

5. **BROWNFIELDS PROPERTY TAX ASSISTANCE/ REHABILITATION GRANT/DEVELOPMENT CHARGE REDUCTION PROGRAM APPLICATION – GREENBANK SELF STORAGE CORPORATION – 300 GREENBANK ROAD. (FILE NO. F18-04-12-GREE)**

DEMANDE D'ALLÈGEMENT FISCAL, DE SUBVENTION ET DE RÉDUCTION DES REDEVANCES D'AMÉNAGEMENT POUR LA REMISE EN VALEUR DE FRICHES INDUSTRIELLES – GREENBANK SELF STORAGE CORPORATION – 300, CHEMIN GREENBANK. (DOSSIER N° F18-04-12-GREE)

COMMITTEE RECOMMENDATIONS

That Council:

1. **Approve the Brownfields Property Tax Assistance/Rehabilitation Grant Application submitted by Greenbank Self Storage Corporation, owners of the property at 300 Greenbank Road, for a Brownfields Property Tax Assistance and Brownfields Rehabilitation Grant not to exceed \$622,439.00, payable as a property tax rebate or equivalent, to Greenbank Self Storage Corporation, over a maximum of eight years, subject to the establishment of, and in accordance with, the terms and conditions of the Brownfields Property Tax Assistance/Rehabilitation Grant Agreement;**
2. **Delegate the authority to staff to execute a Brownfields Property Tax Assistance / Rehabilitation Grant Agreement with Greenbank Self Storage Corporation, establishing the terms and conditions governing the payment of the Brownfields Property Tax Assistance / Rehabilitation Grant for the redevelopment of 300 Greenbank Road, to the satisfaction of the Deputy City Manager, Planning and Infrastructure, the City Clerk and Solicitor and the City Treasurer;**
3. **Resolve to exempt the proposed redevelopment at 300 Greenbank Road from paying future municipal development charges up to a maximum of \$276,095.00, under Section 7(t) of the Development Charges By-law 2009-216, under the Guideline for the Development Charge Reduction Program due to Site Contamination, approved by Council March 28, 2007 and is included in the \$622,439.00 grant request as outlined in Recommendation 1;**
4. **Enact a Property Tax Assistance By-law providing tax assistance for the**

property at 300 Greenbank Road in the form of conditional cancellation and/or deferral of the increase in the taxes levied on the property for municipal purposes under the provisions and requirements of Section 365.1 (2), as amended, of the *Municipal Act*, the amount not to exceed \$622,439.00, subject to the terms and conditions of the Brownfields Property Tax Assistance/Rehabilitation Grant Agreement; and

5. Approve staff apply for matching property education tax assistance for the property at 300 Greenbank Road under the Provincial Brownfields Financial Tax Incentive Program or through any other replacement program administered by the Ministry of Municipal Affairs and Housing.

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

1. Approuve la demande de subvention pour la remise en valeur de friches industrielles présentée par la Greenbank Self Storage Corporation, propriétaire du bien-fonds situé au 300, chemin Greenbank, subvention ne devant pas excéder 622 439 \$ et versée sous la forme d'une réduction de l'impôt foncier ou d'une remise équivalente accordée à la Greenbank Self Storage Corporation, pour une période maximale de huit ans, sous réserve de la conclusion d'une entente de subvention pour la remise en valeur de friches industrielles, et conformément à ses modalités;
2. Délègue au personnel le pouvoir d'exécuter l'entente de subvention pour la remise en valeur de friches industrielles conclue avec la Greenbank Self Storage Corporation et qui établit les modalités relatives au versement de la subvention permettant le réaménagement du 300, chemin Greenbank, à la satisfaction de la directrice municipale adjointe, Urbanisme et Infrastructure, du greffier municipal et chef du contentieux, et de la trésorière municipale;
3. Prenne les dispositions nécessaires pour dispenser le réaménagement proposé du 300, chemin Greenbank du versement de toute redevance d'aménagement municipale future jusqu'à concurrence de 276 095 \$, conformément à la section 7(t) du Règlement 219-2009 sur les redevances d'aménagement, en vertu de la directive en matière de réduction des redevances d'aménagement à cause de la contamination de l'emplacement, approuvée par le Conseil le 28 mars 2007, et faire en sorte que cette dispense soit incluse dans la demande de subvention de 622 439 \$, tel que précisé à la recommandation 1; et

4. **Adopte un règlement d'allègement de l'impôt foncier en vue d'un allègement fiscal visant le bien-fonds situé au 300, chemin Greenbank, sous la forme d'un dégrèvement conditionnel ou d'un report de la hausse des impôts prélevés aux fins municipales à cet endroit, conformément aux dispositions et aux exigences de l'article 365.1 (2), modifié, de la *Loi sur les municipalités*, pour un montant n'excédant pas 622 439 \$ sous réserve des modalités de l'entente de subvention pour la remise en valeur de friches industrielles;**
5. **Approuve que le personnel dépose une demande correspondante d'allègement de l'impôt foncier prélevé aux fins scolaires visant la propriété située au 300, chemin Greenbank, en vertu du Programme d'encouragement fiscal et financier pour le nettoyage des friches contaminées du gouvernement provincial ou de tout autre programme de remplacement administré par le ministère des Affaires municipales et du logement.**

