

**REPORT NO. 25 of the
ECONOMIC DEVELOPMENT
STANDING COMMITTEE
of its meeting held March 7, 2012**

Present: Councillor Dilkens
Councillor Payne
Councillor Valentinis
Councillor Sleiman

Regrets: Councillor Marra

That the following recommendation of the Economic Development Standing Committee **BE APPROVED** as follows:

Moved by Councillor Sleiman, seconded by Councillor Valentinis,

I. **THAT** the request made by 2047337 Ontario Inc. (Andre Abouasli) to participate in the Brownfield Rehabilitation Grant Program **BE APPROVED** pursuant to the City of Windsor Brownfield Redevelopment Community Improvement Plan;

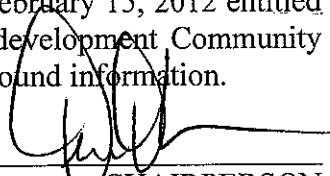
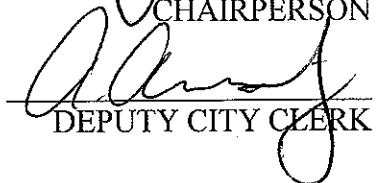
II. **THAT** staff **BE DIRECTED** to prepare an agreement to implement the Brownfield Rehabilitation Grant Program in accordance with all applicant policies, requirements, and provisions contained within the Brownfield Redevelopment Community Improvement Plan to the satisfaction of the City Planner as to content, the City Solicitor as to legal form, and the CFO/City Treasurer as to financial implications; and

III. **THAT** the CAO and City Clerk **BE AUTHORIZED** to sign the Brownfield Rehabilitation Grant Agreement.

Carried.

Livelihood #15764, Z/8955

Clerk's Note: The report authored by the Senior Planner dated February 15, 2012 entitled "Application for Financial Incentives under the Brownfield Redevelopment Community Improvement Plan – 3001 Dougall Avenue" is attached as background information.


CHAIRPERSON

DEPUTY CITY CLERK

NOTIFICATION				
NAME	ADDRESS	EMAIL	TELEPHONE	FAX
Andre Abouasli	1346 Ouellette Ave	andre4410@gmail.com	519-256-4456	



THE CORPORATION OF THE CITY OF WINDSOR
Economic Development Standing Committee- Administrative Report

**MISSION STATEMENT:**

"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"

LiveLink REPORT #: 15764 Z/8955	Report Date: February 15, 2012
Author's Name: Greg Atkinson	Date to Standing Committee: March 7, 2012
Author's Phone: 519-255-6543 ext. 6582	Classification #:
Author's E-mail: gatkinson@city.windsor.on.ca	

To: Economic Development Standing Committee

Subject: Application for Financial Incentives Under the Brownfield Redevelopment Community Improvement Plan – 3001 Dougall Avenue

1. RECOMMENDATION: City Wide: _____ Ward(s): 1

- I. THAT the request made by 2047337 Ontario Inc. (Andre Abouasli) to participate in the Brownfield Rehabilitation Grant Program **BE APPROVED** pursuant to the City of Windsor Brownfield Redevelopment Community Improvement Plan;
- II. THAT staff **BE DIRECTED** to prepare an agreement to implement the Brownfield Rehabilitation Grant Program in accordance with all applicant policies, requirements, and provisions contained within the Brownfield Redevelopment Community Improvement Plan to the satisfaction of the City Planner as to content, the City Solicitor as to legal form, and the CFO/City Treasurer as to financial implications; and
- III. THAT the CAO and City Clerk **BE AUTHORIZED** to sign the Brownfield Rehabilitation Grant Agreement.

EXECUTIVE SUMMARY:

N/A

2. BACKGROUND:

Brownfield Redevelopment Community Improvement Plan

Brownfield sites are properties that may be contaminated due to previous industrial or commercial uses such as a manufacturing facility or gas station. City Council approved a

Brownfield Redevelopment Community Improvement Plan (CIP) at its April 19, 2010 meeting for the purpose of encouraging the clean-up and redevelopment of contaminated properties. The approval of the CIP was the result of nearly five years of study and consultation, which began in October 2005. The Brownfield Redevelopment CIP applies City-wide and contains a number of financial incentive programs that encourage the clean up and redevelopment of brownfields sites. This is the first request the City has received for incentives under the Brownfield Redevelopment CIP.

