

To: City Council

From: Anthony Ambra, P.Eng, Commissioner,
Economic and Development Services Department

Report Number: CNCL-24-68

Date of Report: June 19, 2024

Date of Meeting: June 24, 2024

Subject: Application Under the Urban Growth Centre Community
Improvement Plan, the Brownfields Renaissance
Community Improvement Plan and Other Requested
Incentives, 35 Division Street, HVJ Properties Inc.

Ward: Ward 4

File: 12-04-2118

1.0 Purpose

The purpose of this Report is to obtain City Council direction with respect to:

1. An application submitted by Atria Development Corp. on behalf of HVJ Properties Inc. (hereinafter referred to as “Atria”) for a Brownfields Study Grant and Brownfields Property Tax Cancellation under the Brownfields Renaissance Community Improvement Plan (“C.I.P.”);
2. An application submitted by Atria for an Increased Assessment Grant under the City’s Urban Growth Centre C.I.P. and other incentives related to Development Charges and Parkland Dedication to facilitate its proposed development at 35 Division Street (municipally known as 35, 40 and 45 Division Street, 46 Kenneth Avenue, 196, 200 and 204 Bond Street East – the “Subject Site”); and,
3. A request from Atria for the City’s cooperation to work with the Region of Durham and Atria to provide a full waiver of Regional development charges for its proposed development.

The proposed development is comprised of a 12-storey, 233-unit purpose-built rental apartment building with approximately 204.4 square metres (2,200 sq. ft.) of retail floor space and associated underground parking.

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

Attachment 2 is a copy of the proposed site plan submitted by Atria that is currently advancing through the site plan approval process.

Attachment 3 is a copy of two (2) letters dated May 1, 2024 and May 21, 2024, respectively, from Atria requesting certain incentives.

2.0 Recommendation

It is recommended to City Council:

That City Council provide direction in respect to the request by Atria Development Corp. on behalf of HVJ Properties Inc. for certain City-level development incentives and for the City's support in working with Atria Development Corp. on behalf of HVJ Properties Inc. to secure other development incentives at the Regional level, as set out in their letters to the City dated May 1, 2024 and May 21, 2024, respectively.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

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

- Chief Administrative Officer
- Commissioner, Corporate and Finance Services Department
- City Solicitor
- The Region of Durham

5.0 Analysis

5.1 Proposed Development

The Subject Site is currently vacant and is located within the Downtown Oshawa Urban Growth Centre. The proposed development is comprised of a 12-storey, 233-unit purpose-built rental apartment building with approximately 204.4 square metres (2,200 sq. ft.) of retail floor space and 207 subsurface parking spaces on three (3) levels.

An application to amend the Zoning By-law 60-94, as amended ("Zoning By-law 60-94") was submitted by Atria to permit the proposed development. The application was approved by Council in 2022 and the associated by-law was passed and is now in effect. Subsequent to receiving approval for their Zoning By-law Amendment, Atria submitted an application to the Committee of Adjustment for a minor variance to permit additional height and density (i.e. from 43 metres in height to 43.7 metres in height, and from 773 units per hectare to 847 units per hectare). The Committee of Adjustment application was approved and no appeals were submitted.

The Subject Site is designated as Downtown Oshawa Urban Growth Centre in the Oshawa Official Plan, and is zoned CBD-B(2) (Central Business District) as per the Zoning By-law 60-94.

The proposed development is currently advancing through the site plan approval process.

5.2 Brownfields Renaissance Community Improvement Plan

On December 5, 2005, the Brownfields Renaissance C.I.P. was adopted by City Council.

The Brownfields Renaissance C.I.P. was prepared for lands that:

- may be underused or abandoned;
- may or may not have soil or water contamination because of chemicals or other pollutants; and,
- are often located in prime locations.

The high cost of remediation, the uncertainty about the level of contamination and the liability associated with the clean-up creates a barrier for municipalities to encourage the redevelopment of brownfield sites. The Brownfield Renaissance C.I.P. was prepared to aid in cleaning up and developing these contaminated sites by offering financial incentives through a variety of programs, including a Brownfields Property Tax Cancellation and a Brownfields Study Grant.

The Brownfields Property Tax Cancellation Program provides financial relief in the form of cancelled property taxes to property owners who undertake the rehabilitation of contaminated lands. Properties are only eligible for the Brownfields Property Tax Cancellation Program when the necessity for site remediation is confirmed through a Phase II Environmental Site Assessment, and where an application for the tax cancellation is submitted before commencing any eligible works.

