



City of
Peterborough

TO: Members of the Planning Committee

FROM: Ken Hetherington, Manager, Planning Division

MEETING DATE: May 22, 2012

SUBJECT: Report PLPD12-031
Facade Improvement Grant and
Central Area Revitalization Grant
273 Charlotte Street

PURPOSE

A report to recommend approval of the applications submitted by the Peterborough and the Kawarthas Association of Realtors Inc. for the Facade Improvement Grant Program and the Central Area Revitalization (Tax Increment Based) Grant Program for the property at 273 Charlotte Street.

RECOMMENDATIONS

That Council approve the recommendations outlined in Report PLPD12-031 dated May 22, 2012, submitted by the Manager, Planning Division, as follows:

- a) That the Central Area Revitalization (Tax Increment Based) Grant Program application submitted by the Peterborough and the Kawarthas Association of Realtors Inc. be approved in accordance with the Agreement attached as Exhibit C to Report PLPD12-031.
- b) That the Mayor and City Clerk be authorized to sign the Central Area Revitalization (Tax Increment Based) Grant Agreement.

- c) That the Facade Improvement Grant Program application submitted by the Peterborough and the Kawarthas Association of Realtors Inc. be approved in accordance with the Agreement attached as Exhibit D to Report PLPD12-031.
- d) That the Mayor and City Clerk be authorized to sign the Facade Improvement Grant Agreement.

BUDGET AND FINANCIAL IMPLICATIONS

The Facade Improvement Grant Program has a capital budget of \$200,000.00 (\$100,000.00 from 2011 and \$100,000.00 from 2012). With the approval of \$10,610.50 for the property at 273 Charlotte Street, \$189,739.50 remains in the account.

The approval of the Central Area Revitalization Grant Program does not require capital funding as the grant is based on a deferral of the increased taxes resulting from the property improvements. The existing property was assessed at \$208,000.00 in 2011 generating \$7,550.90 in property taxes. With the proposed redevelopment of the property, the new assessed value is estimated at \$416,000.00, which would generate an increase in taxes to \$15,100.00. The Central Area Revitalization Grant Program would provide a grant based upon the incremental increase in the municipal taxes. The program would be implemented over a nine year period after which the property owner would then be responsible for the full increase in taxes. The estimated grant would be implemented as follows:

Year	% of Grant	Amount Saved	Amount Payable
1	100	\$7,550.90	\$0.00
2	100	\$7,550.90	\$0.00
3	100	\$7,550.90	\$0.00
4	100	\$7,550.90	\$0.00
5	100	\$7,550.90	\$0.00
6	80	\$6,040.72	\$1,510.18
7	60	\$4,530.54	\$3,020.36
8	40	\$3,020.36	\$4,530.54
9	20	\$1,510.18	\$6,040.72
10	0	\$0.00	\$7,550.90
		\$52,856.30	

The total amount of the grant under the Central Area Revitalization Grant Program is estimated to be approximately \$53,000.00.

BACKGROUND

On September 12, 2011, City Council approved By-law 11-117 designating the Central Area Community Improvement Project Area and By-law 11-115 adopting the Central Area Community Improvement Plan (CIP).

The purpose of the Central Area CIP is to assist in the revitalization and enhancement of the Central Area by establishing a suite of financial incentives to help stimulate private investment. The CIP incentives may be applied to eligible properties for purposes that conform to the goals, objectives and policies of the CIP. Five financial incentive programs were approved as part of the Central Area CIP:

1. Facade Improvement Grant Program
2. Central Area Revitalization (Tax Increment Based) Grant Program
3. Brownfields Tax Assistance Program
4. Municipal Incentive Program
5. Residential Conversion and Intensification Grant

Since January 2012, the Facade Improvement Grant Program has garnered the most attention and all but one application received to date has been under the Facade Improvement Grant Program. The first round of applications were submitted by March 30, 2012. Negotiations and discussions with applicants regarding proposed works are still taking place and will be brought forward as each proposal is ready. A staff group comprised of the Manager, Planning Division, Planner, Urban Design and the Heritage Resources Coordinator review each of the applications to determine eligible improvements and communicate this information to applicants for their consideration. The applications submitted by the Peterborough and the Kawarthas Association of Realtors Inc. for the property at 273 Charlotte Street are ready for approval.

