

**9. BELLS CORNERS COMMUNITY IMPROVEMENT PLAN APPLICATION –
2165 ROBERTSON ROAD**

**DEMANDE DE SUBVENTION DANS LE CADRE DU PLAN
D'AMÉLIORATIONS COMMUNAUTAIRES DE BELLS CORNERS – 2165,
RUE ROBERTSON**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Approve the Bells Corners Community Improvement Grant Program Application submitted by Robertson Road Property II Limited, owner of the property at 2165 Robertson Road for a Community Improvement Plan Grant not to exceed \$214,600 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 Robertson Road Property II Limited, establishing the terms and conditions governing the payment of a Community Improvement Plan Grant for the redevelopment of 2165 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 (PAC) de Bells Corners présentée par Robertson Road Property II Limited, propriétaire du 2165, Rue Robertson, pour une subvention n'excédant pas 214 600 \$ sur une période maximale de 10 ans, sous réserve de la conclusion d'une entente de subvention en vertu du PAC, et conformément à ses modalités.**

- 2. délègue au directeur général de Planification, Infrastructure et Développement économique le pouvoir de conclure, avec Robertson Road Property II Limited, une entente en vertu Plan d'améliorations communautaires de Bells Corners qui établira les modalités de versement de la subvention pour le réaménagement du 2165, 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 23 April 2019 (ACS2019-PIE-EDP-0024).

Rapport du Directeur, Développement économique et planification à long terme, daté le 23 avril 2019 (ACS2019-PIE-EDP-0024).

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
7 May 2019 / 7 mai 2019**

**and Council
et au Conseil
22 May 2019 / 22 mai 2019**

**Submitted on April 23, 2019
Soumis le 23 avril 2019**

**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
Département / Direction générale de la planification, de l'infrastructure et du
développement économique**

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Ward: COLLEGE (8) / COLLÈGE (8)

File Number: ACS2019-PIE-EDP-0024

**SUBJECT: Bells Corners Community Improvement Plan Application – 2165
Robertson Road**

**OBJET: Demande de subvention dans le cadre du Plan d'améliorations
communautaires de Bells Corners – 2165, Rue Robertson**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

- 1. Approve the Bells Corners Community Improvement Grant Program
Application submitted by Robertson Road Property II Limited, owner of the
property at 2165 Robertson Road for a Community Improvement Plan Grant
not to exceed \$214,600 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 Robertson Road Property II Limited,
establishing the terms and conditions governing the payment of a Community
Improvement Plan Grant for the redevelopment of 2165 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 (PAC) de Bells Corners présentée par Robertson Road
Property II Limited, propriétaire du 2165, Rue Robertson, pour une subvention
n'excédant pas 214 600 \$ sur une période maximale de 10 ans, sous réserve
de la conclusion d'une entente de subvention en vertu du PAC, et
conformément à ses modalités.**
- 2. de déléguer au directeur général de Planification, Infrastructure et
Développement économique le pouvoir de conclure, avec Robertson Road
Property II Limited, une entente en vertu Plan d'améliorations
communautaires de Bells Corners qui établira les modalités de versement de
la subvention pour le réaménagement du 2165, 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 (CIP) was adopted by Council on 14 September 2016. By-law 2016-311 designates the Bells Corners CIP Project Area, a part of the area covered by the Official Plan for the City of Ottawa, and By-law 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.

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 Robertson Road Property II Limited, a privately held company, the owner of the subject property, for a Bells Corners CIP grant for improvements to be made to 2165 Robertson Road.

The grant is not to exceed \$214,600, 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 \$286,150 increase in the Municipal portion of the Property Taxes that will result from redevelopment of the property during the ten years of the grant period. 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 re-development of this site includes construction of two free standing buildings on the north and south borders of the 1.1-hectare (2.83-acre) plot.

Both buildings are intended to be visible from Robertson Road and are planned to be constructed as follows:

1. The aggregate gross leasable area of the two buildings will be approximately 1,324 square metres (14,250 square feet).
2. The Applicant proposes two buildings, a retail/warehouse building and a drive-through restaurant:
 - a. The south building at the front of the site, Building A, will be a 232 square metre (2,500 square feet) single story building, built to accommodate a food user, offering both sit-down and drive-through services.
 - b. The proposed north building, Building B, at the rear of the site, will have a light industrial use and a footprint of approximately 1,092 square metres (11,750 square feet) feet of gross floor area. The proposed building will have a 2,500 square foot showroom and office space and the remaining space will be used for warehouse and light manufacturing.

The property is currently occupied by surface parking and includes an outdoor storage area. The development is constrained by a 30-metre rail buffer to the rear (north) of the property and a hydro corridor buffer that bisects the parcel.

Historically, industrial uses have occupied this site. Two buildings associated with Beaver Lumber yard were erected on the southern portion of the site sometime before 1965, and demolished post-1976. Prior to 1991, lumber storage buildings were located within the Hydro corridor and these were demolished between 2007 and 2008.

The site has a current “AM” zoning which allows for the use of a restaurant in Building A. The developer will be applying for a zoning variance for Building B to “IP” to allow for the light industrial and showroom use. The neighbouring building at 2175 Robertson Road is currently zoned IP. Existing overhead hydro lines that span the width of the site impede the developer from building below them (unbuildable land), creating a natural divide between Building A and Building B. The unbuildable land provides an opportunity to create ample parking for employees and visitors for both buildings.

The property is located within the Bells Corners CIP Project Area as described in By-law 2013-292 and given the presence of historical buildings on the site, the proposed

development would be eligible for Tax Increment Equivalent Grants under the Bells Corners Community Improvement Plan (CIP).

Economic Benefits

The economic impact of the proposed redevelopment of 2165 Robertson Road related to direct construction value is estimated at approximately \$2.4 million, providing direct and indirect benefits to the City. Building Permit fees are estimated at approximately \$20,500 and Development Charges estimated at approximately \$307,500.

This investment project will result in job creation for the immediate and surrounding community as well as becoming a long-term employment draw. Economic benefits and employment creation for this project can be categorized into these distinct opportunities:

1. Not only will the redevelopment of this site enhance existing infrastructure of the surrounding area, but it will create increased economic and employment activity where none currently exists.
2. Initially, the development itself will be a significant generator of new employment including various construction and engineering jobs required to design and construct the buildings over a one+ year period;
3. 75 to 100 new permanent jobs are expected to be associated with tenants of this redevelopment:
 - a. Building A, the drive-through/sit down food facility will provide both full time and part time food service opportunities, many of these will be ideally suited to youth workers from the Bells Corners area.
 - b. Building B, the HVAC retail store and a distribution/warehouse will result in jobs as well, but with a greater distribution of full time positions relating to the specialized knowledge required for both HVAC and distribution

The municipal portion of the property taxes is expected to increase in the first full year of operation (2020) to \$40,855 – an increase of approximately \$27,700 annually, or approximately 311 per cent over the existing \$13,148. During the 10-year post development grant period, the Municipal portion of property taxes for the building will

increase by an average \$28,615 per year resulting in a 10-year post development aggregate increase in the municipal portion of the property taxes of \$286,150.

The Bells Corners CIP grant will be based on 75 per cent of the increase in municipal portion of the property taxes and is estimated to be approximately \$21,460 annually or \$214,600 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).

Grants received through the Bells Corners CIP cannot exceed fifty per cent of the total eligible redevelopment costs for the project. The estimated cost redevelopment costs for the project are \$2,470,500.

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 supports the application and welcomes it as another excellent win for the Bells Corners CIP, helping the area's business base continue to transform and improve the local economy.

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 \$214,600 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 Robertson Road Property II Limited 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.