

**Brownfields Rehabilitation Grant / Development Charge Reduction Program  
Application – The Cadillac Fairview Corporation Limited (Cadillac Fairview)  
– 114 to 126 Rideau Street**

**Demande au programme de subvention pour la remise en valeur de friches  
industrielles et de réduction des redevances d'aménagement– The Cadillac  
Fairview Corporation Limited (Cadillac Fairview) Inc. – 114 au 126, rue  
Rideau**

### **COMMITTEE RECOMMENDATIONS**

**That Council:**

- 1. Approve the Brownfields Rehabilitation Grant and Development Charge Reduction Program Application submitted by The Cadillac Fairview Corporation Limited (Cadillac Fairview), owner of the property at 114 to 126 Rideau Street, for a Brownfields Property Rehabilitation Grant not to exceed \$3,194,141 over a maximum of 10 years, subject to the establishment of and in accordance with the terms and conditions of the Brownfields Property Rehabilitation Grant Agreement (with new annual tax growth of \$2,844,000 to recover this within two years once the Rehabilitation Grant ends);**
- 2. Delegate the authority to staff to execute a Brownfields Property Rehabilitation Grant Agreement with The Cadillac Fairview Corporation Limited (Cadillac Fairview), establishing the terms and conditions governing the payment of the Brownfields Rehabilitation Grant for the redevelopment of 114 to 126 Rideau Street, to the satisfaction of the Deputy City Manager, Planning and Infrastructure Portfolio, the City Clerk and Solicitor and the City Treasurer; and**

3. Exempt the proposed redevelopment of 114 to 126 Rideau Street from paying future Municipal development charges up to a maximum of \$3,013,925, 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 \$3,194,141 grant request as outlined in Recommendation 1.

### RECOMMANDATIONS DU COMITÉ

Que le Conseil :

1. approuve la demande au programme de subvention pour la remise en valeur de friches industrielles et de réduction des redevances d'aménagement présentée par The Cadillac Fairview Corporation Limited (Cadillac Fairview), propriétaire du bien-fonds situé au 114 - 126, rue Rideau, relative à une subvention ne dépassant pas 3 194 141 \$ sur une période d'au plus 10 ans, pour la remise en valeur de friches industrielles, sous réserve de la conclusion d'une entente de subvention pour la remise en valeur de friches industrielles, et conformément à ses modalités (et moyennant un surplus de taxes annuel de 2 844 000 \$ afin d'assurer le recouvrement de la subvention dans un délai d'un an une fois qu'elle aura pris fin);
2. délègue au personnel le pouvoir d'exécuter l'entente de subvention pour la remise en valeur de friches industrielles conclue avec The Cadillac Fairview Corporation Limited (Cadillac Fairview) et qui établit les modalités relatives au versement de la subvention permettant le réaménagement de la propriété située au 114 - 126, rue Rideau, et ce, à la satisfaction de la directrice municipale adjointe, Urbanisme et Infrastructure, du greffier municipal et chef du contentieux et de la trésorière municipale; et

3. **prend les dispositions nécessaires pour dispenser le réaménagement proposé au 114 - 126, rue Rideau du versement de toute redevance d'aménagement municipale future jusqu'à concurrence de 3 013 925 \$, en vertu de l'article 7(t) du Règlement sur les redevances d'aménagement 2009-216, conformément aux lignes directrices du Programme de réduction des redevances d'aménagement à cause de la contamination de l'emplacement, approuvées par le Conseil le 28 mars 2007, et de faire en sorte que cette exemption soit incluse dans la demande de subvention de 3 194 141 \$ décrite à la recommandation 1.**

#### DOCUMENTATION / DOCUMENTATION

1. Nancy Schepers, Deputy City Manager, Planning and Infrastructure, report dated January 10, 2014 (ACS2014-PAI-REP-0032)  
  
