

To: Economic and Development Services Committee

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

Report Number: ED-24-125

Date of Report: October 30, 2024

Date of Meeting: November 4, 2024

Subject: Application Under the Urban Growth Centre Community  
Improvement Plan and Other Requested Incentives, 40 King  
Street West, 1000923055 Ontario Inc.

Ward: Ward 4

File: 12-04-4843

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## **1.0 Purpose**

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

1. An application submitted by 1000923055 Ontario Inc. for an Increased Assessment Grant under the City's Urban Growth Centre Community Improvement Plan ("Urban Growth Centre C.I.P.") and other incentives related to Development Charges and Parkland Dedication to facilitate its proposed redevelopment at 40 King Street West (the "Subject Site");
2. A request from 1000923055 Ontario Inc. for the City's cooperation to work with the Region of Durham and 1000923055 Ontario Inc. to provide a full waiver of Regional development charges for its proposed redevelopment;
3. A request from 1000923055 Ontario Inc. for the City's cooperation to work with the Region of Durham and 1000923055 Ontario Inc. to receive a matching amount of the Increased Assessment Grant for the Region's portion of property taxes; and,
4. A request from 1000923055 Ontario Inc. for the City to work with the Region of Durham to initiate the Regional Revitalization Program ("R.P.P.") process.

The proposed redevelopment involves converting the existing office building at 40 King Street West to a mixed-use commercial/residential building featuring 929 square metres (10,000 sq. ft.) of commercial floor space and 119 rental apartment units, consisting of 105 two-bedroom units and 14 one-bedroom units, with 19 of the overall proposed units being accessible units. The ground floor will be designed to accommodate the proposed commercial floor area, and floors two (2) through eight (8) will comprise the residential

component of the building. The second floor will include amenities for residents such as a party room/lounge, library, and gym. The basement level will contain storage lockers for residents of the building.

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 building design renderings, post-redevelopment, submitted by 1000923055 Ontario Inc.

Attachment 3 is a copy of correspondence dated October 15, 2024 submitted by 1000923055 Ontario Inc. requesting certain incentives.

## **2.0 Recommendation**

That, based on Report ED-24-125 dated October 30, 2024, the Economic and Development Services Committee provide a recommended direction to City Council with respect to the request by 1000923055 Ontario Inc. for certain City-level development incentives and for the City's support in working with 1000923055 Ontario Inc. to secure other development incentives at the Regional level, as set out in their letter to the City dated October 15, 2024, taking into consideration the matters and potential recommendation 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
- The Region of Durham

## **4.0 Analysis**

### **4.1 Proposed Development**

The Subject Site consists of a largely vacant 8-storey office building located at the northeast corner of King Street West and Centre Street North (see Attachment 1). The proposed redevelopment involves converting the office building into a mixed-use commercial/residential building featuring 119 rental apartment units across floors two (2) to eight (8), consisting of 105 two-bedroom units and 14 one-bedroom units, with 19 of the overall units being designed as accessible suites.

The second floor will provide residents with access to amenities such as a party room/lounge, library, and gym. The ground floor will be designed for over 929 square meters (10,000 sq. ft.) of commercial floor area and the basement will offer storage lockers for residents. Of the two-bedroom units, 87 will feature two bathrooms, addressing the significant gap in Oshawa's rental market for larger units that can accommodate families. The units are designed with flexible layouts to serve a variety of residents, including

students, professionals, seniors, and families. A copy of the proposed building design renderings, post-redevelopment, is contained in Attachment 2. 1000923055 Ontario Inc. has advised that the proposed redevelopment is focused on sustainability, accessibility and affordability. The design includes energy efficiency improvements and greenhouse gas emission reductions of between 15% and 50%. Over 15% of the residential units will be accessible, and at least 20% of the residential units will meet the Canada Mortgage and Housing Corporation's affordability criteria, with rents capped at 30% of median household income for a minimum of 10 years. There are no plans for future condominium conversion.