The Brownfields Study Grant Program provides financial relief in the form of a grant to pay for a portion of the costs associated with undertaking environmental studies of brownfield sites. Brownfields Study Grants are based on 50% of the actual cost of the eligible study to a maximum of \$10,000 for each individual study, for a maximum of two (2) environmental studies, and must be approved by the City before commencing work on any environmental study for which a grant is being requested.

5.3 Urban Growth Centre Community Improvement Plan

On May 2, 2016, the Urban Growth Centre C.I.P. was adopted by City Council.

The Urban Growth Centre C.I.P. is intended to encourage economic development in the Downtown Oshawa Urban Growth Centre through a variety of grant programs.

The Urban Growth Centre C.I.P. specifies that an Increased Assessment Grant 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. Specifically, an Increased Assessment Grant can be used to reimburse the owner a portion of the increased property taxes resulting from the successful development of a site, 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 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.

An Increased Assessment Grant 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 Urban Growth Centre 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.

5.4 The Requested Incentives and Staff Comments

On May 1, 2024 and May 21, 2024, respectively, Atria submitted correspondence (see Attachment 3) requesting the following incentives with respect to their proposed development on the Subject Site:

- Waive the payment of all City development charges;
- Waive all City parkland dedication requirements;
- Provide an Increased Assessment Grant of 50% of the applicable City taxes every year for 16 years;
- Work with the Region of Durham and Atria to provide a full waiver of Regional development charges;
- Work with the Region of Durham to initiate the Regional Revitalization Program (“R.R.P.”) process; and,
- Retroactively apply the City’s Brownfields Renaissance C.I.P. to provide both a Brownfields Property Tax Cancellation and a Brownfields Study Grant.

5.4.1 City Development Charges

Atria has requested that the City agree to waive the payment of all City development charges for the subject development.

5.4.1.1 Staff Comments

The City’s current Development Charge By-law 60-2019 expires on July 1, 2024. It specifies that that no development charge shall be imposed with respect to any development “on lands wholly within that part of Oshawa partially known as the Urban Growth Centre and as depicted in Schedule ‘D’ to this By-law.”

A new Development Charge By-law is anticipated to be passed by Council on June 24, 2024. Within this new Development Charge By-law, exemptions for Development Charges will continue for lands located within the Downtown Oshawa Urban Growth Centre. Accordingly, this request by Atria is addressed.

5.4.2 City Cash-in-lieu of Parkland Dedication Fees

Atria has requested that the City agree to waive all parkland dedication requirements, including the payment of all cash-in-lieu of parkland dedication fees, for their proposed development.

5.4.2.1 Staff Comments

The City's Parkland Dedication By-law 63-2022, as amended, specifies that it does not apply to development on lands "wholly within that part of Oshawa known as the Central Business District Renaissance Community Improvement Area." The Subject Site is located in this area.

Accordingly, this request by Atria is addressed.

5.4.3 Increased Assessment Grant

Atria has requested that the City provide an Increased Assessment Grant of 50% of the applicable City taxes for a 16-year period based upon a post development assessed value of \$90.47 million for the project. The estimated value of an Increased Assessment Grant at 50% of the City taxes for a 16-year period is \$4,895,848.

Atria has requested a 16-year term in order to offset the costs of constructing approximately 207 subsurface parking stalls on three (3) levels. According to Atria, the estimated cost of this work is approximately \$24.84 million based on \$120,000 per parking stall. Atria also indicated that their lenders prefer a flat rate incentive (e.g. 50% per year for 16 years) rather than a declining rate methodology (e.g. 90% in Year 1, 80% in Year 2, 70% in Year 3, etc.). Atria is up-to-date on the payment of all property taxes for the proposed development.

5.4.3.1 Staff Comments

The Urban Growth Centre C.I.P. includes an Increased Assessment Grant program which:

- Reimburses the property owner a portion of the City taxes attributable to the improvement and/or redevelopment of a property.
- Financially assists the property owner and serves to phase-in the impact of tax increases which would be experienced after a project opens.
- Recognizes that the project might not occur save and except for the Increased Assessment Grant and that the City and community ultimately benefit from the project and its increased assessment/tax base in later years, on-going spin-offs, etc.

- Specifies that following completion of the work, a final building inspection and the payment of all property taxes for each year, the Increased Assessment Grant would be provided on a declining basis over a nine year period: 90% in Year 1, 80% in Year 2, 70% in Year 3, etc.

The 2024 assessment of the Subject Site is \$1,994,000, equating to City taxes of approximately \$22,431 per year, based on the 2024 tax rates.

Atria estimates that the post development assessed value of the proposed development will be \$90.47 million.

