



TO: GENERAL COMMITTEE

SUBJECT: 359 AND 363 DUCKWORTH STREET - GRANT APPLICATIONS
GEORGIAN COLLEGE NEIGHBOURHOOD COMMUNITY
IMPROVEMENT PLAN (WARD 1)

PREPARED BY AND KEY CONTACT: K. BRISLIN, SENIOR POLICY PLANNER
EXTENSION # 4440

SUBMITTED BY: S. NAYLOR, M.E.S., M.C.I.P., R.P.P., DIRECTOR OF PLANNING 

GENERAL MANAGER APPROVAL: R. FORWARD, MBA, M.Sc., P. ENG.
GENERAL MANAGER OF INFRASTRUCTURE, DEVELOPMENT &
CULTURE 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the following grants be approved for 359 and 363 Duckworth Street in accordance with the Georgian College Neighbourhood Community Improvement Plan (GCN CIP) program details:
 - a) Building Permit Fees Grant in the amount of \$40,428;
 - b) Planning Application Fees Grant in the amount of \$15,400;
 - c) Tax Increment Based Grant to a maximum total amount of \$173,536 be granted over a five year period subject to annual confirmation that ongoing supervision and management of the property is maintained in accordance with the Georgian College Neighbourhood CIP objectives and the program details.
2. That the above noted grants be subject to the applicant providing to the City and complying with a Security and Safety Plan.

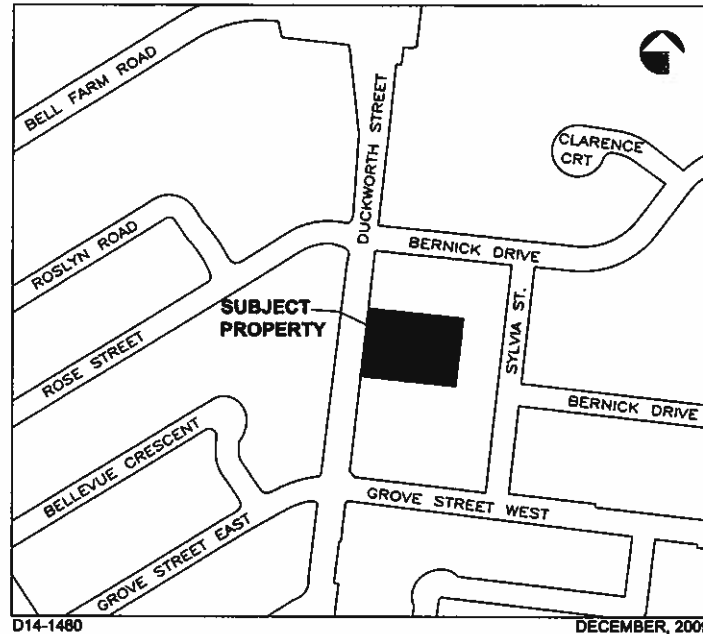
PURPOSE & BACKGROUND

Purpose

3. The purpose of this staff report is to recommend approval of grant applications submitted by London Property Corp. on behalf of Red Brick Realty Corp/Ivest Properties Ltd. for a student housing project located at 359 and 363 Duckworth Street, (Ward 1) under the Georgian College Neighbourhood Community Improvement Plan (CIP).
4. Consideration of applications under \$100,000 is delegated to the Director of Planning. In this case, the total amount of the grants applied for is expected to exceed \$100,000 and thus the application requires Council consideration.

Location

5. The subject property is located immediately north of the Duckworth Plaza on the east side of Duckworth Street, north of the intersection of Grove and Duckworth Street.



Surrounding Uses

North – 6 storey apartment building zoned Apartment Dwelling 1st Density

South – Commercial plaza – Duckworth Plaza

West – Townhouses zoned Residential Multi-Unit Second Density RM2

East – Semi detached residential units zoned Multi Unit First Density RM1

6. The grant applications are for two, three storey apartment buildings, with approximately 16-units in each building. The majority of units consist of 4 bedrooms designed around a shared amenity area. Each building accommodates approximately 64 students, and a total of 128 residents are thus accommodated on the site. The density of the development is approximately 66 units per hectare.
7. The buildings were completed and occupied by the fall of 2011, making it available to students enrolled at the college in September of 2011.