The Subject Site is designated as Downtown Oshawa Urban Growth Centre in the Oshawa Official Plan, and is zoned UGC-A ("Urban Growth Centre") as per the Zoning By-law 60-94, as amended (the "Zoning By-law").

The existing office building on the Subject Site requires zero (0) parking spaces in accordance with the Zoning By-law given that it is located in the parking exempt area for non-residential uses. On October 23, 2024, the Oshawa Committee of Adjustment considered and approved an application for a minor variance submitted by 1000923055 Ontario Inc. to permit a mixed-use commercial/residential building with zero (0) parking spaces on the Subject Site, with the condition that the variance shall only apply to the existing building. Based on the information provided by 1000923055 Ontario Inc., no other variances to the Zoning By-law are required to permit the proposed redevelopment.

#### **4.2 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.

### **4.3 The Requested Incentives and Staff Comments**

On October 15, 2024, 1000923055 Ontario Inc. submitted correspondence (see Attachment 3) requesting the following incentives with respect to their proposed redevelopment of 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 15 years;
- Work with the Region of Durham to receive a matching amount of the Increased Assessment Grant agreed to by the City for the Region's portion of property taxes;
- Provide a Façade and Accessibility Improvement Grant of \$30,000;
- Provide a Conversion to Residential Grant of \$30,000;
- Provide an Upgrade to Building, Fire, and Electrical Safety Codes Grant of \$30,000;
- Work with the Region of Durham and 1000923055 Ontario Inc. to provide a full waiver of Regional development charges; and,
- Work with the Region of Durham to initiate the Regional Revitalization Program ("R.R.P.") process.

1000923055 Ontario Inc.'s request for a Façade and Accessibility Improvement Grant, Conversion to Residential Grant and Upgrade to Building, Fire, and Electrical Safety Codes Grant, all under the City's Urban Growth Centre C.I.P., will be advanced and processed separately by the Business and Economic and Development Services branch and does not require City Council direction at this time.

#### **4.3.1 City Development Charges**

1000923055 Ontario Inc. has requested that the City agree to waive the payment of all City development charges for the subject development.

##### **4.3.1.1 Staff Comments**

The City's current Development Charge By-law 91-2024 specifies that no development charge shall be imposed with respect to any development "on lands wholly within that part of Oshawa partially known as the Core Area of the Downtown Oshawa Urban Growth Centre and as depicted in Schedule 'D' to this By-law." The Subject Site is located in this area.

Accordingly, this request by 1000923055 Ontario Inc. is addressed.

### **4.3.2 City Cash-in-lieu of Parkland Dedication Fees**

1000923055 Ontario Inc. 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.

#### **4.3.2.1 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 1000923055 Ontario Inc. is addressed.

### **4.3.3 Increased Assessment Grant**

1000923055 Ontario Inc. has requested that the City provide an Increased Assessment Grant of 50% of the applicable City taxes for a 15-year period based upon a post-development assessed value of \$50 million for the project. The estimated value of an Increased Assessment Grant at 50% of the City taxes for a 15-year period is \$2,078,670.

1000923055 Ontario Inc. has requested a 15-year term in order to offset the substantial revitalization costs associated with reworking the second floor balcony area and enhancing the overall curb appeal of the first and second floors. 1000923055 Ontario Inc. is up-to-date on the payment of all property taxes for the proposed development.

#### **4.3.3.1 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 \$6,216,000, equating to City taxes of approximately \$54,300 per year, based on the 2024 tax rates.

1000923055 Ontario Inc. estimates that the post development assessed value of the proposed development will be \$50 million.

It is estimated that the City will realize taxes of \$331,400 per year upon completion of the proposed redevelopment 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 \$1,247,203 over a 9-year period based on an estimated assessed value (post-development) of approximately \$50 million using the 2024 new multi-residential and commercial tax rates. This means that over the 9-year period there is a “balance”: 1000923055 Ontario Inc. receives a grant of \$1,247,203 and the City retains \$1,247,203 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 1000923055 Ontario Inc. for the Subject Site under the Urban Growth Centre C.I.P. is approximately \$2,078,670 over a 15-year period, again based on an estimated assessed value of approximately \$50 million and the 2024 new multi-residential and commercial tax rates. In this scenario, 1000923055 Ontario Inc. would receive a grant of \$2,078,670 over the 15 years while the City would retain \$2,078,670 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 15-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 15-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 4.4 of this Report be applied.

