Growing Downtown

Incenting Mixed-Use Development

Prepared by Downtown Village Development Corporation

Contents:

About DVDC:

Incorporated in 2003, Downtown Village Development Corporation (DVDC) is a non-profit organization that serves as an advocate and catalyst for business investment, development and economic growth in Sudbury's historic core.

Under the guidance of a volunteer, private-sector board of directors, the Corporation identifies priority projects and structures collaborative partnerships for implementation.

DVDC expedites development in Sudbury's downtown by promoting private-public cooperation and innovative partnerships. It encourages new retail, housing and commercial ventures, along with private and public sector investment in public spaces, amenities and services.

To date, DVDC has ignited and facilitated many major downtown projects and initiatives including *The New Vision for Downtown* (2005), the *Financial Incentives Pilot Project* (2008), the *Streetscape Design Project* (2008), the *Municipal Heritage Advisory Committee* (2009), *Downtown BR&E and Gap Analysis* (2009), *The Downtown Master Plan 2012*, the *Elgin Greenway Steering Committee 2012*, the *Elm St. Parking project* (2013-2015) and the *Mixed-Use Development Project* (2015-2016).

Additionally DVDC has facilitated several million dollars of downtown private sector investment and is presently working to facilitate several millions of dollars more of new investment in residential and mixed-use development projects.

The common thread running through all of DVDC's activities is the role of facilitation and coordination. DVDC takes a hands-on approach helping investors navigate regulatory hurdles, and coordinating private/public sector relationships. It promotes and builds investor awareness about the benefits and opportunities of investing in downtown Sudbury. DVDC works closely with other downtown organizations to ensure that their efforts complement and support their ideas and work. The Corporation led the development of the Downtown Partnership in 2008, is an active member of the Liaison Group for the Downtown Master Plan and is an active member of the Greater Sudbury Chamber of Commerce Downtown Development Task Force

In 2014, in recognition of its outstanding leadership and positive impact on economic growth and development in Sudbury's downtown core, Downtown Village Development Corporation was awarded the prestigious Northern Ontario Business Award *"Entrepreneurial Community of the Year".*

Introduction:

DVDC is advancing a project to stimulate immediate private sector led Mixed-Use Development in Sudbury's historic core. This project has already gained the unanimous support of City Council that has passed two resolutions of support of the project directing City Planning to explore incentive options. This project has also gained the support of the Greater Sudbury Chamber of Commerce, Downtown Sudbury B.I.A. and the Laurentian School of Architecture.

"Mixed-use" development is supported by Greater Sudbury's Official Plan, the Downtown Master Plan and the Greater Sudbury Development Corporation's Strategic Plan 2015 *From the Ground Up*.

The project seeks to provide a short-term solution to major infrastructure gaps in the downtown core. It responds to the lack of adequate parking in the core business district, the lack of resident population, the lack of class A office space, and a shortage of ground floor retail space. *It seeks to replace low value and unattractive surfaced parking lots with urban scale, infill, mixed-use development projects* that enhance the pedestrian experience and lead to an improved and vibrant "sense of place" in Sudbury's historic core. It seeks to stimulate immediate private sector investment that will create jobs and provide significant increases to the City of Greater Sudbury's tax assessment base.

The project will further lend immediate support to other proposed community infrastructure projects that require parking such as the *Place des Arts* project and the *Elgin Greenway*.

DVDC proposes that the Mixed-Use Development project proceed as a "demonstration" or "pilot" project. The success of this project will then pave the way for an ongoing "Downtown Development Incentive Program" igniting further investment in downtown mixed-use projects.

Sudbury's Downtown generated 2% of the property tax base in 2012.

Source: Canadian Urban Institute, Report "The Value of Investing in Northern Ontario Downtowns", 2014

Illustration showing opportunities for mixed-use development in the downtown core.

Background:

A. Lack of Adequate Parking

1. The downtown quadrant that includes Elm, Cedar, Larch, Durham and Elgin St., is experiencing a critical lack of accessible, convenient parking for employees and customers of existing businesses.
2. Many commercial property owners are unable to lease space in their buildings due to a lack of convenient monthly parking for tenants and their employees. As provided by Mallette Goring, the commercial vacancy rate in downtown Sudbury is 10% compared with 1% in New Sudbury and the South End. This is largely attributed to the lack of parking spaces for employees.
3. Many retail businesses are suffering due to a lack of convenient short-term parking for their customers. Many employees are using the existing metered parking spaces, making them unavailable for retail visitors. Several existing downtown tenants have indicated that they are considering leaving the downtown if the parking issue is not resolved.
4. Current and future planning initiatives will further impact on parking availability, making the situation more acute. The structured parking facility on Cedar is currently closed. The growth of outdoor patios that add to the vibrancy of the downtown, will remove yet more on-street parking options. The plans for the *Place des Arts* project, proposed for the city-owned lot at the corner of Larch and Elgin, does not include parking. The development of the *Elgin Greenway*, a priority of the downtown Master Plan, will remove more parking on Elgin.
5. While the City of Greater Sudbury has added monthly parking spaces off Lorne (behind Your Independent Grocer), it acknowledges that this solution is not generally considered a convenient, nor a safe option by the downtown business community.

B. Lack of Class A Office Space / Shortage of Ground Floor Retail Space

1. Despite the surplus of Class B and C Office Space (largely due to a lack of parking and functional obsolescence), there remains a demand for Class A office space for corporate clients wishing to establish a presence in the downtown core. There is also a shortage of ground floor retail space.

C. Lack of Residential Options

1. J.C. Williams, Retail Specialists and Consultants for the Downtown Master Plan, has recommended that the growth of retail and commercial activity in the downtown will require significant increases in the downtown residential population. The Downtown Master Plan has called for an additional three to five thousand new residents in and around the downtown core.
2. Suitable living accommodations are an important amenity in corporate relocation decisions. The City of Winnipeg has successfully demonstrated that the development of stylish living options in the downtown core has been a major catalyst in the attraction of corporate head offices.
3. Recent residential conversion projects at *Lisgar Place* and the former *DeMarco* building have provided some sixty-three (63) new units. However, strong demand remains for many more student housing and faculty living spaces.
4. The creative class, from multimedia marketing agencies and IT start-ups, to the emerging film and arts entrepreneurs, is transforming the fabric of our urban core. Stylish urban living options are needed to accommodate and retain these young urban professionals.
5. There is a scarcity of urban housing options for active middle-aged people whose children have left home and who are seeking a carefree urban lifestyle.

