

To: Economic and Development Services Committee

From: Warren Munro, HBA, MCIP, RPP, Commissioner,  
Economic and Development Services Department

Report Number: ED-23-153

Date of Report: September 6, 2023

Date of Meeting: September 11, 2023

Subject: Application under the Urban Growth Centre Community  
Improvement Plan, 87 Simcoe Street North, 2736516 Ontario  
Inc.

Ward: Ward 4

File: 12-04-2109

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## **1.0 Purpose**

The purpose of this Report is to obtain City Council direction with respect to an application submitted by 2736516 Ontario Inc. under the City's Urban Growth Centre Community Improvement Plan (the "C.I.P.") for an Increased Assessment Grant ("I.A.G.") to facilitate its proposed development at 87 Simcoe Street North (the "Site").

Attachment 1 is a map showing the location of the Site and the existing zoning for the area.

## **2.0 Recommendation**

That the Economic and Development Services Committee recommend to City Council:

1. That, pursuant to Report ED-23-153 dated September 6, 2023, the application submitted by 2736516 Ontario Inc. under the City's Urban Growth Centre Community Improvement Plan for an Increased Assessment Grant be approved in accordance with the comments in said Report.
2. That, pursuant to Report ED-23-153 dated September 6, 2023, 2736516 Ontario Inc. enter into an agreement with the City under the City's Urban Growth Centre Community Improvement Plan in a form and content satisfactory to the Commissioner of Economic and Development Services and the City Solicitor.

## **3.0 Executive Summary**

Not applicable.

## **4.0 Input From Other Sources**

The following have been consulted in the preparation of this Report:

- Commissioner, Corporate and Finance Services
- City Solicitor

## **5.0 Analysis**

### **5.1 Urban Growth Centre Community Improvement Plan**

On May 2, 2016, City Council adopted the Urban Growth Centre C.I.P. The C.I.P. is intended to encourage economic development in the Downtown Oshawa Urban Growth Centre through a variety of grant programs. The C.I.P. was advanced owing to the identification of downtown Oshawa as an Urban Growth Centre in the Provincial Growth Plan for the Greater Golden Horseshoe.

The C.I.P. specifies that an I.A.G. may be provided on a sliding scale for part or all of the increase in City taxes attributable to the improvement of a property located within the Urban Growth Centre Community Improvement Project Area. More specifically, an I.A.G. can be used to reimburse a property owner, on a declining basis over a 9-year period (e.g. 90% in year 1, 80% in year 2, 70% in year 3, etc.), a portion of the increased property taxes resulting from the successful development or redevelopment of a site. A grant is only paid following the completion of work, a final successful building inspection and the payment in full of property taxes for each year. The I.A.G. does not include the Regional or education portion of property taxes.

An I.A.G. is provided to the registered owner of the property or the declarant of a condominium on an annual basis. The declarant is the original developer that constructed the development.

The I.A.G. applies to the construction/creation of residential, non-residential and mixed-use buildings that result in an increase in assessed value. Any application for an I.A.G. must be approved by Council.

The C.I.P. also specifies that the terms and conditions of any grant program and administrative procedures may be changed, altered, amended or modified by the City on a case-by-case basis.

### **5.2 Proposed Development**

The building on the Site is currently vacant.

The proposed redevelopment of the Site being advanced by 2736516 Ontario Inc. contemplates:

- Converting an existing vacant building from its current retail and office use to a new mixed-use building featuring commercial and residential uses.

- The main floor will have one commercial unit fronting onto Simcoe Street North, maintaining the existing commercial entrance and four studio apartments (one of these apartments will be accessible).
- The second floor will be converted to five studio apartments.
- The basement will have one three-bedroom apartment along with a storage area.
- A total of ten new residential units will be created.

The owner intends to initiate construction in 2023. Given that the proposed development only involves repurposing an existing building and does not propose more than ten (10) dwelling units, the proposal is not subject to an application for site plan approval.

### **5.3 Application for an Increased Assessment Grant under the Urban Growth Centre Community Improvement Plan**

2736516 Ontario Inc. has recently applied for an I.A.G. for the proposed redevelopment of the Site.

2736516 Ontario Inc. has advised that approval of the I.A.G. will allow them to advance the final budgeting for this project.

The 2022 assessment of the Site is \$647,000 equating to City taxes of \$5,300 per year based on the 2022 Commercial tax rate.