#### **4.3.4 Region of Durham Increased Assessment Grant Match**

1000923055 Ontario Inc. has requested that the City work with the Region of Durham and 1000923055 Ontario Inc in a cooperative effort to enable 1000923055 Ontario Inc. to receive a matching amount of the Increased Assessment Grant agreed to by the City for the Region’s portion of property taxes.

##### **4.3.4.1 Staff Comments**

City staff are unaware of the Region of Durham ever participating in a Regional increased assessment grant program as requested by 1000923055 Ontario Inc.

Nonetheless, a letter from the Mayor and the Chair of the Economic and Development Services Committee could be authorized by Council in support of 1000923055 Ontario Inc.’s request.

### **4.3.5 Region of Durham Development Charges Relief**

1000923055 Ontario Inc. has requested that the City work with the Region of Durham and 1000923055 Ontario Inc. to provide a full waiver of Regional development charges for its proposed redevelopment.

#### **4.3.5.1 Staff Comments**

The City receives these types of requests regularly.

It is City staff's experience that 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 1000923055 Ontario Inc.'s request.

### **4.3.6 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.

1000923055 Ontario Inc. 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.

#### **4.3.6.1 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.

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

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

- The affordability of the requested incentives.
- That, as a prerequisite, 1000923055 Ontario Inc. 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 requests made by 1000923055 Ontario Inc. for certain City-level development incentives and for the City's support in working with 1000923055 Ontario Inc. to secure Regional-level funding under the R.R.P. for the Subject Site, the following format can be used by the Economic and Development Services Committee in preparing its motion:

1. That, based on Report ED-24-125 dated October 30, 2024, 1000923055 Ontario Inc. be provided the following in respect to its proposed redevelopment/conversion of the existing, largely vacant office building at 40 King Street West to a mixed-use commercial/residential building featuring 119 rental apartment units under the City's Urban Growth Centre Community Improvement Plan:

(a) An Increased Assessment Grant of 50% per year for 15 years totaling \$2,078,670 over the 15-year period. This percentage may change over the 15-year grant period to ensure the grant total is achieved based on M.P.A.C.'s final assessment.

2. That 1000923055 Ontario 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 necessarily limited to:

- A building permit for the conversion of the office space into residential units must be issued by February 1, 2025 and that construction activity commence within six (6) months of permit issuance;
- The project must be completed and available for first occupancy by February 1, 2027 to the satisfaction of the Chief Building Official;
- The Director, 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;
- 1000923055 Ontario Inc. shall continuously comply with any City agreement and City By-laws;
- That any Increased Assessment Grant will only be provided to 1000923055 Ontario 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 Commissioner, Economic and Development Services Department;
- 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 redevelopment and allow them an opportunity to bid on the proposal; and,

- Any other appropriate criteria considered advisable by the City Solicitor and the 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.
  4. That the Mayor and Chair of the Economic and Development Services Committee be authorized to write a letter to the Region of Durham to request support for 1000923055 Ontario Inc.'s proposed redevelopment at 40 King Street West 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.

As noted in Sections 4.3.4 and 4.3.5 of this Report, 1000923055 Ontario Inc. has further requested the City's support to secure additional Regional-level development incentives, these respectively being a grant matching the value of the City's Increased Assessment Grant as well as a full waiver of Regional Development Charges. To staff's knowledge, the Region has never participated in a Regional increased assessment grant program. Further, the Region has consistently refused to waive its applicable Development Charges. On this basis, the Economic and Development Services Committee might consider making such a repeat request to be of no benefit based on past refusals. However, should the Committee wish to recommend that Council accede to these two additional requests made by 1000923055 Ontario Inc., the following additional parts can be added by the Economic and Development Services Committee while preparing its motion:

5. That the Mayor and Chair of the Economic and Development Services Committee be authorized to write a letter to the Region of Durham to request support for 1000923055 Ontario Inc.'s request that the Region match the Increased Assessment Grant amount of \$2,078,670 to offset the Region's portion of property taxes for the proposed mixed-use redevelopment at 40 King Street West.
6. That the Mayor and Chair of the Economic and Development Services Committee be authorized to write a letter to the Region of Durham in respect to 1000923055 Ontario Inc.'s request to waive all Regional Development Charges for the proposed mixed-use redevelopment at 40 King Street West.

