

6. BELLS CORNERS COMMUNITY IMPROVEMENT PLAN APPLICATION –
2015 ROBERTSON ROAD

DEMANDE AU TITRE DU PLAN D'AMÉLIORATIONS COMMUNAUTAIRES
DE BELLS CORNER – 2015, CHEMIN ROBERTSON

COMMITTEE RECOMMENDATIONS

That the Council:

- 1. Approve the Bells Corners Community Improvement Grant Program Application submitted by 2015-2017 RR LTD. carrying on business as First Bay Properties Inc. owner of the property at 2015 Robertson Road for a Community Improvement Plan Grant not to exceed \$178,000 over a maximum period of 10 years, subject to the establishment of, and in accordance with the terms and conditions of a Community Improvement Grant Agreement; and**
- 2. Delegate authority to the General Manager, Planning, Infrastructure and Economic Development, to finalize and execute a Bells Corners Community Improvement Plan Grant Agreement with First Bay Properties Inc. establishing the terms and conditions governing the payment of a Community Improvement Grant for the redevelopment of 2015 Robertson Road, to the satisfaction of the City Manager, the City Clerk and Solicitor and the City Treasurer.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

- 1. approuve la demande de subvention en vertu du Plan d'améliorations communautaires de Bells Corners présentée par 2015-2017 RR LTD., entreprise propriétaire du 2015, chemin Robertson, exerçant ses activités sous le nom de First Bay Properties Inc., et de lui accorder une subvention en vertu du Plan d'améliorations communautaires d'au plus 178 000 \$ sur une période**

maximale de 10 ans, sous réserve de la conclusion d'un accord de subvention d'amélioration communautaire et conformément aux modalités de cet accord; et

- 2. délègue au directeur général, Planification, infrastructure et développement économique, le pouvoir de conclure un accord de subvention en vertu du Plan d'améliorations communautaires de Bells Corners avec l'entreprise First Bay Properties Inc. Cet accord déterminera les modalités régissant le versement d'une subvention d'amélioration communautaire en vue du réaménagement du 2015, chemin Robertson, à la satisfaction du directeur municipal, du greffier municipal et avocat général et de la trésorière municipale.**

DOCUMENTATION/DOCUMENTATION

1. Director's report, Economic Development and Long Range Planning, dated 26 September 2017 (ACS2017-PIE-EDP-0037)

Rapport du Directeur, Développement économique et Planification à long terme daté le 26 septembre 2017 (ACS2017-PIE-EDP-0037)

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
3 October 2017 / 3 octobre 2017**

**and Council / et au Conseil
October 11, 2017 / 11 octobre 2017**

**Submitted on September 26, 2017
Soumis le 26 septembre 2017**

Submitted by

Soumis par:

John Smit,

Director / Directeur

**Economic Development and Long Range Planning / Développement économique
et Planification à long terme / Infrastructure and Economic Development
Department / Direction générale de la planification, de l'infrastructure et du
développement économique**

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**SUBJECT: Bells Corners Community Improvement Plan Application – 2015
Robertson Road**

**OBJET: Demande au titre du Plan d'améliorations communautaires de Bells
Corner – 2015, chemin Robertson**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Approve the Bells Corners Community Improvement Grant Program Application submitted by 2015-2017 RR LTD. carrying on business as First Bay Properties Inc. owner of the property at 2015 Robertson Road for a Community Improvement Plan Grant not to exceed \$178,000 over a maximum period of 10 years, subject to the establishment of, and in accordance with the terms and conditions of a Community Improvement Grant Agreement; and**
- 2. Delegate authority to the General Manager, Planning, Infrastructure and Economic Development, to finalize and execute a Bells Corners Community Improvement Plan Grant Agreement with First Bay Properties Inc. establishing the terms and conditions governing the payment of a Community Improvement Grant for the redevelopment of 2015 Robertson Road, to the satisfaction of the City Manager, the City Clerk and Solicitor and the City Treasurer**