Nancy Schepers, Directrice municipale adjointe, Urbanisme et Infrastructure, rapport daté du 10 janvier 2014 (ACS2014-PAI-REP-0032)

**Report to  
Rapport au:**

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

**and Council  
et au Conseil**

**January 10, 2014  
10 janvier 2014**

**Submitted by  
Soumis par:**

**Nancy Schepers, Deputy City Manager/Directrice municipale adjointe, Planning  
and Infrastructure/Urbanisme et Infrastructure**

**Contact Person**

**Personne ressource:**

**Michael Mizzi, Chief/Chef, Development Review Services / Services d'Examen des  
projets d'aménagement, Planning and Growth Management/Urbanisme et Gestion  
de la croissance**

**(613) 580-2424, 15788, [Michael.Mizzi@ottawa.ca](mailto:Michael.Mizzi@ottawa.ca)**

**Ward: RIDEAU-VANIER (12)**

**File Number: ACS2014-PAI-PGM-0032**

**SUBJECT: Brownfields Rehabilitation Grant / Development Charge Reduction  
Program Application – The Cadillac Fairview Corporation Limited  
(Cadillac Fairview) – 114 to 126 Rideau Street**

**OBJET: Demande au programme de subvention pour la remise en valeur de  
friches industrielles et de réduction des redevances  
d'aménagement– The Cadillac Fairview Corporation Limited (Cadillac  
Fairview) Inc. – 114 au 126, rue Rideau**

## **REPORT RECOMMENDATIONS**

**That Finance and Economic Development Committee recommend Council:**

- 1. Approve the Brownfields Rehabilitation Grant and Development Charge Reduction Program Application submitted by The Cadillac Fairview Corporation Limited (Cadillac Fairview), owner of the property at 114 to 126 Rideau Street, for a Brownfields Property Rehabilitation Grant not to exceed \$3,194,141 over a maximum of 10 years, subject to the establishment of and in accordance with the terms and conditions of the Brownfields Property Rehabilitation Grant Agreement (with new annual tax growth of \$2,844,000 to recover this within two years once the Rehabilitation Grant ends);**
- 2. Delegate the authority to staff to execute a Brownfields Property Rehabilitation Grant Agreement with The Cadillac Fairview Corporation Limited (Cadillac Fairview), establishing the terms and conditions governing the payment of the Brownfields Rehabilitation Grant for the redevelopment of 114 to 126 Rideau Street, to the satisfaction of the Deputy City Manager, Planning and Infrastructure Portfolio, the City Clerk and Solicitor and the City Treasurer; and**
- 3. Exempt the proposed redevelopment of 114 to 126 Rideau Street from paying future Municipal development charges up to a maximum of \$3,013,925, 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 \$3,194,141 grant request as outlined in Recommendation 1.**

## **RECOMMANDATIONS DU RAPPORT**

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

- 1. d'approuver la demande au programme de subvention pour la remise en valeur de friches industrielles et de réduction des redevances d'aménagement présentée par The Cadillac Fairview Corporation Limited**

**(Cadillac Fairview), propriétaire du bien-fonds situé au 114 - 126, rue Rideau, relative à une subvention ne dépassant pas 3 194 141 \$ sur une période d'au plus 10 ans, pour la remise en valeur de friches industrielles, sous réserve de la conclusion d'une entente de subvention pour la remise en valeur de friches industrielles, et conformément à ses modalités (et moyennant un surplus de taxes annuel de 2 844 000 \$ afin d'assurer le recouvrement de la subvention dans un délai d'un an une fois qu'elle aura pris fin);**