Importance of Brownfield Redevelopment

In 2009 the City's planning department identified 137 brownfield properties (i.e. 226 hectares or 559 acres) that are available for redevelopment. While the inventory is not exhaustive, it does illustrate the significance of Windsor's brownfield stock and the need to work with land owners to put these properties back into productive use.

Historically, there has been little interest in redeveloping brownfield sites due to the uncertainty surrounding the extent of contamination and the potential cost of clean-up. The Brownfield CIP provides financial incentives to undertake the necessary studies and remedial work necessary to redevelop brownfield sites and reduce the potential negative impacts to the City's environment and neighbourhoods.

The benefits associated with brownfield redevelopment go far beyond the boundaries of the property. For example, they are often strategically located within existing built up areas of the City where services and other infrastructure, such as roads, schools, community facilities and public transit are already available, therefore additional infrastructure costs are not incurred to service these areas. The redevelopment of these sites also remove the negative stigma often associated with some brownfield properties, which increases the value of subject property and adjacent properties.

Brownfield sites also represent a significant underutilization of the land base. According to the National Round Table on the Environment and Economy (2003), every hectare redeveloped through a brownfield project saves up to an estimated 4.5 hectares of Greenfield land from being developed; and for every dollar invested in a brownfield redevelopment, it is estimated that \$3.80 is invested in the economy.

Site Background

The subject property is located at 3001 Dougall Ave (Map 1). The 0.13 hectare (0.32 acre) site is located on the southwest corner of Dougall Ave and West Grand Blvd. The site was formerly owned by Shell and used as a service station from 1953-2002. The site is designated as 'Commercial Corridor' in the Official Plan and zoned CD2.1 (Commercial District), which permits a wide range of commercial uses.

2047337 Ontario Inc, which is owned by local businessman Andre Abouasli, has recently purchased the property from Shell. Prior to selling the property to Mr. Abouasli Shell completed several environmental studies, investigations and work, which included:

- Removal of underground storage tanks (2003)
- Phase One Environmental Site Assessment (2004)
- Phase Two Environmental Site Assessment (2006)
- Site Specific Risk Assessment (2008)

- Record of Site Condition (2009)

As a condition of the Record of Site Condition (RSC) the Ministry of the Environment (MOE) has registered a Certificate of Property Use (CPU) on the subject property prohibiting the construction of an enclosed building on the northeast corner of the site. The CPU also requires the installation and on-going maintenance of a soil cap in the northeast corner of the site prior to development. This work must be supervised by a qualified professional (e.g. environmental engineer or geotechnical professional).

3. DISCUSSION:

2047337 Ontario Inc (Applicant) has applied for financial incentives under the Brownfield Rehabilitation Grant program. The purpose of the grant program is to encourage re-use of brownfield sites by providing grants to help offset costs associated with environmental clean-up and redevelopment. If approved, the Applicant would receive annual grants for up to 70% of the municipal property tax increase created by the redevelopment or 100% if the project is LEED certified (i.e. Leadership in Energy and Environmental Design).

The Applicant proposes to demolish the existing building, undertake the environmental work required by the CPU, and construct a three unit commercial building. The grant application estimates that costs associated with preparing the site for construction will total \$299,520—all of which are eligible costs under the Brownfield Redevelopment CIP. Appendix A provides an estimate of how the grant would be calculated based on the projected post development property assessment.

It is estimated that the Applicant would receive annual grants of \$5,772 over the 10 year lifespan of the program (i.e. for a non LEED certified building) along with a reduction in development charges in the amount of \$9,847. The total grant value would be \$67,567, which would represent repayment of approximately 23% of the eligible costs. For a LEED certified building the total grant amount would be \$92,304, which represents repayment of approximately 31% of the eligible costs.