RECOMMANDATIONS DU RAPPORT

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

- 1. d'approuver la demande de subvention en vertu du Plan d'améliorations communautaires de Bells Corners présentée par 2015-2017 RR LTD., entreprise propriétaire du 2015, chemin Robertson, exerçant ses activités sous le nom de First Bay Properties Inc., et de lui accorder une subvention en vertu du Plan d'améliorations communautaires d'au plus 178 000 \$ sur une période maximale de 10 ans, sous réserve de la conclusion d'un**

accord de subvention d'amélioration communautaire et conformément aux modalités de cet accord; et

2. **de déléguer au directeur général, Planification, infrastructure et développement économique, le pouvoir de conclure un accord de subvention en vertu du Plan d'améliorations communautaires de Bells Corners avec l'entreprise First Bay Properties Inc. Cet accord déterminera les modalités régissant le versement d'une subvention d'amélioration communautaire en vue du réaménagement du 2015, chemin Robertson, à la satisfaction du directeur municipal, du greffier municipal et avocat général et de la trésorière municipale.**

BACKGROUND

The Bells Corners Community Improvement Plan (Bells Corners CIP) was adopted by Council on 14 September 2016. By-law No. 2016 - 311 designates the Bells Corners Community Improvement Plan Project Area, a part of the area covered by the Official Plan for the City of Ottawa, and By-law No. 2016 - 321 sets out the rationale for the Bells Corners CIP and comprehensive program details.

The Bells Corners CIP seeks to encourage and facilitate rehabilitation, redevelopment, and revitalization of the existing built environment while providing enhanced employment opportunities, all of which are important for the health and liveability of this section of Bells Corners. The Bells Corners CIP provides an incentive for private landowners to undertake redevelopment projects on private property, that would not otherwise be undertaken.

Community Improvement Plans (CIPs) are a strategy to improve the economic viability of areas, and can improve quality of place through urban renewal. CIPs provide a framework through which a municipality may choose to offer financial incentives directly to businesses and individuals within a specified CIP Project area under Section 28(7) of the *Planning Act*.

DISCUSSION

This report recommends approval of an application submitted by First Bay Properties Inc. a privately held company, the owner of the property at 2015 Robertson Road, for a Bells Corners Community Improvement Plan grant for improvements to be made.

The grant is not to exceed \$178,000, over a maximum period of 10 years, subject to the establishment of, and in accordance with the terms and conditions of a Community Improvement Grant Agreement.

The Bells Corners CIP Program is a tax increment-based grant program. This grant will be funded through the anticipated \$237,409 increase in the Municipal portion of the Property Taxes that will result from redevelopment of the property. The tax increment grant will not be paid in advance but will be directly tied to the amount of development actually completed on the property and the corresponding increase in property tax contribution to the City. If the development does not proceed, then no grant would be paid.

The proposed redevelopment will sit on a 0.653 hectare (1.6 acre) site. At present, the property consists of two single story buildings having an aggregate area of 759 square meters (8,165 square feet). The smaller building comprised of 158 square meters (1,700 square feet) is a retail pad, leased to Cash Money Cheque Cashing Inc. The larger building comprised of 601 square meters (6465 square feet) is a former restaurant and has been vacant for some time.

The redevelopment project includes:

- The larger building will be demised and rented out to three commercial-retail tenants - a power sports accessories retailer has already signed a lease for “Unit 2”. A lease has been signed with a national restaurant chain for “Unit 3” and “Unit 1” is being offered for lease.
- The building size will increase slightly as the area under the canopy will be enclosed to form part of the interior space of Unit 3 and will include a drive through facility (subject to site plan approval).
- The building will be clad in a combination of stucco, Hardie Board siding, aluminum panels and there will be new glazing and canopies over certain sections.
- The project will also include refinishing the façade of the building and modifying site conditions to enhance the streetscape, in turn improving the image of the Bells Corners corridor and drive traffic to the area.