- 2. de déléguer au personnel le pouvoir d'exécuter l'entente de subvention pour la remise en valeur de friches industrielles conclue avec The Cadillac Fairview Corporation Limited (Cadillac Fairview) et qui établit les modalités relatives au versement de la subvention permettant le réaménagement de la propriété située au 114 - 126, rue Rideau, et ce, à la satisfaction de la directrice municipale adjointe, Urbanisme et Infrastructure, du greffier municipal et chef du contentieux et de la trésorière municipale; et**
- 3. de prendre les dispositions nécessaires pour dispenser le réaménagement proposé au 114 - 126, rue Rideau du versement de toute redevance d'aménagement municipale future jusqu'à concurrence de 3 013 925 \$, en vertu de l'article 7(t) du Règlement sur les redevances d'aménagement 2009-216, conformément aux lignes directrices du Programme de réduction des redevances d'aménagement à cause de la contamination de l'emplacement, approuvées par le Conseil le 28 mars 2007, et de faire en sorte que cette exemption soit incluse dans la demande de subvention de 3 194 141 \$ décrite à la recommandation 1.**

## **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 Rehabilitation Grant Program.

The Cadillac Fairview Corporation Limited (Cadillac Fairview) has filed an application under BRCIP for the clean-up and redevelopment of 114 to 126 Rideau Street, having a lot area of 6,900 m<sup>2</sup> and 90 metres frontage for Rideau Street and 60 metres on Nicholas Street (see Documents 1, 2 and 9).

The property, 114 to 126 Rideau Street, was previously occupied by several commercial structures, which have since been demolished and is presently occupied by a pay parking lot and the remains of a demolished building referred to as the Ogilvie Building.

A Phase I and II Environmental Site Assessment was prepared by Paterson Group Inc. in 2013 which identified a number of environmental impacts from polynuclear aromatic hydrocarbons (PHCs), petroleum hydrocarbons (PAHs), metals and volatile organic compounds (VOCs) exceeding both Ministry of the Environment (MOE) Table 3 and MOE Table 1 were found among the fill materials, likely stemming from the associated use of the property.

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

The site qualifies as an eligible "brownfield", in the Central Area, under the City's Brownfields CIP.

The purpose of this report is to bring the application for 114 to 126 Rideau Street before Committee and Council for consideration and approval.

Over \$110 million in new commercial assessment would be added to the property tax assessment roll at full development. Staff estimates that \$2,844,000 per year, in increased municipal property and education taxes can be expected at the completion of the project, after the rehabilitation grant ends, which would subsequently go to the City's general revenues (see Document 6).

The project will earn the City over \$3,000,000 in present value dollars in development charges, building permit fees and other development fees.

Previously, Committee and Council have approved heritage reports regarding the Ogilvie building (ACS2011-CMR-LEG-0015, ACS2012-CMR-PLC-0021, **and** ACS2013-PAI-PGM-0119), which dealt exclusively with the heritage designation of this particular building. As the redevelopment plan did not require a rezoning, this report is the first legislative opportunity to address the brownfield issue.

## **DISCUSSION**

The Ottawa BRCIP specifies that, the total of all rehabilitation grants and development charge reduction shall not exceed 50 per cent of the eligible cost for rehabilitating said lands and buildings.

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 Rehabilitation Grant will equal 50 per cent of the City portion of the increase in property taxes that results from the redevelopment and is payable annually for up to 10 years, or up to the time when the total grant payments equal 50 per cent of 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 eligible for the “Development Charge Reduction Due to Site Contamination” Program which allows a maximum reduction of municipal development charges up to 50 per cent of eligible cost items. The amount credited is reduced from the eligible cost cap under the Brownfields Property Rehabilitation Grant Program. This program allows the owner to receive a development charge credit at the time of application for building permits.

### The Cadillac Fairview Corporation Ltd. (Cadillac Fairview) Grant Application

The required documents that are to be submitted to the City as part of a Rehabilitation Grant application are described in Document 3. Staff reviewed the submissions and deemed the application to be complete as of July 5, 2013.

