

**BROWNFIELDS PROPERTY TAX ASSISTANCE, REHABILITATION GRANT /  
DEVELOPMENT CHARGE REDUCTION PROGRAM APPLICATION – MRAK  
HOLDINGS INC. – 1125, 1129, 1133, 1137, 1145 AND 1149 CYRVILLE ROAD**

**DEMANDE DE PARTICIPATION AU PROGRAMME D'ALLÈGEMENT DE  
L'IMPÔT FONCIER, DE SUBVENTION POUR LA REMISE EN VALEUR DES  
FRICHES INDUSTRIELLES ET DE RÉDUCTION DES REDEVANCES  
D'AMÉNAGEMENT – MRAK HOLDINGS INC. – 1125, 1129, 1133, 1137, 1145  
ET 1149, CHEMIN CYRVILLE**

### **COMMITTEE RECOMMENDATIONS**

**That Council:**

- 1. Approve the Brownfields Property Tax Assistance, Rehabilitation Grant and Development Charge Reduction Program Application submitted by Mrak Holdings Inc., owner of the property at 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road, for a Brownfields Rehabilitation Grant not to exceed \$545,100 over a maximum of 13 years, subject to the establishment of, and in accordance with the terms and conditions of the Brownfields Rehabilitation Grant Agreement;**
- 2. Delegate the authority to staff to execute a Brownfields Property Tax Assistance Rehabilitation Grant Agreement with Mrak Holdings Inc., establishing the terms and conditions governing the payment of the Brownfields Property Tax Assistance and Rehabilitation Grant for the redevelopment of 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road, to the satisfaction of the General Manager, Planning and Growth Management, the City Clerk and Solicitor and the City Treasurer;**
- 3. Resolve to exempt the proposed redevelopment of 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road from paying future municipal development charges up to a maximum of \$420,900, 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 included in the \$545,100 grant request, as outlined in Recommendation 1; and

4. Delegate to staff the authority to prepare a by-law providing for property tax assistance for the property at 1129, 1133, 1137, 1145 and 1149 Cyrville Road in the form of conditional cancellation and/or deferral of the increase in the taxes levied on the property for municipal purposes for Council to adopt under the provisions and requirements of Section 365.1 (2), as amended, of the *Municipal Act*, the amount not to exceed \$545,100, subject to the terms and conditions of the Brownfields Tax Assistance/Rehabilitation Grant Agreement.

### **RECOMMANDATIONS DU COMITÉ**

Que le Conseil :

1. Approuve la demande de participation au programme d'allègement de l'impôt foncier, de subvention pour la remise en valeur des friches industrielles et de réduction des redevances d'aménagement présentée par Mrak Holdings Inc., propriétaire des biens-fonds situés aux 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville, la subvention pour la remise en valeur des friches industrielles ne devant pas excéder 545 100 \$ sur une période maximale de 13 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 Mrak Holdings Inc., et qui établit les modalités relatives au versement de la subvention permettant le réaménagement des 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville, à la satisfaction du directeur général, Urbanisme et Gestion de la croissance, du greffier municipal et chef du contentieux, et du trésorier municipal;
3. Prenne les dispositions nécessaires pour dispenser le réaménagement proposé des 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville du versement de toute redevance d'aménagement municipale future

jusqu'à concurrence de 420 900 \$, conformément à la section 7(t) du Règlement 216-2009 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 545 100 \$, tel que précisé à la recommandation 1.

4. Délégué au personnel le pouvoir de préparer un règlement visant l'allègement de l'impôt foncier pour les biens-fonds situés aux 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville, sous la forme d'un dégrèvement conditionnel et/ou d'un report de la hausse des impôts prélevés aux fins municipales à cet endroit, aux fins d'adoption par le Conseil, 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 545 100 \$, sous réserve des modalités de l'entente de subvention pour la remise en valeur de friches industrielles.

