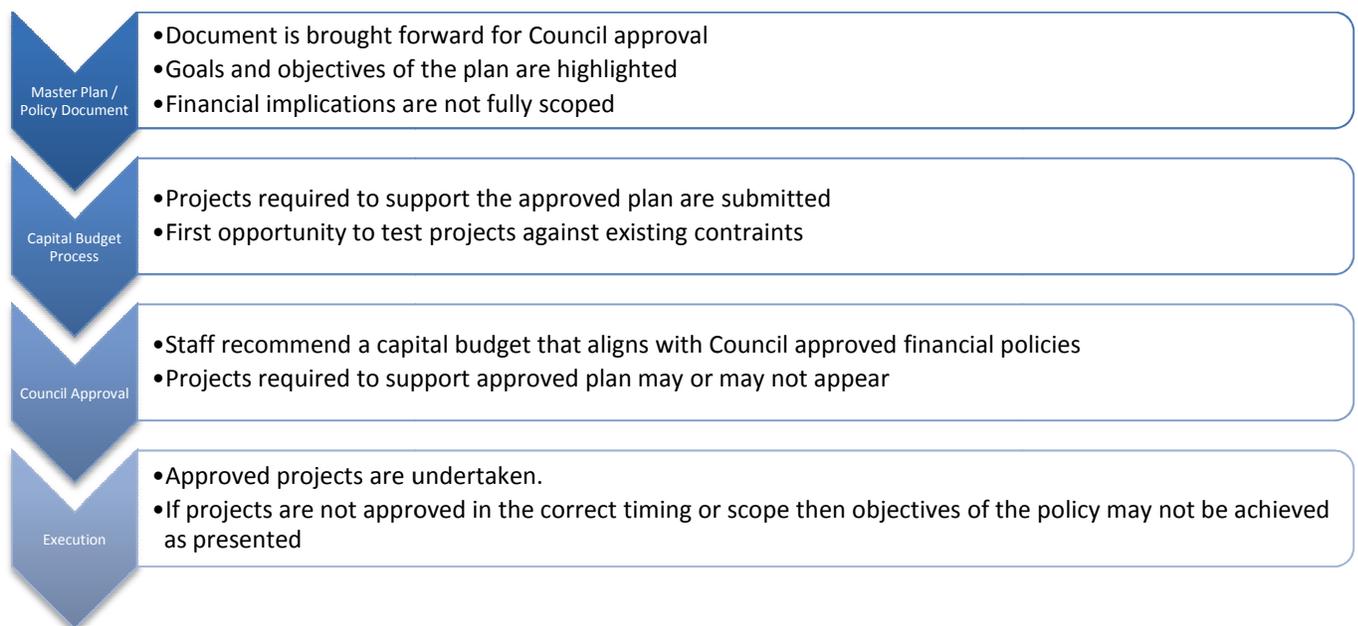
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The outline that follows highlights this approach and tool.

Master Plan/Policy Process: Alignment of Financial & Non-Financial Factors

The process for which a City policy or planning document is approved, funded and executed is a significant undertaking. **Chart One** below demonstrates the current process that is followed. As shown in the chart, a policy document is brought forward to Council that contains a number of goals and objectives that often involve some level of City investment. However, the first opportunity to test this investment against existing City financial policies and constraints is the capital budget process. This creates a disconnect between the qualitative factors, both positive and negative, that the policy development has supported and the financial capacity of the City to execute or support the required level of financial investment. Ultimately, failure to align the financial and non-financial factors earlier in the process lead to expectations not being met by various stakeholder groups, missed leveraging opportunities, failure to optimize planning objectives and poor execution. It further persists in providing lack of clarity to the community.