It is estimated that the City will realize taxes of \$634,412 per year upon completion of the proposed development based on the 2024 new multi-residential and commercial tax rates and the assumption that the residential units will be assigned to the new multi-residential tax class by the Municipal Property Assessment Corporation (“M.P.A.C.”).

Finance Services estimates that the value of the Increased Assessment Grant using the standard Table 1 contained in Appendix 1 of the Urban Growth Centre C.I.P. (i.e. increase in pre- and post-development taxes returned to property owner on a declining basis over a 9 year period – 90% Year 1, 80% Year 2, etc.) is \$2,753,914 over a 9-year period based on an estimated assessed value (post-development) of approximately \$90.47 million using the 2024 new multi-residential and commercial tax rates. This means that over the 9-year period there is a “balance”: Atria receives a grant of \$2,753,914 and the City retains \$2,753,914 of the property taxes attributable to the increased assessed value resulting from the development.

Finance Services further estimates that the value of the Increased Assessment Grant using the terms requested by Atria for the Subject Site under the Urban Growth Centre C.I.P. is approximately \$4,895,848 over a 16-year period again based on an estimated assessed value of approximately \$90.47 million and the 2024 new multi-residential and commercial tax rates. In this scenario, Atria would receive a grant of \$4,895,848 over the 16 years while the City would retain \$4,895,848 over the same period. Under this request, there will be a consistent amount of taxes paid over the grant period. Compared to the declining rate methodology, the City will retain more taxes in the earlier years of the 16-year period and less taxes in the later years.

If Council agrees to the request for an Increased Assessment Grant of 50% of the applicable City taxes for a 16-year period, it is recommended that all applicable taxes in any year be fully paid prior to the grant being paid back and that the performance criteria as set out in Section 5.5 of this Report be applied.

5.4.4 Region of Durham Development Charges Relief

Atria has requested that the City work with the Region of Durham and Atria to provide a full waiver of Regional development charges for its proposed development.

5.4.4.1 Staff Comments

The City receives these types of requests regularly.

In staff's experience, the Region of Durham is consistent in applying its applicable Development Charges at building permit issuance.

Nonetheless, a letter from the Mayor and the Chair of the Economic and Development Services Committee could be authorized by Council in support of Atria's request.

5.4.5 Regional Revitalization Program

The Region of Durham's R.R.P. is a partnership between the Region of Durham and participating area municipalities and aims to strategically target Regional investment towards key areas of Durham Region's area municipalities in order to advance the goals of the Regional Official Plan and achieve positive economic and community objectives. Successful applicants under the R.R.P. would receive Regional financial assistance in an amount not exceeding that of the area municipality's financial contribution.

Atria has requested that the City work with the Region of Durham to initiate the R.R.P. process in order to receive financial assistance from the Region of Durham.

5.4.5.1 Staff Comments

Council could authorize the Mayor and the Chair of the Economic and Development Services Committee to prepare a letter of support to the Region of Durham requesting that the proposed development receive funding under the R.R.P.

5.4.5.2 Requested Incentives under the Brownfields Renaissance C.I.P.

Atria has advised that Environmental Site Assessments were conducted from 2020 to 2021 and a remediation plan was developed and executed in 2022. Atria is requesting that the City retroactively apply the City's Brownfields Renaissance C.I.P. to provide both a Brownfields Property Tax Cancellation and a Brownfields Study Grant.

5.4.5.3 Staff Comments

As environmental works were already completed, the proposed development does not qualify for the Brownfields Property Tax Cancellation or the Brownfields Study Grant Programs. Applications are required to be submitted prior to commencing environmental studies and clean-up.

Additionally, granting a C.I.P. tax cancellation rebate retroactively for the Subject Site is not sound financial stewardship from a property tax perspective due to the fact that there is no approved budget in place to cover the tax cancellation and it would set a precedent for granting tax cancellations retroactively.

Furthermore, Section 365.1 of the Municipal Act, 2001, S.O. 2001, c. 25 ("Municipal Act, 2001") provides clarity concerning the municipal treatment of cancellation of taxes. A specific by-law must be passed providing significant details of the criteria that must be met to be eligible for tax cancellation with detailed conditions set by the municipality that must be met prior to the cancellation. There are several further provisions within the legislation that must be met with respect to this type of cancellation of taxes, such as the requirement

to remit a copy of the fully executed by-law to the Minister of Finance within 30 days of its passing. For these reasons, staff are recommending that Atria's request for retroactive Brownfields Property Tax Cancellation and Brownfields Study Grants be denied.