City staff are supportive of the application as it meets all of the eligibility requirements specified within the Brownfield Redevelopment CIP. The proposed reuse of the long-standing vacant brownfield at 3001 Dougall Ave also supports the following CIP goals:

- To promote the remediation, rehabilitation, adaptive re-use and redevelopment of brownfield sites throughout the City of Windsor in a fiscally responsible and sustainable manner over the long term;
- Improve the physical and visual quality of brownfield sites;
- Improve environmental health and public safety;
- Provide opportunities for new housing, employment uses, and commercial uses;
- Increase tax assessment and property tax revenues;
- Promote Smart Growth, including the reduction of urban sprawl and its related costs, energy efficiency through the construction of buildings that meet Leadership in Energy and Environmental Design (LEED) standards, and green planning and building practices;
- Improving the land use compatibility of potential brownfield sites with surrounding land uses;

- Increase community awareness of the economic, environmental and social benefits of brownfield redevelopment; and
- Utilize public sector investment to leverage significant private sector investment in brownfield remediation, rehabilitation, adaptive re-use, and redevelopment.

4. RISK ANALYSIS:

Staff Resources

Staff resources from Planning, Legal, and Finance would be required to implement the grant program. The majority of the resources would be required upfront in the approval and finalization of the legal agreement. Resources related to on-going monitoring and issuance of annual grants will also be required over the next ten years.

Vacancy

There is a community risk associated with the subject property remaining vacant. Should the proposed development not go forward the property would remain vacant, the existing building will deteriorate, and the site would continue to have a negative effect on the surrounding commercial and residential areas.

5. FINANCIAL MATTERS:

The tax increment portion of the brownfield rehabilitation grant is not calculated or paid out until all eligible work is completed and the property is reassessed by the Municipal Property Assessment Corporation (MPAC). Reassessment of the property must result in an increase in assessment value. On this basis, once the tax increment (i.e. the difference between the pre and post-development municipal tax levy) is determined, the Applicant may be eligible receive an annual grant equivalent of up to 70% (non-LEED) or 100% (LEED) of the tax increment for up to 10 years or until 100% of the eligible costs are repaid. As discussed in this report and illustrated in Appendix A, the total grant amount is estimated at \$67,567 for a non-LEED certified project and \$92,304 for a LEED certified project.

6. CONSULTATIONS:


The development and approval of the Brownfield Redevelopment CIP was subject to extensive stakeholder and public consultation, which sought input from a wide range of stakeholders and internal City departments.

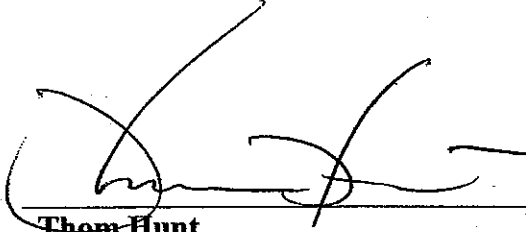
Planning staff have consulted with the applicant prior to accepting the application for the Brownfield Redevelopment Grant Program. Staff from the Planning, Finance, and Legal departments were consulted in the preparation of this report.

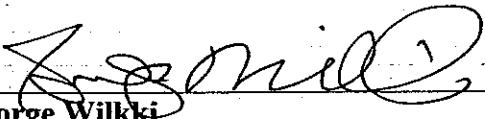
7. CONCLUSION:

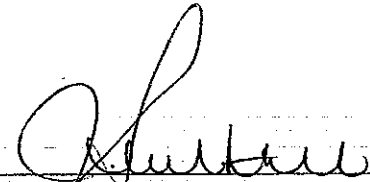
City Staff recommend that Council approve the request from 2047337 Ontario Inc to participate in the Brownfield Rehabilitation Grant Program. In the opinion of planning staff, the proposed reuse of the vacant brownfield site conforms to the Brownfield Redevelopment CIP, assists the City in the achievement of a number of the CIP goals, exemplifies the intent of the Brownfield

Rehabilitation Grant Program and addresses council's desire to mitigate or address blighted properties in Windsor.