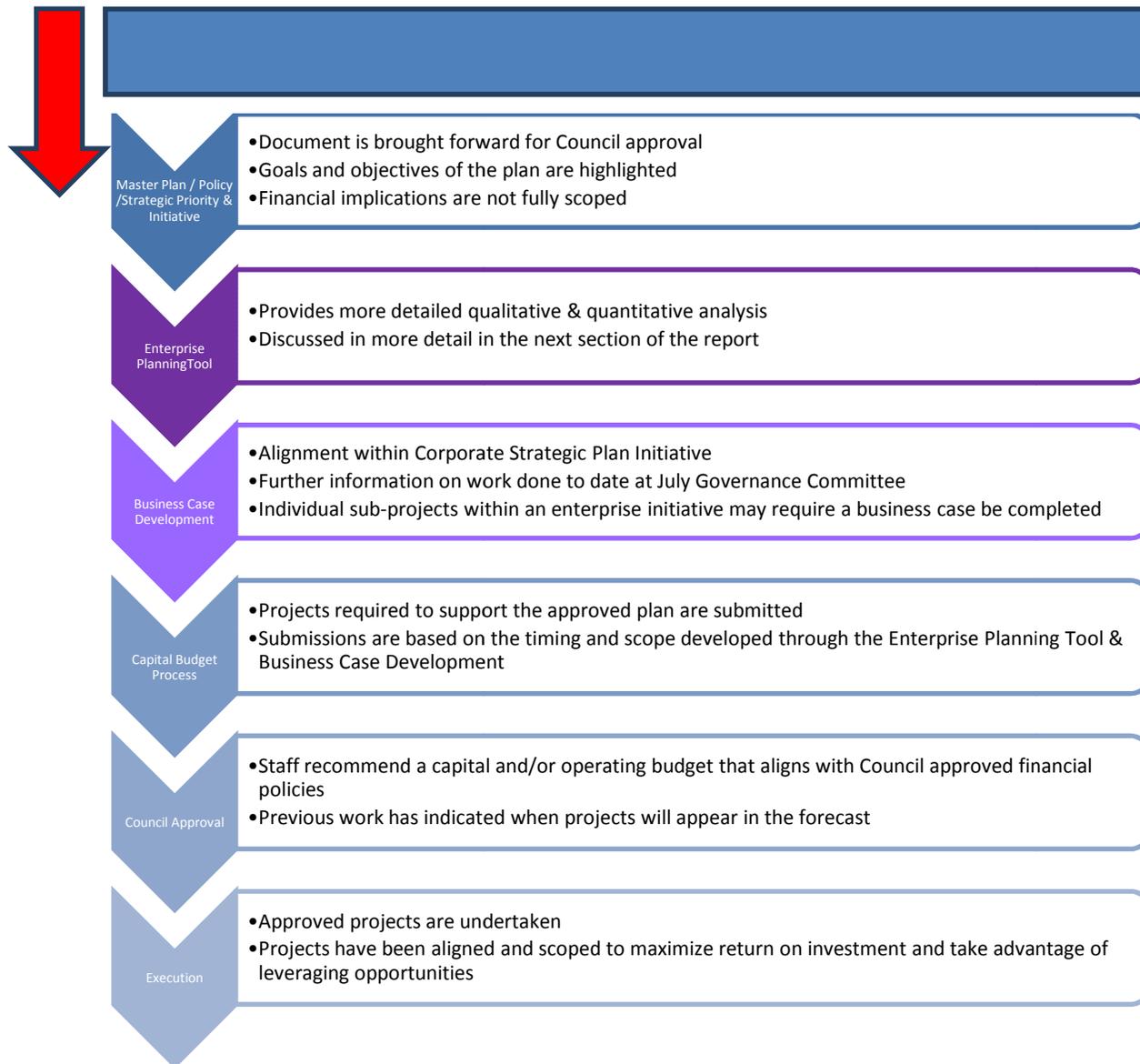
Chart One: Existing Process



Ideally, between the policy development and capital budget process, more rigorous work should be carried out to ensure that the timing, scope and cost of the projects were evaluated against existing City financial policies and constraints in combination with qualitative factors and business case development undertaken to fully vet options. This process is outlined in **chart two** below.

Chart Two: Proposed Process

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Enterprise Tool

Overview:

This report is proposing the piloting of a new tool that would be utilized in advance of any budget submission. The purpose of the tool would be to provide a “road-map” that aligns the qualitative (or non-financial factors) and quantitative (or financial factors) analysis of a policy document that requires significant City investment. By providing this analysis in advance, staff are anticipating that more detailed scoping and option consideration would be undertaken prior to the budget process. The timing, scope and cost of projects would be benchmarked against the existing City policies and constraints to provide a high level summary of what

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challenges existing in terms of inserting projects into the capital forecast and any forecasted operating budget impacts. It is being proposed that this tool be used to initially scope planning and policy documents that are led by the Enterprise department and have significant City investment. Examples of work that this would relate to are the Downtown Secondary Plan and the Baker District work that is currently being undertaken. Other nodes might be the GID and other emerging suburban nodes.

Enterprise Tool:

The tool is organised by grouping projects around strategic initiatives, and establishing their contribution to city-building principles and directives. Also captured is their current municipal, upper level of government, private sector, fundraising and leveraging funding, real or potential, as well as the identification of funding gaps and which projects are 'close' to being activated and others that still have significant challenges.

The tool also allows for the identification of project groupings to make explicit interdependencies as well as opportunities to achieve more through projects being strategically aligned.

At this point, the tool is in its piloting stage and would be open to refinement and adaptation to new policy and priority setting measures.

The proposed tool is included as **Attachment 2**.

Next Steps

If the concept is supported by Council, Staff will continue to refine and add to the Enterprise Planning Tool.

Staff will also consider the use of this tool to assist in the next term of Council's Strategic Plan development and priority setting.

CORPORATE STRATEGIC PLAN

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

This report has had extensive collaboration with a cross-departmental working team as well as the Executive Team.