5.5 Considerations and Format for Council Resolution

In making its decision on the requested incentives, Council should consider, amongst other matters, the following:

- That a retroactive cancellation of taxes and issuance of a Brownfields Study Grant, where remediation has already concluded, is not sound financial stewardship.
- The affordability of the requested incentives.
- That, as a prerequisite, Atria be required to enter into an agreement with the City to ensure certain performance criteria are met (e.g. no incentives provided or paid unless and until the project is initiated and finished to the City's satisfaction, accessibility plan, completion date, etc.).

In the event that Council wishes to approve the requests made by Atria for certain City-level development incentives and for the City's support in working with Atria to secure other Regional-level development incentives for the Subject Site, the following format can be used by Council in preparing its motion:

1. That, pursuant to Report CNCL-24-68 dated June 19, 2024, HVJ Properties Inc. be provided the following in respect to its proposed development of a mixed-use building at 35 Division Street under the City's Urban Growth Centre Community Improvement Plan:
 - (a) An Increased Assessment Grant of 50% per year for 16 years totaling \$4,895,848 over the 16 year period. This percentage may change over the 16-year grant period to ensure the grant total is achieved based on M.P.A.C.'s final assessment.
2. That HVJ Properties Inc. enter into an agreement with the City setting out performance criteria related to the approval of the Increased Assessment Grant under the City's Urban Growth Centre Community Improvement Plan generally including, but not limited to:
 - A building permit for the foundation must be issued by September 1, 2024 and that construction activity commence within six (6) months of permit issuance;
 - The building must have the foundation completed by March 31, 2025 to the satisfaction of the Chief Building Official;
 - The project must be completed and available for first occupancy by October 31, 2026 to the satisfaction of the Chief Building Official;
 - The Director of Planning Services must approve an Accessibility Plan, with input from the Oshawa Accessibility Advisory Committee, and this Plan must be implemented and maintained;

- The property, including any building, must be maintained in accordance with the Property Standards By-law and the Ontario Building Code during the period of the Grant;
 - HVJ Properties Inc. shall continuously comply with any City agreement and City By-laws;
 - That any Increased Assessment Grant will only be provided to HVJ Properties Inc. after all applicable City taxes have been paid by the property owner;
 - The building architecture is to be designed to the satisfaction of the Director of Planning Services;
 - Where possible, the owner shall use local trades and suppliers. The owner agrees to establish an appropriate notification program to the satisfaction of the Director, Planning Services, to make local trades and suppliers aware of the proposed development and allow them an opportunity to bid on the proposal; and,
 - Any other appropriate criteria considered advisable by the City Solicitor and Commissioner, Economic and Development Services Department.
3. That the request to receive Brownfields Property Tax Cancellation and Brownfields Study Grants retroactively be denied as environmental works and studies have already been completed.
 4. That the Commissioner, Economic and Development Services Department, be authorized to execute any agreement(s) with the owner to implement Parts 1 and 2 above in a form and content satisfactory to the Commissioner, Economic and Development Services Department, and the City Solicitor.
 5. That the Mayor and Chair of Economic and Development Services Committee be authorized to write a letter to the Region of Durham in respect to HVJ Properties Inc.'s request to waive all Regional development charges for the proposed mixed-use development at 35 Division Street.
 6. That the Mayor and Chair of Economic and Development Services Committee be authorized to write a letter to the Region of Durham to request support for HVJ Properties Inc.'s proposed development at 35 Division Street under the Regional Revitalization Program and that the Mayor and Clerk be authorized to execute an agreement with the Region of Durham, as appropriate, in a form and content acceptable to the Commissioner, Economic and Development Services Department, and the City Solicitor.

6.0 Financial Implications

If approved by Council, and once the Increased Assessment Grant is complete, the City will realize increased taxation revenue, where approximately \$634,412 per year in tax revenue for the City will be realized for the project based on the 2024 new multi-residential

and commercial tax rates. This is an increase of approximately \$611,981 in taxes per year.

7.0 Relationship to the Oshawa Strategic Plan

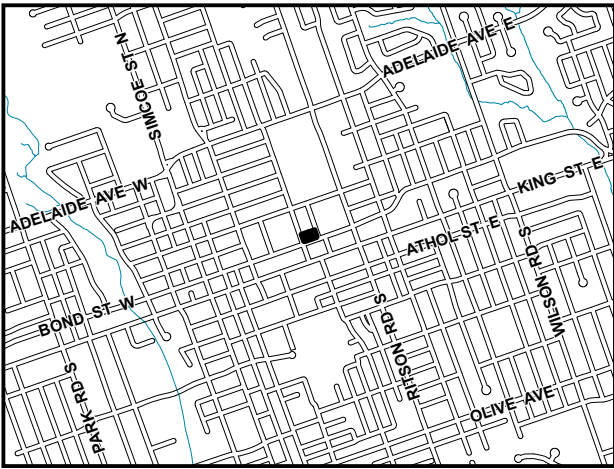
This Report advances the Economic Prosperity and Financial Stewardship goal of the Oshawa Strategic Plan.