Greg Atkinson
Senior Planner – Economic Development


Thom Hunt
City Planner/Executive Director


George Wilkki
City Solicitor and Corporate Leader
Economic Development and Public Safety


Onorio Colucci
Chief Financial Officer/City Treasurer and
Corporate Leader Finance and Technology

GA/mf

APPENDICES:

Map 1: Location Map – 3001 Dougall Ave
Appendix A: Estimated Grant Calculation

DEPARTMENTS/OTHERS CONSULTED:

Name: Janice Guthrie, Deputy Treasurer – Taxation and Financial Projects
Phone #: 519-255-6100 ext. 6271

Name: Michael Cooke, Manager of Planning Policy
Phone #: 519-255-6543 ext. 6102

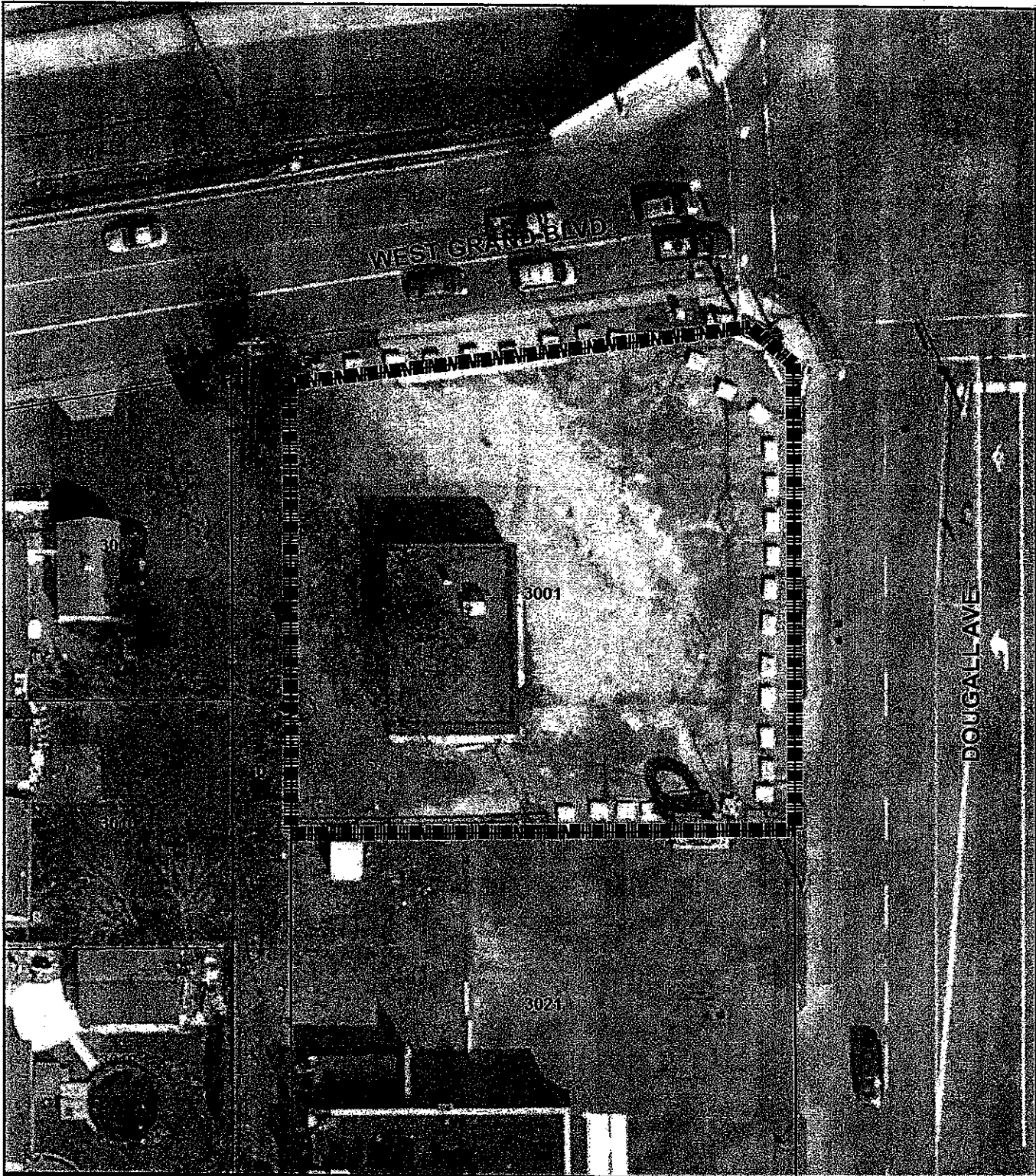
Name: Neil Robertson, Manager of Urban Design
Phone #: 519-255-6543 ext. 6461