Solution:

Given the abundance of low value surfaced parking lots in the downtown core (that provide minimal revenues to the City of Greater Sudbury), how can the private sector be stimulated to invest in these properties to address infrastructure and population gaps, create jobs and increase the City's tax assessment base?

A. Smart Growth Mixed-Use Developments

"Mixed-use" developments integrate different uses within the same structure. Broadly speaking, mixed-use developments blend a combination of residential, commercial, cultural, institutional, or even industrial uses where those functions are physically and functionally integrated, and provide pedestrian connections.

"Smart growth" is an urban planning and transportation theory that concentrates growth in compact walkable urban centres to avoid sprawl. It also advocates compact, transit-oriented, walkable, bicycle-friendly land use, including complete streets, and mixed-use development with a range of housing choices.

To service the immediate needs of Greater Sudbury's downtown core, a mixed-use project could include upscale retailers on the ground floor as well as office and/or residential uses on the retail podium and structured parking both above ground and below.

The present proposal seeks to stimulate immediate private sector investment in urban-scaled mixed-use development that will meet the urgent needs of the downtown business community for increased parking options, ground floor retail, new Class A office space and new residential development. The project will create immediate jobs and provide significant increases to the City's tax assessment base.

"Great cities the world over have Mixed-Use communities"

- Jennifer Keesmaat, *Chief Planner and Executive Director*, City of Toronto

A Mixed-Use building in Boulder, Colorado

B. Stimulate Private Sector Investment

As with other communities, the private sector has been unwilling to undertake such projects due to the gap between the cost of development and anticipated revenues.

Proposed residential developments in Sudbury's downtown core have likewise experienced similar challenges. Many exciting projects have failed to move forward due to an unfavorable risk-reward ratio when costs of development are compared with projected revenues. The *Tuscany on Elm*, the *Village on Mackenzie*, the conversion of the historic *Mackey building,* and the multi-tower proposal that would have seen 800 residential units developed by Centennial Enterprises Ltd. above Brady Square in 2011 have all failed to move forward. The only projects that have been completed in recent years are three adaptive re-use projects: *Lisgar Place*, a student housing project development that has created some 50 student housing units; *161 Larch* with 15 condominium units; and the Elgin St. student housing project in the former DeMarco building that produced some 15 student rooms. Two of the three projects were marginal at best. Several more potential projects remain stalled due to unattractive cost/revenue ratios.

The use of financial incentives to boost private sector investment has become a central tool of economic development practice. Incentives are investments made on behalf of stakeholders with the objective of generating a return on investment (ROI). This return includes new jobs, increased local spending, and higher tax revenues. They are a way for a community to boost its investment attractiveness. They are used to stimulate investment in development projects that the City has deemed essential to its growth but that, without the financial incentive, are not likely to proceed. The challenge is to determine the least amount of financial incentive required to stimulate investment while at the same time maximizing the return on incentives for the City of Greater Sudbury.

The last mixed-use project to be developed in Sudbury's downtown core was St. Andrew's Place in the mid 1970's (source: Mallette-Goring).

Approach:

Research Best Practices

DVDC has researched "best practices" in financial incentive programs across Canada and has found that two municipalities stand out in their success in attracting tens of millions of dollars of private sector investment in targeted downtown development projects over the last ten years. These cities demonstrate that a focused financial incentive program can ignite major downtown investment. DVDC has consulted with the program administrators at Centre Venture in Winnipeg and the City of Hamilton, Ontario.

The most effective incentive programs to attract investment in residential and mixed-use development projects feature either interest free loans, a cash grant in the form of a full Tax Increment Financing Grant (TIF) or a combination of both. The City of Hamilton has managed to attract millions of dollars and hundreds of new residential units by offering qualified developers a 25% interest free loan for five years. The City of Hamilton has several other incentives such as a TIF program, and applicants are encouraged to stack incentives. Winnipeg, after recently completing a 40 million dollar residential development grant program in partnership with the Province, has now launched a new phase of the grant where the amount of the incentive increases if a surfaced parking lot is developed and, again, if structured parking is included in the proposal. The TIF that Winnipeg is presently using features a tax increment benefit for the full amount of the tax increase for a minimum of 12 years. The benefit increases incrementally up to 20 years if surfaced parking lots and structured parking components are included in the project. The links to both incentive websites follow:

http://www.investinhamilton.ca/downtown-bia/financial-incentive-programs/
http://demandlivesdowntown.ca/.

DVDC has further done extensive research with the International Economic Development Council (IEDC) on how best to design successful financial incentive programs, including the development of incentive agreements, criteria, data collection, monitoring, and cost benefit models. The IEDC's recent report, *Seeding Growth: Maximizing the Return on Incentives,* was forwarded to both City Planning and to GSDC.

See: http://www.iedconline.org/clientuploads/directory/docs/EDRP_Maximizing_ROI.pdf

Community Consultation

With unanimous resolutions of support from City Council in June and October of 2015, DVDC has proceeded to conduct extensive community engagement and has gathered strong support for the Mixed-Use Development project. It has further attracted countless hours of "in-kind" professional input. Senior banking officials, architects, developers, realtors and accountants have given generously of their time to assist DVDC in the development of the Pro Forma gap analysis. They have further weighed in on the subject of type and amount of incentives.

In 2015, DVDC conducted consultations with many downtown business and property owners to seek their input and support for prioritizing a Mixed-Use Development project that would facilitate parking and residential solutions. One hundred percent of those interviewed strongly supported the importance and urgency of this approach.

Terrance Galvin, Director of the Laurentian School of Architecture, states, *"It is a strong idea and one that deserves to be realized. I support it in every way."*

As an active member of the Chamber's Downtown Development Task Force, DVDC has presented the Mixed-Use Development project to the committee and has received a strong letter of support emphasizing the importance of this project.

