

Region of Waterloo

Planning, Development, and Legislative Services

Regional Growth, Development and Sustainability Services

To: Sustainability, Infrastructure, and Development

Meeting Date: December 3, 2024

Report Title: Brownfield Financial Incentive Program – Assignment of Tax Increment Grant Agreement – 49 Queen St E, Cambridge

1. Recommendation

That the Regional Municipality of Waterloo approve the following actions regarding the Tax Increment Grant for the property municipally known as 49 Queen Street East, Cambridge, as described in Report PDL-GDS-24-021, dated December 3, 2024:

- a) Assign the Brownfield Parcel B (Apartment) Tax Increment Grant and Redevelopment Agreement dated February 5, 2018 between D.D. 49 Queen Street Ltd., The Corporation the City of Cambridge and The Regional Municipality of Waterloo to Skyline Real Estate Holdings Inc., the new owners of the subject lands;
- b) Authorize the Region's Commissioner, Planning, Development and Legislative Services and Chief Financial Officer to execute an Assignment Agreement with The Corporation of the City of Cambridge, D.D. 49 Queen Street Ltd. (as assignor), and Skyline Real Estate Holdings Inc. (as assignee) for 49 Queen Street East (Parcel B TIG Agreement), with such agreement to be satisfactory to the Regional Solicitor; and
- c) Authorize the Region's Commissioner, Planning, Development and Legislative Services and Chief Financial Officer to execute any future Assignment Agreement for the Parcel B TIG Agreement to any subsequent new owner of 49 Queen Street East, Cambridge.

2. Purpose / Issue:

The Region previously approved a TIG for 49 Queen Street East, Cambridge which has now been sold to new owners. The new owner has requested the Region and City assign them the previously approved TIG which requires approval by both City and Regional Council.

3. Strategic Plan:

The report addresses the Region's Corporate Strategic Plan 2023-2027 including the strategic focus areas of Homes for All and Climate-Aligned Growth. Specific actions addressed by this report, among others, include:

1. Move quickly to create affordable, accessible, and equitable housing (Objective 1.1)
2. Unlock land that supports community growth (Objective 1.4)
3. Steward our natural environment and shared resources as we grow (Objective 2.3)

4. Report Highlights:

- The new owner of 49 Queen Street East, Cambridge is requesting assignment of a previously approved Tax Increment Grant due to a change in ownership since the Region's approval. No new funding is being requested as part of this recommendation.
- A Tax Increment Grant (TIG) was previously approved for the subject lands at 19 Guelph Ave (a portion is now under separate title with address 49 Queen St E), Cambridge in 2013, with the Region's portion of the TIG not to exceed \$2,496,764 net of other future brownfield assistance. The properties have since been sold to new owners with assignments of the TIG agreement being approved by Regional Council in 2016 when the TIG was split into two Agreements for 19 Guelph Ave and 49 Queen St E. and again assigned to a new owner in 2018.
- The lands were previously used for several industrial purposes over the years including a textile mill and a manufacturing facility. The lands have since been remediated and redeveloped with the reuse of an existing building for condos at 19 Guelph Ave and a new apartment building with 152 residential units at 49 Queen St E.
- The property at 49 Queen St E was sold to Skyline Real Estate Holdings Inc. in November 2023, therefore the previous property owner, D.D. 49 Queen St Ltd., requested the TIG agreement be assigned to the new owners upon closure of the sale.
- The previously approved TIG amount is not being changed through this assignment, only the payee for the remaining payments is changing. Payment of the TIG for the 49 Queen St E portion began in 2019 and is expected to finish in January 2026.

5. Background:

The Brownfield Financial Incentive Program (BFIP) contains the joint TIG and Regional

Development Charge (RDC) exemption that assists with the cost of remediating eligible brownfield sites. In 2019, Regional Council approved refinements to this program. The joint TIG is offered in Area Municipalities where Community Improvement Plans (CIPs) have been approved for the purposes of encouraging brownfield remediation and redevelopment (currently in the Cities of Cambridge, Kitchener, and Waterloo and in the Township of Wellesley). The RDC exemption for eligible brownfield sites is available region wide through RDC By-law 19-037. Applicants must satisfy a number of criteria to receive these incentives.

The infusion of private investment in the redevelopment of brownfield properties is helping to ensure the efficient use of existing infrastructure, as well as helping to achieve the Region's broader economic development, transit supportive, and land use planning objectives.

The subject lands at 49 Queen St E were originally developed as part of 19 Guelph Ave with the existing building formerly used for industrial uses being converted to residential condos and 49 Queen St E has been developed with a residential apartment building and is now under separate title.

The Councils of both the City of Cambridge and Region of Waterloo previously approved the joint Tax Increment Grant for the subject lands at 19 Guelph Ave in the amount of \$2,496,764 for the Region's portion and \$1,664,510 for the City's portion, for a total of \$4,161,274. The TIG agreement has gone through assignments previously including an assignment in 2016 as well as the assignment and splitting of the TIG amounts into two Agreements, one for 19 Guelph Ave (Parcel A) and one for 49 Queen St E (Parcel B) following the severance of the lot to create separate parcels.

The Municipal Property Assessment Corporation (MPAC) assessed value for the property in 2009 was \$212,500 and the post-redevelopment assessment was estimated to be \$43,126,982. The TIG payments started in 2019 and are expected to be complete in 2026.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Regional staff have worked closely with City of Cambridge staff on reviewing this request for assigning the TIG agreement and concur with the recommendations. City of Cambridge Council considered and approved this request (City's share of TIG) on April 16, 2024.

Public This report has been posted to the Region's website with the agenda in advance of the Council / Committee meeting.

7. Financial Implications:

The assignment of the Tax Increment Grant only changes the payee for the remaining TIG payments, the amounts previously approved are not being changed through this assignment. Remaining TIG payments for Parcel B will be paid to the new owner if the assignment is approved.

8. Conclusion / Next Steps:

The former brownfield site at 49 Queen St E, Cambridge has been sold to new owners. The Region and City have been requested to assign the Tax Increment Grant (TIG) Agreement to the new owners.

Attachments:

Appendix A: Location Map – 49 Queen St E

Appendix B: Site Plan

Prepared By: Janine Fletcher, Senior Planner, Regional Development Services

Amanda Kutler, Associate Director, Regional Development and Growth Services

Reviewed By: Danielle De Fields, Director, Regional Growth, Development and Sustainability Services

Approved By: Chris Wood, Acting Commissioner, Planning, Development and Legislative Services

Wayne Steffler, Commissioner, Corporate Services and Chief Financial Officer