### Proposed Remediation

The remediation program will consist of a generic approach. An excavation program will



be carried out. Paterson Group Inc. estimates that 49,000 metric tonne of impacted soil by hydrocarbons and metals will be excavated from the site for off-site disposal at a MOE licensed landfill facility. The treatment of contaminated groundwater from the site will be accomplished with a portable treatment system. Anticipated volumes of water are between 150,000 m<sup>3</sup> to 300,000 m<sup>3</sup>.

Prior to submitting for the application for the Brownfields Property Rehabilitation Program, an existing structure was demolished. Under the BRCIP, the costs associated with these works are not eligible since the work already has been accomplished prior to application and as such is not eligible for funding. Subsequently, after advising staff, the applicant proceeded 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 are being completed 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 (D07-12-13-0062).

The application is as follows:

- The plan involves an expansion of the existing Rideau Centre, which consists of four new levels of retail, and an expansion of the existing cinema and three new levels of parking below grade.
- The existing Rideau Centre has a Gross Leasable Area (GLA) of 68,672 m<sup>2</sup>. The expansion will connect with the existing Rideau Centre and have a GLA of 22,100 m<sup>2</sup>.
- The plan has 375 parking spaces within three levels of below-grade parking which will access off of Nicholas Street. There are two existing parking structures, the below grade "Blue Garage" and the parking garage known as the "Red Garage" which faces Nicholas Street. The lowest parking level floor slab for

the proposed new below grade garage (“Green Garage”) will be at an approximate elevation of 52.9 metres.

#### Calculating the Property Rehabilitation Grant

Under the Brownfield 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 Development Charge Reduction. Staff reviewed the submissions and have determined that the total costs eligible for a Brownfield Rehabilitation Grant under the program are \$6,388,282.

The BRCIP 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 Rehabilitation Grant to be \$3,194,141 (see Document 5).

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

#### 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 ten years or, up to the time when the total grant payments equal the total eligible grants, 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.

#### 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 50 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 \$3,869,634. The eligible development charge credit of 50 per cent of the eligible cost items is calculated as \$3,013,925 (see Document 7).

Economic Benefits to the Community

The overall economic impact of the proposed commercial development is estimated at \$300 million 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.

Over \$110 million in new commercial assessment would be added to the property tax assessment roll at full development. Staff estimates that \$2,844,000 per year, in increased municipal property and education taxes can be expected at the completion of the project, after the rehabilitation grant ends, which would subsequently go to the City's general revenues (see Document 6).

The project will earn the City over \$3,000,000 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**

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

**LEGAL IMPLICATIONS**

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

As outlined in a report to Council on May 12<sup>th</sup>, 2010, in the context of an application for 1357 Baseline Road, applications under the Brownfields Redevelopment Program should be considered on an impartial, non-discriminatory basis without regard to the former land use of the site.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this report.

## **FINANCIAL IMPLICATIONS**

The total eligible costs for a Brownfields Rehabilitation Grant and Development Charge Reduction Program are \$6,388,282 as detailed in Document 4. The Brownfields Redevelopment Community Improvement Plan caps assistance/grant at 50 per cent of eligible costs, or \$3,194,141, as detailed in Document 5. Of the \$3,194,141, \$3,013,925 will be funded through reductions to Development Charges, and \$180,216 will be funded through incremental taxes resulting from the increased assessments. In addition, \$224,700 will be contributed to the Municipal Leadership Revolving Fund, which 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 development charges 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 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 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**

Information Technology approved this report without comments.

### **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 commercial/residential 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 Rehabilitation Grant Application Requirements