See Schedule A: *Greater Sudbury Chamber of Commerce Letter of Support*

In Spring 2015, the Board of Directors of the B.I.A. expressed its strong support for the project and nominated members to be part of the project team.

See Schedule B: *Downtown Sudbury Letter of Support*

In June 2015, Council unanimously directed Staff to work with DVDC and its partners to explore incentive opportunities for this project and to report back to Council with its recommendations.

In October 2015, staff reported back to Council that an amendment to the existing Community Plan is required to add further incentives. Staff was further directed to prepare options for an amendment to the Community Improvement Plan (CIP) including funding options, and to continue to work with DVDC and other partners to explore incentive opportunities and report back to the Planning Committee in early 2016.

See Schedule C: *City of Greater Sudbury Council Resolutions*

Professional Consultation

Many community professionals have volunteered their time to assist DVDC in moving this project forward. They have not only unanimously supported the importance of the project but have assisted in the development of a "Pro Forma" Gap Analysis and provided feedback on the likely success of various incentive options.

DVDC has met with senior bankers, architects, accountants, developers and many downtown business and property owners to refine the analyses as well as the recommendations of this report.

Meanwhile DVDC has worked closely with the Greater Sudbury Planning Department that is conducting its own community consultation to prepare for a new Community Improvement Plan that will allow for incentives for residential and mixed-use development. The Corporation is working with City Planning to bring forward final financial incentive recommendations to City Council.

See Schedule D: *List of Professionals Consulted*

Pro Forma Gap Analysis

The attached Pro Forma has been developed in consultation with senior banking officials, architects, accountants and developers to demonstrate that there is a gap between the costs of construction and projected revenues. It is based on a "hypothetical" $12 million dollar project that would create 200 structured parking spaces, 10,000 square feet of main floor retail, and 10,000 square feet of Class A commercial space. It is important to point out that the qualitative data will vary from project-to-project and that this analysis is intended only to demonstrate that a gap does exist.

See Schedule E: *Pro Forma Gap Analysis*

Value Analysis

A preliminary economic impact analysis, conducted by City of Greater Sudbury staff for DVDC in 2011, estimated that the impact of creating 65 new residential units alone would be $13,500,000 in private sector investment and would lead to the creation of 50 jobs with a total economic impact on Sudbury's GDP of over $5 million. Each unit would be projected to add $50,000 to the city's assessment base and the City's tax revenues would be increased by $97,500 on an annual basis.

The addition of the structured parking, commercial and retail components of the project could be expected to add another $300,000 to the City of Greater Sudbury's annual tax revenues as illustrated in the attached Pro Forma. Additionally it has been estimated that a minimum of 50 jobs would be created during the construction phase.

The Cost/Benefit Analyses on the recommended financial incentive options will present figures to demonstrate Return on Investment (ROI) for the City of Greater Sudbury using different financial incentive scenarios.

It is envisioned that the success of this first demonstration project will lead to the establishment of an ongoing and targeted *"Downtown Development Incentive Program".*

Methodology:

Team Approach

In order to move the project forward and to ensure that the project promotes a high level of sustainable design, DVDC has assembled a collaborative project team that will provide input into the "Terms of Reference" for the final RFP. The team includes representation from the Laurentian University School of Architecture, Downtown Sudbury B.I.A., Greater Sudbury Chamber of Commerce, City Council, Greater Sudbury Development Corporation, and others deemed appropriate by the team. Blaine Nichols has agreed to Chair the group's initial meeting in the spring of 2016.

Proposed Work Plan

1. DVDC will provide coordination as well as project development and management services. It will serve as the point organization and liaison between public and private sector partners.
2. DVDC will collaborate with City staff to produce the final Cost/Benefit Analyses on the recommended incentive options and report these back to City Council in the summer of 2016.
3. DVDC will work with City staff and the project team to finalize the recommended mix of the demonstration project,
4. Once the type and amount of financial incentive is approved by City Council, DVDC will market the development opportunity via RFP to the private sector.
5. City staff will work on the development of the financial incentive contract and establish investment eligibility criteria and metrics, monitoring, review, success indicators. It will further develop the ROI model.
6. A City project team will review applications and select the successful proponent. DVDC and the project team will have representation on this City project team as non-voting members.

Next Steps:

Tax Incentive Recommendations

DVDC has been asked to report back to City Planning and GSDC in March 2016 with recommendations for financial incentive options that would kick-start private sector investment in mixed-use development in a cost effective way for City Council. Two different incentive programs have been used both separately (Winnipeg) and stacked (Hamilton) to stimulate private sector investment.

Based on extensive community consultation with developers, architects, senior bankers and accountants, DVDC is recommending that two different options proceed to cost benefit analyses for presentation to City Council. While neither incentive program would entirely close the gap illustrated in the Pro Forma, City Council would have the option of adopting either one of the proposed incentives or both of them in tandem to further stimulate uptake from private sector investors.

1. Downtown Development Interest Free Loan

The Hamilton program, that is presently used to target multi-residential development, provides up to 25% of the project's value as an interest free loan for five years. This program has successfully attracted millions of dollars of private sector investment and created hundreds of residential units in downtown Hamilton in recent years.

In a report to Hamilton City Council in March 2015, the City of Hamilton reported that it has loaned approximately $33.4 M supporting the creation/renovation of 1,313 dwelling units in downtown Hamilton. The investment ratio of public to private sector investment is an impressive 1:55.

Applying this incentive program to the attached Pro Forma would result in additional costs savings to a developer of $100,000 per year over five years.

It is recommended that an interest free loan incentive program be piggybacked with the TIF.

The benefit to the City of an interest free loan program is that the money loaned is returned in five years. Additionally the City attracts millions of dollars of private sector investment that generates new tax revenues, creates jobs, and increases local spending.

Schedule F: Annual report to city council on the *Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP)*

2. Cash Grant Incentive Program (TIF)

The Cash Grant Incentive Program is an annual cash grant equivalent to the full increase in taxes as a result of development, for periods ranging from 12 to 20 years has been used by the City of Winnipeg to attract investment in residential development over the past several years. The current incentive targets mixed-use development and offers 12 years of full tax increment rebate by way of an annual grant as the base incentive to qualified applicants. The incentive program stimulates the development in targeted locations, of surfaced parking lots, as well as the addition of structured parking by extending the period of the tax grant from 12 years all the way up to 20 years. Unlike the TIF program that Sudbury uses which is gradually phased out by 10% a year over 10 years, the Winnipeg program offers a full grant for the total amount of the incremental tax increase for 12 to 20 years. Additionally the Province of Manitoba has partnered with the City of Winnipeg in waiving the provincial education portion of property taxes thereby increasing the amount of the cash grant on an annual basis.