## **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 \$331,400 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 \$277,100 in taxes per year.

## 6.0 Relationship to the Oshawa Strategic Plan

This Report responds to the Oshawa Strategic Plan Priority Area:

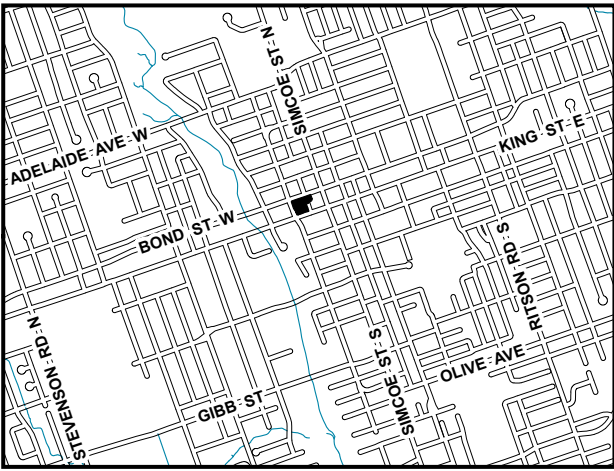
“Belong: Inclusive and Healthy Community” with the goal to support and encourage diverse housing options.



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



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



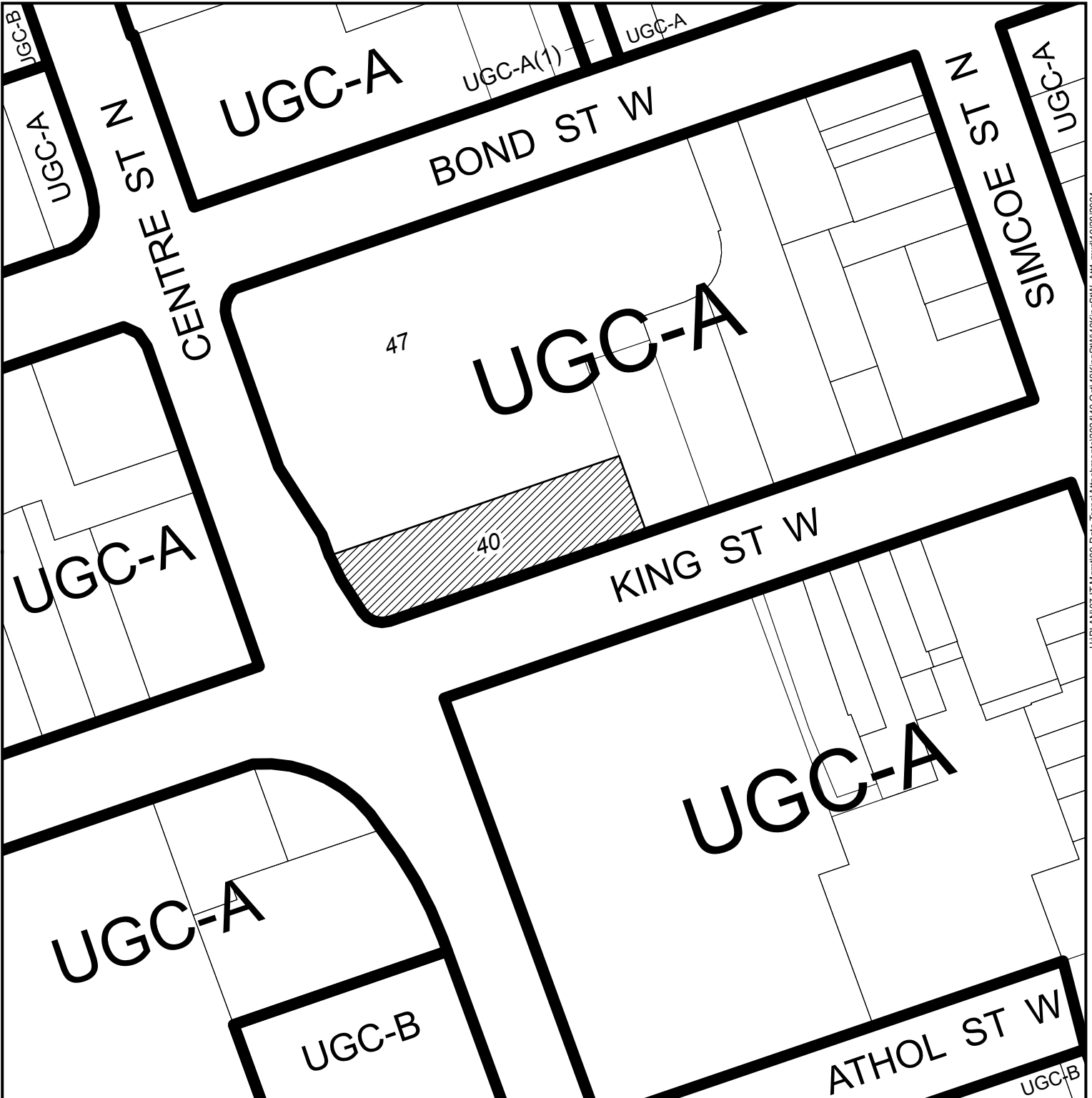
Economic and Development Services

Subject: Application Under the Urban Growth Centre  
Community Improvement Plan and Other  
Requested Incentives, 40 King Street West,  
1000923055 Ontario Inc.

Ward: Ward 4  
File: 12-04-4843



Subject Site





# 1000923055 Ontario Inc.

40 King Street West, Oshawa, Ontario L1H 1A1

October 15, 2024

**TO:**

Anthony Ambra  
Commissioner of Economic and Development Services  
City of Oshawa

**FROM:**

Feroze Virani  
President  
1000923055 Ontario Inc.

**RE: COMMUNITY IMPROVEMENT AND CITY INCENTIVES RELATED TO DEVELOPMENT AT 40 KING STREET WEST**

Dear Mr. Ambra,

Following our meetings and ongoing discussions, I am formally requesting consideration under the Urban Growth Centre Community Improvement Plan from the City of Oshawa for the restoration and redevelopment of the property at 40 King Street West in downtown Oshawa.

As you are aware, our development group has had a longstanding commitment to the City of Oshawa and the Region of Durham, with over two decades of investment in the area. Our first major project in Oshawa started in 2008 with the transformation of 11 Simcoe Street North, where we were the first to bring Ontario Tech University (formerly UOIT) to the downtown core by establishing their Faculty of Education. Despite tight timelines, we completed significant renovations, which planted the seed for the University's expansion throughout downtown Oshawa.

Fifteen years later, with Ontario Tech having grown its downtown footprint to include multiple faculty buildings, we once again redeveloped 11 Simcoe Street North in 2023. With continued support from the City, we welcomed Trent University's Durham GTA Advanced Learning Centre to the space, further reinforcing our dedication to the growth of Oshawa's educational hub.

Our other notable investments in downtown Oshawa include the 59-suite La Quinta Inn & Suites and adjoining retail, commercial, and office spaces, currently occupied by Smoke's Poutinerie and My Dosa/Roti Place.

We are excited to re-engage with Oshawa on our next project, the redevelopment of the office building at 40 King Street West. The building, which has been over 90% vacant for several years, had suffered from general neglect, and the balcony area was previously occupied by displaced individuals. Since acquiring the building earlier this year, however, we have taken significant

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steps to improve its security and overall care. These actions include installing security cameras, conducting regular patrols, blocking access to two stairwells leading to the balcony, and enhancing both signage and lighting. Additionally, we have added a door between the City's parking garage and the balcony to further control access and prevent loitering. We have also diligently removed graffiti and debris, maintained a clean and orderly environment, and generally improved the overall condition of the building.