Document 4 Rehabilitation Grant-Eligible Costs

Document 5 Calculating the Rehabilitation Grant/Development Charge Reduction

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 Scenario

Document 9 Elevations

### **DISPOSITION**

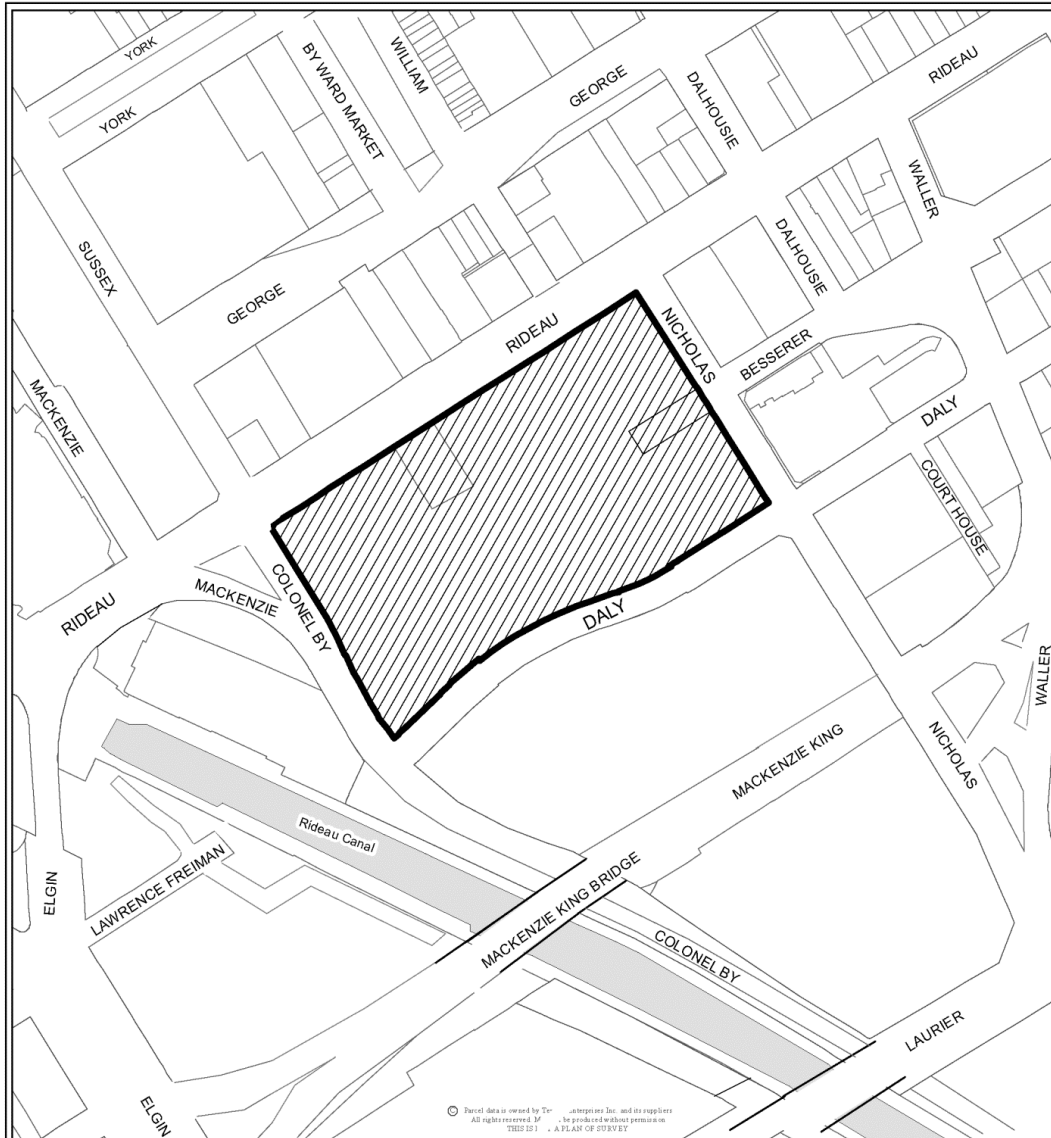
City Clerk and Solicitor Department, Legal Services, to prepare the Brownfields Property Tax Assistance/Rehabilitation Grant Agreement.