DOCUMENTATION / DOCUMENTATION

1. Nancy Schepers, Deputy City Manager report dated 10 January 2013 (ACS2013-PAI-PGM-0017) / Rapport de la Directrice municipale adjointe daté du 10 janvier 2013 (ACS2013-PAI-PGM-0017).
2. Extract of Draft Minutes 28, Finance and Economic Development Committee meeting of 21 January 2013.

Report to/Rapport au :

Finance and Economic Development Committee
Comité des finances et du développement économique

and Council / et au Conseil

January 10, 2013
10 janvier 2013

Submitted by/Soumis par : Nancy Schepers, Deputy City Manager/Directrice
municipale adjointe, Planning and Infrastructure/Urbanisme et Infrastructure

*Contact Person / Personne ressource: John Smit, Manager/Gestionnaire, Development
Review-Urban Services / Examen des projets d'aménagement-Services urbains
Planning and Growth Management/Urbanisme et Gestion de la croissance
613) 580-2424, 13866 John.Smit@ottawa.ca*

KNOXDALE-MERIVALE (9)

Ref N°: ACS2013-PAI-PGM-0017

SUBJECT: BROWNFIELDS PROPERTY TAX ASSISTANCE/ REHABILITATION
GRANT/DEVELOPMENT CHARGE REDUCTION PROGRAM
APPLICATION – GREENBANK SELF STORAGE CORPORATION –
300 GREENBANK ROAD. (FILE NO. F18-04-12-GREE)

OBJET : DEMANDE D'ALLÈGEMENT FISCAL, DE SUBVENTION ET DE
RÉDUCTION DES REDEVANCES D'AMÉNAGEMENT POUR LA
REMISE EN VALEUR DE FRICHES INDUSTRIELLES – GREENBANK
SELF STORAGE CORPORATION – 300, CHEMIN GREENBANK.
(DOSSIER N° F18-04-12-GREE)

REPORT RECOMMENDATIONS

That Finance and Economic Development Committee recommend Council:

1. Approve the Brownfields Property Tax Assistance/Rehabilitation Grant Application submitted by Greenbank Self Storage Corporation, owners of the property at 300 Greenbank Road, for a Brownfields Property Tax Assistance and Brownfields Rehabilitation Grant not to exceed \$622,439.00, payable as a property tax rebate or equivalent, to Greenbank Self Storage Corporation, over a maximum of eight years, subject to the establishment of, and in accordance with, the terms and conditions of the Brownfields Property Tax Assistance/Rehabilitation Grant Agreement;
2. Delegate the authority to staff to execute a Brownfields Property Tax Assistance / Rehabilitation Grant Agreement with Greenbank Self Storage

- Corporation, establishing the terms and conditions governing the payment of the Brownfields Property Tax Assistance / Rehabilitation Grant for the redevelopment of 300 Greenbank Road, to the satisfaction of the Deputy City Manager, Planning and Infrastructure, the City Clerk and Solicitor and the City Treasurer;
3. Resolve to exempt the proposed redevelopment at 300 Greenbank Road from paying future municipal development charges up to a maximum of \$276,095.00, under Section 7(t) of the Development Charges By-law 2009-216, under the Guideline for the Development Charge Reduction Program due to Site Contamination, approved by Council March 28, 2007 and is included in the \$622,439.00 grant request as outlined in Recommendation 1;
 4. Enact a Property Tax Assistance By-law providing tax assistance for the property at 300 Greenbank Road in the form of conditional cancellation and/or deferral of the increase in the taxes levied on the property for municipal purposes under the provisions and requirements of Section 365.1 (2), as amended, of the *Municipal Act*, the amount not to exceed \$622,439.00, subject to the terms and conditions of the Brownfields Property Tax Assistance/Rehabilitation Grant Agreement; and
 5. Approve staff apply for matching property education tax assistance for the property at 300 Greenbank Road under the Provincial Brownfields Financial Tax Incentive Program or through any other replacement program administered by the Ministry of Municipal Affairs and Housing.