Existing Policy

8. The Georgian College Neighbourhood Strategy (GCNS) and Community Improvement Plan were prepared with the intention of addressing the ongoing issues associated with student accommodation in the area surrounding Georgian College. The goals of the GCNS are:
- a) To identify opportunities for medium and high density housing (for students) in areas near Georgian College;

- b) To encourage/facilitate the development of housing for students in or near Georgian College;
 - c) To ensure the safety of all forms of student housing and increase compliance with City By-laws and regulations; and
 - d) To develop methods to improve communication and information sharing among Town and Gown partners including residents, landlords, students, Georgian College and the City.
9. The Georgian College CIP is one of the tools put in place to implement the goals of the Georgian College Neighbourhood Strategy and includes the following specific objectives:
- a) To promote residential intensification within the Georgian College CIP area, and
 - b) To stimulate investment in projects that provide for medium and high density rental accommodation suited to students, through the development or redevelopment of the appropriate sites in proximity to the college.
10. The grants are subject to a number of eligibility criteria which are intended to ensure the design and tenure of the units are geared to students. Specific criteria that are relevant include:
- a) Confirmation that the approved building permit includes the majority of units consisting of a minimum of four individual bedrooms sharing a common living room and kitchen area;
 - b) Rental units as opposed to condominium units are eligible for the grants.
11. A breakdown of the grants applied for and the estimated amount of the payments is provided as follows:

Grant	Calculation	Estimated Amount	Estimated Payment Date (If Approved)
Building Permit Fees	Total \$93,356 (25% first 25,000 = \$6,250, 50% remainder 68,356 = \$34,178)	\$ 40,428.00	Q2 2012
Planning Application Fees			
Rezoning Application	100 % of fee	\$ 8,000.00	
Site Plan Application	100% of fee	\$ 7,400.00	
Total		\$ 15,400.00	Q2 2012
Tax Increment Based Grant			
The tax increment is estimated at \$61,228.34. This is the increase in annual municipal taxes as a result of the development.	Year1 (100% pro-rated in year 1 from the effective date the tax increase starts)	\$ 20,465.36	Q2 2012
	Year 2 100%	\$ 61,228.34	Q4 2012
	Year 3 75%	\$ 45,921.26	Q4 2013
	Year 4 50%	\$ 30,614.17	Q4 2014
	Year 5 25%	\$ 15,307.09	Q4 2015
Total		\$173,536.23	
Total Grants		\$229,424.19	

ANALYSIS

12. The subject site is identified in the Georgian College Neighbourhood as a potential site for intensified medium or high density development for student housing. The site is adjacent to a commercial plaza, which serves the day to day needs of the area.
13. The primary objectives of the Georgian College Community Improvement Plan is to encourage the creation of multi-unit student housing within a rental complex in proximity to the college as an alternative form of housing to the second suites or boarding, rooming and lodging houses which were emerging in the area. The subject development meets the key objectives of the CIP.
14. The subject application complies with the eligibility criteria including the unit design, tenure (rental) which requires an overseeing management structure.
15. The key merits of the application are summarised as follows:
 - a) The site was previously underdeveloped and was previously occupied by a church. Lands owned and occupied by church properties do not generate municipal taxes. The subject residential project will generate a significant increase in taxes as outlined in the financial section of this report.
 - b) The subject project has been developed to a density of approximately 66 units per hectare and as such the project constitutes an intensification project located within a Primary Intensification Node within the density range of between 50 and 120 units per hectare.
 - c) The project provides rental accommodation for approximately 128 occupants, with more than 80% of the units being designed in accordance with the concept of at least 4 rooms centred around a common living area. This design is considered to be conducive to housing students.
 - d) The project is within walking distance of Georgian College and other facilities and services, including a commercial plaza and medical offices and College Heights Park.
16. A key objective of the Georgian College Neighbourhood Strategy is to ensure by-law compliance and health and safety considerations are addressed. A number of issues and concerns have been raised by the community in reaction to disturbances, noise, anti-social and dangerous behaviour associated with these buildings. This has placed some additional demand on policing and enforcement services as a result. Staff have raised this concern with the owner who has advised that some measures have been put in place to address these concerns. Refer to correspondence attached as Appendix "A" to this report.
17. Included in the measures taken are:
 - a) A locally based property manager has been retained.
 - b) The interior of the building has 24 hour video surveillance.
 - c) The exterior of the buildings are well lit.
 - d) A security company has been contracted to patrol the buildings at key times, and to conduct random patrols. It is staff's understanding that this has since changed to having paid duty police to assist in this regard.

