

To: Economic and Development Services Committee

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

Report Number: ED-24-115

Date of Report: October 2, 2024

Date of Meeting: October 7, 2024

Subject: Application Under the Harbour Road Area Community
Improvement Plan, 80 Harbour Road, Oshawa Harbour Limited
Partnership

Ward: Ward 5

File: 12-04-4842

1.0 Purpose

The purpose of this Report is to obtain direction from City Council with respect to an application submitted by Oshawa Harbour Limited Partnership for an Increased Assessment Grant under the City's Harbour Road Area Community Improvement Plan ("C.I.P."), to facilitate Phase 1 of its proposed development at 80 Harbour Road (the "Subject Site").

Phase 1 of the proposed development consists of a 16-storey, 336-unit mixed-use residential/commercial podium building featuring approximately 33,910 square metres (365,000 sq. ft.) of gross floor area including 743 square metres (8,000 sq. ft.) of retail gross floor area at grade level. A total of 349 parking spaces are proposed to be provided including two (2) levels of above grade parking and two (2) levels of below grade 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 phased site plan submitted by Oshawa Harbour Limited Partnership that is currently advancing through the site plan approval process.

Attachment 3 is a copy of correspondence dated September 27, 2024 submitted by Nahid Corp. on behalf of Oshawa Harbour Limited Partnership requesting an Increased Assessment Grant for the development of Phase 1 of the Subject Site.

2.0 Recommendation

That, based on Report ED-24-115 dated October 2, 2024, the Economic and Development Services Committee provide a recommended direction to City Council with respect to the request by Oshawa Harbour Limited Partnership for an Increased Assessment Grant under the Harbour Road Area Community Improvement Plan for Phase 1 of their proposed development, as set out in their letter to the City dated September 27, 2024, taking into consideration the matters outlined in Section 4.4 of said Report.

3.0 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

4.0 Analysis

4.1 Proposed Development

The Subject Site is currently vacant and is located within the Oshawa Harbour Special Development Area, as shown in the Oshawa Official Plan. It is also situated within the Harbour Road Area Community Improvement Project Area, which applies to those lands within the Oshawa Harbour Special Development Area that are designated for Residential purposes.

The proposed development consists of two high-rise residential buildings. The development is to be phased, with Phase 1 being developed on the southwest portion of the Subject Site and Phase 2 being developed on the northwest portion of the Subject Site. Phases 3 and 4 will be developed on the southeast and northeast portions of the Subject Site, respectively. The proposed development in its entirety will deliver 1,414 residential units, complemented by a total of 1,917 parking spaces for retail and visitors.

Oshawa Harbour Limited Partnership has requested an Increased Assessment Grant for Phase 1 of the proposed development, which comprises the southerly portion of the west building (see Attachment 2). The component of the west building comprising Phase 1 consists of a 16-storey, 336-unit mixed-use residential/commercial podium building with 349 parking spaces across four (4) levels, and 743 square metres (8,000 sq. ft.) of retail space.

4.2 Harbour Road Area Community Improvement Plan

On June 12, 2017, the Harbour Road Area C.I.P. was adopted by City Council.

The goals of the Harbour Road Area C.I.P. are to increase the provision of a range of accommodation in the Harbour Road Area, increase assessment and job creation, reduce greenfield development through infilling and intensification and use municipal services more effectively.

The objective of the Harbour Road Area C.I.P. is to intensify the Harbour Road Area and develop this area with standalone residential uses and mixed residential/commercial uses to support an overall long-term density target of at least sixty (60) residential units per gross hectare to help achieve Provincial objectives related to intensification.

The Harbour Road Area C.I.P. consists of one financial incentive program – the Increased Assessment Grant Program. The Increased Assessment Grant Program is available to all registered property owners within the Harbour Road Area Community Improvement Project Area.

The grant is provided for approved projects on a declining basis over a nine-year period. Grants are paid over a nine-year period with Year 1 of the program defined as the first full calendar year in which taxes are paid after the project has been completed and reassessed. For example, if an eligible building is completed and reassessed effective May 1, 2025, Year 1 of the grant schedule would be 2026. The first annual grant would be provided at the end of 2026 based upon 12 months (i.e. January to December).