Winnipeg's results are impressive. Since 2005 over 1,800 new residential units have been built. Two billion dollars has been invested in downtown developments in the past 10 years and over 70 million dollars of incremental property taxes generated by new downtown development has been committed for reinvestment to promote development, make improvements to the public realm and supportive programming.

This type of TIF program requires the cooperation of the Province to maximize the incentive offered. It minimizes risk for the City by collecting the annual taxes and then issuing a grant rebate equal to the incremental increase in property taxes

DVDC acknowledges that the participation of the Province is not something that will occur quickly. With this in mind, DVDC recommends that the existing TIF be modified to provide a full incremental tax rebate for a minimum of 10 years, and that it be offered in combination with the Interest Free Loan Program for purposes of the Demonstration Pilot Mixed-Use Development Project.

Cost Benefit Analyses of Proposed Incentives

Once City Council approves the use of financial incentives to stimulate private sector investment in a demonstration mixed-use development project, the two recommended incentive options should undergo a cost/benefit analysis to provide Council with detailed information on the costs of the two incentive programs recommended as well as the returns that will be generated on their investment in financial incentives.

These analyses should be completed by July 31st, 2016 and submitted to Council for their final decision.

Convene the Project Advisory Team

With Council approval of City Planning recommendations for mixed-use development financial incentives, DVDC will convene the Project Advisory Team in May 2016 to work on the Terms of Reference for the project.

Proposed Timeline:

Mixed-Use Development Project

Convene project advisory team:	May – June 2016
Select eligible sites:	July 2016
Finalize scope/project mix:	July – August 2016
Cost benefit/analyses:	May – August 2016
Finalize incentive/type amount:	July – August 2016
Present final proposal to Council:	September 2016
Develop incentive agreements (City Staff):	October – November 2016
Market development opportunity to private sector investors:	December – January 2017
Select successful proponent:	January – February 2017
Begin construction:	September 2017

Schedule A:

Greater Sudbury Chamber of Commerce letter of Support.

Greater Sudbury Chamber of Commerce | Chambre de commerce du Grand Sudbury

40 Elm Street, Suite 100
Sudbury, ON P3C 1S8
Tel: 705.673.7133
Fax: 705.673.1951

November 23, 2015

Mayor and Council
Tom Davies
200 Brady St
Sudbury, ON
P3A 5P3

Dear Mayor and Council,

Re: Mixed-Use Development Proposal

Please accept this letter as an indication of the chamber's support, in principle, for the Downtown Village Development Corporation's (DVDC) Mixed-Use Development Project. This proposal falls in line with both ***From the Ground Up***, the city's new economic development plan, as well as the Downtown Master Plan.

The chamber believes that a Mixed-Use Development project has the potential to bolster the downtown and address some of the challenges downtown businesses face in terms of having convenient and adequate class A office, retail and parking space. This project also has the potential to stimulate private sector investment and to attract more residents to the downtown.

The chamber looks forward to collaborating on the project through the ad hoc committee with other partners such as the School of Architecture, the School of Commerce, Downtown Sudbury as well as the City and Council. The success of this project will be dependent on a truly collaborative approach to coordinating both private and public sector interests, developing a cost-benefit analysis as well as a final project mix that makes sense for the needs of Downtown Sudbury.

Please accept this letter as the chamber's support, in principle, of the proposed mixed-use development project.

Yours truly,

Debbi M Nicholson
PRESIDENT & CEO

sudburychamber.ca

Schedule B:

Downtown Sudbury letter of support.

DOWNTOWN SUDBURY
7 CEDAR ST UNIT 102
SUDBURY, ON P3E 1A2

705 674 5115
www.downtownsudbury.com

December 3, 2015

Mayor and Council
City of Greater Sudbury
PO Box 5000, Stn A
200 Brady St
Sudbury, ON
P3A 5P3

Dear Mayor and Council:

RE: MIXED-USE DEVELOPMENT PROPOSAL

On behalf of the Board of Directors of 'Downtown Sudbury' BIA, I would like to indicate our support to the proposal before you from the DVDC, specific to the Mixed-Use Development Project.

While this project strongly supports the philosophy, goals and objectives as outlined in the *Downtown Master Plan* and the City's new economic development plan – *From the Ground Up* – it addresses long standing challenges that face our downtown. The need for convenient and adequate Class A office and retail space, together with parking (both long and short term) has grown substantially. Over the past few years, we have seen a steady growth in the interest in a strong downtown ... not only as its importance as the 'center of the community' – but – more specifically as a 'destination' for arts and culture, specialty retail, unique dining experiences, etc. To continue moving forward, we must address these needs and in an area that is geographically limited, a mixed-use proposal is a strong option to be pursued – and quickly.

'Downtown Sudbury' BIA looks forward to participating on the Ad Hoc Committee for this project and working with our Downtown Partners to make this project a reality and, as such, have passed the following resolution of support:

> **WHEREAS** the Downtown Master Plan, the City's new Strategic Plan, and the 'Downtown Sudbury' BIA Strategic Plan all support not only the importance of the core to the community but the continued development of the area as an integral component to the economic strength of the City of Greater Sudbury;
> **AND WHEREAS** the need for parking (long and short term), together with quality and convenient office and retail space continues to be a challenge
> **BE IT THEREFORE RESOLVED THAT** the Board of Directors of 'Downtown Sudbury' BIA supports, in principle, the proposed mixed-use development project as presented by the DVDC.
> **CARRIED**

Sincerely,

Jeff MacIntyre
Chair

A PLACE FOR YOU
SINCE 1883

Schedule C:

