



The Corporation of the City of Cornwall
Regular Meeting of Council
Report

Department: Planning, Development and Recreation
Division: Planning
Report Number: 2021-85-Planning, Development and Recreation
Prepared By: Mary Joyce-Smith, Division Manager, Planning Services
Meeting Date: May 25, 2021
Subject: J.C. Godard Development – Prime Square

Purpose

To provide Council with information regarding a potential residential development at 1 Second Street East, Cornwall, Ontario.

Recommendation

- a. That Council approve a site-specific Tax Increment Grant (TIG) for 20 years at 90% for the residential development of 44 rental units at 1 Second Street East, Cornwall, Ontario, proposed by Mr. Godard; and
- b. That a By-law be prepared and presented to Council at its Regular Meeting of Council of June 14, 2021.

Financial Implications

The property at 1 Second Street East is currently assessed at \$144,000 and is taxed as commercial vacant land. The City collects approximately \$3,000 per year in municipal taxes on the property.

		2016 CVA				
	Year	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Roll 13500 - Assessed Value	CX	\$104,000	\$111,000	\$135,936	\$144,000	\$144,000
Roll 13600 - Assessed Value	CX	\$40,000	\$44,000			
Municipal Taxes		\$2,853.83	\$3,046.53	\$2,708.79	\$2,893.56	\$2,975.71
Education Taxes		<u>\$1,309.47</u>	<u>\$1,453.90</u>	<u>\$1,490.54</u>	<u>\$1,800.00</u>	<u>\$1,267.20</u>
Total Taxes		\$4,163.30	\$4,500.43	\$4,199.33	\$4,693.56	\$4,242.91

The Development Charges (DC) Act allows municipalities the ability to provide DC exemptions by By-Law at the municipality's discretion. Realizing the importance of development in the City's priority areas, Council approved an exemption of DC for infill development within the HOTC Community Improvement Policy Area. The Development at 1 Second Street East would be exempt from DC.

Strategic Priority Implications

A residential development in this location would be in line with several of Council's Strategic Priorities including growing quality of housing stock and affordable housing as well as encouraging private sector development on a very visible corner (infill project) of the Downtown area.

Background / Discussion

This development proposal would consist of a 5-storey residential building containing 44 residential units and one commercial unit on the main floor. The units would range in size from 418 square feet to 790 square feet. Monthly rent will vary with most of the units ranging between \$975/month and \$1,200/month. More details are provided within Mr. Godard's proposal (see Attachment).

The total construction cost is estimated at \$12,900,000. Mr. Godard has shared additional financial information to our Administration that provides details that would require a more enhanced Tax Increment Grant Program (TIG). Within his proposal, Mr. Godard has indicated that he would need the TIG for the residential component to be at 90% for a twenty-year term. The projected TIG over the 20-year term is estimated to be approximately \$1.7 million.

This site has been vacant since 1997 and has had multiple owners without success for a development for residential or commercial use. The City has sufficient vacant commercial space, however, there is a growing demand for more residential rental units.

Community Improvement Plan

The Heart of the City (HOTC) Community Improvement Plan promotes the redevelopment of underused and vacant properties. The HOTC CIP also contains public policies of public investment in private properties to achieve broader benefits of improved downtown retail and commercial districts, facilitating the creation of additional secondary uses in these districts, and improving the aesthetics and character of the downtown for residents and visitors alike. The HOTC Plan also supports broader plans for public investment in the City's urban core.

Within this plan, the City of Cornwall has several goals for the long-term revitalization of Cornwall. Attracting development and investment which supports population growth, higher property values, environmental improvement, and a vibrant community are priorities within the plan.

The current TIG program for mixed use commercial and residential development provides a rebate of property taxes for ten (10) years on a declining scale beginning at 80% for the first two (2) years and continues to decline by 10% for each two-year period thereafter.

The existing program does not provide enough support for the project outlined in this report. Mr. Godard has requested a TIG that would consist of a rebate for residential taxes at 90% for a twenty (20) year term.

Housing Revitalization Plan

Administration presented the Housing Revitalization Plan for Cornwall and SDG in September 2020. The results of the consultations pointed to a clear consensus emerging for more affordable housing units suitable for families and individuals in all stages of life and varying financial standing. The results also showed a preference for creating self sufficient communities with access to public services

and amenities such as recreational, healthcare, and educational facilities. The housing needs assessment showed that over a ten-year period from 2021 to 2031, approximately 740+ affordable units will be required in the Cornwall and SDG area, over 40% of which will be required in the City of Cornwall.

The Mayor has also been contacted by several employers in our City who have indicated that the lack of available housing has been a barrier to attracting a workforce from outside of our region.

Official Plan Policies

The Official Plan provides direction for Secondary plans and recognises the Heart of the City Community Improvement Plan. The City of Cornwall adopted the Community Improvement Plan to help achieve economic regeneration and sustainability of the historic core areas of the city.

The Official Plan states that:

14.23.2 Areas 17: c) Within the Community Improvement Policy Area, support will be given to the redevelopment and façade improvement of private property, consistent with the objectives of the City of Cornwall's Official Plan. The City may, within the Policy Area and from time to time, provide assistance to property improvements and redevelopment efforts through the creation of various programs and policies as may be deemed appropriate and at its full discretion and in accordance with the eligible costs as outlined in Section 28 (7.1) of the Planning Act.

The Official Plan also provides policy that supports:

- proper infilling of interior city block sites and
- the redevelopment through adaptive reuse of underutilized sites (4.5.2.6) and to
- encourage more housing projects in or immediately adjacent to the Downtown and Le Village Business Districts (5.3.2)

Document Title:	J.C. Godard Development - Prime Square - 2021-85-PDR.docx
Attachments:	- Prime Square - Site Plan, Rent and Taxes.pdf
Final Approval Date:	May 20, 2021

This report and all of its attachments were approved and signed as outlined below:

Mark A. Boileau - May 20, 2021 - 9:24 AM

Mellissa Morgan - May 20, 2021 - 9:52 AM

Tracey Bailey - May 20, 2021 - 9:58 AM

Maureen Adams - May 20, 2021 - 11:41 AM