



Cornwall City Council

DEPARTMENT: Planning, Development and Recreation
REPORT NUMBER: 2017-PDR-PL-09
PREPARED BY: Dana McLean, Development Coordinator
REPORT DATE: April 19, 2017
MEETING DATE: Apr 24, 2017 07:00 PM

SUBJECT: PAC Report No. 3 - Heart of the City Community Improvement Plan Funding Reserve

PURPOSE

To provide Council with information and request direction as it relates to funding the Heart of the City Community Improvement Plan (HOTC CIP).

RECOMMENDATION

That Council receive this report and provide direction as it relates to funding the HOTC CIP.

The following funding proposal is a viable fiscal approach that would provide continued financial incentives to property owners/tenants to develop/refurbish their property based on the Program criteria.

- (a) That the \$193,457 withdrawn from the HOTC Reserve for expenditures related to the Pitt St Parking Lot and the George Assaly Lane be reimbursed (paid back) over the next 6 years through the budget process; and
- (b) That \$200,000 be set as the HOTC target reserve balance as 1 full year of operations in reserve; and
- (c) That a total annual budget of \$130,000 be set for Program 2- Building Restoration & Improvement, Program 3- Project Design Grant and Program 4- Facade Improvement and Sign Grant, to be reviewed after 3 years; and
- (d) That Program 5 Municipal Planning/Development Fees have a maximum of \$2,000 per application; and

(e) That a separate report be prepared for Council approval should PAC revise any recommended approval by CPPEG and the funding source to be determined prior to the recommendation to Council; and

(f) That if required, monies from the Downtown Reserve Fund of \$3.5M be used to offset a negative balance in the HOTC Reserve for the singular purpose of reconciliation; and

(g) That the non-refundable portion of tax revenue collected through the Tax Increment Grant component (Program 1) be contributed to the HOTC Reserve to the end of the 10 year term.

This Program funding proposal has been discussed by both the CPPEG and the PAC.

FINANCIAL IMPLICATIONS

The HOTC CIP is currently financially supported by utilizing the interest earned on the \$3.5M Ontario Downtown Redevelopment Program (ODRP) loan that was forgiven by the Ministry of Municipal Affairs and Housing in 2006, as well as monies received through the non-refundable portion of tax increment grants.

The response to the HOTC CIP has exceeded expectations both in terms of funding requests as well as the positive enthusiasm shown by the community. The Program is currently over committed in funding as a result of capital expenditures in the past, as well as, the successful uptake of applicants in funding large residential projects which were not intended or anticipated when the program was first designed, and a significant decline in the interest rates on the investment income. This has resulted in a negative HOTC Reserve balance. As at December 31, 2016, the HOTC Reserve was in a negative position of \$194,100. A specific funding plan is suggested to move forward in a positive direction.

Heart of the City Reserve Activity

Year	Opening Balance	~ Loan Forgiveness	Fund HOTC Programs*	Reimburse for Capital Outlay	Interest Income	Contributions to Reserve	Ending Balance
2011	\$193,570	(\$82,829)	(\$197,532)		\$210,844		\$124,053
2012	\$124,053	(\$89,073)	(\$150,842)		\$177,876	\$753	\$62,767
2013	\$62,767	(\$89,763)	(\$104,535)		\$91,273	\$11,200	(\$29,058)
2014	(\$29,058)	(\$100,690)	(\$110,211)		\$118,871	\$36,497	(\$84,591)
2015	(\$84,591)	(\$96,450)	(\$96,568)		\$105,226	\$45,312	(\$127,071)
2016	(\$127,071)	(\$85,795)	(\$93,289)		\$80,298	\$31,757	(\$194,100)
<i>projected</i>							
2017	(\$194,100)	(\$74,533)	(\$116,078)		\$80,312	\$35,000	(\$269,399)
2018	(\$269,399)	(\$55,300)	(\$90,000)	\$32,250	\$80,500	\$56,300	(\$245,649)
2019	(\$245,649)	(\$38,000)	(\$90,000)	\$32,250	\$80,500	\$60,100	(\$200,799)
2020	(\$200,799)	(\$27,400)	(\$90,000)	\$32,250	\$80,500	\$68,800	(\$136,649)
2021	(\$136,649)	(\$20,000)	(\$90,000)	\$32,250	\$80,500	\$48,100	(\$85,799)
2022	(\$85,799)	(\$20,100)	(\$90,000)	\$32,250	\$80,500	\$35,400	(\$47,749)
2023	(\$47,749)	(\$24,000)	(\$90,000)	\$32,250	\$80,500	\$48,100	(\$899)

~ 2018-2019 annual budget for loan forgiveness applications of \$40,000

* 2017 program budget (current commitments)

* 2018-2019 annual budget for applications of \$90,000

STRATEGIC PRIORITY IMPLICATIONS

The HOTC CIP initiative is a broad-based community rejuvenation plan which brings together the diversity of business, community and civic interests in the City to focus resources on the creation of a liveable and economically vibrant urban core for the City. The HOTC CIP aligns with Council's Strategic Plan, Pillar 1.D. Quality Downtown and Le Village Main Streets.

BACKGROUND / DISCUSSION

The HOTC CIP was adopted by Bylaw#170-2005, November 14, 2005. The HOTC CIP promotes a partnership-based community plan for public investment on private commercial based properties in the City's urban core. Through the CIP, the City of Cornwall offers financial incentive programs in the form of loans and grants to assist with various costs associated with development in the Downtown and Le Village Business Districts. The program focuses on the renovation, retrofit, rehabilitation, redevelopment and facade improvement of private property within a designated area.

Each application is reviewed by the CPPEG based upon its own merits as per the guideline criteria and intent of the CIP; if recommended for approval it is brought to PAC for consideration. PAC, in turn reviews the CPPEG recommendation(s) and provides final recommendation(s) to Council for review and approval.

HOTC Financial Summary (estimated values since inception)

Year	Funding Approved	Total Expenditure by Applicant
2006	\$561,029	\$2,019,905
2007	439,380	1,695,264
2008	413,751	2,231,400
2009	352,940	584,335
2010	659,983	2,935,928
2011	456,461	2,962,958
2012	5,070,113	23,632,158
2013	1,989,039	11,646,540
2014	253,262	999,068
2015	2,802,424	16,334,663
2016	130,587	740,215
Total	\$13,128,969	\$65,782,434

To date, through the HOTC CIP, Council has approved 218 applications totalling approximately \$65.8 million of physical revitalization in the Policy Area.

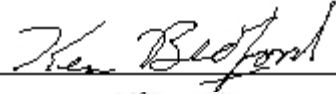
In addition, the HOTC CIP allows the City to facilitate local economic growth and contribute to social and community priorities. The City's Official Plan supports the HOTC CIP as a means to build upon the existing goals of community planning and key revitalization.

PAC Recommendation Moved by: Councillor Denis Carr
 Seconded by: Andre Rivette
 Carried

Approval

April 19, 2017 08:53 AM

Ken Bedford
Division Manager, Planning Services



April 19, 2017 09:09 AM

Tracey Bailey
General Manager, Financial Services



April 19, 2017 09:10 AM

Mark A. Boileau
General Manager, Planning, Development
and Recreation



April 19, 2017 09:36 AM

Maureen Adams
Chief Administrative Officer