Based on the best information available, 2736516 Ontario Inc. has estimated the post development assessed value of the project to be ±\$2,100,000.

Accordingly, it is estimated that the City will realize taxes of ±\$7,800 per year upon completion of the proposed development based on the 2022 tax rate.

Finance Services estimates that the requested I.A.G. for the Site under the C.I.P. will be approximately \$35,400 over a nine (9) year period. However, the specific amount of the grant will not be known until the project is completed and the actual new assessment value is determined.

The analysis is based on the 2022 tax rate and has assumed a consistent rate for the purposes of the analysis.

Finance Services also advises that the City will receive approximately \$119,000 in taxes during the same nine (9) year grant period for the project.

In addition, the maximum value of the I.A.G. is \$35,400 paid over a 9 year period based on the 2022 assessment as illustrated in Table 1 below:

**Table 1: Value of Increased Assessment Grant**

<b>Year</b>	<b>Yearly Percentage</b>	<b>Value of Grant</b>
Year 1	90%	\$7,100
Year 2	80%	\$6,300
Year 3	70%	\$5,500
Year 4	60%	\$4,700
Year 5	50%	\$3,900
Year 6	40%	\$3,100
Year 7	30%	\$2,400
Year 8	20%	\$1,600
Year 9	10%	\$800

Staff has no objection to the approval of the subject I.A.G. application, as it:

- Conforms with the City's Urban Growth Centre C.I.P.;
- Implements intensification and development on underutilized lands within the City's Downtown Urban Growth Centre consistent with the Provincial Growth Plan and Oshawa Official Plan;
- Advances the implementation of residential strategies contained within Oshawa's Plan Twenty 30;
- Increases the provision of a broader range of accommodation in the Downtown;
- Encourages development that may not otherwise occur; and
- Facilitates construction jobs and material purchases.

Should the I.A.G. application be approved, it is recommended that the owner be required to enter into an agreement with the City to ensure that certain criteria are met. These include, but are not limited to, the following:

- The property, including any building, must be maintained in accordance with the Property Standards By-law 1-2002, as amended ("Property Standards By-law") and the Ontario Building Code Act, 1992, S.O. 1992, c.23 ("Building Code Act") during the period of the Grant;
- The owner shall continuously comply with any City agreement; and,
- Any other appropriate criteria considered advisable by the City Solicitor and Commissioner of Economic and Development Services.

## 6.0 Financial Implications

The City currently receives \$5,300 in taxes per year for the Site based on the 2022 Commercial tax rate.

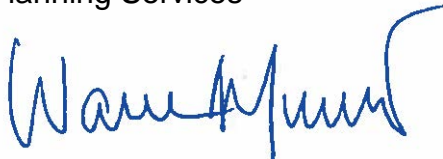
As the amount of the grant starts to decline, the City will realize increased incremental taxation revenue for each year to a time when approximately \$13,100 per year tax revenue for the City will be realized for the project, based on the 2022 new Multi-Residential Property tax rate. This is an increase of approximately \$7,800 in taxes per year based on the 2022 predevelopment assessment.

## 7.0 Relationship to the Oshawa Strategic Plan

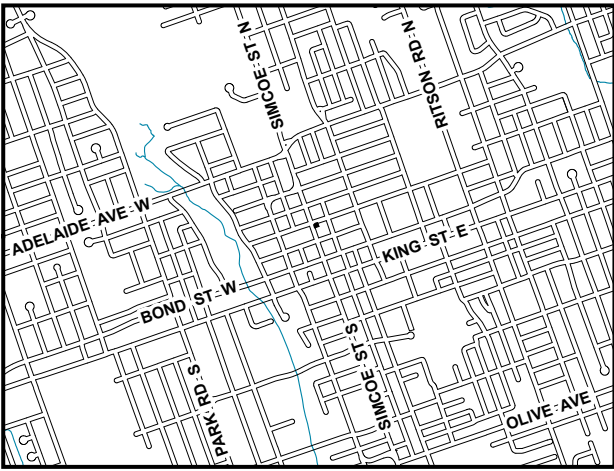
The Recommendation advances the Economic Prosperity and Financial Stewardship goal of the Oshawa Strategic Plan.



Tom Goodeve, M.Sc.Pl., MCIP, RPP, Director,  
Planning Services



Warren Munro, HBA, MCIP, RPP, Commissioner,  
Economic and Development Services Department



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Subject Site