FINANCIAL IMPLICATIONS

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There are no major financial implications resulting from this report.

There is communications support required in an amount of up to \$20,000 to be funded through the Enterprise Services consulting and contracted services accounts.

However, the tool being recommended will provide a method of aligning policy and planning documents which are developed by the Enterprise department that involve significant City investment with City financial policies and provide initial information related to timing, scope and the cost of these projects. This tool will also provide an overview of both the qualitative and quantitative benefits and challenges of these projects to assist in decision making.

COMMUNICATIONS

Corporate Communications and the CAO Office have worked with 3rd party strategy experts to develop the high level messaging described in **Attachment 1** and the Engagement Strategy described in **Attachment 3**.

ATTACHMENTS

- ATT-1 Communications High Level Messaging
- ATT-2 Proposed Enterprise Framework Template
- ATT-3 Communications and Engagement Strategy

Ian Panabaker, Corporate Manager, Downtown Renewal
Report Author

Approved & Recommended By

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KEY MESSAGES AND BACKGROUND

THEMES

**City Building:
The Emerging
Enterprise Approach**

Opportunity

Benefits

BROAD MESSAGES

**Guelph is proactively
shaping its future.**

**Now is not the time to be complacent.
Guelph must continue its forward-thinking approach
to city building to maintain our global competitiveness.**

**Done well, city building
benefits everyone.**

SUPPORTING MESSAGES

- An enterprising city ties its growth to building a diverse and vibrant local economy, while delivering the highest returns to residents and businesses.
- The bottom line is that we need to be more innovative in how we build prosperity. An enterprise framework will help Guelph be economically sustainable, affordable and livable. We must strategically manage key assets and generate viable opportunities with partners to build our city.

- To “do more with less,” we have to do business differently. The most creative, innovative and successful cities in the world depend on partnerships: between city and business, city and academia, city and neighbourhoods and, above all, the city and the public it serves. Successful partnerships are how we plan to accomplish more with less.
- The most vibrant and prosperous global cities are those which invest in fostering leading-edge, innovation economies. Guelph must do more to secure jobs in this space.

- If we seize the opportunities created by a legacy of good, forward-thinking planning we can leave our children a legacy that even Galt could never have dreamed.
- Our principled approach to growth, combined with our focus on community engagement and environmental sustainability, provides the basis for what comes next.
- City building contributes to a high quality of life, good neighbourhoods and opportunities for all residents.
- Guelph residents said no to sprawl. We’re not growing our boundaries. Instead, we’re transforming the value of the land we already have and we’re doing so where our community can realize the highest returns.
- We’re moving away from a culture of ‘building new’ to a culture of renovating and improving what we’ve got.

BACKGROUND AND SUPPORTING INFORMATION

- The City of Guelph will explore new options for city building, including alternative delivery models.
- John Galt broke away from the traditional notion of organic city development—where a city grows in reaction to its needs—by envisioning a fully planned city. We are continuing that legacy.

- Businesses are no longer tied to physical locations and are rapidly seeking innovative, forward-thinking cities who will partner with them.
- Meanwhile, cities are facing serious issues: environmental sustainability, economic rejuvenation and youth unemployment, as well as continued pressure to grow their populations without expanding their boundaries.
- All of these challenges come at a time when governments are under pressure to reduce spending and taxes. Some choose to slash services while others duck and cover. These approaches will only set us back.

- Guelph continues to evolve from John Galt’s days, harnessing economic investment that will lead Guelph into the future in a secure, sustainable and inspiring way.
- Downtown is where we are starting our 21st century city building. We are founding our new Guelph where it all began and we’ll work our way back out to our boundaries.
- Increased density reduces the negative impacts—poor air quality, stressed water supply, compromised environment—of urban sprawl on the quality of life for all Guelph residents.

TACTICS

- Dedicated web section
- Video/infographic
- Public open houses
- Media engagement
- Social media campaign
- Community updates
- Ongoing Council updates

CITY BUILDING

John Galt, the city's original planner, brought the best in city design practice to the founding of Guelph. To continue to uphold this legacy, the City is taking an enterprising approach to city building and reaching out/engaging citizens to create a secure and sustainable future for all of Guelph.