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



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THIS IS A PLAN OF SURVEY

|  |           |   |  |
|--|-----------|---|--|
| <br>Produced by Infrastructure Services<br>and Community Sustainability<br>Produit par le Services d'infrastructure<br>et Viabilité des collectivités |           | <br><br><b>Location Map / Plan de révision</b><br><br><b>114 - 126 RIDEAU STREET</b> | Échelle<br>N.T.S.<br>Mètres  |
| F18-04-13-RIDE   | 13-1854-C |   | <br><br>Scale<br>N.T.S.<br>Metres |
| I:\CO\2013\Location\Rideau114  |           |   |  |
| 2013 / 11 / 04   |           |   |  |
| REVISION DATE DE RÉVISION  |           |   |  |

AERIAL VIEW

DOCUMENT 2





## **REHABILITATION GRANT**

### **APPLICATION REQUIREMENTS**

DOCUMENT 3

A Brownfields 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.

**REHABILITATION GRANT-ELIGIBLE COSTS**

DOCUMENT 4

The costs eligible for a Brownfields Rehabilitation Grant for 114-126 Rideau Street 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                         | \$29,624       |
| 2   | Environmental Remediation including the cost of preparing an Record of Site Condition  | \$3,927,547    |
| 3   | Placing clean fill and grading   | \$0            |
| 4   | Installing environmental and/or engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment                         | \$1,856,509    |
| 5   | Monitoring, maintaining and operating environmental and engineering controls/works as specified in the Remedial Work Plan and/or Risk Assessment | \$214,530      |
| 6   | Environmental Insurance Premiums   | \$0            |
| Sub-Total                                     |  | \$6,027,850    |
| 7   | Leadership Program   | \$62,150       |
| 8   | Cost of Feasibility Study  | \$0            |
| 9   | 30 % of Building Permit  | \$213,282      |
| 10  | Building removal   | \$0            |
| 11  | Building Rehab   | \$0            |
| 12  | 50 % of the upgrading costs for on-site infrastructure including water services, sanitary sewers and stormwater management facilities            | \$85,000       |
| Total Costs Eligible for Rehabilitation Grant |  | \$6,388,282    |

**CALCULATING THE**

**REHABILITATION GRANT/DEVELOPMENT CHARGE REDUCTION DOCUMENT 5**

The Ottawa Brownfields Community Improvement Plan (CIP) specifies that, the total of all grants 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 50 per cent of eligible cost items 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 \$3,869,304.05. Eligible Development Charges of 50 per cent is equal to a credit of \$3,013,925 (50 per cent of items 1–6 in Document 4). Actual Development Charge Reductions are applied at the time of building permit applications.

|   |   |                    |
|---|---|--------------------|
| 1 | Total eligible Costs- from Document 4                               | <b>\$6,388,282</b> |
| 2 | Total capping at 50 per cent of line 1                              | <b>\$3,194,141</b> |
| 3 | Total of Rehabilitation Grant Payable and development charge credit | <b>\$3,194,141</b> |

\* The subject land is located within the programs “priority area”. This location is therefore eligible for a grant equivalent to 50 per cent of the municipal property tax increase that results from the redevelopment, payable annually for up to 10 years, or until the time when the total grant payments equal the total eligible costs whichever comes first.

**The total Brownfields Rehabilitation Grant payable is \$3,194,141 (line 3 above). The Development Charge Reduction program amount of \$3,013,925 applied for is included in this amount. The total maximum rehabilitation grant is therefore \$180,216.**

**ESTIMATED FUTURE CITY PROPERTY TAX INCREMENT AND**

**ANNUAL MUNICIPAL\EDUCATION GRANT PAYABLE**

DOCUMENT 6

Pre-Project Property Tax Rates and Property Taxes

Current (2012) Value Assessment on the property at 114 to 126 Rideau Street. is \$393,577,000, classified in the commercial tax class. Current (2012) property taxes are approximately \$8,828,809.46 broken down as follows:

