

To: SPECIAL COUNCIL

Meeting Date: 6/28/2022

Subject: Core Areas Community Improvement Plan Financial Incentives Update - June 2022

Submitted By: James Goodram, Director, Economic Development

Prepared By: Michael Marini, Economic Development Officer

Report No.: 22-021-CRE

File No.: C1101

Wards Affected: All Wards

RECOMMENDATION(S):

THAT Report 22-021-CRE Core Areas Community Improvement Plan Financial Incentives Update - June 2022 be received by Council for information.

EXECUTIVE SUMMARY:

Purpose

- To provide Council with an update on the activity of the Core Areas Community Improvement Plan (CIP) Financial Incentives Program for the period of January to June 2022.
- The CIP was developed to be a financial incentive to owners of buildings in the three Core Areas to improve the aesthetic appeal of their building by undertaking exterior renovations and interior renovations which will lead to more jobs being created and an increase in activity in the Core Areas.
- Staff have delegated authority to approve applications under the Plan. This report also provides information on how staff have been exercising this authority under the program.

Key Findings

This report provides a summary to be presented to City Council on the activities of the Core Areas CIP for the period of January to June 2022.

A total of \$275,844 was approved to the owners of eight buildings in the Core Areas in 2022. Two files were approved by Council and six through delegated authority which was granted in April. The total value of work done as a result of this funding is \$1,445,000. This translates into a 5 to 1 ratio regarding private to public dollars.

Financial Implications

- The total value of the eight approved projects is \$275,844. The total value of work done as a result of this funding is \$1,445,000. This translates into a 5 to 1 ratio regarding private to public dollars.
- Staff and Council have approved 22 files to date and two projects have been completed. Of the two projects, to date funding has only been released for one application in the amount of \$50,000.
- Funding for the Core Areas CIP comes from the Core Areas Transformation Fund Reserve which currently has a balance of 19,484,882 as of May 31, 2022.

STRATEGIC ALIGNMENT:

- ☐ Strategic Action; or
☒ Core Service

Objective(s): ECONOMIC INCLUSION AND SUPPORT - Establish and extend inclusive programs to support business readiness and workforce development and help local businesses to thrive

Strategic Action: Enable small business to succeed

Program: BIA / Core Area Support

Core Service: BIA / Core Area Support

BACKGROUND:

The CIP provides the basis for financial incentive programs within the three relevant designated CIP Project Areas in the City of Cambridge. It focuses mainly on Cambridge's three (3) Core Areas as designated in the Official Plan and Community Improvement Project Area By-law.

These financial initiatives facilitate the planning and financing of development activities that effectively use, reuse and revitalize lands, buildings and infrastructure. They prioritize municipal investment and are intended to stimulate private sector investment, property maintenance and revitalization within the project areas.

Economic Development Staff is pleased to present this summary of information for the Financial Incentives programs.

The subject applications fall under the following grant programs:

- **Commercial Property Improvement Grant (CPIG):** The Commercial Property Improvement Grant Program is intended to provide financial assistance for commercial property owners & tenants who aim to improve upon the exterior appearance of commercial properties.
- **Commercial Building Restoration, Renovation and Improvement Grant (CBRRIG):** The Commercial Building Restoration, Renovation and Improvement Grant works to leverage significant private sector investment in interior building renovations and improvements for commercial properties that are in need of renovation or vacant in the core areas.
- **Mixed Use Conversion and Restoration Grant Program (MUCRG):** The Mixed Use Conversion and Restoration Grant Program is aimed at attracting new investment and interest in converting currently non-residential vacant or underutilized upper storey space to residential units and renovating the existing commercial space located below by providing a financial incentive that will be targeted at the costs of converting the space.

Under these programs, grants are available to property owners who typically have one year to complete the renovations. Upon review of an application and approval, City Staff issues an approval letter outlining the eligible scope of work and funding.

The next step in this process is for the owner or tenant to complete the work as specified on the application. City Staff will inspect the work to ensure it is complete and meets all necessary Municipal codes. The applicant will then submit paid invoices for all work completed, which are matched to the work submitted in the application process. If all submitted invoices comply with the program regulations, Staff (Economic Development and Finance) review all of the information and approve the issuance of payment under the Core Areas CIP.

Prior to 2022 (Plan launch was August 3, 2021)

Pursuant to staff reports brought to Council for approval in 2021, 11 Applications were approved for a total of \$761,361 in grants. This reflected a private sector spend of \$7,679,610. The new suite of incentive programs launched August 3, 2021.