#### DOCUMENTATION / DOCUMENTATION

1. Nancy Schepers, Deputy City Manager, Planning and Infrastructure, report dated May 15, 2014 (ACS2014-PAI-PGM-0133)

Nancy Schepers, Directrice municipale adjointe, Urbanisme et Infrastructure, rapport daté du 15 mai 2014 (ACS2014-PAI-PGM-0133)

**Report to  
Rapport au**

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

**and Council  
et au Conseil**

**May 15, 2014  
15 mai 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**

**Ward: BEACON HILL-CYRVILLE (11)**

**File Number: ACS2014-PAI-PGM-0133**

**SUBJECT: Brownfields Property Tax Assistance, Rehabilitation Grant /  
Development Charge Reduction Program Application – Mrak  
Holdings Inc. – 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road**

**OBJET: Demande de participation au programme d'allègement de l'impôt  
foncier, de subvention pour la remise en valeur des friches  
industrielles et de réduction des redevances d'aménagement – Mrak  
Holdings Inc. – 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville**

## REPORT RECOMMENDATIONS

That Finance and Economic Development Committee recommend Council:

1. Approve the Brownfields Property Tax Assistance, Rehabilitation Grant and Development Charge Reduction Program Application submitted by Mrak Holdings Inc., owner of the property at 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road, for a Brownfields Rehabilitation Grant not to exceed \$545,100 over a maximum of 13 years, subject to the establishment of, and in accordance with the terms and conditions of the Brownfields Rehabilitation Grant Agreement;
2. Delegate the authority to staff to execute a Brownfields Property Tax Assistance Rehabilitation Grant Agreement with Mrak Holdings Inc., establishing the terms and conditions governing the payment of the Brownfields Property Tax Assistance and Rehabilitation Grant for the redevelopment of 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road, to the satisfaction of the General Manager, Planning and Growth Management, the City Clerk and Solicitor and the City Treasurer;
3. Resolve to exempt the proposed redevelopment of 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road from paying future municipal development charges up to a maximum of \$420,900, 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 included in the \$545,100 grant request, as outlined in Recommendation 1; and
4. Delegate to staff the authority to prepare a by-law providing for property tax assistance for the property at 1129, 1133, 1137, 1145 and 1149 Cyrville Road in the form of conditional cancellation and/or deferral of the increase in the taxes levied on the property for municipal purposes for Council to adopt under the provisions and requirements of Section 365.1 (2), as amended, of the *Municipal Act*, the amount not to exceed \$545,100, subject to the terms and conditions of the Brownfields Tax Assistance/Rehabilitation Grant Agreement.

## RECOMMANDATIONS DU RAPPORT

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

1. Approuver la demande de participation au programme d'allègement de l'impôt foncier, de subvention pour la remise en valeur des friches industrielles et de réduction des redevances d'aménagement présentée par Mrak Holdings Inc., propriétaire des biens-fonds situés aux 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville, la subvention pour la remise en valeur des friches industrielles ne devant pas excéder 545 100 \$ sur une période maximale de 13 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. Déléguer au personnel le pouvoir d'exécuter l'entente de subvention pour la remise en valeur de friches industrielles conclue avec Mrak Holdings Inc., et qui établit les modalités relatives au versement de la subvention permettant le réaménagement des 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville, à la satisfaction du directeur général, Urbanisme et Gestion de la croissance, du greffier municipal et chef du contentieux, et du trésorier municipal;
3. Prendre les dispositions nécessaires pour dispenser le réaménagement proposé des 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville du versement de toute redevance d'aménagement municipale future jusqu'à concurrence de 420 900 \$, conformément à la section 7(t) du Règlement 216-2009 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 545 100 \$, tel que précisé à la recommandation 1.
4. Déléguer au personnel le pouvoir de préparer un règlement visant l'allègement de l'impôt foncier pour les biens-fonds situés aux 1125, 1129, 1133, 1137, 1145 et 1149, chemin Cyrville, sous la forme d'un dégrèvement conditionnel et/ou d'un report de la hausse des impôts prélevés aux fins municipales à cet endroit, aux fins d'adoption par le Conseil, 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 545 100 \$, sous réserve des modalités de l'entente de subvention pour la remise en valeur de friches industrielles.**

## **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.

Mrak Holdings Inc. has filed an application under BRCIP for the clean-up and redevelopment of 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road, having a lot area of 8254 square metres and 117 metres frontage on Cyrville Road (Documents 1, 2 and 9). The property had previous uses such as former on-site automotive service garage.