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



Anthony Ambra, P.Eng., Commissioner,
Economic and Development Services Department



Economic and Development Services

Item: CNCL-24-68
Attachment 1

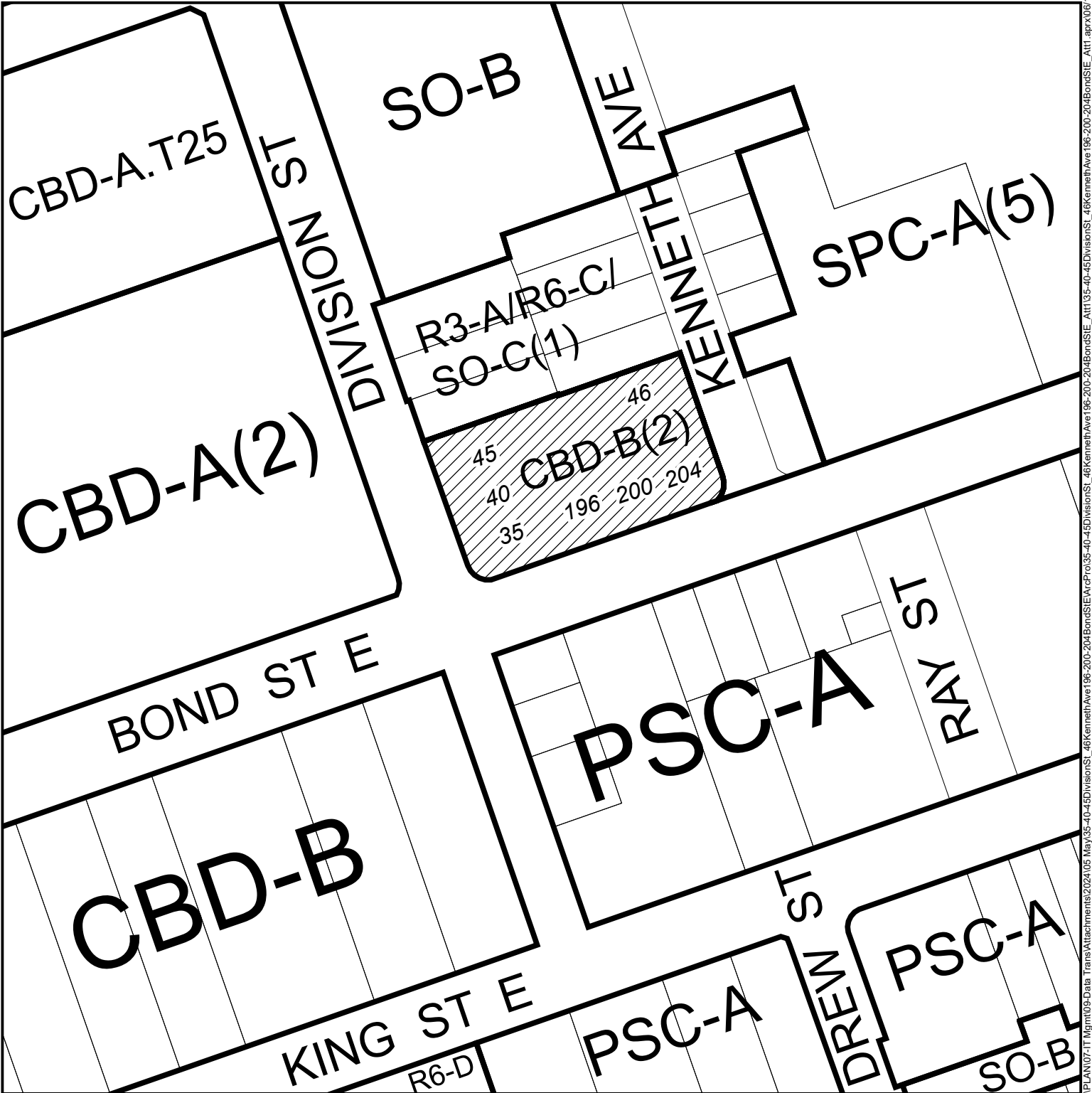
Subject: Application Under the Urban Growth Centre Community Improvement Plan, the Brownfields Renaissance Community Improvement Plan and Other Requested Incentives, 35 Division Street, Atria Development Corp.