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande ce qui suit au Conseil :

6. Approuver la demande de subvention pour la remise en valeur de friches industrielles présentée par la Greenbank Self Storage Corporation, propriétaire du bien-fonds situé au 300, chemin Greenbank, subvention ne devant pas excéder 622 439 \$ et versée sous la forme d'une réduction de l'impôt foncier ou d'une remise équivalente accordée à la Greenbank Self Storage Corporation, pour une période maximale de huit ans, sous réserve de la conclusion d'une entente de subvention pour la remise en valeur de friches industrielles, et conformément à ses modalités;
7. Déléguer au personnel le pouvoir d'exécuter l'entente de subvention pour la remise en valeur de friches industrielles conclue avec la Greenbank Self Storage Corporation et qui établit les modalités relatives au versement de la subvention permettant le réaménagement du 300, chemin Greenbank, à la

satisfaction de la directrice municipale adjointe, Urbanisme et Infrastructure, du greffier municipal et chef du contentieux, et de la trésorière municipale;

8. Prendre les dispositions nécessaires pour dispenser le réaménagement proposé du 300, chemin Greenbank du versement de toute redevance d'aménagement municipale future jusqu'à concurrence de 276 095 \$, conformément à la section 7(t) du Règlement 219-2009 sur les redevances d'aménagement, en vertu de la directive en matière de réduction des redevances d'aménagement à cause de la contamination de l'emplacement, approuvée par le Conseil le 28 mars 2007, et faire en sorte que cette dispense soit incluse dans la demande de subvention de 622 439 \$, tel que précisé à la recommandation 1; et
9. Adopter un règlement d'allègement de l'impôt foncier en vue d'un allègement fiscal visant le bien-fonds situé au 300, chemin Greenbank, sous la forme d'un dégrèvement conditionnel ou d'un report de la hausse des impôts prélevés aux fins municipales à cet endroit, conformément aux dispositions et aux exigences de l'article 365.1 (2), modifié, de la *Loi sur les municipalités*, pour un montant n'excédant pas 622 439 \$ sous réserve des modalités de l'entente de subvention pour la remise en valeur de friches industrielles;
10. Approuver que le personnel dépose une demande correspondante d'allègement de l'impôt foncier prélevé aux fins scolaires visant la propriété située au 300, chemin Greenbank, en vertu du Programme d'encouragement fiscal et financier pour le nettoyage des friches contaminées du gouvernement provincial ou de tout autre programme de remplacement administré par le ministère des Affaires municipales et du logement.

BACKGROUND

Brownfields are properties where past actions have resulted in actual or perceived environmental contamination and/or derelict or deteriorated buildings. They may be vacant, abandoned or underutilized. They are usually, but not exclusively, former industrial or commercial properties.

The Brownfields Redevelopment Community Improvement Plan (BRCIP) was adopted by Council on April 27, 2007 and amended by Council on May 12, 2010.

The BRCIP presents the rationale behind the redevelopment of brownfields in Ottawa, and the actions and strategies that will promote brownfield redevelopment. The BRCIP contains a comprehensive framework of incentive programs which include the brownfields property tax assistance program and the rehabilitation grant program.

Greenbank Self Storage Corporation, has filed an application for both programs under BRCIP for the demolition, clean-up and redevelopment of 300 Greenbank Road, a

4,738.5 m² property located on the west side of Greenbank Road, north of the intersection of Greenbank Road and West Hunt Club Road (see Documents 1 and 2). The site was formerly a Budget Rent-A-Car establishment, and previously a gas station, but the previous building has been demolished and the site is currently vacant. The property has been purchased for redevelopment and is currently undergoing remedial works to address environmental contamination issues.

The Phase I and II Environmental Site Assessments prepared by Paterson Group Inc. in 2011 identified a number of environmental impacts from petroleum-based products under the property, likely stemming from the long-term use of the property as a retail fuel outlet.

The soil and groundwater analytical test results are in excess of the applicable Ministry of the Environment (MOE) site standards for industrial development. The recommendations of the Paterson report indicated that the contaminated soil and groundwater must be removed from the site during redevelopment.

The site qualifies as an eligible "brownfield" not located in the Central Area Mixed Use Centres, along Mainstreets or within 600 metres of existing/planned Rapid Transit Stations, under the City's Brownfields CIP.

The purpose of this report is to bring the application for 300 Greenbank Road before Committee and Council for consideration and approval.

DISCUSSION

The BRCIP specifies that, the total of all grants, property tax assistance and development charge reduction shall not exceed 50 per cent of the cost of rehabilitating said lands and buildings.

The intent purpose of the Property Tax Assistance Program is to encourage the remediation and rehabilitation of brownfield sites by providing a cancellation of the property tax increase on a property that is undergoing or has undergone remediation and development to assist with payments of the costs of environmental remediation. This program only applies to properties requiring environmental remediation and/or risk assessment/management.

The Rehabilitation Grant Program is a tax-increment based grant funded through the tax increase that results from redevelopment of the property. The tax-increment grant is not paid in advance, but is directly tied to the amount of development actually completed on the property. If the development does not proceed then no grants are paid.

The Property Tax Assistance would commence first and will equal 100 per cent of the City portion of the increase in property taxes that results from the redevelopment for up to three years, or up to the time when the total tax assistance equal the total eligible costs, whichever comes first.

The Rehabilitation Grant will equal 50 per cent of the City portion of the increase in property taxes that results from the redevelopment, commencing after the Property Tax Assistance Program benefits end and is payable annually for up to five years, or up to the time when the total grant payments equal the balance of the total eligible costs, whichever comes first. The City will only pay the annual grant after property taxes have been paid in full each year.