1

INTEGRATED PLANNING (COMPLETE)

1827–Present

Guelph founded with the symbolic felling of a tree on April 23, 1827

Laying the ground work

- Community Energy Initiative
- Prosperity 2020
- Growth Management Strategy
- Downtown Secondary Plan
- Downtown Community Improvement Plan
- Finance and Enterprise Services
- Guelph Wellbeing
- Open Government
- Guelph Municipal Holdings Inc.
- Guelph Innovation Secondary Plan

2

IMPLEMENT, PLAN AND ENGAGE

June 2014

Proposed Enterprise Framework

June–December 2014

Public engagement

- Baker District development
- Parking Master Plan (sustainable financial model)
- Placemaking: Streetscape, Built Form and St. George's Square (design)
- Regional transportation

3

CONSOLIDATE, INFORM, DEBATE AND APPROVE

2015

Council Strategic planning

January–March 2015

Public engagement

- Enterprise Framework priorities
- 2015 Budget process
- 10-year Capital Budget

4

DELIVER, MEASURE AND ADJUST

2015–2018 and beyond

COMMUNICATIONS AND ENGAGEMENT PLAN OVERVIEW



An enterprise framework for better city-building and greater economic prosperity

BACKGROUND

Guelph has been built through a unique legacy of long term design thinking. The City continues to use this approach as it develops new strategies to remain competitive and attractive in the 21st century.

Finance and Enterprise Services was established to proactively implement the community's vision through sound financials coupled with enterprising approaches, and we are seeing the results.

The Enterprise Framework continues to build on this practice and puts more focus on major city building initiatives that bring resiliency and economic growth to the community.

KEY STAKEHOLDERS

Internal Stakeholder

Mayor and Council
City employees

External

Guelph taxpayers
Guelph residents in new growth areas
Residents living in the older core areas
Downtown businesses
Downtown Guelph Business Association
Downtown Advisory Committee
Potential Baker Street development partners (YMCA, Conestoga College, Innovation Guelph, University of Guelph, and Guelph Public Library)

COMMUNICATION AND ENGAGEMENT GOAL

Community members and stakeholders (both in and beyond downtown) are engaged in and know about the City's enterprise framework, and understand that it's intended to leverage additional investments which will benefit the whole community.

KEY MESSAGES

BROAD MESSAGES

OPPORTUNITY

- 1 Now is not the time to be complacent. Guelph must continue its forward-thinking approach to city building to maintain our global competitiveness.

CITY BUILDING: THE EMERGING ENTERPRISE APPROACH

- 2 Guelph is proactively shaping its future.

BENEFITS

- 3 Done well, city building benefits everyone.

TACTICS

A series of communications products will be designed to support engagement opportunities between now and March 2015. Others will promote awareness and understanding of Guelph's emerging enterprise framework.

CONTACT INFORMATION

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STAFF REPORT



TO City Council

SERVICE AREA Finance & Enterprise Services: Downtown Renewal

DATE June 18, 2014

**SUBJECT Downtown Renewal Projects Update:
Baker District and Parking Master Plan**

REPORT NUMBER FIN-DR-14-05

EXECUTIVE SUMMARY

PURPOSE OF REPORT

Following the presentation of the Enterprise City-building Framework, this report is to provide Council with an update on Downtown Renewal projects such as the Baker District and the Parking Master Plan.

Direction is being sought on the preferred development program for Baker Street, along with acknowledgement of upcoming financial considerations to be discussed.

The Parking Master Plan process for engaging the community in testing and engaging on the financial model to support long-term sustainability of parking investments and operational changes is described.

KEY FINDINGS

Deadlines recently set by the Province to submit RFPs to the Post-Secondary Expansion call have been established. The recent announcement of the June 12, 2014 provincial election has potential implications on this RFP as provincial budget plans may require further examination. However, staff are seeking Council support in principle for the Baker District direction with the preferred option.

With the assistance of LiveWorkLearnPlay Inc., a study and market scan was developed for the downtown with the intent of uncovering growth opportunities and further private investment. It was through discussions with various partners including the Guelph Public Library that a viable program was developed for the Baker Street site. The program includes the potential for partnerships to take shape within this emerging community model. This downtown educational potential has also been identified through the Joint Campus Business Case study under development between the partners and the City. Without the new institution, the site would likely require new market readiness tools and programs (e.g. new development incentives). Staff will

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return to Council with the details of the Municipal Contribution prior to any submission taking place.

The Parking Master Plan project is setting up to undertake a significant public consultation on the policy and financial decisions to be made to support the evolution of the parking system. The range of decisions impacts both downtown and adjacent neighbourhood operations. This report describes a model to provide the foundation for this discussion and outlines the scope of issues that need to be addressed comprehensively to achieve a sustainable financial solution.

In addition, staff are bringing forward a recommendation for the first 350 spaces parking structure to be considered within the 2015 budget. This initial commitment, ahead of finalising the Parking Master Plan financial model with the community, is being driven both by the need to support the Baker District proposal's implementation as well as recent announcements about the increased GO investments in the rail corridor. Planning needs to commence in 2015 to be prepared for other projects dependencies on additional parking supply.

FINANCIAL IMPLICATIONS

The recommended option for the Baker District will require further analysis as current discussions for in-kind and other funding opportunities need to be tested and confirmed before 2015 and future year budget deliberations.

The recommended 350 new parking spaces requires identification in the 2015 budget. As identified in the 2014 DC Bylaw, this project funding of \$13,370,000 would have \$9,626,400 to be carried by DCs. This leaves is \$3,743,600 unfunded.