City of Greater Sudbury Council
Resolution 05/26/2015

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www.greatersudbury.ca

CITY COUNCIL

RESOLUTION

Moved By ______________ **No.** CC2015-176

Seconded By ______________ **Date** 2015-05-26

WHEREAS the Downtown Village Development Corporation (DVDC) is a not-for-profit organization "established in 2003 to identify and pursue development opportunities, create partnerships and advocate for and promote initiatives that stimulate business and residential investment in Sudbury's historic core";

AND WHEREAS the DVDC has proposed a concept for a Smart Growth Mixed-Use Development Project for the downtown, "to stimulate immediate private sector investment that will create jobs, provide significant increases to the City of Greater Sudbury's tax assessment base, while meeting the urgent needs of the downtown business community";

AND WHEREAS the DVDC hopes to move the project forward in collaboration with the School of Architecture, Laurentian University's School of Commerce, Downtown Sudbury, the Greater Sudbury Chamber of Commerce and the City of Greater Sudbury Council;

AND WHEREAS the Mixed-Use Development Project could include a parking garage, ground floor retail space, Class A office space and possibly a residential component;

AND WHEREAS incentive possibilities need to be explored through discussions with the City of Greater Sudbury;

THEREFORE BE IT RESOLVED that the City of Greater Sudbury be directed to work with the DVDC and its partners to explore incentive opportunities for the Smart Growth Mixed-Use Development Project and to report the results of those discussions to City Council at its meeting of September 29th, 2015.

CARRIED
2015-05-26
Mayor Bigger, Chair

Schedule C:

City of Greater Sudbury Council Resolution 10/20/2015

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CITY COUNCIL

RESOLUTION

Moved By _______________ **No.** CC2015-348

Seconded By _______________ **Date** 2015-10-20

THAT the City of Greater Sudbury receives the report from the General Manager of Growth and Development dated September 3, 2015 as information regarding current downtown development and redevelopment incentives;

AND THAT Council directs staff to further investigate and prepare options for a possible amendment to both the Metro Centre Community Improvement Plan and the Downtown Sudbury Community Improvement Plan, including funding options, as recommended in the Downtown Master Plan and as outlined in the report dated September 3, 2015 from the General Manager of Growth and Development;

AND THAT Council directs staff to continue working with the Downtown Village and Development Corporation and other partners to explore incentive opportunities;

AND THAT staff reports back to Planning Committee with its findings in the first quarter of 2016.

CARRIED
2015-10-20

Mayor Bigger, Chair

ONLY THE ORIGINAL COPY OF THE MOTION IS AN OFFICIAL DOCUMENT

Schedule D:

List of Professionals Consulted

Seeking input into both the viability of, and potential incentives for, the Mixed-Use Development Project, DVDC has consulted with the following business professionals and downtown stakeholders:

- Larry Gauthier and Jean Leblanc, *Senior Partners*, Mallette-Goring
- Michael Luciw, *Architect*, Architecture 49
- Ed Reilly, *Senior Partner*, and Kirby House, *Accountant*, Freelandt Caldwell Reilly.
- Paul Zulich, *Executive Vice President* , Zulich Enterprises Limited
- Joe DiPietro, *President*, Autumnwood Mature Lifestyle Communities
- John Arnold, *Commercial Leasing Manager*, Dalron Construction Ltd.
- Michael Penwarden, *Manager Business Development*, TD Commercial Banking
- Gary Zubal, *Regional Vice President*, Bank of Montreal
- Asif Sajan, *Developer, Owner*, Mackey Building.
- John Querney, *President*, Querney's Office Plus

Schedule E:

Pro Forma Gap Analysis

Multi Use Parking Structure Proposal - Proforma

Prepared by: Downtown Village Development Corporation - December 12th, 2015

Rental Assumptions	Units	Rental Rate per Unit (monthly)
Parking Stalls		
Monthly Rental Pass	200	$ 150.00
After 6pm Hourly ($2/hr for 3hrs)	75	$ 180.00
Class A Office Space (SF)	10000	$ 15.00
Retail Space (SF)	10000	$ 20.00
Construction Assumptions	**Units**	**Cost per Unit**
Parking Stalls	200	$ 34,000.00
Class A Office Space (SF)	10000	$ 300.00
Retail Space (SF)	10000	$ 150.00
Land	3	$ 350,000.00

Other Assumptions	
Cap Rate	7.50%
Replacement Reserve Ratio	2.50%
Inflation Rate	2.00%
Interest Rate	3.25%
Minimum Required Return	9.00%
Lump Sum Assumption	

Mortgage Financing			
Project Cost		**LTV Approach**	
Parking Structure	$ 6,800,000.00	Project Cost	$ 12,350,000.00
Office	$ 1,500,000.00	LTV	75%
Retail	$ 3,000,000.00	Total Loan Amount	$ 9,262,500.00
Land	$ 1,050,000.00	Equity Investment	$ 3,087,500.00
TOTAL	**$ 12,350,000.00**	Interest Rate	3.25%
		Amortization	20
		Annual Debt Service	-$630,438.09

DISCLAIMER:

1) This proforma is based on a variety of early-stage assumptions and by no means is an exact representation of how the financials of such a project would pan out. This has been developed only to provide an example of a hypothetical scenario in which a gap in return and feasibility is demonstrated to a more defined, but not exact value. This is to be used as a starting point in determining where a gap exists and how it can be addressed.

2) This proforma includes Tax Increment Financing as a form of incentive. DVDC is aware of opportunities like cash free loans but we have not included it in this iteration of the proforma. Simply put, this demonstrates that there is indeed a gap in return for investors looking at this type of project and that there must be some sort of collaboration in order to make multi-use projects like this happen.

3) We envision that the ideal mixed use project would include a residential component as well or in place of the office/retail components. For the sake of simplicity, we have only included retail, office, and parking components.

