

Downtown CIP Oxford Application

(Ward 4)

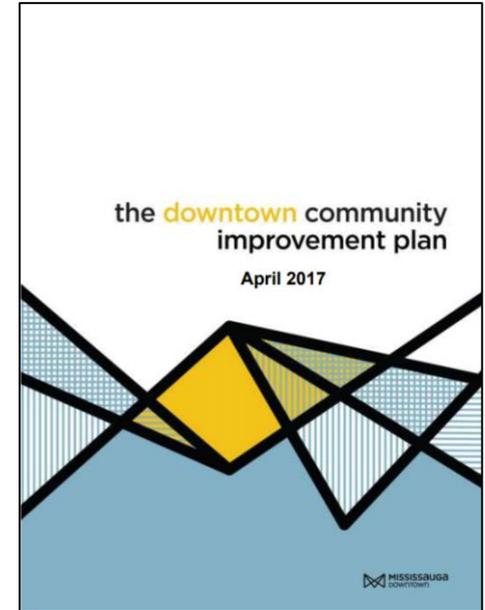
General Committee – June 23, 2021

Melissa Slupik, City Planning Strategies



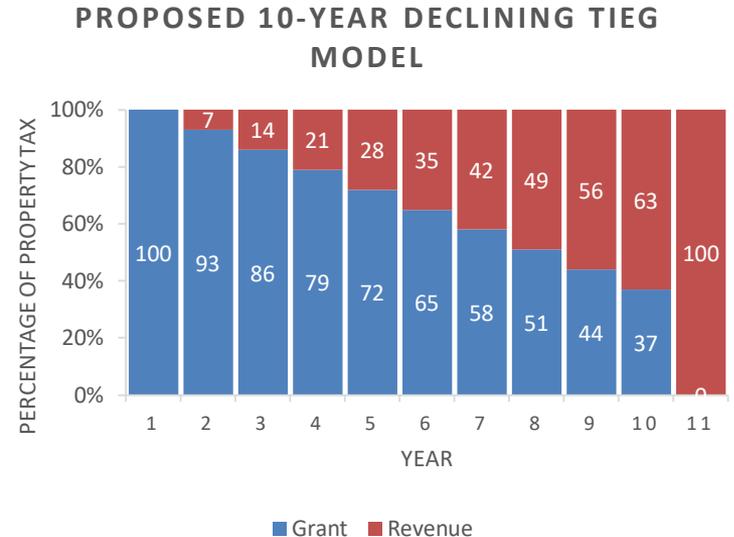
Downtown Office CIP

- In effect since 2018
- Expires in July 2022
- Enables the following incentives:
 - TIEGs
 - Development Processing Fees Grants
 - Municipally Funded Parking Assistance



Region's Major Office Incentives Program

- Approved on April 22, 2021
- Match local TIEGs up to:
 - Maximum 10-year term
 - Maximum grant of 100%
 - Minimum annual decline of 7%
- Administration process under development



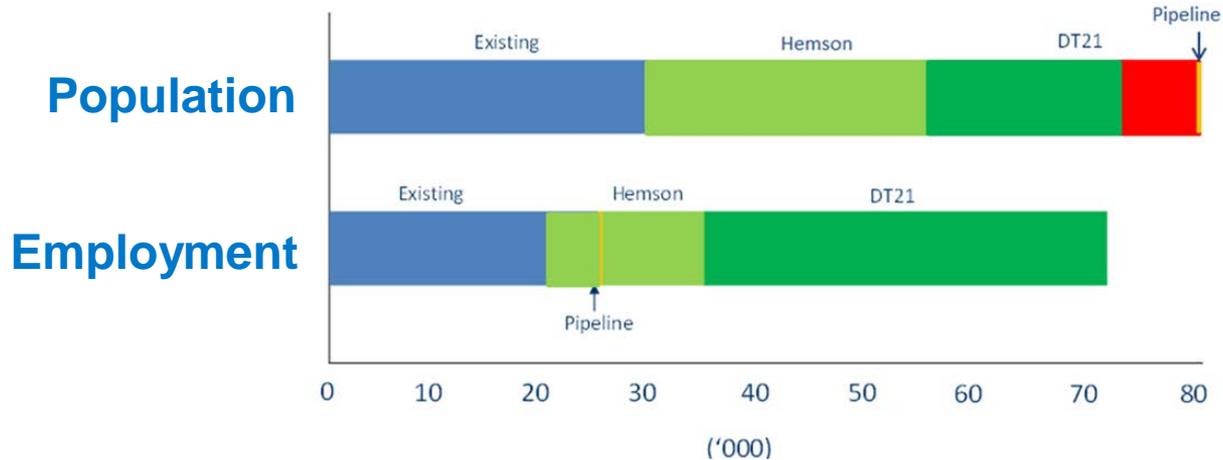
Why incent downtown office?

Attract additional employment to **balance growth** and **create an active, vibrant environment**

- Lively urban place
- Catalyst and attractor for on-going investment
- Support existing and planned transit infrastructure
- Support other existing and planned uses
- Conform to Provincial, Regional and other City plans

Development activity

- Pipeline residential development (next 6 years) exceeds official Hemson 2031 growth forecasts and DT21 ultimate buildout potential
- Significant employment growth required



Challenges for Office Development

- Cost of land
- Competition with residential uses
- Cost of structured parking
- Higher rent needed than current DT rates
- No momentum – no recent proof that office will work
- COVID-19

Oxford's Application

- TIEG for 19-storey office tower
 - 10-year term
 - Starting at 100%
 - Declining by 7% annually
(approximately 60% grant overall)
- Total tax revenue equals total grants at year 12



ARTIST RENDERING - MAIN ENTRANCE VIEW FROM INTERSECTION OF STATION GATE AND NEW STREET

Advantages of a TIEG

- Anticipated Regional matching
 - \$1.25 invested by Region for every \$1 invested by City
- Grant is only issued after building completion
- Grant payments spread out over 10 years
- Development likely to “pay for itself” over longer term
 - Taxes collected vs increased operating costs

Recommendations

1. That the report be received for information;
2. That the proposed TIEG for Oxford's office tower be approved in principle;
3. That the report and Oxford's application be forwarded to the Region of Peel for information; and
4. That staff be directed to prepare and enter into relevant agreements for the City TIEG.