- e) A process is in place to address problem tenants.
18. Mr. V. Freeman, Vice President Campus Living Centres and Mr. W. Hall, the Project Manager for the development attended a Town and Gown meeting on January 24, 2012 to discuss issues concerning student housing at this location and the effect on the surrounding neighbourhood. They provided information regarding increased security of the building and monitoring methods. The committee discussed the need for continued security around student residences and monitoring the situation.
 19. In keeping with the objectives of the Georgian College Neighbourhood Strategy "*to ensure safety of all forms of student housing and increase compliance with City By-laws*", staff recommend that the grants be conditional on the developer being required to provide and comply with a Security and Safety Plan, which will include maintaining ongoing security and property management, and implementing best practices, procedures and policies to address any existing or future potential problems. These measures will be monitored and reviewed by staff on an annual basis to ensure these measures are maintained prior to annual advancement of the funds for the Tax Increment Based Grant for the 5 year duration of the grant.
 20. In the event they do not comply, the Tax Increment Based Grant would be stopped, however other grants already granted could not be recovered through an agreement approved by Legal Services before the initial release of any funds.
 21. Based on the building permit, the construction value was estimated at \$7.7million.
 22. Development charges received for the proposed development were approximately \$511,968.00, excluding the school board component.
 23. When the subject property was formerly owned by the Church of Latter Day Saints, the property was exempt from municipal property taxes, as are all places of worship uses. However, in 2010, the new owners were taxed approximately \$7,500.00 for the undeveloped property which no longer qualified for this tax exemption. Although it is recognized that the municipal servicing costs as a result of this development would have increased compared to the costs associated with a church site or vacant site, the tax benefits that result constitute a substantial increase. If the grant were approved, collection of full taxes for the development would, in effect, be deferred until 2016.
 24. In January of 2011, the property was assessed at \$666,160.00, and annual taxes were \$7,556.88. The property assessment on September 1, 2011, after the project was completed, was \$6,302,378.00, and municipal taxes (including capping) were \$68,785.22. The development has thus resulted in a property assessment increase of more than \$5.6 million. The change of use and re-development as a multi unit residential development would, over the long term, create increased tax revenues estimated at \$61,228.34 per annum (based on the 2011 tax rate).
 25. The total grants applied for are approximately \$229,424.00, with the full amount anticipated to be paid out by 2015. Payment of \$137,521.70 in 2012 would include the Tax Increment Based Grant payment for year 1 and 2 (2011 and 2012), and the Building Permit and Planning Application Fees Grants totalling \$55,828.00 being paid out in 2012.
 26. After the full grant is paid, it would take under four years to recover the full investment of \$229,400.00, based on an estimated annual tax increment of \$61,228.34. We would also be receiving a percentage of the tax increment in the intervening years 3-5.
 27. Two additional financial incentive applications are before General Committee, each being considered on their individual merits in the respective staff reports PLN002-12 and PLN019-12. A

separate memorandum has been prepared providing an overview of the combined effect of the applications.

28. The foregoing analysis provides an overview of the merits and financial considerations related to this application.
29. In addition, staff are working on process improvements to the CIP review and evaluation processes which will include timeframes to receive applications, establishing review criteria in line with CIP goals, and timing of when applications are presented to Council. Staff will be advising Council of these process improvements in the 3rd Quarter.