273 CHARLOTTE STREET

Two applications were received with respect to the redevelopment of 273 Charlotte Street, which is located mid-block between Bethune Street and Stewart Street. A Facade Improvement Grant application was made to help with exterior improvements to the property, and a Central Area Revitalization (Tax Increment Based) Grant application was made to help offset increased property taxes resulting from a reassessment of the property. The building is an old residential building now functioning as a small office building.

The redevelopment of the property will include the renovation of the main floor to meet current Building, including accessibility, and Fire Codes. A 600 square foot addition on the main floor is proposed for a new boardroom. The interior renovations will include changes to stairwells and existing office spaces as well as accommodating accessibility features and an upgraded HVAC system.

The exterior facade improvements include new signage, the restoration of the brickwork and a new main entrance from Charlotte Street. The existing brickwork has been

patched over the years and is in need of a complete restoration. The existing front entrance is a small porch which is in need of repair. New signage is also proposed for the front facade.

Central Area Revitalization (Tax Increment Based) Grant Program

As presented in the BUDGET AND FINANCIAL IMPLICATIONS section of this report, the 2011 assessed value of the property at 273 Charlotte Street is \$208,000.00 generating \$7,550.90 in municipal property taxes. As part of the application process under this program, the post- renovation assessment is estimated by MPAC based on the proposed renovation plans. In the case of 273 Charlotte Street, MPAC has estimated the new assessed value at 273 Charlotte Street at \$416,000.00, which would generate an increase in municipal property taxes to \$15,100.00. The nine year phase-in of the increase in municipal taxes results in a total tax savings of approximately \$53,000.00. The actual assessment and property tax figures will be reflected in the actual grant contribution once the renovations are complete and the property has been reassessed by MPAC.

The formal agreement between the City of Peterborough and the Peterborough and the Kawarthas Association of Realtors Inc. outlines the agreed upon renovation work and estimated grant amounts and is attached as Exhibit C. Once the renovation work is completed, the work will be inspected to ensure it has been completed in accordance with the agreement.

The proposed redevelopment is subject to Site Plan Control and a building permit. Approval of the Central Area Revitalization Grant Program application does not imply or predetermine approval of the Site Plan and building permit as submitted.

Facade Improvement Grant Program

The Facade Improvement Grant Program can only be applied to those works that are part of the front facade of a building. Therefore, building renovations associated with a building side or rear, which is not highly visible by the public are not eligible.

The application includes the following works:

Brick Tinting	-	\$12,000.00
Accessible Ramp	-	\$20,046.00
Front Porch	-	\$10,846.00
Budgeted Finishes		
up to \$20,000.00 for	- Shutters	\$537.66
	- Signage	\$3,675.00
	- Landscaping	\$750.00
	- Front Security Door	\$2,000.00
	- Side Accessible Door	\$2,500.00

After a review of the application it was determined by a staff working group that the following works qualify for funding:

Brick Tinting	-	\$4,700.00
Front Porch	-	\$10,846.00
Signage	-	\$3,675.00
Front Security Door	-	<u>\$2,000.00</u>
Total		<u>\$21,221.00</u>

Therefore, the City can provide a grant of 50% of the cost of the eligible work, which in this case would equal \$10,610.50. The formal agreement between the City and the Peterborough and the Kawarthas Association of Realtors Inc. attached as Exhibit D outlines the approved works under the Program and the total amount of funding. The funding will be provided to the owner upon completion, inspection and approval of the completed work.

SUMMARY

The applications submitted by the Peterborough and the Kawarthas Association of Realtors Inc. under the Facade Improvement Grant Program and the Central Area Revitalization (Tax Increment Based) Grant Program for the property at 273 Charlotte Street are excellent examples of how financial incentives approved under the Central Area Community Improvement Plan are intended to work. The proposed work improves an existing small office building on a significant downtown corridor and enhances the surrounding area.

Submitted by,

Concurred with,

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Manager, Planning Division

Malcolm Hunt, Director
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Attachments:

Exhibit A - Location Map

Exhibit B - Before and After Photos

Exhibit C - Central Area Revitalization (Tax Increment Based) Grant Program Agreement

Exhibit D - Facade Improvement Grant Program Agreement