4.3 The Requested Incentives and Staff Comments

On August 8, 2024, Oshawa Harbour Limited Partnership submitted an application under the Harbour Road Area C.I.P. requesting an Increased Assessment Grant with respect to Phase 1 of their proposed development on the Subject Site.

4.3.1 Increased Assessment Grant

Oshawa Harbour Limited Partnership has requested that the City provide an Increased Assessment Grant of \$5,594,460 of the applicable City taxes for a 9-year period based upon a post development assessed value of \$190 million for the project. The estimated value of an Increased Assessment Grant on a declining basis over a 9-year period is \$5,594,460.

Oshawa Harbour Limited Partnership has requested a 9-year term in order to offset the costs of constructing Phase 1 of the Subject Site. Oshawa Harbour Limited Partnership is up-to-date on the payment of all property taxes for the proposed development.

The building foundation is anticipated to be completed by January 31, 2027 and available for first occupancy by July 1, 2031.

4.3.2 Staff Comments

The Harbour Road Area C.I.P. features 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 \$1,458,000 (Multi-Residential Taxable), equating to City taxes of approximately \$16,401 per year, based on the 2024 tax rates.

Oshawa Harbour Limited Partnership estimates that the post development assessed value of the proposed development will be \$190 million.

It is estimated that the City will realize taxes of \$1,259,615 per year upon completion of the proposed development based on the 2024 new multi-residential tax rate 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 Harbour Road Area 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 \$5,594,460 over a 9-year period based on an estimated assessed value (post-development) of approximately \$190 million using the 2024 new multi-residential tax rate. This means that over the 9-year period there is a “balance”: Oshawa Harbour Limited Partnership receives a grant of \$5,594,460 and the City retains \$5,594,460 of the property taxes attributable to the increased assessed value resulting from the development.

4.4 Considerations and Format for the Economic and Development Services Committee Resolution

In making its recommendation to Council on the requested incentive, the Economic and Development Services Committee should consider, amongst other matters, the following:

- The affordability of the requested incentives.
- That, as a prerequisite, Oshawa Harbour Limited Partnership 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 the Economic and Development Services Committee wishes to recommend that Council approve the request made by Oshawa Harbour Limited

Partnership for the Increased Assessment Grant for the Subject Site, the following format can be used by the Committee in preparing its motion:

1. That, based on Report ED-24-115 dated October 2, 2024, Oshawa Harbour Limited Partnership be provided the following in respect to its proposed development of a 16-storey, 336-unit mixed-use residential/commercial podium building at 80 Harbour Road under the City's Harbour Road Area Community Improvement Plan:
 - (a) An Increased Assessment Grant totaling \$5,594,460 over a 9-year period. The grant total is achieved based on the final assessment of the Municipal Property Assessment Corporation.
2. That Oshawa Harbour Limited Partnership enter into an agreement with the City setting out performance criteria related to the approval of the Increased Assessment Grant under the City's Harbour Road Area Community Improvement Plan generally including, but not limited to:
 - A building permit for the foundation must be issued by July 1, 2025 and that construction activity lawfully commence within six (6) months of permit issuance;
 - The building must have the foundation completed by January 31, 2027 to the satisfaction of the Chief Building Official;
 - The project must be completed and available for first occupancy by July 1, 2031 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 City's Property Standards and Lot Maintenance By-laws and the Ontario Building Code during the period of the Grant;
 - Oshawa Harbour Limited Partnership shall continuously comply with any City agreement and City By-laws;
 - That any Increased Assessment Grant will only be provided to Oshawa Harbour Limited Partnership 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 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.

5.0 Financial Implications

If approved by Council, and once the Increased Assessment Grant is complete, the City will realize increased taxation revenue, where approximately \$1,259,615 per year in tax revenue for the City will be realized for the project based on the 2024 new multi-residential tax rate. This is an increase of approximately \$1,243,214 in taxes per year.

