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## **Vacant Lot and Adaptive Reuse Incentive Program - 309 22nd Street East - World Trade Centre Saskatoon**

### **Recommendation**

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That a five-year tax abatement up to 95% of the incremental taxes for the building and structured parking to be developed at 309 22<sup>nd</sup> Street East, be approved;
2. That the five-year tax abatement take effect in the taxation year following completion of the project; and
3. That the City Solicitor be requested to prepare the appropriate agreement, and that His Worship the Mayor and the City Clerk be authorized to execute the agreements, under the Corporate Seal.

### **Topic and Purpose**

The purpose of this report is to request approval for a tax abatement for the incremental property tax for the development of the property located at 309 22<sup>nd</sup> Street East under the Vacant Lot and Adaptive Reuse Incentive Program.

### **Report Highlights**

1. City Centre Tower 1 Ltd. has applied for a tax abatement on the proposed development of the World Trade Centre Saskatoon to be located at 309 22<sup>nd</sup> Street East.
2. The proposed development qualifies for a five-year tax abatement of the incremental property taxes for a mixed-use building with structured parking.
3. The incremental property tax abatement for the mixed-use building with structured parking is estimated at approximately \$425,000 per year.

### **Strategic Goal**

This report supports the City of Saskatoon's (City) Strategic Goal of Sustainable Growth by increasing development within the City Centre.

### **Background**

During its March 7, 2011 meeting, City Council approved the Vacant Lot and Adaptive Reuse Incentive Program. The Vacant Lot and Adaptive Reuse Incentive Program is designed to encourage infill development on vacant and underutilized sites and buildings within Saskatoon's established neighbourhoods, including the Downtown. During its June 23, 2014 meeting, City Council approved amendments to the Vacant Lot and Adaptive Reuse Incentive Program to include new incentives for offices and structured parking in accordance with the City Centre Plan.

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During the September 25, 2017 meeting, City Council approved amendments to the Vacant Lot and Adaptive Reuse Incentive Program to provide a five-year tax abatement or a cash grant, without a vacancy requirement, for all new residential or office developments. For sites that have a building, the amendments provide for the increment to be calculated at the tax rate in effect at the time of demolition, assuming the site is a vacant lot.

### **Report**

#### World Trade Centre Saskatoon Development

According to the applicant, the World Trade Centre Saskatoon is to be developed predominantly as office space, with substantial below-grade structured parking, a lecture theatre, ground floor commercial space, and public amenities. The proposed building will be nine storeys in height, with approximately 120,000 square feet (11,148 square metres) of office/commercial space. The building will also include secured bicycle parking and a fitness facility for tenants.

#### World Trade Centre Saskatoon Qualifies for Tax Abatement

The applicant is applying for a five-year tax abatement of the incremental property taxes for the development. The Neighbourhood Planning Section has reviewed the application based on the preliminary plans and, using the program's evaluation system, has determined the development would receive a potential 95 points out of 100 for the office development with structured parking. The project received 50 base points, 5 points for secured bicycle parking, 10 points for structured parking, 10 points for mixed use, 10 points for contributing to the public realm, and up to 10 points for including energy-efficient features above industry standards in the building design. This evaluation is based on the preliminary plans and subject to change if the final plans deviate substantially from what has been submitted to date.

#### Incentive Amounts Currently Undetermined

At the present time, the assessed value of this development cannot be calculated. The value of the five-year tax abatement will be calculated once final drawings and more details of the project have been received. As there is a building on site, the incremental incentive rate will be determined based on the value of the land without a building.

#### Conclusion

After a review of this application, the Administration has concluded that this project is consistent with the Vacant Lot and Adaptive Reuse Incentive Program Policy No. C09-035 and would qualify for the five-year tax abatement of the incremental property taxes, with the increment based on this being a vacant site. The Administration is recommending that City Council approve the five-year property tax abatement commencing in the next taxation year after completion of the project.

### **Options to the Recommendation**

City Council could choose to deny, or modify, the incentives outlined in this report, as an exception to Vacant Lot and Adaptive Reuse Incentive Program Policy No. C09-035.

### **Public and/or Stakeholder Involvement**

There is no requirement for particular stakeholder or public involvement.

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### **Policy Implications**

There are no policy implications for the current application. However, as this project is located in the Downtown, it would be considered eligible for future incentives that may arise from the Downtown “Cut the Red Tape” pilot project, which the Administration is currently investigating. If the pilot project is approved by City Council, it would apply to all development proposals that have come forward since its introduction at the September 5, 2017 meeting of the Standing Policy Committee on Planning, Development and Community Services.

### **Financial Implications**

The incremental property tax abatement incentives are consistent with current policies, and the foregone revenue will not impact the Vacant Lot and Adaptive Reuse Incentive Program Reserve. However, the City will forgo 95% of the increase in tax revenue resulting from this project over a five-year period. The exact abatement amount will be calculated once more details are known. At this point, the tax abatement is estimated to be \$425,000 per year for five years.

The Vacant Lot and Adaptive Reuse Incentive Program includes the abatement of both the municipal and educational portion of property taxes. However, as part of the 2017/2018 budget, the Government of Saskatchewan announced it will re-evaluate whether the educational portion will continue to be included in the abatement program. This decision may have an effect on the final value of the abatement for the World Trade Centre Saskatoon.

### **Other Considerations/Implications**

There are no environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time.

### **Due Date for Follow-up and/or Project Completion**

The completion date of the World Trade Centre Saskatoon at 309 22<sup>nd</sup> Street East has not yet been determined. The property tax abatement, if approved, will begin the year following project completion and continue for five years.

### **Public Notice**

Public notice, pursuant to Section 3 of Public Notice Policy No. C01-021, is not required.

### **Attachment**

1. Location Map - 309 22<sup>nd</sup> Street East

### **Report Approval**

Written by:	Paul Whitenect, Manager, Neighbourhood Planning Section Melissa Austin, Senior Planner, Neighbourhood Planning Section
Reviewed by:	Lesley Anderson, Director of Planning and Development
Approved by:	Randy Grauer, General Manager, Community Services Department Murray Totland, City Manager

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