In a short time, these efforts have already begun to generate positive feedback from both existing tenants and the general public. There is a growing sense of optimism about the improvements and the direction we are taking with this project.

Building on this momentum, our plan involves converting this largely vacant building into 119 rental suites, including 105 two-bedroom units and 14 one-bedroom units, with 19 accessible suites across floors 2-8. Each suite will feature full kitchens with modern appliances, spacious stand-up showers, and bathtubs in the second bathrooms where applicable. These suites will be finished to above-average standards, typical of contemporary living spaces.

The second floor will offer residents a range of amenities including a party room/lounge, library, and gym. The ground floor will be designed for over 10,000sqft of upscale retail, restaurant, or office use, while the basement will offer storage lockers for residents. Of the two-bedroom units, 87 will feature two bathrooms, addressing the significant gap in Oshawa's rental market for larger units that can accommodate families. The units are designed with flexible layouts to serve a variety of residents, including students, professionals, seniors, and families.

Our redevelopment project is focused on sustainability, accessibility, and affordability. The design includes energy efficiency improvements and greenhouse gas reductions of between 15% and 50%. Over 15% of the units will be accessible, with an additional 10% adaptable, and all common areas will be accessible, making the building 100% visitable. Additionally, at least 20% of the units will meet CMHC's affordability criteria, with rents capped at 30% of median household income for a minimum of 10 years. This project shows that we are fully committed to increasing Oshawa's rental housing supply, with no plans for future condominium conversion.

With the recent addition of Trent University to downtown Oshawa and Ontario Tech's established presence, along with the growing needs of downtown businesses and government offices, there is a clearly defined need for housing in the downtown core. Once complete, our project will accommodate over 440 residents in 119 units.

## **Location and Impact**

It is important to note that 40 King Street West occupies a prominent position in the heart of downtown Oshawa, spanning an entire city block with frontage on both King Street and Centre Street, just steps from key transit routes like Simcoe Street and Bond Street. These streets are designated as Regional Transit Spines in the Oshawa Official Plan's Transit Priority Network. The



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building's proximity to public transportation ensures easy access for future residents, and once the redevelopment is complete, its beauty and prominence will enhance the city's landscape for all to appreciate.

Our proposal to convert this largely vacant office building into a vibrant residential space aligns perfectly with Oshawa's **Plan 20Thirty** initiative. By introducing new residents, we will help stimulate the local economy, support nearby businesses, and contribute to downtown activities. This project will breathe new life into the area, transforming an underutilized building into an engaging, modern living space that benefits both the community and the city.

## **Project Revitalization and Enhancements**

We recognize that City Council has approved a range of incentives to support downtown revitalization and housing development. Given the current condition of the building, several critical repairs and upgrades need to be addressed in addition to the extensive interior renovation, including:

- Removal, regrading, waterproofing, and resurfacing of the second-floor balcony, which has deteriorated due to weather exposure and abuse by displaced individuals, causing leaks and flooding in tenant areas below.
- Extensive reworking of the second-floor balcony guardrail and column extensions, including cutting and resealing the precast concrete terrazzo.
- Replacing all ground floor windows and entrances with modern aluminum and glass to attract tenants.
- Installing a new security system with camera monitoring, strobe lights, and audible sirens.
- Potential redesign of the front entrance, including enclosing the overhang space adjacent to King Street to prevent crime and loitering, and adding new wheelchair-accessible entrances for commercial spaces, with fire separation from the residential lobby. This will involve significant concrete removal and new interior ramp designs.
- Pressure washing the building's glass curtain wall, with decorative window decals and films being considered.
- Installation of approximately 96 new custom energy-efficient windows, with appropriate caulking and finishing, along with potential new exterior cladding.
- Completing roof replacement to meet current standards and building codes.
- Reconstructing the east stairwell exterior at the roof level due to weather-related deterioration, and repairs to the roof's mechanical penthouse.