6.0 Relationship to the Oshawa Strategic Plan

This Report responds to the Oshawa Strategic Plan Priority Area:

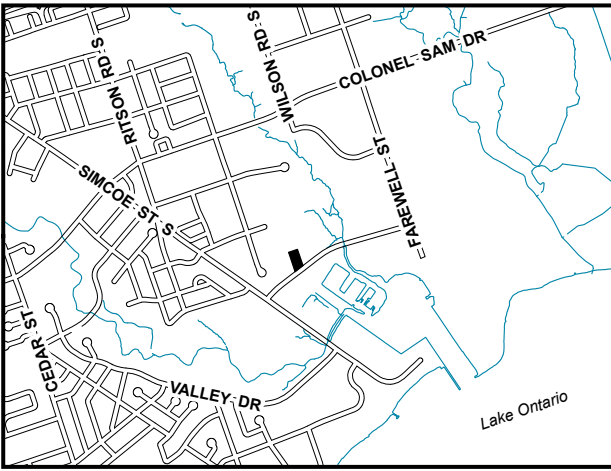
“Belong: Inclusive and Healthy Community” with the goal to support and encourage diverse housing options.



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



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





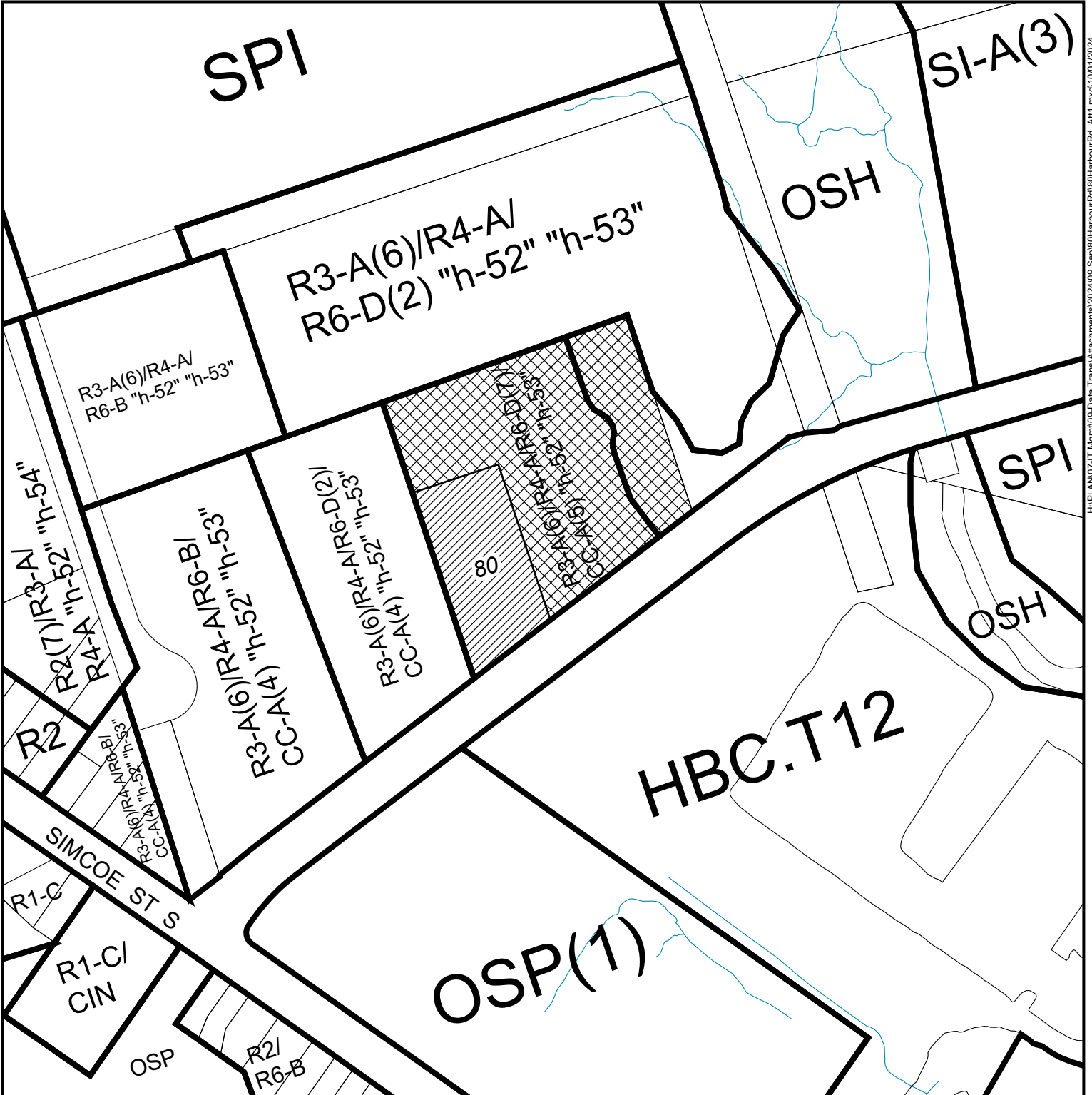
**Item: ED-24-115
Attachment 1**

Economic and Development Services

Subject: Application Under the Harbour Road Area
Community Improvement Plan, 80 Harbour Road,
Oshawa Harbour Limited Partnership

Ward: Ward 5
File: 12-04-4842

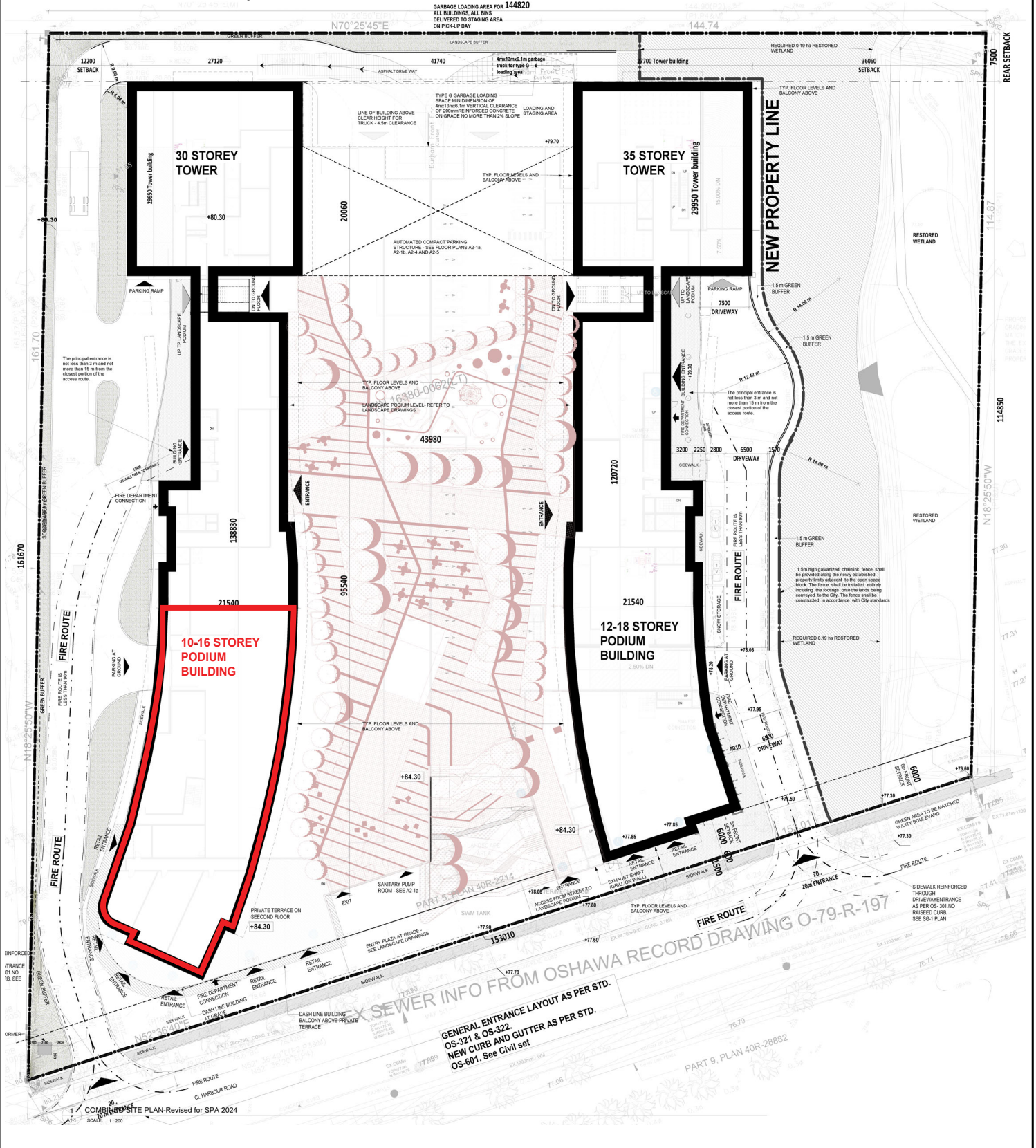
Other Lands Owned by
Oshawa Harbour Limited Partnership 
Subject Site (Phase One of Development) 