Address: 35, 40, 45 Division, 46 Kenneth Avenue, 196, 200 & 204 Bond Street East

Ward: Ward 4

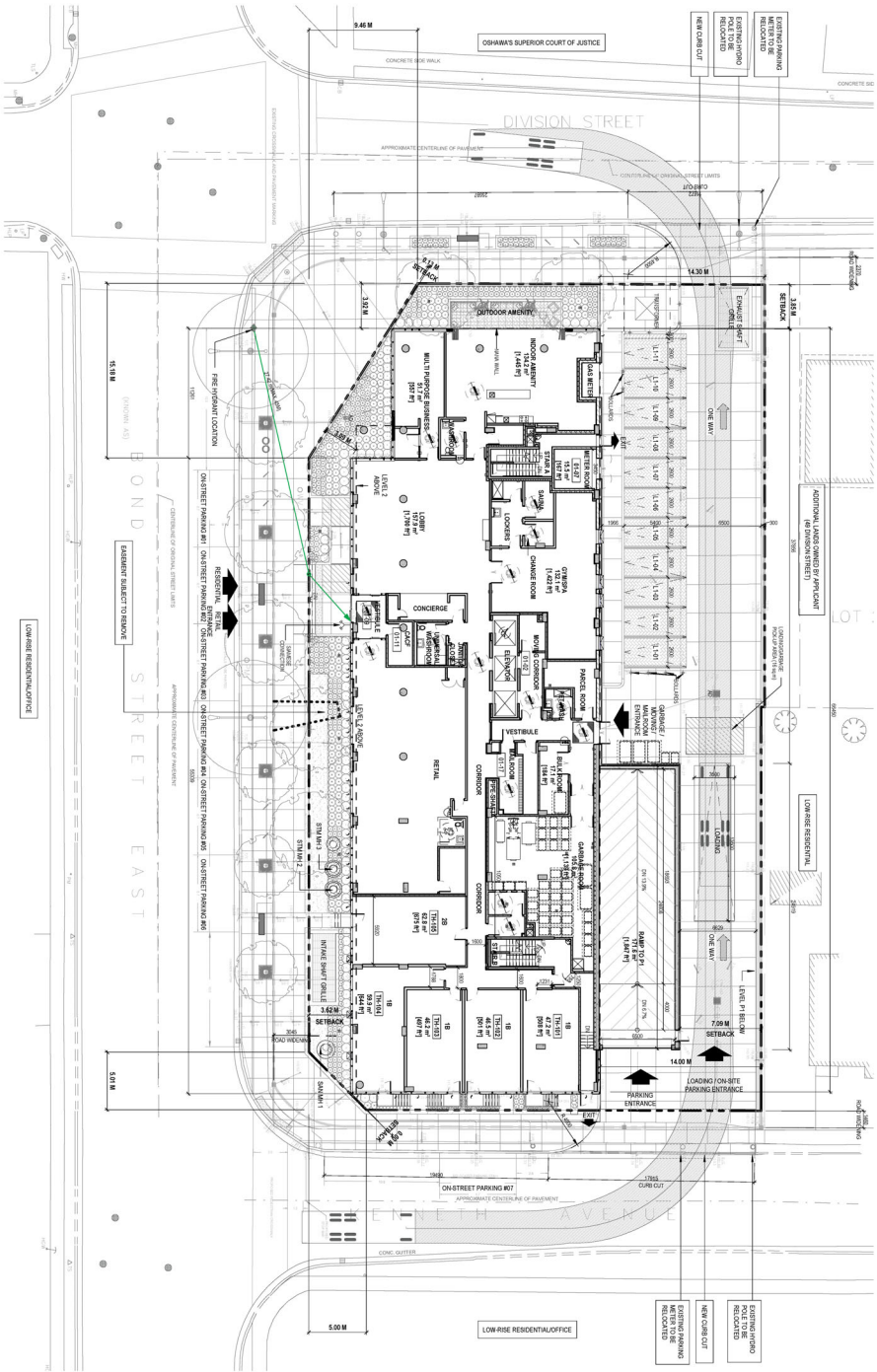
File: 12-04-2118

Subject Site 



Title: Proposed Site Plan Submitted by the Applicant
Subject: Application Under the Urban Growth Centre Community Improvement Plan, the Brownfields Renaissance Community Improvement Plan and Other Requested Incentives, 35 Division Street, Atria Development Corp.
Address: 35, 40, 45 Division, 46 Kenneth Avenue, 196, 200 & 204 Bond Street East
Ward: Ward 4
File: 12-04-2118

City of Oshawa
Economic and Development Services
OSHWAWA



LIMITATIONS

1. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF OSHWAWA AND THE PROVINCE OF ONTARIO. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF OSHWAWA AND THE PROVINCE OF ONTARIO. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF OSHWAWA AND THE PROVINCE OF ONTARIO.