The owners are also eligible for the "Development Charge Reduction Due to Site Contamination" Program which allows a maximum reduction of municipal development charges up to 25 per cent of eligible cost items for Property Tax Assistance. The amount credited is reduced from the eligible cost cap under the combined Property Tax Assistance and Rehabilitation Grant Programs. This program allows the owner to receive a development charge credit at the time of application for building permits.

The Greenbank Self Storage Corporation Grant Application

The required documents that are to be submitted to the City as part of a Property Tax Assistance/Rehabilitation Grant application are described in Document 3. Staff reviewed the submissions and deemed the application to be complete as of September 28, 2012.

Proposed Remediation

The remediation program will consist of an approach where an excavation and disposal at an approved waste disposal facility would be undertaken. Free product encountered in the groundwater within the excavation will be pumped by an MOE licensed pumping contractor for off-site transfer and disposal. Impacted groundwater encountered in the excavation will be pumped and treated on site or disposed off-site by a MOE licensed pumping contractor.

After advising staff, the applicant commenced with site remediation activities. These activities were undertaken on the full understanding and written acknowledgment by the applicant that under the General Program Requirements, as stated in Section 6.2 (b) of the BRCIP that: "*The City is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant and/or tax assistance*".

However, while these rehabilitation works have been initiated it is important to note that these works are still eligible costs under the provisions of the BRCIP as the works were undertaken after the submission of a completed application. Section 6.6.3. (a), of the Rehabilitation Grant Program requirements states that: "*A grant application must be submitted to the City prior to the start of any rehabilitation works to which the grant will apply.*"

Proposed Redevelopment Scheme

This property is being developed through a site plan application (File # D07-12-12-0031).

The developer is proposing to develop a four-storey self-storage building, including one basement-level floor. The building will contain approximately 10,081 m² of self-storage facility consisting of storage units of varying size. The units would be accessible via internal elevators and vehicle loading areas, climate controlled, and in a clean and secure building (for elevations of a portion of the site, see Document 9).

The project is proceeding with a site plan control application and approval from the Department is imminent. The process of finalizing their agreements will follow shortly.

Calculating the Property Tax Assistance/Rehabilitation Grant

Under the Brownfield Property Tax Assistance/Rehabilitation Grant program guide, the applicant is required to submit various technical documents to determine eligibility as well as the costs eligible for the rehabilitation grant and property tax assistance. Staff reviewed the submissions and has determined that the total costs eligible for a Brownfield Property Tax Assistance / Rehabilitation Grant under the program are \$1,244,878.00.

The Brownfields Redevelopment Community Improvement Plan specifies that the total eligible costs be capped at 50 per cent of the total costs. A breakdown of the eligible costs is shown in Document 4. Applying this cap results in the calculation of the Property Tax Assistance/Rehabilitation Grant to be \$622,439.00 see Document 5.

The ability to receive the Property Tax Assistance/Rehabilitation Grant can occur over a number of venues and timing for the payouts of the grants.

Property Tax Assistance Program

The Property Tax Assistance program portion cancels the municipal property tax increase that would normally occur on a Brownfield property that has undergone environmental remediation/risk management and redevelopment in order to assist with paying for remediation costs. This program provides a cancellation of the municipal property tax increase on a redeveloped Brownfield property for up to three years.

The cancellation of the property tax increase is specified in a by-law. The application for education tax assistance would be made by the City to the Province under the Brownfields Financial Tax Incentive Program (BFTIP). It is not an automatic approval. If the Province does not approve of the education tax assistance then the balance would be included in the City's approved Rehabilitation Grant payable up to five years from the end of the Property Tax Assistance period. Given the timing for processing these provincial applications, it was determined to proceed at this time, with the remainder of the application and bring forward any recommendations with respect to the education tax component in a later report.

The present municipal tax portion on the property is \$7,461.00 and the education portion is \$5,704.00 while the Post Construction estimated maximum for the municipal tax portion is \$132,366.00 and the education tax portion is \$101,192.00.

Based on municipal tax assistance on full build-out of this development (Document 8, Table 1) this could translate into the full amount of the eligible costs of \$622,439.00 being attained within the first three year period and no Rehabilitation Grant portion would be required

At the actual time of payment at the end of each year, the annual tax benefit would be based on the actual property tax increase calculated for that year and what had been paid through this program in the year this agreement was entered into.

Rehabilitation Grant program

Grants, paid in the form of property tax rebates, would be capped at 50 per cent of the municipal share of the increase in property taxes that result from the redevelopment, payable annually for up to five years after the three year period of the Property Tax Assistance; or, up to the time when the total grant payments equal the total eligible costs, whichever comes first. The City will only pay the annual grant after the property taxes have been paid in full each year and all terms and conditions specified in the registered legal agreement between the City and the applicant have been met. It is possible that the pay-out could occur within four to eight years (depending if the Property Tax portion is applied) of the first payment at which time the annual municipal payment would end.