A Phase I and II Environmental Site Assessment was prepared by Paterson Group Inc. in September of 2011 and November of 2013 which identified a number of environmental impacts from PAHs to heavy metals exceeding both MOE Table 3 and MOE Table 1 that were found among the fill materials, likely stemming from the associated use of the property and adjacent properties.

The site qualifies as an eligible brownfield priority area candidate due to it being within 600 metres of a transit station.

The purpose of this report is to bring the application before the Finance and Economic Development Committee and Council for consideration and approval.

## **DISCUSSION**

The Ottawa BRCIP specifies that the total of all property tax assistance, rehabilitation grants and development charge reduction shall not exceed 50 per cent of the eligible

cost for rehabilitating said lands and buildings. The tax-increment grant for the property tax assistance and rehabilitation 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 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 or (items 1 to 6 in Document 4). The 50 per cent represents the different coverage discussed in the Background section of this report. The amount credited is reduced from the eligible cost cap under the Brownfields Rehabilitation Grant Program. This program allows the owner to receive a development charge credit at the time of application for building permits. Any unused portions of the allowable Development Charge Credit will be rolled over into the property tax assistance and/or the Rehabilitation Grant Program.

The property tax assistance would commence first and will equal 100 per cent of the City portion and matching education portion (subject to Ministry of Municipal Affairs approval) 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 equals 50 per cent of the total eligible costs for items 1 to 6 in Document 4 (“the maximum amount of assistance”), whichever comes first. The City will only pay the annual Property Tax Assistance after property taxes have been paid in full each year.

If after three years the Owner has not received the maximum amount of assistance, the property tax assistance program comes to an end and the Owner begins to benefit from the Rehabilitation Grant Program, which is also a tax-increment based grant funded through the tax increase that results from redevelopment of the property but is limited to 50 per cent of the increase in municipal taxes and is payable annually for up to 10 years, or up to the time when the total grant payments equal the maximum amount of assistance,, whichever comes first. The City will only pay the annual grant after property taxes have been paid in full each year.

#### Mrak Holdings Inc. Grant Application

The required documents that are to be submitted to the City as part of a Brownfields Property Tax Assistance and Rehabilitation Grant Program application are described in Document 3. Staff reviewed the submissions and deemed the application to be complete as of February 24, 2014.



### Proposed Remediation

The remediation program will consist of a generic approach. An excavation and segregation program will be carried out. Impacted soil will be transferred to an approved waste disposal facility while non-impacted soil will be taken off-site as clean material. Petroleum hydrocarbon impacted soil exceeding 2011 MOE Table 3 standards is expected to be present over the majority of the site from approximately 0.5 to 2.5 metres below the existing ground surface. Metal impacted fill material exceeding Table 7, is expected in the vicinity of borehole number eight (BH8), from approximately 1 to 2 metres below ground surface. An estimated quantity of 5700 cubic metres or 11,400 metric tonnes of contaminated soil will be disposed of at an MOE licensed waste disposal facility.

Approximately 50,000 litres of petroleum hydrocarbon impacted groundwater exceeding 2011 MOE Table 3 standards is expected to be encountered on the southern portion of the site. Any free product encountered in the groundwater within the excavation will be pumped by an MOE licensed pumping contract or for off-site disposal. Impacted groundwater encountered in the excavation will be pumped to a temporary sump and treated on-site, to comply with municipal sewer discharge parameters, prior to being discharged to the municipal sewer system. The groundwater treatment system will remain in place for the duration of the remediation program, until the groundwater concentrations meet Table 7 standards and/or municipal sewer discharge parameters.

Building demolition of the existing buildings is required.

### Proposed Redevelopment Scheme

This property is being developed through a site plan application (D07-12-13-0040).

The proposed development will consist of an Audi terminal and an annex referred to as the certified pre-owned (CPO) building. The main Audi terminal will be a one-storey structure with a mezzanine level and two basement levels. The basement levels will consist of underground parking (1,089 square metres) and parts and service areas (880 square metres). The ground floor will also consist of parts and service areas (1,409 square metres) as well as office space and a showroom (934 square metres). Parts storage, a staff lounge and office space will be located on the second floor or

mezzanine level (884 square metres). The CPO building will consist of a one-storey office/retail structure (216 square metres).