TIF Cash Injection Period (Y1–Y10)

Revenue	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
Rental Income - Parking									
Monthly Rental Pass	$ 360,000.00	$ 367,200.00	$ 374,544.00	$ 382,034.88	$ 389,675.58	$ 397,469.09	$ 405,418.47	$ 413,526.84	$ 421,797.38
After 6pm Hourly	$ 162,000.00	$ 165,240.00	$ 168,544.80	$ 171,915.70	$ 175,354.01	$ 178,861.09	$ 182,438.31	$ 186,087.08	$ 189,808.82
Rental Income - Office	$ 150,000.00	$ 153,000.00	$ 156,060.00	$ 159,181.20	$ 162,364.82	$ 165,612.12	$ 168,924.36	$ 172,302.85	$ 175,748.91
Rental Income - Retail	$ 200,000.00	$ 204,000.00	$ 208,080.00	$ 212,241.60	$ 216,486.43	$ 220,816.16	$ 225,232.48	$ 229,737.13	$ 234,331.88
Common Area Recoveries	$ 165,000.00	$ 168,300.00	$ 171,666.00	$ 175,099.32	$ 178,601.31	$ 182,173.33	$ 185,816.80	$ 189,533.14	$ 193,323.80
Gross Potential Income	$ 1,037,000.00	$ 1,057,740.00	$ 1,078,894.80	$ 1,100,472.70	$ 1,122,482.15	$ 1,144,931.79	$ 1,167,830.43	$ 1,191,187.04	$ 1,215,010.78
Less: Vacancy and Bad Debt (3%)	$ 31,110.00	$ 31,732.20	$ 32,366.84	$ 33,014.18	$ 33,674.46	$ 34,347.95	$ 35,034.91	$ 35,735.61	$ 36,450.32
Effective Gross Income	**$ 1,005,890.00**	**$ 1,026,007.80**	**$ 1,046,527.96**	**$ 1,067,458.52**	**$ 1,088,807.69**	**$ 1,110,583.84**	**$ 1,132,795.52**	**$ 1,155,451.43**	**$ 1,178,560.45**
Expenses									
Operating Expenses									
Admin & General	$ 45,000.00	$ 45,900.00	$ 46,818.00	$ 47,754.36	$ 48,709.45	$ 49,683.64	$ 50,677.31	$ 51,690.86	$ 52,724.67
Repairs & Maintenance	$ 75,000.00	$ 76,500.00	$ 78,030.00	$ 79,590.60	$ 81,182.41	$ 82,806.06	$ 84,462.18	$ 86,151.43	$ 87,874.45
Utilities	$ 25,000.00	$ 25,500.00	$ 26,010.00	$ 26,530.20	$ 27,060.80	$ 27,602.02	$ 28,154.06	$ 28,717.14	$ 29,291.48
Insurance	$ 10,000.00	$ 10,200.00	$ 10,404.00	$ 10,612.08	$ 10,824.32	$ 11,040.81	$ 11,261.62	$ 11,486.86	$ 11,716.59
Replacement Reserves	$ 25,147.25	$ 25,650.20	$ 26,163.20	$ 26,686.46	$ 27,220.19	$ 27,764.60	$ 28,319.89	$ 28,886.29	$ 29,464.01
Property Taxes									
Education Portion	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00
Municipal Portion	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00
Less: TIF Cash Injection	$ 292,500.00	$ 262,500.00	$ 232,500.00	$ 202,500.00	$ 172,500.00	$ 142,500.00	$ 112,500.00	$ 82,500.00	$ 52,500.00
Property Taxes Due	$ 147,500.00	$ 177,500.00	$ 207,500.00	$ 237,500.00	$ 267,500.00	$ 297,500.00	$ 327,500.00	$ 357,500.00	$ 387,500.00
Miscellaneous (@ 2% EGI)	$ 20,117.80	$ 20,520.16	$ 20,930.56	$ 21,349.17	$ 21,776.15	$ 22,211.68	$ 22,655.91	$ 23,109.03	$ 23,571.21
Total Expenses	$ 347,765.05	$ 381,770.35	$ 415,855.76	$ 450,022.87	$ 484,273.33	$ 518,608.80	$ 553,030.97	$ 587,541.59	$ 622,142.42
Net Operating Income	**$ 658,124.95**	**$ 644,237.45**	**$ 630,672.20**	**$ 617,435.64**	**$ 604,534.35**	**$ 591,975.04**	**$ 579,764.54**	**$ 567,909.83**	**$ 556,418.03**
Annual Debt Service	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09
Net Cash Flow	**$ 27,686.86**	**$ 13,799.36**	**$ 234.11**	**-$ 13,002.45**	**-$ 25,903.73**	**-$ 38,463.05**	**-$ 50,673.55**	**-$ 62,528.26**	**-$ 74,020.06**
Return Measures									
Minimum Feasible ROI (NOI/Total Project Cost)	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Projected Yearly ROI (NOI/Total Project Cost)	5.33%	5.22%	5.11%	5.00%	4.90%	4.79%	4.69%	4.60%	4.51%
Gap in ROI	**3.67%**	**3.78%**	**3.89%**	**4.00%**	**4.10%**	**4.21%**	**4.31%**	**4.40%**	**4.49%**
$ Needed to Adjust	$ 453,375.05	$ 467,262.55	$ 480,827.80	$ 494,064.36	$ 506,965.65	$ 519,524.96	$ 531,735.46	$ 543,590.17	$ 555,081.97
Return on Equity (Net Cash Flow/Equity Investment)	0.90%	0.45%	0.01%	-0.42%	-0.84%	-1.25%	-1.64%	-2.03%	-2.40%
DCR	1.04	1.02	1.00	0.98	0.96	0.94	0.92	0.90	0.88
Value Estimates									
Net Operating Income	$ 658,124.95	$ 644,237.45	$ 630,672.20	$ 617,435.64	$ 604,534.35	$ 591,975.04	$ 579,764.54	$ 567,909.83	$ 556,418.03
Cap Rate	8%	8%	8%	8%	8%	8%	8%	8%	8%
Approximate Appraised Value	$ 8,774,999.33	$ 8,589,832.65	$ 8,408,962.64	$ 8,232,475.23	$ 8,060,458.06	$ 7,893,000.56	$ 7,730,193.90	$ 7,572,131.11	$ 7,418,907.07