Development Charge Reduction Program Due to Site Contamination

The owners are eligible for the "Development Charge Reduction Due to Site Contamination" Program which allows a maximum reduction of development charges up to 25 per cent of eligible cost items but the amount credited will be reduced from eligible grants under the Rehabilitation Grants Program. This program allows the owners to receive a credit at the time of application for building permits. The anticipated total development charges for full build-out for this development, is \$869,149.00. The eligible development charge credit of 25 per cent of eligible costs is calculated as \$276,095.00 (Document 7).

For the purposes of estimating the possible future municipal tax increment and the estimated pay-out period it has been assumed for illustrative purposes that the project would be completed by 2020. The detailed assumptions and the calculations are shown in Document 8.

Economic Benefits to the Community

The overall economic impact of the proposed retail/service industrial development is estimated at \$6.3 M in direct construction value. During the development of the site, direct and indirect economic benefits to the local economy will be experienced as a result of building demolition, site remediation and the construction period through payroll, purchased material supplies and services and equipment rentals.

The economic benefits would span over a period of up to two years. After completion a number of new retail/service jobs would also be created. Commercial businesses along Greenbank Road will also benefit from a larger number of consumers traveling to this area of the city.

Over \$7.2 M in new industrial assessment would be added to the property tax assessment roll at full development. Staff estimates that \$ 233,557.57 per year, in increased municipal property and education taxes can be expected at the completion of the project, after the property tax assistance and rehabilitation grant end; which would subsequently go to the City's general revenues (see Document 6).

The project will earn the City over \$1.6 M in present value dollars in development

charges, building permit fees and other development fees.

RURAL IMPLICATIONS

There are no rural implications with associated with this report.

CONSULTATION

There was no public consultation for this report.

COMMENTS BY THE WARD COUNCILLOR(S)

The Ward Councillor concurs with this application and the staff recommendations.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations of this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

The total eligible costs for a brownfields property tax assistance/rehabilitation grant are \$1,244,878 as detailed in document 4. The brownfields redevelopment community improvement plan caps assistance/grant at 50% of eligible costs, or \$622,439, as detailed in document 5. Of the \$622,439, \$276,095 will be funded through reductions to development charges, and \$346,344 will be funded through incremental taxes resulting from the increased assessments. Details are in document 8.

According to the *development charge act*, 1997,c.27 s.5(6)3 “an exemption may not be offset through an increase in fees for other categories.” Therefore a reduction in the dc collections arising from an exemption may result in a shortfall in funding to support growth-related projects. This shortfall will be addressed in the five-year review of the development charge by-law as required by legislation.

The expenditure authority for the grant payments and revolving fund contributions will be brought forward through the annual budget process. Actual payments of the property tax assistance/rehabilitation grant will be reviewed at the end of each tax year to confirm the actual tax benefit of the development and to calculate the actual payment to the developer.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

ENVIRONMENTAL IMPLICATIONS

The approval of this property tax assistance/rehabilitation grant will assist with the

redevelopment of this brownfield property and ensure that this contaminated site is properly remediated prior to development. A Record of Site Condition (RSC) will be required as per the funding agreement. Brownfield redevelopment is identified as a key strategy for promoting reinvestment in existing urban areas and for reducing the need to expand into greenfield sites. The remediation and redevelopment of brownfield sites assists in meeting the Environmental Strategy's goal of "clean air, water and earth."

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

One of the City's priorities, as a strategic direction, is planning and growth management. An important objective is to *respect the existing urban fabric, neighbourhood form and the limits of existing hard services, so that new growth is integrated seamlessly with established communities* (Code F2). The proposed industrial use of this underutilized site, made possible through rehabilitation, intensifies development within the City's current urban boundary. This will result in the more efficient use of existing infrastructure in a manner that enhances and complements the desirable characteristics of the area.

SUPPORTING DOCUMENTATION

Document 1 Location Map

Document 2 Aerial View

Document 3 Property Tax Assistance/Rehabilitation Grant Application Requirements

Document 4 Property Tax Assistance/Rehabilitation Grant-Eligible Costs

Document 5 Calculating the Property Tax Assistance/Rehabilitation Grant

Document 6 Estimated Future City Property Tax Increment and Annual
Municipal/Education Grant Payable

Document 7 Calculating the Development Charges Payable

Document 8 Payment Option Scenarios

Document 9 Elevations

DISPOSITION

City Clerk and Solicitor Department, Legal Services to prepare the Brownfields Rehabilitation Grant Agreement.