### Calculating the 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 Property Tax Assistance, Rehabilitation Grant and Development Charge Reduction. Staff reviewed the submissions and has determined that the total costs eligible for a Brownfields Rehabilitation Grant under the program are \$545,100.

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 \$124,200 (see Document 5), subject to any additional Development Charge Credits which may occur.

The ability to receive the 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 defines the municipal and education property tax increase that would normally occur on a brownfield property that has undergone environmental remediation/risk management and redevelopment for up to three years in order to assist with paying for remediation costs. The City will only pay the annual portion 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.

The portion of the property tax increase in the education portion is specified in a by-law. The application for education tax assistance is made by the City to the Province via 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 rehabilitation grant, payable up to ten years from the end of the property tax assistance period.

The present municipal tax portion on the property is \$24,760 and education tax portion is \$12,636 while the Post Construction estimated maximum municipal tax portion is \$108,274 and education tax portion is \$76,119.

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 past years under this agreement.

- 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 \$822,305. The eligible development charge credit of 50 per cent of the eligible cost items is calculated as \$420,900 (Document 7).

### Economic Benefits to the Community

The overall economic impact of the proposed commercial development is estimated at \$10 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 \$7.6 million in new commercial assessment would be added to the property tax assessment roll at full development. Staff estimates that over \$145,000 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 \$500,000 in present value dollars in development charges, building permit fees and other development fees.

### **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

### **CONSULTATION**

There was no public consultation for this report.

### **COMMENTS BY THE WARD COUNCILLOR**

Councillor Tierney supports the application and concurs with the report.

### **LEGAL IMPLICATIONS**

There are no legal impediments to adopting the recommendations outlined in 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 and Development Charge Reduction Program are \$1,090,200, as detailed in Document 4. The Brownfields Redevelopment Community Improvement Plan caps assistance/grant at 50 per cent of eligible costs, or \$545,100, as detailed in Document 5. Of the \$545,100, \$420,900 will be funded through reductions to Development Charges, and \$124,200 will be funded through incremental taxes resulting from the increased assessments.

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 periodic 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 and 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**

There are no technology implications associated with receiving this report.

### **TERM OF COUNCIL PRIORITIES**

This application is directly related to the 2011-2014 Term of Council Priorities:

PGM-TA1 – Optimize density around transit stations.

PGM SP 3 – Implement process improvements to realize sustainable development.

**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 Property Tax Assistance/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