The Bells Corners CIP Program is a tax increment-based grant program. This grant will be funded through the anticipated \$237,409 increase in the Municipal portion of the Property Taxes that will result from redevelopment of the property. The tax increment grant will not be paid in advance but will be directly tied to the amount of development actually completed on the property and the corresponding increase in property tax contribution to the City. If the development does not proceed, then no grant would be paid.

The property is located in the Bells Corners Community Improvement Plan Project Area as described in By-law 2016-311. Accordingly, the project qualifies as an eligible Bells Corners CIP project, located within the area identified as the Bells Corners Community Improvement Plan Area

Economic Benefits

The economic impact of the proposed redevelopment of 2015 Robertson Road related to direct construction value is estimated at approximately \$865,250, providing direct and indirect benefit to the City. Building permits fees are estimated at approximately \$4,168.

This project will result in creation of approximately 30 – 40 jobs for the immediate and surrounding community. Gear Head Canada, a retailer of power-sports accessories has signed a lease for the central unit and is expected to employ 8 – 10 people. Kentucky Fried Chicken has signed a lease for the restaurant unit and is expected to employ between 10 -15 employees. Many of the part-time KFC positions would be attractive youth employment opportunities. Finally, while a tenant has not been secured for the third unit, an additional 5 – 10 retail jobs is anticipated.

The municipal portion of the property taxes is expected to increase in 2018 to approximately \$45,088 - an increase of approximately \$12,329, or nearly 70 percent more than the estimated 2018 predevelopment amount of \$32,759. During the 10-year post development grant period, the Municipal portion of property taxes for the building will increase by an average \$23,200 per year resulting in a 10-year post development aggregate increase in the municipal portion of the property taxes of \$ 237,409.

The CIP grant will be based on 75 percent of the increase in municipal portion of the property taxes and is estimated to be approximately \$17,395 annually or \$178,000 over

the 10-year grant period. This amount represents an approximate order of magnitude only based on estimated future assessed values and taxation rates. The final amount of the CIP grant will be based on actual revised assessment and then current taxation rates, following completion of the projects, and post-development reassessment provided by the Municipal Property Assessment Corporation (MPAC).

The grant will not be paid in advance but will be directly tied to the amount of development actually completed on the property and the corresponding increase in property tax contribution to the City. If the development does not proceed then no grant would be paid.

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

Councillor Chiarelli provided the following comment:

"This application demonstrates the emerging rebound of Bells Corners. KFC once led the exodus from the commercial area and now it is coming back. It provides new, beautified space, while meeting some of the needs identified in the Gap Assessment Study that was financed by businesses on the Robertson Road strip."

LEGAL IMPLICATIONS

There are no legal implications associated with implementing the recommendations contained within this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications to implementing the recommendations of this report.

FINANCIAL IMPLICATIONS

The maximum grant under the Bells Corners Community Improvement Grant Program is \$178,057, over a maximum period of ten years. The grant will be directly tied to the amount of development completed on the property and the corresponding increase in property tax contribution to the City.

Budget authority requirements will be brought forward through the annual budget process.

ACCESSIBILITY IMPACTS

Staff will ensure that any applicable accessibility standards are adhered to during the execution of the projects and initiatives identified in this report. This will involve consulting with the appropriate staff within the City.

TERM OF COUNCIL PRIORITIES

This application is directly related to the 2015-2018 Term of Council Priorities:

FS2 – Align strategic priorities to Council’s financial targets

EP2 – Support growth of local economy

DISPOSITION

The City Clerk and Solicitor Department, Legal Services will prepare the Bells Corners CIP Grant Agreement between First Bay Properties Inc. and the City.

The Planning, Infrastructure and Economic Development and the Finance Department, Revenue Branch will develop a general administrative approach to implement the Bells Corners CIP Financial Incentive Program for this application.

The Planning, Infrastructure and Economic Development will notify the applicant of Council’s decision.