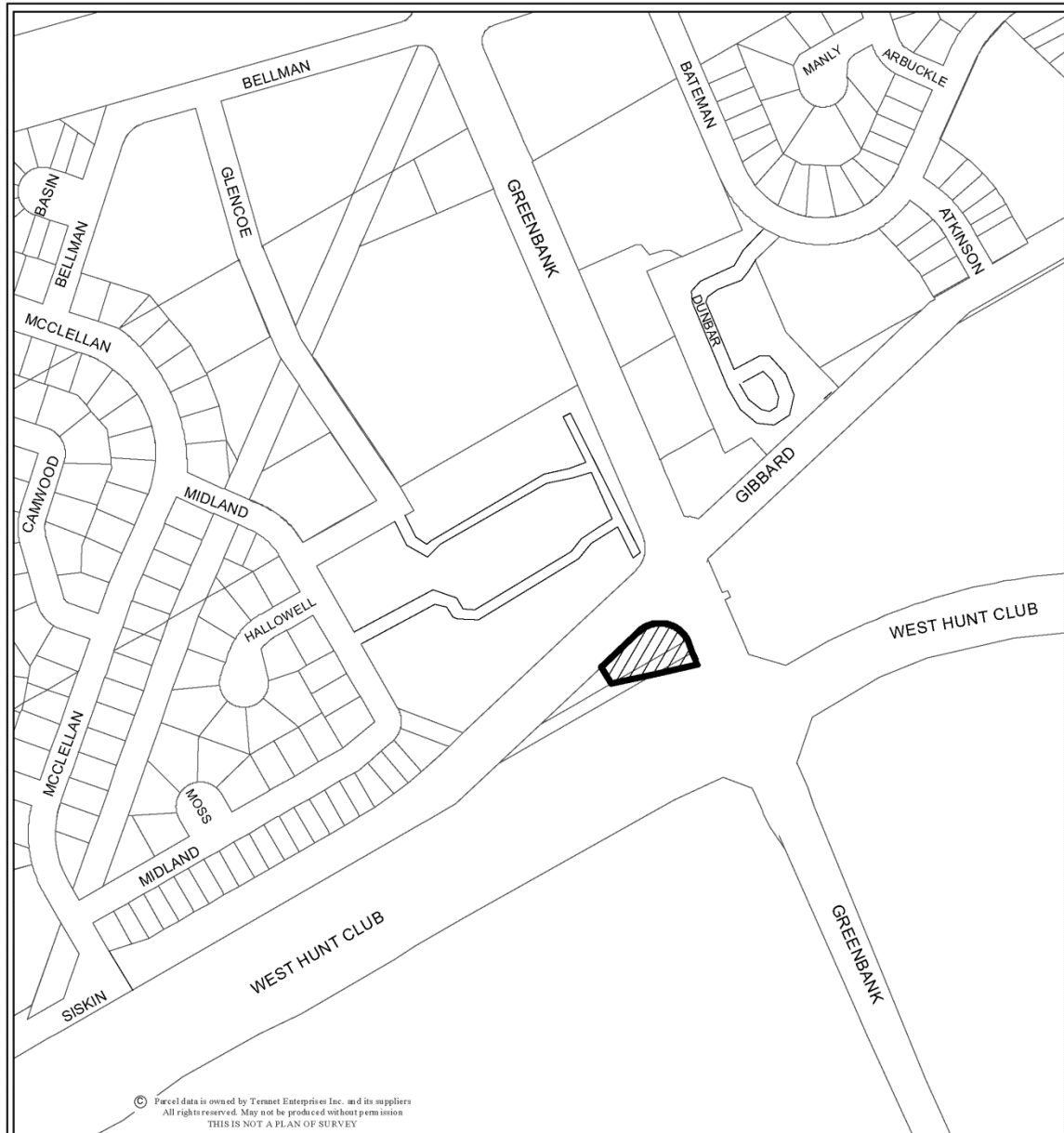
City Clerk and Solicitor Department in consultation with Finance Department to draft Property Tax Assistance By-Law and forward for enactment by Council. A copy of the By-Law will be forwarded to the Minister of Finance and Minister of Municipal Affairs and Housing, as required by Section 365.1 Municipal Act, 2001.

Planning and Growth Management Department and Finance Department, Revenue Branch to develop a general administrative approach to implement the Brownfields Redevelopment Financial Incentive Program and more specifically for this application.

Planning and Growth Management Department to notify the applicant of Council's decision.

LOCATION MAP

DOCUMENT 1



© Parcel data is owned by Termet Enterprises Inc. and its suppliers
All rights reserved. May not be produced without permission
THIS IS NOT A PLAN OF SURVEY

Ottawa
Produced by Infrastructure Services
and Community Sustainability
Produit par le Services d'infrastructure
et Viabilité des collectivités

F18-04-12-GREE	12-1583-C
I:\CO\2012\Site Plan \ Greenbank300	
2012 / 11 / 01	
REVISION DATE	DE RÉVISION



Location Map / Plan de révision
Site Plan / Plan de emplacement
300 GREENBANK ROAD