Title: Proposed Site Plan for Phase One of Development
 Subject: Application Under the Harbour Road Area Community Improvement Plan,
 80 Harbour Road, Oshawa Harbour Limited Partnership
 Ward: Ward 5
 File: 12-04-4842



 Phase 1 of Development



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September 27th, 2024

City of Oshawa, Planning Department

50 Centre St. S.
Oshawa, ON L1H 3Z7

Attention to: Raisa Chowdhury, Planner A, Policy| City of Oshawa

RE: 80 Harbour RD. - Increased Assessment Grant Application

Dear Ms. Chowdhury,

NAHID expresses an interest in the Harbour Road Area Community Improvement Program "Increased Assessment Grant Program", per the submitted application to the City of Oshawa. This letter provides to combine all information for your review.

80 Harbour Road Development and Increased Assessment Grant Program:

As the 80 Harbour Road property is a registered site within the Harbour Road Area Community Improvement Plan, NAHID is applying for Phase One of this development. All proposed assessed values within this application are based on documentation from our financial consultant, including the feasibility study and project budget prepared by Finnegan Marshall.

Overall Property Development Description:

The lands at 80 Harbour Road are fully zoned for 1,414 residential units, including nearly 1.2 million square feet. However, the development will be executed in phases, subject to final Site Plan Approvals. We believe that a project of this scale in Oshawa will require phased development to accommodate absorption rates, market conditions, and other financial considerations.

The subject property is zoned as R3-A(6)/R4-A/R6-D(7)/CC-A(5) "h-52" "h-53" - OSH.

80 Harbour Rd. Development – Phase One

Phase 1 of the development will be located at the southwest quadrant of the site, covering approximately 365,000 sq. ft. of gross floor area. This phase will include the construction of a two-level underground parking structure, along with parking at grade and one level above grade, providing a total of 349 parking spaces within the building.

The residential building will feature a terraced design, ranging in height from 10 storeys at street level to a maximum of 16 floors, topped with a rooftop amenity space and expansive outdoor amenity areas. The building will contain 336 residential units with a mix of one-bedroom, two-bedroom, and two-bedroom + den units.

The approximate start date for construction is Q4 2025, with an anticipated completion timeline of 4.5 to 5 years.

NAHID

Phase 1 Current Assessed Value:

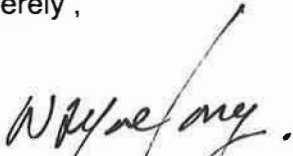
Based on the recent appraisal for the entire site and the added value from rezoning, the current assessed value for Phase One is approximately \$17,000,000.

Estimated Post-Development Assessed Value:

After development, the estimated post-development assessed value for Phase One is expected to be around \$190,000,000, based on the total gross floor area of 365,000 sq. ft., 336 residential units, and approximately 7,000 sq. ft. of retail space.

We understand the terms and conditions applicable to this program; however, we hope to receive approval to be part of this framework to proactively strengthen our structured program for community improvement within the expedited timeline.

Sincerely ,



Wayne Long, OAA MRAIC

Senior Vice President - Development + Architecture + Planning
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