ACTION REQUIRED

City Council to receive the report and approve the recommendations.

RECOMMENDATION

THAT Report FIN-DR-14-05 'Downtown Renewal Projects Update: Baker District and Parking Master Plan' be received;

THAT based on the decision level pro forma attached to this report, Council endorses the 'Private and Major Institutional' mixed-use development as the preferred option for the Baker District lands;

THAT Council directs that, while acknowledging the ongoing Parking Master Plan community discussions, a 350 space structured parking project is required in the immediate term, and that the project start be identified in Year One of the 2015 10 year Capital Budget for consideration.

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THAT Staff bring back to Council the recommended 'Level of Municipal Support' to be approved ahead of Conestoga College submitting a Post-Secondary Expansion RFP to the Province;

BACKGROUND

In November 2013 and February 2014 Downtown Renewal provided Council with the strategic coordination of the concurrent planning projects underway in the downtown.

Individual projects such as the Parking Master Plan, Streetscape Manual updates and Baker District developments, as well as others, are interconnected and interdependent. The discussion was on the need to recognize these projects under a city-building strategy that links overall economic growth to individual investments.

Report FN-DR-14-04 'An Enterprise Framework Approach' is being presented at the same meeting as this report and provides the direction on how these initiatives will be coordinated and tracked through the budget process.

REPORT

Downtown Renewal Projects Update:

The following projects were illustrated in the February 2014 presentation – the 'bubble diagram' of next-wave projects:

Initiative	Lead	Status	Next Stages
Streetscape & Built Form Manuals	Urban Design	<ul style="list-style-type: none"> Draft documents released 	<ul style="list-style-type: none"> ➤ Embarking on new round of public & stakeholder consultation ➤ Recommendation to Council currently scheduled for September 2014
Baker Street Redevelopment	Enterprise	<ul style="list-style-type: none"> Decision Level pro forma developed for June 2014 Partner contribution discussions ongoing 	<ul style="list-style-type: none"> ➤ Potential RFP submission by Conestoga College ➤ City financial support in the RFP to be brought to Council ahead of any formal submission
Joint Campus Business Case	Enterprise	<ul style="list-style-type: none"> Consultants working for the joint parties is now 	<ul style="list-style-type: none"> ➤ Findings will inform financial discussions

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		addressing findings against with RFP materials released by Province	
Thermal Energy Network	GMHI / Envida	<ul style="list-style-type: none"> Established initial 'Galt' node at Sleeman Centre Negotiating initial private sector clients 	➤ Additional construction of loops to first facilities and developments in planning stages
Downtown Strategic Assessment	Enterprise	<ul style="list-style-type: none"> Draft released 	<ul style="list-style-type: none"> ➤ Update to follow Enterprise Framework direction ➤ Recommendation in Q3, 2014
Private Sector Development (CIP)	Enterprise	<ul style="list-style-type: none"> Over-subscription to Major program. Program now closed. Small scale programs ongoing 	➤ TIBG Reserve contributions to be addressed through future budget deliberations
Parking Master Plan	Enterprise / Operations	<ul style="list-style-type: none"> Draft Master Plan developed Financial and decision-making model developed 	<ul style="list-style-type: none"> ➤ Release Draft Master Plan ➤ Community Engagement on Financial & Decision-making model.

Baker District

On February 26, 2014 Staff introduced the potential partnerships forming on the Baker Street redevelopment site and got recognition of MOUs being undertaken to solidify spacial requirements, program synergies and financial arrangements. That same evening Council supported Conestoga College submitting an Expression of Interest (EOI) to the Province related to potential expansion in Guelph.

Since February, the Province, through the Ministry of Training, Colleges and Universities (MTCU) has further articulated the post-secondary expansion competitive process through a formal call for Request for Proposals (RFP). These documents are due September 26, 2014 and have heightened the need to provide clear municipal support to the College's bid. The recent announcement of the June 12, 2014 provincial election has potential implications on this RFP as provincial budget plans may require further examination on the Province's future plans for the post-secondary sector. For this reason, staff will be reporting back with the municipal contribution before the September deadline.

Attached is a 'Decision Level Pro Forma' (ATT-1) which illustrates a range of development options for the Baker site and highlights the potential benefits of landing a significant public anchor like a 1,000 student college on the site along with the other program elements.

Pro forma

A pro forma is the presentation of financial projections and used as a decision making tool. Over the course of the year, LiveWorkLearnPlay Inc. tested the viability of different options on the Baker Street site. A 'Decision Level Pro Forma' was developed to provide a high-level analysis to assist in making a strategic decision around the potential re-uses of Baker Street parking lot. This analysis involved the testing of assumptions with financial levers, relationships, and interdependencies. Specifically, how it relates to the achievement of corporate goals since a pro forma is directly tied to a corporation's financial position. It is not a business case. Given the nature and complexity of the Baker Street District, the pro forma also allows for flexibility as financial inputs can shift or be altered during this pre-development stage.