Delegated Authority for Approvals

Through Report 22-008 (CRE) on April 19, 2022, Staff received delegated authority to approve Financial Incentive grant applications. In order to share how this delegated authority is exercised along with promoting the success of the program, staff have committed to providing regular updates to Council and the public.

ANALYSIS:

6 Month Summary of Applications

From January 1, 2022 to June 1, 2022, a total of 8 files were approved (2 through Council and 6 through delegated Staff approval) for a total funding of \$275,844. During this time period, Staff also received inquiries for a total of 27 properties across the three Community Improvement Project Areas (CIPAs). From those inquiries Staff received 15 full applications and 7 files are currently in progress. Staff is expecting more applications in the coming months due to new businesses locating within the CIPAs.

The following properties are approved for funding:

<u>Property</u>	<u>Programs Used</u>	<u>Grant Amount</u>	<u>Private Sector Spend</u>
Received Council Approval (January – March 2022)			
632 King Street East	CPIG, MUCRG	\$75,600	\$240,000
20 Grand Ave South	CPIG, CBBRIG	\$14,643	\$120,000
Staff Approved via Delegated Authority (April – June 1, 2022)			
38 Ainslie Street North	CBBRIG	\$32,544	\$400,000
The property at 38 Ainslie Street North is currently under re-development and the owners have been working with city staff for many months. This renovation of the roof structure will help to stop leaks that have developed in the building. These leaks are hampering the commercial tenants in the building including the new retail spaces that have been occupied below.			
30 Concession Street	CPIG, CBBRIG	\$49,500	\$305,000

This property owner has been working with city staff to revitalize the vacant businesses that were previously at this location. The exterior work will be a complete refacing of the building including paint, stone work and new doors. They will also replace the roof to allow for a secondary commercial tenant in the building.			
506 King Street East	CPIG	\$24,337	\$50,000
The work proposed is a renovation of exterior windows on the building, new eaves, fascia and soffit. This will allow for the business to operate continually on the property and help to upkeep the historic façade of the property.			
742 King Street East	CPIG	\$12,600	\$50,000
The work proposed is a complete renovation of the exterior of the building. The owner has been working with city staff on revitalizing the building over the past 5 years and this renovation will see the upper façade and windows repaired.			
36 Water Street South	CPIG	\$35,000	\$160,000
The owner is intending to replace 36 windows on the building and the doors of the commercial units on the main floor.			
14-22 Queen Square	CPIG	\$31,620	\$120,000
The building is in urgent need of a complete repointing and chimney reconstruction on the Grand River Side of the property. The repointing is in line with Heritage standards and has been granted a Heritage restoration grant.			
Total		\$275,844	\$1,445,000

Completed Files

In 2022, the following two projects have been completed

<u>Property</u>	<u>Programs Used</u>	<u>Status</u>	<u>Grant Provided</u>	<u>Private Sector Spend</u>

30 Dickson Street	CBRRIG	Completed and Paid	\$50,000	\$200,000
27 Queen Street East	CPIG, CBBRIG	Completed and Awaiting Receipts	\$123,820	\$467,800

Please see Appendix A for pictures of the completed works.

EXISTING POLICY / BY-LAW(S):

All of the properties that have been funded reside within the Community Improvement Project Areas (CIPAs) in Cambridge, the applicants are eligible for the Financial Incentives Programs 2021 which provides matching funding for certain improvements to the buildings. The City can provide grant funding for up to 50% of eligible costs under the CPIG, CBRRIG and MUCRG programs.

FINANCIAL IMPACT:

- The total value of the eight approved projects is \$275,844. The total value of work done as a result of this funding is \$1,445,000. This translates into a 5 to 1 ratio regarding private to public dollars.
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PUBLIC VALUE:

Transparency:

To ensure transparency relating to the Core Areas Community Improvement Plan applications, staff will regularly share with council and the public applications that have received staff approval.

ADVISORY COMMITTEE INPUT:

Not Applicable

PUBLIC INPUT:

Posted publicly as part of the report process.

INTERNAL / EXTERNAL CONSULTATION:

There was no internal/external consultation undertaken.

CONCLUSION:

In conclusion, Staff respectfully provides this update to council on the Core Areas CIP Financial Incentives Programs.

REPORT IMPACTS:

Agreement: **No**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 22-021 Appendix A – Completed Files