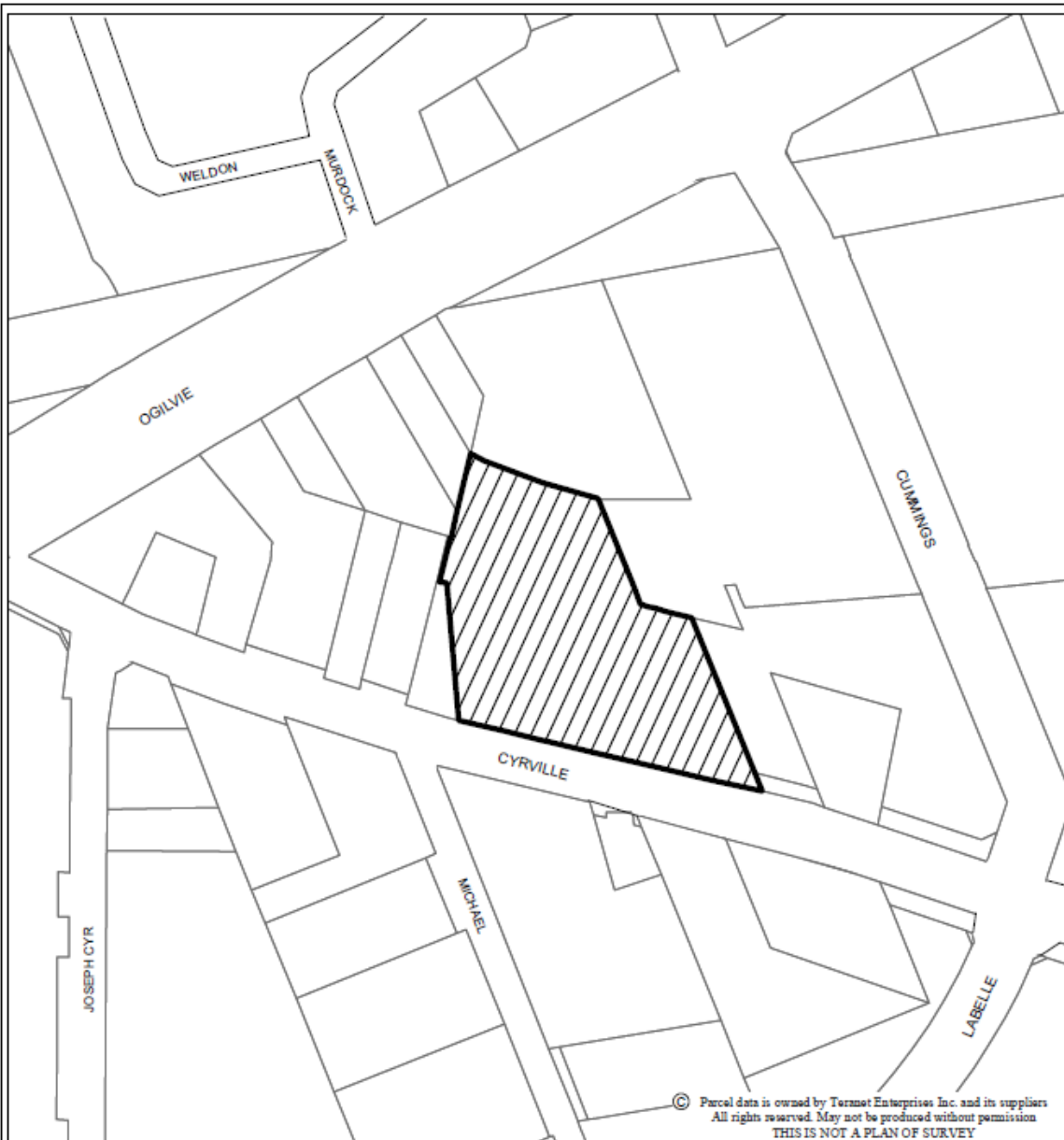
**DISPOSITION**

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.