Pro forma Discussion:

Three options are illustrated, ranging from a 'Major Institutional + Residential' option which was shown at the February 26, 2014 Council meeting, to the option which models a 'Residential' redevelopment only. The mid-range retains the Guelph Public Library (GPL) institutional use within the redevelopment.

- The private redevelopment on the site leads to more assessment growth, equally, the private redevelopment of the site does not achieve any of the major city-building components for the community.
- Public uses with high visitation lead to much greater indirect activation of the local economy
- The investment difference between the mid-sized institutional component and the 'major' institutional partnership and its much larger indirect benefit is the basis for staff's recommendation on the 'major' project direction
- The 'major institutional' program achieves much more significant leverage potential with other levels of government.

Staff are recommending the preferred direction of 'Private & Major Institutional' for its potential to leverage public dollars; the level of economic activation impact for the urban growth centre; as well as the achievement of major community goals in addressing good community college access for Guelph and a new main library for the Guelph public library system.

Parking Master Plan

The Parking Master Plan was a Downtown Renewal project started with Public Works at the end of 2012 and had a series of public meetings and input sessions over the course of the spring and summer 2013 at a master plan level. The basic breakdown of the parameters are as follows:

MASTER PLAN SCOPE	
Parking Governance	<i>How to more effectively structure service and connect to customers</i>
On-street Supply & Management	<i>Quantify and describe role of on-street downtown supply and how to get best performance</i>
Off-street Supply & Management	<i>Quantify and describe off-street downtown supply and how and where to get best performance</i>
Periphery Neighbourhoods Supply & Management	<i>Recognition of role of periphery parking. How to better manage and include in system decisions.</i>
Zoning By-law updates	<i>How to anticipate growth of downtown and guide future updates to ZBL</i>
Financial Sustainability	<i>Define sustainability and achieve master plan objectives</i>

Recent Transportation Announcements:

In March 2014 the Provincial government announced that they would be supporting the improvements to the CN Northline to increase and make more reliable the GOTransit services into Toronto starting in 2016. This project would eventually create 2-way all-day service levels possible over time. Guelph was involved in making the case for this investment to the Province through the collaboration of the 'Information Supercluster' partners along the corridor.

The need for the City to support this major investment through strategic local improvements relates to parking supply and completing the Intermodal Transit Hub concept through the redevelopment of the Neeve Parking Lot a higher priority. This approach has informed the proposed motion in this report.

Financial Model:

Subsequent to the IBI work, Staff have been creating a detailed financial model which will enable review of scenarios and testing of system performance and financial sustainability based on alternative assumptions and policy decisions.

Some of the inputs revolve around the speed of creating additional inventory. The model currently reflects the creating of 350 new spaces in either Neeve or Wilson surface lots. This is to anticipate the construction on Baker Street which will affect a major supply of downtown parking for a considerable period.

The Financial Model incorporates the following revenue tools and their impacts:

- Enforcement Fines recovered (City impact)
- Full costs from all permits (City impact - need to address City/GPS staff permit issue)
- Periphery Management: Tiered Residential and non-resident permits in adjacent neighbourhoods (Community impact)
- Permits & rates increases within system (User impact)
- Paid parking on-street (User impact)
- Special Levy on Urban Growth Centre (Land owner impact)

Implications of the Financial Model:

The model can be made to be 'sustainable' by turning revenue levers on quickly. Throwing all levers at once creates sustainability in 2016 but has significant community implications that need further consideration. For this reason, staff are recommending a formal engagement strategy to confirm the levers and assumptions.

The next consultation with the community is around the choices and decisions related to policy and revenue tools. The Financial Model becomes the engagement tool for public and stakeholder consideration.

Engagement Plan for Parking:

Staff are developing a Community Engagement Plan under the Council adopted framework for this next engagement process for Parking.

The Plan identifies stakeholder as well as general public opportunities to comment on the development of the financial model, understand and challenge its parameters, then provide input and feedback to scenarios developed through the model.

Staff will be working with a 3rd party facilitator to provide a neutral facilitation to the discussions and workshops.

Complete an Engagement design with the facilitator that would include:

- Release IBI Report as background document
- Release Financial Model framework to establish public understanding of scope and scale of policy and financial decisions and implications
- Release the framework for an interactive and iterative consultation process to connect and collect feedback and refinement to the decision-making model.

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This public dialogue is anticipated to take at least the end of 2014 before being able to make a recommendation to Council in 2015.