GENERAL NOTES

1. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF OSHWAWA AND THE PROVINCE OF ONTARIO.
2. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF OSHWAWA AND THE PROVINCE OF ONTARIO.
3. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF OSHWAWA AND THE PROVINCE OF ONTARIO.
4. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF OSHWAWA'S ZONING BY-LAW AND THE PROVINCE OF ONTARIO'S BUILDING ACT AND REGULATIONS.
5. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF OSHWAWA'S ZONING BY-LAW AND THE PROVINCE OF ONTARIO'S BUILDING ACT AND REGULATIONS.

LEGEND

---	NEW PROPERTY LINE
---	OLD PROPERTY LINE
---	EXHIBIT SUBJECT TO CHANGE

1	12/21/20	REVISIONS FOR REVIEW
2	01/15/21	REVISIONS FOR REVIEW
3	02/10/21	REVISIONS FOR REVIEW
4	03/08/21	REVISIONS FOR REVIEW
5	04/07/21	REVISIONS FOR REVIEW
6	05/06/21	REVISIONS FOR REVIEW
7	06/04/21	REVISIONS FOR REVIEW
8	07/03/21	REVISIONS FOR REVIEW
9	08/02/21	REVISIONS FOR REVIEW
10	09/01/21	REVISIONS FOR REVIEW
11	10/01/21	REVISIONS FOR REVIEW
12	11/01/21	REVISIONS FOR REVIEW

AS Architects Inc.
 130 GARDEN COURT EAST, SUITE 100, TORONTO, ONTARIO, M4M 1A9
 (416) 869-1100 PROJECT@ASARCHITECTS.COM WWW.ASARCHITECTS.COM

NEO
 LIFE PLAN
 35, 39 AND 45 DIVISION ST. & 196, 200, 204 BOND ST. & 46 KENNETH AVE. OSHWAWA, ON

ATRIA
 DEVELOPMENT
 HUI PROPERTIES INC.
 5800 YONGE ST. SUITE 700, TORONTO, ON M2N 1B9

ONTARIO ASSOCIATION OF ARCHITECTS
 100 KING ST. W. TORONTO, ONT. M5X 1C7
 (416) 967-8888

DATE: 12/21/20
TIME: 12:00
DATE: OCT 2022

SITE PLAN

16-108 **A 101**

May 1, 2024

Anthony Ambra, Commissioner
Economic and Development Services
The Corporation of the City of Oshawa
50 Centre Street South
Oshawa, ON L1H 3Z7

Dear Mr. Ambra:

**RE: 35, 40, 45 Division, 46 Kenneth Avenue, 196, 200 & 204 Bond Street East
Urban Growth Centre Community Improvement Plan Application (Increased Assessment Grant
Program) and Brownfields Renaissance Community Improvement Plan Application**

For your consideration, Atria Development Corp. ('Atria') on behalf of HVJ Properties Inc. ('HVJ') is pleased to submit the enclosed Urban Growth Centre Community Improvement Plan (CIP) Application related to the Increased Assessment Grant (IAG) Program and the Brownfields Renaissance CIP Application related to the Brownfields Study Grant Program, the Brownfields Property Tax Cancellation Program and the Brownfields Redevelopment Grant Program (the 'Applications') for the property located at 35, 40, 45 Division, 46 Kenneth Avenue, 196, 200 & 204 Bond Street East (herein referred to as the 'Subject Lands'), in the City of Oshawa.

As you are aware, Atria has been a long-time partner with the City in downtown rejuvenation, we have completed numerous high-quality mixed-use development projects within the Downtown, including the purpose-built residential rental condominiums at 100 Bond Street East and 80 Bond Street East (239 units and 370 units respectively), 75 Emma Street (20 purpose-built rental units), and 44 Bond Street West (120-unit condominium). We continue to work collaboratively with City staff on several ongoing development approvals with the Downtown, including an application for Site Plan Control (SPA) for the Subject lands, which will, upon completion, comprise of a 12-storey, 233-unit purpose-built rental building with approximately 2,200 square feet of retail space and underground parking.