Échelle
N.T.S.
Mètres



Scale
N.T.S.
Metres

AERIAL VIEW

DOCUMENT 2



**PROPERTY TAX ASSISTANCE\REHABILITATION
GRANT APPLICATION REQUIREMENTS**

DOCUMENT 3

A Brownfields Property Tax Assistance\Rehabilitation Grant program guide was prepared as part of the administration of the Brownfields financial incentives program. This program guide provides the detailed requirements to an applicant in order to file a complete application with the City for consideration of financial assistance under this grant program. The applicant is required to submit various technical documents to determine eligibility and costs eligible for the rehabilitation grant. The following documents are required:

- All environmental studies (Phase I ESA, Phase II ESA and Remedial Action Plan);
- Detailed work plan and cost estimate prepared by a qualified person (as defined by the *Environmental Protection Act* and Ontario Regulation 153/04, as amended), for all eligible environmental remediation and risk assessment/risk management works;
- A cost estimate provided by a bona fide contractor for eligible rehabilitation/redevelopment and demolition costs;
- A set of detailed architectural/design and/or construction drawings; and
- An estimated post-project assessment value prepared by a private sector property tax consultant.

The applicant (registered owner) or agent acting on behalf of the registered owner is required to fully complete the application including all required signatures and complete the sworn declaration.

**PROPERTY TAX ASSISTANCE/
REHABILITATION GRANT-ELIGIBLE COSTS**

DOCUMENT 4

The costs eligible for a Brownfields Property Tax Assistance/Rehabilitation Grant for 300 Greenbank Road are estimated as follows:

	Eligible Costs	Estimated Cost
1	Environmental studies, Remedial Work Plan and Risk Assessment not covered by Environmental Site Assessment Grant Program	\$24,278
2	Environmental Remediation including the cost of preparing an Record of Site Condition	\$765,600
3	Placing clean fill and grading	\$308,000
4	Installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment	\$0
5	Monitoring, maintaining and operating environmental and engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment	\$0
6	Environmental Insurance Premiums	\$6,500
	Total Costs Eligible for Property Tax Assistance (Sum Costs 1 – 6 above)	\$1,104,378
7	30 % of Bldg Permit	\$0
8	Building Removal	\$15,000
9	50 % of the upgrading costs for on-site infrastructure including water services, sanitary sewers and stormwater management facilities	\$125,500
	Total Costs Eligible for Property Tax Assistance/Rehabilitation Grant (Sum Costs 1 – 9 above)	\$1,244,878

CALCULATING THE PROPERTY TAX ASSISTANCE/REHABILITATION GRANT

DOCUMENT 5

The Ottawa Brownfields Community Improvement Plan (CIP) specifies that, the total of all grants, property tax assistance and development charge reductions shall not exceed 50 per cent of the cost of rehabilitating said lands and buildings.*

The owner is also eligible for the “Development Charge Reduction Due to Site Contamination” Program which allows a maximum reduction of development charges up to 25 per cent of eligible cost items for Property Tax Assistance but the amount received will be deleted from eligible grants for the Rehabilitation Grants Program. This program allows the owner to receive a credit at the time of application for building permits. The anticipated total development charges for full build-out for this development are \$869,149.00. Eligible Development Charges of 25 per cent is equal to a credit of \$276,095.00. Actual Development Charge Reductions are applied at the time of building permit applications.

1	Total eligible Costs- from Document 4	\$1,244,878
2	Total capping at 50 per cent of line 1	\$622,439
3	Total of Property Tax Assistance/ Rehabilitation Grant Payable and development charge credit	\$622,439

* The site is located at 300 Greenbank Road. The subject lands are not located within the programs “priority area”. This location is therefore eligible for a grant (Property Tax Assistance Grant Program) equivalent to 100 per cent of the municipal property tax increase that results from the redevelopment, payable annually for up to three years, or until the time when the total grant payments equal the total eligible costs whichever comes first and if there is any remaining eligible grant remaining, the grant (Rehabilitation Grant Program) equivalent to 50 per cent of the municipal property tax increase that results from the redevelopment, payable annually for up to five years, or until the time when the total grant payments equal the total eligible costs whichever comes first

The total Brownfields Property Tax Assistance/Rehabilitation Grant payable is \$622,439.00 (line 3 above). The Development Charge Reduction program amount of \$276,095.00 applied for is included in this amount. The total maximum tax assistance and rehabilitation grant is therefore \$346,344.00.

**ESTIMATED FUTURE CITY PROPERTY TAX INCREMENT AND
ANNUAL MUNICIPAL\EDUCATION GRANT PAYABLE**

DOCUMENT 6

PRE-PROJECT PROPERTY TAX RATES AND PROPERTY TAXES

Current Value Assessment (2012) on the property at 280-300 West Hunt Club Road is \$460,000.00, classified in both commercial (CT) and commercial excess land (CU) tax classes. Current (2012) property taxes are \$13,165.05.00 broken down as follows:

Table 1

Municipal Property Tax portion	\$7,461.12
Education Property Tax Portion	\$5,703.93
Total Pre-Project Property Taxes	\$13,165.05

Based on a post-project assessment valuation prepared by *PTRS PropertyTax Review Services*, as submitted as part of the application, the proposed industrial complex could have a post-project assessment value in excess of \$7,245,319.00 (2012\$). The estimated taxes to be generated from full build-out is \$233,557.57 (2012\$), see Table 2.