SUMMARY

In summary, Staff are recommending the following:

- The 'Private & Major Institutional Program' be supported as the preferred direction for Baker District development
- That an integral decision to that direction is to kick-start addressing parking inventory by an early 350 space project that allows staging of parking off the Baker site at the appropriate time.
- That of the two locations for 350 spaces to be created, the Neeve Parking Lot provides opportunities to attract partnerships through GO/Metrolinx and adjacent land development projects that could address the arrival of increased GO investment as recently announced and support the transit investments already made.
- That with ongoing discussions on municipal support for the larger institutional program of Baker District, as well as uncertainty at the Provincial level due to the June election, that Staff return with more detail about potential commitment options ahead of the College RFP submission deadline.

CORPORATE STRATEGIC PLAN

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

This report has had extensive collaboration with cross-departmental teams as well as the Executive Team.

FINANCIAL IMPLICATIONS

Parking Master Plan:

Enterprise is allocating up to a maximum of \$25,000 from its consulting budgets for the design and facilitation of the community consultations for the parking financial model engagement.

The 350 spaces to be identified in 2015 budget is identified in the 2014 DC Bylaw as a project of \$13,370,000 of which \$9,626,400 is to be carried by DCs. This leaves is \$3,743,600 unfunded.

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Baker District:

As described in the 'Decision Level Proforma' the recommended 'Private + Major Institutional' program contains two significant City capital projects: parking and the Guelph Public Library, in addition to potential support of the educational partnerships. The total commitment could be as high as \$43M to develop 750 public parking spaces and the City share of the 183,000 sqft of institutional uses on the site. The City's contribution share still requires analysis for in-kind and other funding opportunities that will be considered as part of the 2015 and future year budget deliberations.

COMMUNICATIONS

Following Council's receipt and direction on this report the following Communications and Engagement plans will be enacted:

City-building

All Enterprise implementation projects downtown will use the key messages and tactics developed for the Enterprise City-building Framework as umbrella messages and narrative to frame each project in context.

Parking Community Engagement Plan

As described above, the upcoming Parking Master Plan discussions will be carried-out under the Community Engagement framework. The Engagement Plan identifies key stakeholders and structures the financial model discussions within facilitated sessions that will be designed to record feedback and input. The process will provide opportunities for iterative discussion whereby earlier inputs are reflected back to the community and options and refinements can be achieved ahead of recommendations coming forward to Council.

ATTACHMENTS

- ATT-1 Baker District Concept
- ATT-2 Baker District – Decision Level Proforma
- ATT-3 Parking Master Plan – Financial Model Summary Table

Ian Panabaker, Corporate Manager, Downtown Renewal
Report Author

Approved & Recommended By

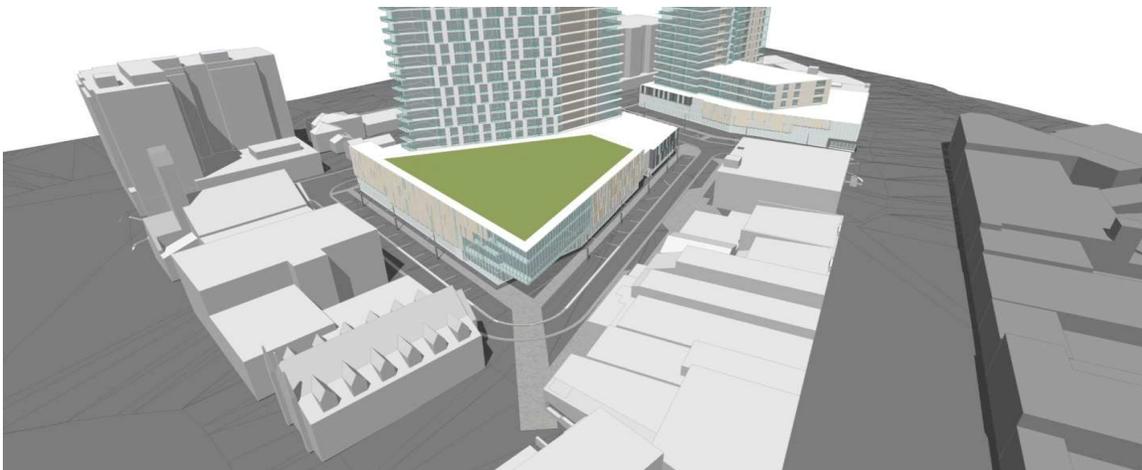
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ATT-1 Baker District Concept



BAKER STREET DEVELOPMENT
VIEW FROM CHAPEL LANE



BAKER STREET DEVELOPMENT
BIRDS EYE VIEW FROM SE



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ATT-2 Baker District – Decision Level Proforma