Document 1 – Location Map



 Produced by Infrastructure Services and Community Sustainability Produit par le Services d'infrastructure et Viabilité des collectivités	
F18-04-14-CYRV	12-0451-C
I:\CO\2013\Site Plan\ CyrvilleRd1125	
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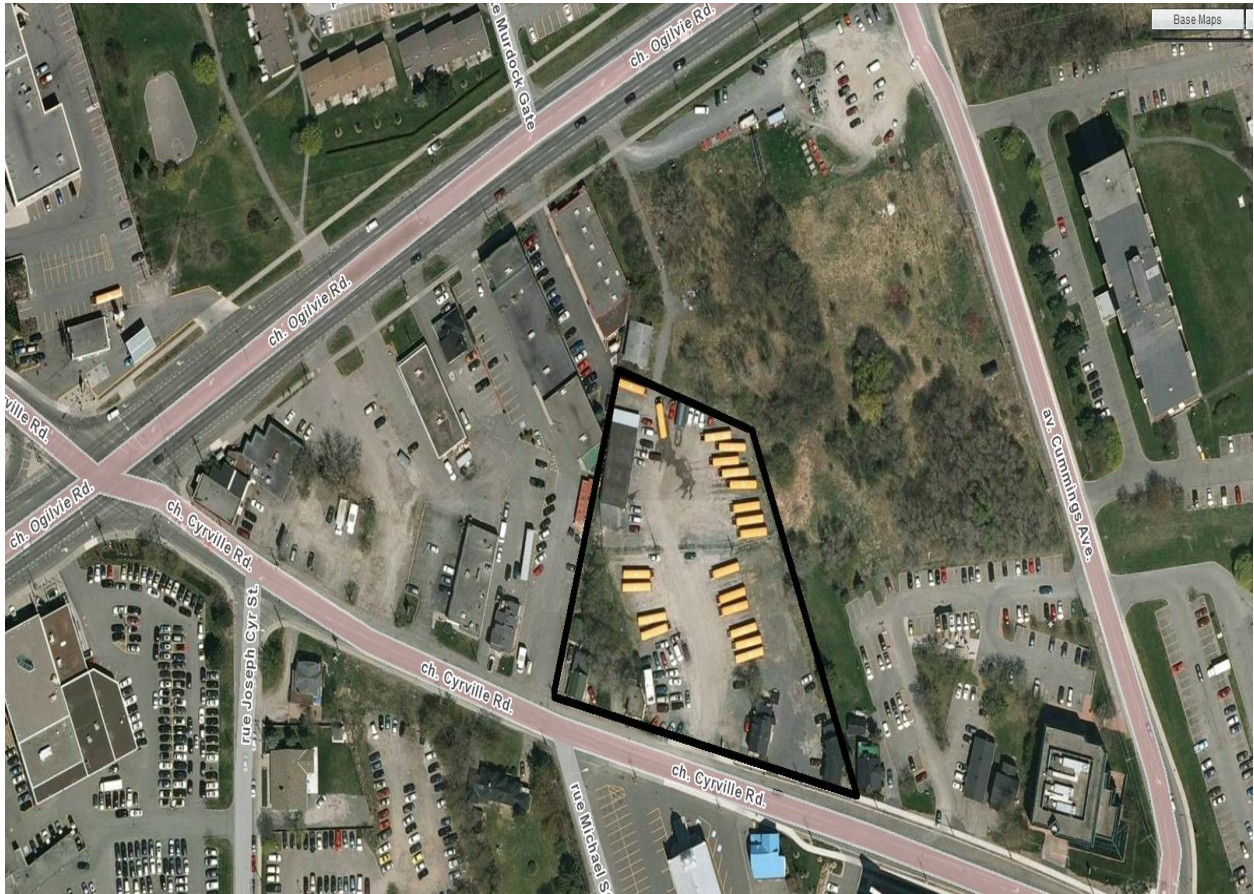
  
**Location Map / Plan de révision**  
**Site Plan / Plan de emplacement**  
**1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road**

Échelle  
N.T.S.  
Mètres



Scale  
N.T.S.  
Metres

Document 2 – Aerial View





### Document 3 – Rehabilitation Grant Application Requirements

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.

**Document 4 – Rehabilitation Grant Eligible Costs**

The costs eligible for a Brownfields Rehabilitation Grant for Cyrville Road are estimated as follows:

**Table 1 - Eligible Cost and Estimated Cost**

	Eligible Costs	Estimated Cost
1	Environmental studies, Remedial Work Plan and Risk Assessment not covered by Environmental Site Assessment Grant Program	\$21,800
2	Environmental Remediation including the cost of preparing an Record of Site Condition	\$712,000
3	Placing clean fill and grading	\$108,000
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	\$0
<b>Sub-Total</b>	<b>Total Costs eligible for DC reduction due to site contamination</b>	<b>\$841,890</b>
7	Leadership Program	\$ 0
8	Cost of Feasibility Study	\$ 0
9	30 % of Building Permit	\$15,900
10	Building removal	\$125,000
12	50 % of the upgrading costs for on-site infrastructure including water services, sanitary sewers and stormwater management facilities	\$107,500
	Total Costs Eligible for Rehabilitation Grant	\$1,090,290

**Document 5 – Calculating the Property Tax Assistance/ Rehabilitation  
Grant/Development Charge Reduction**

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 Property Tax Assistance/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 \$822,305. Eligible Development Charges of 50 per cent is equal to a credit of \$420,900 (50 per cent of items 1 – 6 in Document 4). Actual Development Charge Reductions are applied at the time of building permit applications.