Our project also includes significant enhancements to the building's external façade. Given that 40 King Street West occupies a prominent location at the gateway to downtown Oshawa, we fully understand the importance of its appearance on the surrounding streetscape. While there are numerous options within the building code, we recognize that, due to the building's prime location, it must not only meet standards but truly stand out as a landmark. The proposed façade improvements incorporating modern aluminum and glass, a potential redesign and

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enclosure of the front entrance area on King Street, and a reworking of the balcony areas to fit a more modern aesthetic, in conjunction with the planned interior renovations, will greatly elevate the building's appearance. These changes will contribute to a more attractive and vibrant downtown environment.

We are confident that these improvements will align with and support the City's broader goals of economic development and community enhancement, further positioning downtown Oshawa as an even more desirable place to live, work, and visit.

## Incentive Request

To support this scope of work, we are requesting the following incentives under the Urban Growth Centre Community Improvement Plan:

- Waiver of all **Municipal Development Charges**.
- Waiver of all **Parkland Dedication Requirements**.
- A **15-year Property Tax Increased Assessment Grant** as follows:  
We are requesting a **15-year Property Tax Increased Assessment Grant** to help offset the significant costs of reworking the balcony and enhancing the curb appeal of the first and second floors. By replacing the existing concrete elements with a modern aluminum and glass façade, we will transform the entire streetscape and building frontage along King, Centre and Prince Streets. With approximately 224 feet of frontage on King Street and an additional 60 feet on both Centre and Prince Streets, multiplied by two floors, the total cost is expected to be in the multimillion-dollar range.  
To assist with these substantial revitalization costs at this prominent downtown location, we request relief in the form of a **flat-rate grant** of 50% per year for the 15-year term, rather than a declining grant structure. This flat-rate approach will be more straightforward for lenders, making it easier to accommodate capital and cash flow requirements.
- Collaboration with the **Region of Durham** to achieve matching of the **Increased Assessment Grant** agreed to by the City for the Region's portion of property taxes.
- The **maximum allowable grant** under the **Conversion to Residential Grant Program (\$30,000)**.
- The **maximum allowable grant** under the **Façade and Accessibility Improvement Grant Program (\$30,000)**.
- The **maximum allowable grant** under the **Upgrade to Building, Fire, and Electrical Safety Codes Grant Program (\$30,000)**.
- Collaboration with the **Region of Durham** to achieve a full waiver of **Regional Development Charges** or, if not possible, assistance in reducing or deferring these charges, with equal payments spread over five years following occupancy.
- Initiation of the **Regional Revitalization Program (RRP)** process with the Region of Durham.



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These incentives are critical to the financial viability of this project, which has a total estimated cost of \$45 million and an expected post-construction market value between \$50 million and \$60 million (current assessment is \$6.216 million).

We also request that the City submit an application to the Region of Durham under the Regional Revitalization Program as soon as possible. Pending approvals from the City and the Region, we plan to commence construction by November 30, 2024, with an expected completion time of ten months, aligning with the start of the academic year for Ontario Tech and Trent University.

In preparing this request, we have noted that Council recently approved a similar request for another downtown development at 35 Division Street. While we acknowledge that each project is reviewed on its individual merits, we believe that the approval of that developer's request demonstrates a continued commitment to facilitating developments that contribute to the revitalization of downtown Oshawa. We respectfully suggest that our project aligns with the City's vision in a similar manner and hope that this will be taken into consideration when evaluating our proposal.

We would be sincerely grateful if this matter could be considered at the November 4, 2024, meeting of the Economic and Development Services Committee (EDSC), as it would help us meet the tight timelines for the project. We are enthusiastic about this transformative project and believe it will make a meaningful contribution to the ongoing revitalization of downtown Oshawa.

We would also like to extend our sincere thanks to City staff for their hard work and dedication in advancing this project. Their support and collaboration have been essential, and we greatly appreciate their commitment to helping us move forward.

We look forward to the City Council's support of our request.

Best regards,



Feroze Virani  
President  
1000923055 Ontario Inc.