Revenue	Y10	Y11	Y12	Y13	Y14	Y15	Y16	Y17
Rental Income - Parking								
Monthly Rental Pass	$ 430,233.32	$ 438,837.99	$ 447,614.75	$ 456,567.05	$ 465,698.39	$ 475,012.35	$ 484,512.60	$ 494,202.85
After 6pm Hourly	$ 193,605.00	$ 197,477.10	$ 201,426.64	$ 205,455.17	$ 209,564.27	$ 213,755.56	$ 218,030.67	$ 222,391.28
Rental Income - Office	$ 179,263.89	$ 182,849.16	$ 186,506.15	$ 190,236.27	$ 194,040.99	$ 197,921.81	$ 201,880.25	$ 205,917.86
Rental Income - Retail	$ 239,018.51	$ 243,798.88	$ 248,674.86	$ 253,648.36	$ 258,721.33	$ 263,895.75	$ 269,173.67	$ 274,557.14
Common Area Recoveries	$ 197,190.27	$ 201,134.08	$ 205,156.76	$ 209,259.90	$ 213,445.09	$ 217,714.00	$ 222,068.28	$ 226,509.64
Gross Potential Income	$ 1,239,310.99	$ 1,264,097.21	$ 1,289,379.16	$ 1,315,166.74	$ 1,341,470.08	$ 1,368,299.48	$ 1,395,665.47	$ 1,423,578.78
Less: Vacancy and Bad Debt (3%)	$ 37,179.33	$ 37,922.92	$ 38,681.37	$ 39,455.00	$ 40,244.10	$ 41,048.98	$ 41,869.96	$ 42,707.36
Effective Gross Income	**$ 1,202,131.66**	**$ 1,226,174.30**	**$ 1,250,697.78**	**$ 1,275,711.74**	**$ 1,301,225.97**	**$ 1,327,250.49**	**$ 1,353,795.50**	**$ 1,380,871.41**
Expenses								
Operating Expenses								
Admin & General	$ 53,779.17	$ 54,854.75	$ 55,951.84	$ 57,070.88	$ 58,212.30	$ 59,376.54	$ 60,564.08	$ 61,775.36
Repairs & Maintenance	$ 89,631.94	$ 91,424.58	$ 93,253.07	$ 95,118.13	$ 97,020.50	$ 98,960.91	$ 100,940.13	$ 102,958.93
Utilities	$ 29,877.31	$ 30,474.86	$ 31,084.36	$ 31,706.04	$ 32,340.17	$ 32,986.97	$ 33,646.71	$ 34,319.64
Insurance	$ 11,950.93	$ 12,189.94	$ 12,433.74	$ 12,682.42	$ 12,936.07	$ 13,194.79	$ 13,458.68	$ 13,727.86
Replacement Reserves	$ 30,053.29	$ 30,654.36	$ 31,267.44	$ 31,892.79	$ 32,530.65	$ 33,181.26	$ 33,844.89	$ 34,521.79
Property Taxes								
Education Portion	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00
Municipal Portion	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00
Less: TIF Cash Injection	$ 22,500.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Taxes Due	$ 417,500.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00
Miscellaneous (@ 2% EGI)	$ 24,042.63	$ 24,523.49	$ 25,013.96	$ 25,514.23	$ 26,024.52	$ 26,545.01	$ 27,075.91	$ 27,617.43
Total Expenses	$ 656,835.27	$ 684,121.98	$ 689,004.42	$ 693,984.51	$ 699,064.20	$ 704,245.48	$ 709,530.39	$ 714,921.00
Net Operating Income	**$ 545,296.39**	**$ 542,052.32**	**$ 561,693.37**	**$ 581,727.23**	**$ 602,161.78**	**$ 623,005.01**	**$ 644,265.11**	**$ 665,950.42**
Annual Debt Service	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09
Net Cash Flow	**-$ 85,141.70**	**-$ 88,385.77**	**-$ 68,744.72**	**-$ 48,710.86**	**-$ 28,276.31**	**-$ 7,433.08**	**$ 13,827.02**	**$ 35,512.33**
Return Measures								
Minimum Feasible ROI (NOI/Total Project Cost)	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Projected Yearly ROI (NOI/Total Project Cost)	4.42%	4.39%	4.55%	4.71%	4.88%	5.04%	5.22%	5.39%
Gap in ROI	**4.58%**	**4.61%**	**4.45%**	**4.29%**	**4.12%**	**3.96%**	**3.78%**	**3.61%**
$ Needed to Adjust	$ 566,203.61	$ 569,447.68	$ 549,806.63	$ 529,772.77	$ 509,338.22	$ 488,494.99	$ 467,234.89	$ 445,549.58
Return on Equity (Net Cash Flow/Equity Investment)	-2.76%	-2.86%	-2.23%	-1.58%	-0.92%	-0.24%	0.45%	1.15%
DCR	0.86	0.86	0.89	0.92	0.96	0.99	1.02	1.06
Value Estimates								
Net Operating Income	$ 545,296.39	$ 542,052.32	$ 561,693.37	$ 581,727.23	$ 602,161.78	$ 623,005.01	$ 644,265.11	$ 665,950.42
Cap Rate	8%	8%	8%	8%	8%	8%	8%	8%
Approximate Appraised Value	$ 7,270,618.54	$ 7,227,364.25	$ 7,489,244.87	$ 7,756,363.10	$ 8,028,823.69	$ 8,306,733.50	$ 8,590,201.50	$ 8,879,338.87