Name: Wira Vendrasco, H D., Senior Legal Counsel
Phone #: 519-255-6100 ext. 6375

NOTIFICATION :

Name	Address	Email Address	Telephone	FAX
Andre Abouasli	1346 Ouellette Ave	andre4410@gmail.com	519256-4456	

Map 1: Location Map – 3001 Dougall Ave



LOCATION MAP - 3001 DOUGALL AVENUE



SUBJECT PROPERTY



Appendix A: Estimated Grant Calculation

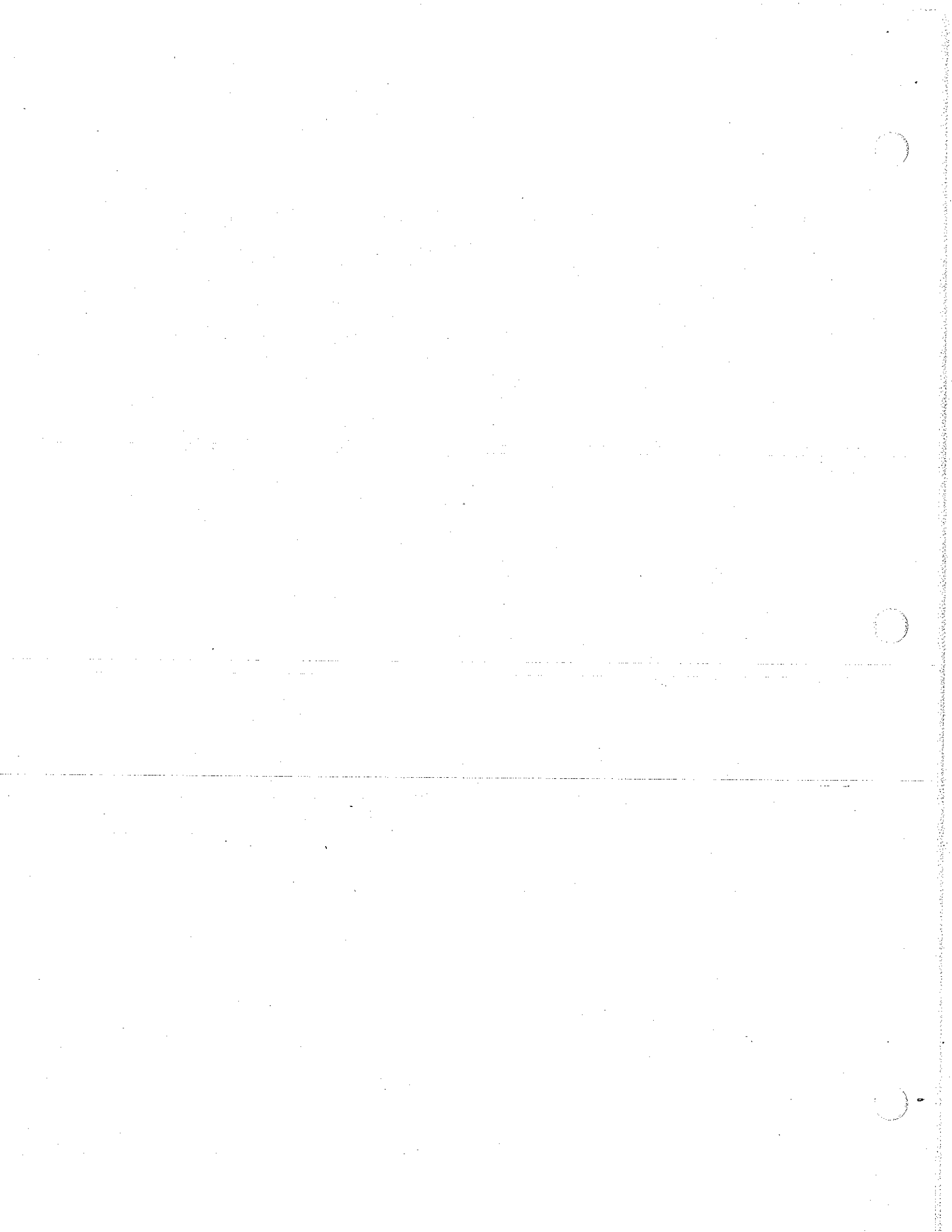
Estimated Grant Calculation (3001 Dougall Ave)				
Year of Grant	Pre-Development Municipal Taxes	Post-Development Municipal Taxes	Value of Grant (Non-LEED)	Value of Grant (LEED)
Brownfield DC Reduction			\$9,847	\$9,847
1*	\$3,899	\$12,145	\$5,772	\$8,246
2	\$3,899	\$12,145	\$5,772	\$8,246
3	\$3,899	\$12,145	\$5,772	\$8,246
4	\$3,899	\$12,145	\$5,772	\$8,246
5	\$3,899	\$12,145	\$5,772	\$8,246
6	\$3,899	\$12,145	\$5,772	\$8,246
7	\$3,899	\$12,145	\$5,772	\$8,246
8	\$3,899	\$12,145	\$5,772	\$8,246
9	\$3,899	\$12,145	\$5,772	\$8,246
10	\$3,899	\$12,145	\$5,772	\$8,246
Total	\$38,992	\$121,448	\$67,567	\$92,304