**Table 2 - Total eligible costs**

1	Total eligible Costs- from Document 4	\$1,090,290
2	Total capping at 50 per cent of line 1	\$545,100
3	Total of Property Tax Assistance, Rehabilitation Grant Payable and development charge credit	\$545,100

\* The subject land is located within the programs “priority area”. This location is therefore eligible for the Rehabilitation 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 \$545,100 (line 3 above). The Development Charge Reduction program amount of \$420,900 applied for is included in this amount. The total maximum Property Tax Assistance and Rehabilitation grant is therefore \$124,200 plus any unused Development Charge Credits not used at the time of building permit issuance.

**Document 6 – Estimated Future City Property Tax Increment and Annual  
Municipal\Education Grant Payable**

Pre-Project Property Tax Rates and Property Taxes

Current (2013) Value Assessment on the property at 1125, 1129, 1133, 1137, 1145 and 1149 Cyrville Road is \$7,662,000, classified in the commercial tax class. Current (2013) property taxes are approximately \$37,396.42 broken down as follows:

Table 1

**Table 3 - Current (2013) Property Taxes**

Municipal Property Tax portion	\$24,759.93
Education Property Tax portion	\$12,636.49
<b>Total Pre-Project Property Taxes</b>	<b>\$37,396.42</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 \$7,662,000 (2016\$). The estimated taxes (Municipal and Education) to be generated from full build-out is \$184,393 (2015\$), see Table 2.

Table 2

**Table 4 - Estimated Annual Post-Project Municipal\Education Property Taxes (2015)**

Tax Class	Estimated assessment (2016)	Estimated Municipal Tax	Estimated Education Tax	Estimated Total Tax
Commercial	\$ 7,662,000	\$108,274	\$76,119	\$184,393

Document 7 – Calculating the Development Charges Payable

Table 5 - Development Charges Payable

1	Total eligible Costs from application	\$1,090,290
2	Total capping at 50 per cent of line 1 *	\$545,100
3	Estimated Development Charges	\$822,305
4	Total cost eligible for DC reduction from application – total items 1 to 6 (Document 4) **	\$841,800
5	Capping at 50 per cent of line 4 – development charge reduction	\$420,900
6	Development charge is reduced by the amount in line 5 (line 3 – line 5)	\$401,405 payable as DCs
7	Eligible cost cap is reduced by DC reduction (line 2 – line5)	\$124,200
8	Total potential grant	\$124,200

\*The maximum reduction of development charges is 50 percent of the cost components of line 4 if the site is located inside a priority area. This location would qualify as being inside 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 \$401,405 (line 6 above) payable after the DC credit of \$420,900.

The total potential property tax assistance/rehab grant payable is \$124,200 (line 8 above) plus any Development Charge Credits not used at the time of issuance of the building permit.

**Document 8 – Payment Option Scenario**

**Table 1**

Property Tax Assistance/Rehabilitation Grant (Municipal only) reduction with and DC Reduction 1125 to 1149 Cyrville Road

Year	Base Tax	Proposed Tax	Increment	Eligible Amount	Applied Amount	DC Reduction	Sub Total	Cumulative Grant Amt	BRADMIN 15%
1	\$ 24,760	\$ 24,760	\$ -	\$ -	\$ -	\$ -	\$ 420,900	\$ 420,900	\$ -
2	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 83,514	\$ -	\$ 83,514	\$ 504,414	\$ -
3	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 83,514	\$ 40,686	\$ 40,686	\$ 545,100	\$ -
4	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 83,514	\$ -	\$ -	\$ 545,100	\$ -
5	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
6	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
7	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
8	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
9	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
10	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
11	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
12	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
13	\$ 24,760	\$ 108,274	\$ 83,514	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ 545,100	\$ -
	\$ 24,760	\$ 108,274	\$ 83,514	\$ 41,757	\$ -	\$ -	\$ -	\$ 545,100	\$ -
				\$ 668,113	\$ 124,200	\$ 420,900	\$ 545,100		\$ -

Tax Form	Existing	Proposed
Municipal	\$ 24,760	\$ 108,274
Education	\$ 12,636	\$ 76,119
Total	\$ 37,396	\$ 184,393

Rehabilitation Grant	\$ 124,200
DC Reduction	\$ 420,900
<b>Total Grant</b>	<b>\$ 545,100</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.

Document 9 – Elevations