Revenue	Y18	Y19	Y20	Y21	Y22	Y23	Y24	Y25
Rental Income - Parking								
Monthly Rental Pass	$ 504,086.91	$ 514,168.65	$ 524,452.02	$ 534,941.06	$ 545,639.88	$ 556,552.68	$ 567,683.74	$ 579,037.41
After 6pm Hourly	$ 226,839.11	$ 231,375.89	$ 236,003.41	$ 240,723.48	$ 245,537.95	$ 250,448.71	$ 255,457.68	$ 260,566.83
Rental Income - Office	$ 210,036.21	$ 214,236.94	$ 218,521.68	$ 222,892.11	$ 227,349.95	$ 231,896.95	$ 236,534.89	$ 241,265.59
Rental Income - Retail	$ 280,048.28	$ 285,649.25	$ 291,362.23	$ 297,189.48	$ 303,133.27	$ 309,195.93	$ 315,379.85	$ 321,687.45
Common Area Recoveries	$ 231,039.83	$ 235,660.63	$ 240,373.84	$ 245,181.32	$ 250,084.95	$ 255,086.65	$ 260,188.38	$ 265,392.15
Gross Potential Income	$ 1,452,050.35	$ 1,481,091.36	$ 1,510,713.19	$ 1,540,927.45	$ 1,571,746.00	$ 1,603,180.92	$ 1,635,244.54	$ 1,667,949.43
Less: Vacancy and Bad Debt (3%)	$ 43,561.51	$ 44,432.74	$ 45,321.40	$ 46,227.82	$ 47,152.38	$ 48,095.43	$ 49,057.34	$ 50,038.48
Effective Gross Income	**$ 1,408,488.84**	**$ 1,436,658.62**	**$ 1,465,391.79**	**$ 1,494,699.63**	**$ 1,524,593.62**	**$ 1,555,085.49**	**$ 1,586,187.20**	**$ 1,617,910.94**
Expenses								
Operating Expenses								
Admin & General	$ 63,010.86	$ 64,271.08	$ 65,556.50	$ 66,867.63	$ 68,204.99	$ 69,569.09	$ 70,960.47	$ 72,379.68
Repairs & Maintenance	$ 105,018.11	$ 107,118.47	$ 109,260.84	$ 111,446.05	$ 113,674.98	$ 115,948.48	$ 118,267.44	$ 120,632.79
Utilities	$ 35,006.04	$ 35,706.16	$ 36,420.28	$ 37,148.68	$ 37,891.66	$ 38,649.49	$ 39,422.48	$ 40,210.93
Insurance	$ 14,002.41	$ 14,282.46	$ 14,568.11	$ 14,859.47	$ 15,156.66	$ 15,459.80	$ 15,768.99	$ 16,084.37
Replacement Reserves	$ 35,212.22	$ 35,916.47	$ 36,634.79	$ 37,367.49	$ 38,114.84	$ 38,877.14	$ 39,654.68	$ 40,447.77
Property Taxes								
Education Portion	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00
Municipal Portion	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00	$ 300,000.00
Less: TIF Cash Injection	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Taxes Due	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00	$ 440,000.00
Miscellaneous (@ 2% EGI)	$ 28,169.78	$ 28,733.17	$ 29,307.84	$ 29,893.99	$ 30,491.87	$ 31,101.71	$ 31,723.74	$ 32,358.22
Total Expenses	$ 720,419.42	$ 726,027.81	$ 731,748.36	$ 737,583.33	$ 743,535.00	$ 749,605.70	$ 755,797.81	$ 762,113.77
Net Operating Income	**$ 688,069.42**	**$ 710,630.81**	**$ 733,643.43**	**$ 757,116.30**	**$ 781,058.62**	**$ 805,479.79**	**$ 830,389.39**	**$ 855,797.18**
Annual Debt Service	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09	-$630,438.09
Net Cash Flow	**$ 57,631.33**	**$ 80,192.72**	**$ 103,205.34**	**$ 126,678.21**	**$ 150,620.53**	**$ 175,041.71**	**$ 199,951.30**	**$ 225,359.09**
Return Measures								
Minimum Feasible ROI (NOI/Total Project Cost)	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Projected Yearly ROI (NOI/Total Project Cost)	5.57%	5.75%	5.94%	6.13%	6.32%	6.52%	6.72%	6.93%
Gap in ROI	**3.43%**	**3.25%**	**3.06%**	**2.87%**	**2.68%**	**2.48%**	**2.28%**	**2.07%**
$ Needed to Adjust	$ 423,430.58	$ 400,869.19	$ 377,856.57	$ 354,383.70	$ 330,441.38	$ 306,020.21	$ 281,110.61	$ 255,702.82
Return on Equity (Net Cash Flow/Equity Investment)	1.87%	2.60%	3.34%	4.10%	4.88%	5.67%	6.48%	7.30%
DCR	1.09	1.13	1.16	1.20	1.24	1.28	1.32	1.36
Value Estimates								
Net Operating Income	$ 688,069.42	$ 710,630.81	$ 733,643.43	$ 757,116.30	$ 781,058.62	$ 805,479.79	$ 830,389.39	$ 855,797.18
Cap Rate	8%	8%	8%	8%	8%	8%	8%	8%
Approximate Appraised Value	$ 9,174,258.98	$ 9,475,077.49	$ 9,781,912.37	$ 10,094,883.95	$ 10,414,114.97	$ 10,739,730.60	$ 11,071,858.54	$ 11,410,629.05

Schedule F:

Annual report to city council on the Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP)

See full report: http://hamilton.siretechnologies.com/sirepub/cache/2/5hs0yygnt5red22bz4w2u-0vq/75011031020160320289996.PDF

Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 30, 2015
SUBJECT/REPORT NO:	Status of the Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP) and other Urban Renewal Initiatives (PED15023) (Wards 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 13 and 15)
WARD(S) AFFECTED:	Wards 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 13 and 15
PREPARED BY:	Hazel Milsome (905) 546-2424 Ext. 2755 Joe Muto (905) 546-2424 Ext. 7589
SUBMITTED BY: **SIGNATURE:**	Jason Thorne General Manager Planning and Economic Development Department

Council Direction:

City Council, at its meeting held November 28, 2012, approved increasing loan commitments under the Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP) from $26 M to $45 M (provided that the total loan monies lent under the Program at one time does not exceed $35 M) and directed staff to review the terms and conditions of the Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP) on an annual basis and report back to the General Issues Committee during the first quarter of each year on the outcome of the review.

Information:

Report PED15023 provides an update on the status of the Hamilton Downtown Multi-Residential Property Investment Program, (HDMRPIP) as well as other Urban Renewal programs and initiatives.

Hamilton Downtown Multi-Residential Property Investment Program

The City has loaned, as at December 31, 2014, approximately $33.4 M under the Hamilton Downtown Multi-Residential Property Investment Program (HDMRPIP) supporting the creation / renovation of 1,313 dwelling units, at an interest cost to the City of approximately $2.6 M ($1,985 / dwelling unit). The public cost of the program has levered approximately $203.3 M of private construction value at a ratio of 1:55.

OUR Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.
OUR Mission: WE provide quality public service that contribute to a healthy, safe and prosperous community, in a sustainable manner.
OUR Values: Accountability, Cost Consciousness, Equity, Excellence, Honesty, Innovation, Leadership, Respect and Teamwork.