In short, Atria has constructed and maintained over 750 residential units, with approximately 2,500 units planned for Downtown Oshawa alone and a development pipeline totaling over 6,500 units across southern Ontario.

We have retained N. Barry Lyon Consultants (NBLC) to complete an Opinion of Economic Impact for the Subject Lands, which estimates the economic impact from construction spending and ongoing operations are as follows:

1. Approximately \$120 million from initial capital expenditures related to construction spending;
2. Approximately \$39 million in direct effects on GDP output as a result of construction spending;
3. Approximately 452 FTE jobs/annum;

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ATRIA
DEVELOPMENT

4. Approximately \$40 million in additional indirect and induced economic activity related to construction spending;
5. Approximately \$160 million in collective economic benefits to the economy; and,
6. Approximately 264 new residents in the downtown.

Attached is a copy of the NBLC Opinion dated December 2023.

The future development on the Subject Lands will also incorporate sustainable design initiatives including a geothermal-based approach to an off-grid energy service, and employing sustainable building technologies, such as energy efficient windows and appliances, as well as a green roof. Our Community Improvement Program Accessibility Plan Submission was also recently endorsed by the Oshawa Accessibility Advisory Committee (OAAC).

Request for Additional Economic Incentives

In addition to the Application, we respectfully request the following:

1. City of Oshawa will waive all Municipal Development Charges;
2. City of Oshawa will waive all Parkland Dedication requirements;
3. City of Oshawa will allow for an incremental increase and assessment of tax financing as follows: We are requesting a 16-year term in order to offset the significant costs of constructing 207 subsurface parking stalls on three (3) levels. The estimated cost of this work is \$24.84 million based on \$120,000 per stall. The market in the Region of Durham will not support the parking rates required to cover the cost of the construction of the underground parking. Accordingly, we require additional relief to assist with the significant costs of the underground parking structure. Rather than requesting relief on a declining grant basis, we are requesting a flat rate of 50% per year grant over the 16-year term. The reason for the flat rate is that our lenders will not recognize a declining grant program as it is difficult to capitalize.
4. City of Oshawa will work with the Region of Durham and Atria to reduce and defer Regional Development Charges to after the completion and financing of the Subject Lands, and with equal proportionate payments over 5 years upon occupancy; and,
5. City of Oshawa will work with the Region of Durham, as necessary, to initiate the Regional Revitalization Program (RRP) process.
6. City of Oshawa retroactively apply the Brownfields Renaissance Grants for the environmental work conducted.

It is important to note, Environmental Site Assessments were conducted from 2020 – 2021 where further Areas of Potential Environmental Concerns ('APEC') were identified. A remediation plan was developed and executed in 2022 where contaminants were removed. Confirmatory sampling was conducted and analyzed and it was deemed that the Subject Site satisfied the applicable standards set out in O.Reg 153/04.

The incentives the City of Oshawa can provide to the Subject Lands would be a modest investment compared to the long-term benefits the project would offer, not only in terms of more tangible

economic benefits of the estimated \$120 million, but also the incremental gains that Downtown Oshawa would achieve towards establishing a vibrant and “compete” urban growth centre as envisioned by the City and Province, with an annual direct economic impact of \$39 million.

Atria is eager to proceed with this high-quality, environmentally sustainable, mixed-use development and welcomes any assistance from the City of Oshawa and/or Region of Durham. This Application is a critical component for the financing of the proposal, which is scheduled to break ground in September 2024.

I trust that the foregoing is in order. Please contact the undersigned if you have any questions or require further clarification. Thank you.

Yours Truly,
Atria Development Corp.

A handwritten signature in black ink, appearing to read 'Hans Jain', written over a faint grid background.

Hans Jain
President & CEO

May 21, 2024

Anthony Ambra, Commissioner
Economic and Development Services
The Corporation of the City of Oshawa
50 Centre Street South
Oshawa, ON L1H 3Z7

Dear Mr. Ambra:

**RE: 35, 40, 45 Division, 46 Kenneth Avenue, 196, 200 & 204 Bond Street East
Urban Growth Centre Community Improvement Plan Application (Increased Assessment Grant
Program) and Brownfields Renaissance Community Improvement Plan Application**

Further to my letter dated May 1, 2024, we have the following additional request related to our application for the Urban Growth Centre Community Improvement Plan Increased Assessment Grant Program:

1. The City of Oshawa will work with the Region of Durham and Atria to provide a full waiver of Regional Development Charges.

Please contact the undersigned if you have any questions or require further clarification. Thank you.

Yours Truly,
Atria Development Corp.



Hans Jain
President & CEO