Table 2

Estimated Annual Post-Project Municipal\Education Property Taxes

Tax Class*	Estimated assessment	Estimated Municipal Tax	Estimated Education Tax	Estimated Total Tax
Industrial (Limited)	\$7,245,319	\$132,365.68	\$101,191.89	\$233,557.57

* Tax Class Industrial (Limited)

**CALCULATING THE
DEVELOPMENT CHARGE PAYABLE**

DOCUMENT 7

1	Total eligible Costs from application	\$1,244,878
2	Total capping at 50 per cent of line 1	\$622,439
3	Estimated Development Charges	\$869,149
4	Total cost eligible for DC reduction from application – total items 1 to 6 (Document 4)	\$1,104,378
5	Capping at 25 per cent of line 4 – development charge reduction	\$276,095
6	Development charge is reduced by the amount in line 5 (line 3 – line 5)	\$593,054 payable as DCs
7	Eligible cost cap is reduced by DC reduction (line 2 – line5)	\$346,344
8	Total potential grant and tax assistance	\$346,344

*The maximum reduction of development charges is 25 percent of the cost components of line 4 if the site is located in the non-priority area. This location would qualify as being in the non-priority area under the Brownfields CIP and therefore is eligible for the 25 per cent maximum reduction.

**The environmental site assessment, remediation and grading costs and environmental insurance premiums cost component of an approved Rehabilitation Grant may be applied against development charges payable, subject to Council approval.

The development charge is reduced to \$593,054.00 (line 6 above) payable after the DC credit of \$276,095.00.

The total potential rehab grant and tax assistance payable is \$346,344.00 (line 8 above).

PAYMENT OPTION SCENARIOS

DOCUMENT 8

Table 1

Property Tax Assistance reduction with Rehabilitation Grant and DC Reduction

Year	Base Tax	Proposed Tax	Increment	Eligible Amount	Breakdown of Tax		DC Reduction	Sub Total	Cummulative Grant Amt	BRADMIN 15%
					Municipal	Education				
2013	\$ 13,165	\$ 13,165	\$ -	\$ -	\$ -	\$ -	\$ 276,095	\$ 276,095	\$ 276,095	\$ -
2014	\$ 13,165	\$ 233,558	\$ 220,393	\$ 220,393	\$ 124,905	\$ 95,488	\$ -	\$ 220,393	\$ 496,487	\$ -
2015	\$ 13,165	\$ 233,558	\$ 220,393	\$ 125,952	\$ 71,382	\$ 54,570	\$ -	\$ 125,952	\$ 622,439	\$ -
2016	\$ 7,461	\$ 233,558	\$ 226,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,439	\$ -
2017	\$ 7,461	\$ 233,558	\$ 226,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,439	\$ -
2018	\$ 7,461	\$ 233,558	\$ 226,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,439	\$ -
2019	\$ 7,461	\$ 233,558	\$ 226,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,439	\$ -
2020	\$ 7,461	\$ 233,558	\$ 226,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,439	\$ -
	\$ 76,801	\$ 1,648,068		\$ 346,345	\$ 196,286	\$ 150,058	\$ 276,095	\$ 622,439	\$	\$ -

Tax Form	Existing	Proposed
Municipal	\$ 7,461	\$ 132,366
Education	\$ 5,704	\$ 101,192
Total	\$ 13,165	\$ 233,558

Property Tax Grant	\$ 346,345
Rehabilitation Grant	\$ -
DC Reduction	\$ 276,095
Total Grant	\$ 622,439

Note 1 Brownfields Admin is equal to 15% of difference of the Proposed Tax Increment retained by the City.

The assumption that the project would be completed, reassessed and taxes levied and paid in this period. The tax rates and all of the assessment valuation parameters are held constant for illustration purposes. In practice the assessed value would likely increase reflecting increasing property values. As well, there would likely be some increase in the annual municipal levy during the projection period.

The administration of the rehabilitation grant program would require that any grants to be paid be based on actual Municipal Property Assessment Corporation (MPAC) property assessment (including any resolution of appeals) of improved properties. The prevailing tax rate would be applied and only after taxes are paid in full for one year and only when the City is satisfied that all terms and conditions have been met as specified in the legal agreement between the City and the applicant would a tax rebate be issued. This rebate would be capped at 50 per cent of the municipal share of the increase in property taxes over the pre-project municipal property taxes paid. In the administration of this grant each row would be calculated every year based on the new assessment, tax rate, taxes paid and actual municipal tax increment to establish the actual grant payment. It is possible that the payout would occur within three years of the first payment at which time the annual municipal payment would end.

