



TO: PLANNING COMMITTEE

SUBJECT: COMMUNITY IMPROVEMENT PLAN (CIP) FUNDING – LAKHOUSE DEVELOPMENT - 185 DUNLOP STREET EAST

WARD: 2

PREPARED BY AND KEY CONTACT: M. BANFIELD, RPP
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GENERAL MANAGER APPROVAL: A. MILLER, RPP
GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Development Charges and Planning fees portions of the Community Improvement Plan funding awarded to the Lakhouse development up to the amount of \$323,725.00 be provided to the Owner upon execution of the required agreement under the program.
2. That the Building Permit fees portion of the Community Improvement Plan funding awarded to the Lakhouse development be provided in the form of a credit on future building permit fees owing up to the amount of \$6,975.43 upon execution of the required agreement under the program.

PURPOSE & BACKGROUND

Report Overview

3. The purpose of this report is to recommend that the funding of development charges and planning fees awarded to the Lakhouse development through the City's Community Improvement Plan (CIP) be provided to the Owner, upon the execution of the required agreement under the program, to support overall infrastructure improvements required to service the development rather than a refund of development charges as stipulated in the CIP. The funding awarded through the CIP for the building permit fees would be provided in the form of a credit on future building permit fees owing.

ANALYSIS

4. The City's revised CIP program has completed its first intake period and is currently accepting applications for the second intake until June 30, 2020.
5. The intention is that the CIP provides meaningful support to projects that will further Council's strategic priorities of providing Affordable Housing, Redevelopment / Brownfield Development and Heritage Conservation, Preservation and Enhancement.

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6. In addition, provisions in the CIP were intended to provide support to projects in important ways and was based on the feedback received during the public consultation and engagement process. One such example, is for the approved CIP grant amounts to be advanced immediately to affordable housing providers so they would not have to come up with the funds to pay fees and charges only to be refunded at a later date.
 7. Staff have committed to reporting back to Council on the CIP program after the first few rounds of grant intakes have taken place to determine if there are refinements that can be made to further support the recipients of CIP funding. Staff will do this in the later part of 2020.
 8. In the first round of application review, it came to Staff's attention that the redevelopment grant applications may also benefit from an immediate advancement of approved CIP funds, particularly when redeveloping a brownfield site in the downtown and to support the associated costs of infrastructure to support this type of development.
 9. Staff will bring proposed revisions to the CIP to address this issue and bring the matter forward for consideration as planned in the later part of 2020.
 10. The first round applicant of the Lakhouse proposal has requested that the funding they have been awarded in the amount up to \$323,725.00 be refunded to them upon the execution of the agreement required under the CIP program, rather than wait until the project has completed and has been re-assessed by the Municipal Property Assessment Corporation (MPAC).
 11. This total is \$304,672 in development charges, plus \$19,053.00 for planning application fees.
 12. As a building permit has been issued for the development, the Owner has paid all development charges in full on November 29, 2019.
 13. Based on the manner in which building permit fees are collected, there is a balance to be paid on building permit fees and the awarded CIP amount is proposed to be credited towards that balance up to \$6,975.43. This amount is 50% of the building permit fee for the commercial portions of the building as the total building permit fee for this floor area is \$13,950.86.
 14. All CIP funding is secured through a legal agreement between the City and the applicant and registered on title. This normal process would remain the same. Therefore the risk to the City of allowing the approved CIP funding to be used upfront is minimal.
 15. The cost and availability of infrastructure is important for the City and developers alike. The City is continually looking for ways to support the City's capital program to ensure infrastructure is available when and where it is needed. Developers also play a role in ensuring that adequate infrastructure exists to support their development. This often requires improvements to the City's current infrastructure at the developer's cost.
 16. Allowing the CIP funding to be directed towards infrastructure improvements does not impact the availability of funds, but does provide another avenue to support developments that advance the strategic priorities intended through the CIP.

Summary

17. Staff are seeking direction to immediately refund the amount up to \$323,725.00 and to provide a credit on future building permit fees owing up to \$6,975.43 that were awarded to the Lakhouse Development through the CIP program.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

18. There are no environmental and climate change impact matters related to the recommendation.

ALTERNATIVES

19. There is an alternative available for consideration by Planning Committee:

Alternative #1

Planning Committee could refuse the recommendation to not immediately provide the amount up to \$323,725.00 and credit \$6,975.43 for future building permit fees that were awarded through the CIP.

This alternative is not recommended as the intent of the revised CIP is to assist applicants in a meaningful way for their project. An immediate refund and an established credit would allow the Owner to benefit from the CIP when they need it most.

FINANCIAL

20. There are no financial impacts to the recommendation for the City, as the amount of funding is the same as awarded in the CIP. To the applicant, however, the recommendation is meaningful to move the overall project forward and have the benefit of the awarded CIP realized immediately and secured as we normally do through an agreement registered on title.

LINKAGE TO 2018–2022 STRATEGIC PLAN

21. The recommendations included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:

- Growing Our Economy
 - i) Make it easy to do business

22. In accordance with Council's goals, approval of this recommendation to immediately release the funding awarded as part of the Community Improvement Plan assists the applicant and makes it easier to do business in a different capacity than providing a refund at a later date.