* Year 1 commences after development is completed and the property has been reassessed by MPAC

Assumptions

Current Property Value Assessment	\$236,000
Base Municipal Taxes (Post Demolition)	\$3,899
Investment (Estimated Eligible Costs - Non LEED)	\$237,920
Investment (Estimated Eligible Costs - LEED)	\$299,520
Estimated Post-Redevelopment Assessment	\$400,000
Estimated Post-Redevelopment Municipal Taxes	\$12,145
2011 City Commercial Tax Rate (full)	3.036207%

Note: Property assessment values are assumed to remain constant throughout the period of the grant program for purposes of pro-forma calculations. Actual grant amounts will be calculated on an annual basis throughout the lifespan of the program and will be retroactive to date of completion, prorated for part year(s). Post demolition tax rate is 0.01652194 (CX Tax Rate).



From: Atkinson, Greg
Date: Thursday, March 15, 2012 09:45 AM
To: Armstrong, Agatha
Cc: Cooke, Michael; Hunt, Thom
Subject: Memo to Council re: Brownfield CIP Application for 3001 Dougall Ave (LiveLink Report# 15764)

Please communicate the following information to Council with respect to LiveLink Report# 15764 (Application for Financial Incentives Under the Brownfield Redevelopment Community Improvement Plan – 3001 Dougall Avenue), which was considered by the Economic Development Standing Committee on March 7, 2012.

Page 3 of 7 – Section 3 (Discussion)

Planning staff wish to clarify a figure that appears in the 2nd paragraph under section 3 of the report. The estimated costs associated with preparing the site for construction (i.e. \$299,520) includes costs associated with Leadership in Energy and Environmental Design (LEED) certification. Should the applicant choose not to pursue LEED certification, the costs are estimated at \$237,920.

Planning staff also wish to correct a number that appears in the 3rd paragraph under section 3 of the report. The total estimated grant value (i.e. \$67,567) for a non-LEED development would represent approximately 28% of the eligible costs, not 23% as is stated in the report.

Please contact me if there are any questions related to the above clarification/correction.

Best Regards,

Greg Atkinson MCIP, RPP
Senior Planner - Local Economic Development

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