ENVIRONMENTAL MATTERS

30. There are no environmental matters related to the recommendation.

ALTERNATIVES

31. There are two alternatives available for consideration by General Committee:

Alternative #1 General Committee could deny the applications.

This alternative is not recommended as this application serves as a showcase example that contributes to furthering the objectives of the Georgian College Neighbourhood Strategy and CIP.

Alternative #2 General Committee could approve only selected components of the application.

If the application fees were approved, the total amount granted would be approximately \$15,400.00 funded from the reserve account to be paid in 2012. Approval of this component only would not lend itself to monitoring and management in accordance with a Security and Safety Plan.

If the Tax Increment Based Grant was approved, the total amount granted over the 5 year period would be approximately \$173,536.23, with payment of \$20,465.36 anticipated to be paid from the reserve accounts in the first quarter of 2012, and \$61,228.34 being paid out in the fourth quarter of 2012. The remaining balances of being paid out as follows:

\$45,921.26	2013 Q4
\$30,614.17	2014 Q4
\$15,307.09	2015 Q4

Subject to submission and compliance with a Security and Safety Plan.

This alternative is not recommended, as this is the first example within the Georgian College Neighbourhood CIP which serves to further the objectives of the Georgian College Neighbourhood Strategy and CIP.

FINANCIAL

32. The funding for the Building Permit Fees Grant (\$40,428) and the Planning Fees Grant (\$15,400) were included as part of the 2012 Business Plan.

33. The funding for the Tax Based Increment Grant (\$81,693.70) was included as part of the 2012 Business Plan. With respect to the future Tax Increment Grants, staff will include these commitments in the respective annual Business Plan (2013 - \$45,921.26, 2014 - \$30,614.17, & 2015 - \$15,307.09).

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

34. The recommendations included in this staff report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Manage Growth and Protect the Environment
35. The development has added 32 rental housing units designed to accommodate approximately 128 residents, within proximity to the college at a density of 66 units per hectare. As such, the development represents an advancement of an intensification project developed within density ranges proposed within a Primary Intensification Node (50 to 120 units/ha) and is additionally suitably located to take advantage of a variety of transportation choices, including active transportation.
36. The development also supports the goals of the Georgian College Neighbourhood Strategy and Community Improvement Plan and the Official Plan Housing Policies, specifically policy 3.2.1.2 h) which states: "*The City shall encourage the provision of student housing facilities, particularly in the northeast section of the City or in close proximity to major transit routes, and active transportation facilities.*"
37. The development adds rental housing stock to the City therefore addressing housing objectives of the Official Plan.

Attachment: Appendix "A" - Letter from the Project Manager: London Property Corp.

APPENDIX "A"

Letter from Project Manager London Property Corp.

**London
Property
Corp.**

November 10, 2011

City Hall
70 Collier Street
Barrie, Ontario
L4M 4T5



Dear Mrs. Brislin:

At your request, below is a summary of the measures we have taken to ensure the safety of the students residing at 359 and 363 Duckworth Avenue.

- Building is newly built, and conforms with all Ontario Building and Fire Codes
- Outdoor area is well lit
- Interior of building is under 24 hour video surveillance
- A security company (Commisslonalrs) has been contracted to patrol the buildings. They are present between the hours of 8PM and 4AM on Thursday, Friday, and Saturday. They do random patrols outside of this time
- We have hired a local Property Manager (Mathew Coutu). He is developing good relationships with the students, and encourages them to bring any concerns (safety or otherwise) to his attention
- We have a process we follow to address any problem tenants. We issue a written warning for the first incident, and a Notice to Terminate a Tenancy Early from the Ontario Landlord and Tenant Board for the second incident. Depending on the nature of the incident, the tenants may be able to stay after receiving the notice if they correct the problem or stop the problem activities. Once they have received their second Notice to Terminate, there is nothing the tenant can do to correct the problem, and we may apply to the Board for an evlction order.

If you have any questions or concerns, please do not hesitate to call me at (519) 670-0327 any time.

Sincerely,


Bill Hall

London Property Corp.