Table 1

|   |                       |
|---|-----------------------|
| Municipal Property Tax portion          | \$5,050,938.40        |
| Education Property Tax Portion          | \$3,777,871.06        |
| <b>Total Pre-Project Property Taxes</b> | <b>\$8,828,809.46</b> |

Based on a post-project assessment valuation prepared by Altus Group Tax Consulting Paralegal Professional Corporation, as submitted as part of the application, it is estimated that once the entire project is complete, the proposed development could have a post-project assessment value in excess of \$499,000,000 (2016\$). The estimated taxes (Municipal and Education) to be generated from full build-out is \$12,905,000 (2015\$), 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 |
|------------|----------------------|-------------------------|-------------------------|---------------------|
| Commercial | \$499,348,000        | \$6,729,153             | \$4,944,088             | \$11,673,241        |

\* Tax Class Commercial

**CALCULATING THE**

**DEVELOPMENT CHARGES PAYABLE**

DOCUMENT 7

|   |  |             |
|---|--|-------------|
| 1 | Total eligible Costs from application  | \$6,388,282 |
| 2 | Total capping at 50 per cent of line 1 *   | \$3,194,141 |
| 3 | Estimated Development Charges  | \$3,869,634 |
| 4 | Total cost eligible for DC reduction from application – total items 1 to 6 (Document 4) ** | \$6,027,850 |
| 5 | Capping at 50 per cent of line 4 – development charge reduction                            | \$3,013,925 |
| 6 | Development charge is reduced by the amount payable as DCs in line 5 (line 3 – line 5)     | \$855,709   |
| 7 | Eligible cost cap is reduced by DC reduction (line 2 – line 5)                             | \$180,216   |
| 8 | Total potential grant  | \$180,216   |

\*The maximum reduction of development charges is 50 percent of the cost components of line 4 if the site is located in a priority area. This location would qualify as being in a priority area under the Brownfields CIP and therefore is eligible for the 50 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 \$855,709 (line 6 above) payable after the development charges credit of \$3,013,925.

The total potential rehab grant payable is \$180,216 (line 8 above).

**PAYMENT OPTION SCENARIO**

**DOCUMENT 8**

Table 1

Rideau Centre Development - F18-04-13-RIDE

Rehabilitation Tax Assistance (Municipal only) reduction with and DC Reduction

| Year | Base Tax     | Proposed Tax | Increment    | Eligible Amount | Applied Amount | DC Reduction | Sub Total    | Cummulative Grant Amt | BRADMIN 15% |
|------|--------------|--------------|--------------|-----------------|----------------|--------------|--------------|-----------------------|-------------|
| 1    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ 180,216     | \$ 3,013,925 | \$ 3,194,141 | \$ 3,194,141          | \$ 224,700  |
| 2    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 3    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 4    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 5    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 6    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 7    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 8    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 9    | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
| 10   | \$ 5,050,938 | \$ 6,729,153 | \$ 1,678,214 | \$ 839,107      | \$ -           | \$ -         | \$ -         | \$ 3,194,141          | \$ -        |
|      |              |              |              | \$ 8,391,072    | \$ 180,216     | \$ 3,013,925 | \$ 3,194,141 |                       | \$ 224,700  |

| Tax Form  | Existing     | Proposed      |
|-----------|--------------|---------------|
| Municipal | \$ 5,050,938 | \$ 6,729,153  |
| Education | \$ 3,777,871 | \$ 4,944,088  |
| Total     | \$ 8,828,809 | \$ 11,673,241 |

|                      |                     |
|----------------------|---------------------|
| Rehabilitation Grant | \$ 180,216          |
| DC Reduction         | \$ 3,013,925        |
| <b>Total Grant</b>   | <b>\$ 3,194,141</b> |

BRADMIN is 15 % of Proposed Tax Increment of City Portion.

It is important to note that the tax increment is only an estimate and provides guidance on the order of magnitude of the possible payment under 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.



ELEVATIONS

DOCUMENT 9