From May 7, 2014 LWLP Development Proforma

Program Description:	OPTION A: Private & Major Institutional	OPTION B: Private & Institutional	OPTION C: Private	Comments
Residential (Units)	350	400	460	
Institutional (sqft)	183000* <small>*GPL, Conestoga, YMCA, Innovation Guelph</small>	80000* <small>*GPL</small>	0* <small>*No Institutional uses</small>	
Number of Students	1,000	0	0	
Commercial (sqft)	0	20,000	40,000	
Parking (Public Spaces)	725	500	500	
Parking (Private Spaces)	350	400	460	
Calculations:				
Est. Project Value:	\$222,092,367	\$162,894,669	\$136,931,569	
Annual Municipal Taxes (Total):	\$1,278,047	\$1,413,500	\$1,717,560	
Est. Net New Visitation (people/day)	3777	2000	687	Estimates what total visitation is brought to the site by institutional, commercial and residential uses.
Annual Retail Spending (residents + students + visitors + jobs):	\$43,743,184	\$32,192,000	\$26,121,667	Based on Altus economic impact figures
Net City Contribution (Less DCs + Fundraising):				
TIBG Program	\$0	\$5,316,000	\$13,034,300	(up to 10 years of TIBG funding -- pre/post development City Portion taxes) represents 1/3 funding for partners assumes parking as city capital -- Parking Master Plan may reduce this in future
Institutional	\$18,931,765	\$3,390,355	\$0	
Parking	\$23,558,425	\$14,299,000	\$14,299,000	
TOTAL	\$42,490,190	\$23,005,355	\$27,333,300	
Annual Operational Impacts:				
GPL (difference from existing):	-\$1,350,000	-\$1,350,000		Developed by Finance in consultation with GPL, includes Life Cycle charges
Parking (additional spaces):	\$0	\$0	\$0	Assumes current parking model will cover operating expenses on new spaces
Investment Evaluation:				
One-time City Benefits: (DCs, Fees, Parkland CIL)	\$6,277,847	\$7,052,127	\$8,033,067	
Permanent Jobs (Net):	152	41	80	Based on GPL estimates, Institutional formulas and commercial formulas
City : Public Sector Leverage (TotalPublic\$: City\$)	2.3	1.9	0.0	Highest public leverage with larger institutional mix
Total City Leverage (Total\$: City\$)	5.2	7.1	5.0	Highest total leverage with GPL due to funding & contribution mix of library project
20 Year Total Accumulated DIRECT Benefit (All City Revenues less All City Costs)	-\$37,651,403	-\$9,367,228	\$15,050,967	Negative numbers appear because we are investing in and running City services on site. Note Option C does not address continuing to run GPL off-site.
20 Year Total Accumulated INDIRECT Benefit (spending)	\$874,863,684	\$643,840,000	\$522,433,333	Major Institutional use provides greatest impact -- other versions are similar
City-building: (out of 4)				
Contributes to Downtown Assessment Strategy	✓✓✓✓	✓✓✓	✓	
Achieve Downtown Secondary Plan Targets	✓✓✓✓	✓✓✓	✓✓	
Achieves P2020 Directions (6.5, 6.6, 7.5, 3.3, 6.1,)	✓✓✓✓	✓✓	--	
Achieves Corporate Strategic Plan Initiatives (3.1, 3.2, 3.3)	✓✓✓✓	✓✓✓	✓	
Fosters Partnerships	✓✓✓✓	✓✓	--	
Community Competitiveness & Collaboration	✓✓✓✓	✓✓	--	
Recommended Direction:	✓	OPTION A		

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ATT-3 Parking Master Plan – Draft Financial Model Summary Tables (May 14, 2014 Version)

Base Parking Model Assumptions	
1) Annual Rate Growth in Revenue of 1%	6) Any surplus / deficit from parking will go to the parking reserve
2) Annual Demand Growth in Revenue of 1%	7) Parking Reserve is required for future parkade builds identified in the Downtown Secondary Plan as well as emergencies
3) New Parkades will be revenue generating 1 to 1.5 years after build starts	8) Parking is a key success factor in the intensification of the Urban Growth Centre that will bring indirect economic development benefit
4) Debt costs for Parkades begin 2 years after build starts	9) Wilson Street parkade constructed in 2016 and operational in 2017
5) Expenditures increase between 1 - 3% annually depending on type	10) Baker Street parkade to be constructed over 2 years 2018, 2019 and operational in 2020

Summary of Proposed Changes to Become Sustainable	
DOLLAR VALUE OF REVENUES/SAVINGS – 20 YEAR PROJECTION	
1) Downtown Parking fines moved from By-Law to Parking.	\$6,558,300
2) Full staff parking recovery for all spaces utilized.	\$13,713,491
3) Paid On-Street Parking.	\$17,287,112
4) Residential and non-residential street Permit Program.	\$3,168,235
5) Pay & Display at all lots (elimination of staffed parkades) net savings.	\$5,768,993
6) Proposed Urban Growth Centre Levy.	\$3,053,678
7) Increase in permit, hourly and Saturday parking rates.	\$10,122,988
TOTAL (Amount Parking System needs to raise over 20 years to be sustainable)	\$59,672,797