1. **MOMENT OF SILENCE**

2. **ROLL CALL**

3. **MOTION TO GO INTO CLOSED SESSION**

   THAT a closed meeting of Regional Council be held on Wednesday, October 9, 2013 at 6:45 p.m. in the Waterloo County Room, in accordance with Section 239 of the *Municipal Act*, 2001, for the purposes of considering the following subject matter:

   a) proposed or pending litigation and receiving of legal advice that is subject to solicitor-client privilege regarding a matter before an administrative tribunal

4. **MOTION TO RECONVENE IN OPEN SESSION**

5. **DECLARATION OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT**

6. **PRESENTATIONS**

7. **PETITIONS**

8. **DELEGATIONS**


9. **MINUTES OF PREVIOUS MEETINGS**

   a) Closed Council – September 18, 2013
   b) Council – September 18, 2013
   c) Community Services - October 1, 2013
   d) Administration & Finance – October 1, 2013
   e) Planning & Works – October 1, 2013
   f) Closed Committee - October 1, 2013
   g) Library Committee – October 1, 2013

10. **COMMUNICATIONS**
11. **MOTION TO GO INTO COMMITTEE OF THE WHOLE TO CONSIDER REPORTS**

12. **REPORTS**

   **Finance Reports**
   
a) **F-13-090, T2013-138 Downtown Kitchener EMS Station**

   **Committee Reports**
   
a) **Community Services** - attached & marked SS-131001
   
b) **Administration & Finance** - attached & marked FS-131001
      
      • **Memo re: Response to Questions Regarding Report CR-FM-13-015**
        Progress Report/Revised Target – Corporate Greenhouse Gas Action Plan
        (October 1, 2013)
      
      • **Report CR-FM-13-015.1, Progress Report/Revised Target – Corporate**
        Greenhouse Gas Action Plan

   c) **Planning & Works** - attached & marked PS-131001
      
      • **memo re: Planning and Works Committee Request for Zoning Information**
        Related to the Joint Tax-Increment Grant (TIG) Application for 55
        Mooregate Crescent, Kitchener (Report P-13-094/F-13-088)
      
      • **Report P-13-094/F-13-088, Brownfields Financial Incentive Program – Tax**
        Increment Grant Program Application – 55 Mooregate Cr, City of Kitchener

   d) **Library** - attached & marked LS-131001

13. **OTHER MATTERS UNDER COMMITTEE OF THE WHOLE**

14. **MOTION FOR COMMITTEE OF THE WHOLE TO RISE AND COUNCIL RESUME**

15. **MOTION TO ADOPT PROCEEDINGS OF COMMITTEE OF THE WHOLE**

16. **MOTIONS**

17. **NOTICE OF MOTION**

18. **UNFINISHED BUSINESS**

19. **OTHER BUSINESS**

20. **QUESTIONS**
21. **ENACTMENT OF BY-LAWS – FIRST, SECOND & THIRD READINGS**

   a) A By-law to Amend By-law 00-031, as amended, Being the Region’s By-law Governing the Proceedings of Council and Committees

   b) A By-law to Amend By-law 06-072, as amended, Being the Region's Traffic and Parking By-law (Revised Lane Configuration, Cherry Blossom Road (Regional Road 38), City of Cambridge, Speed Limit on Wrigley Road (Regional Road 49), Township of North Dumfries and Parking and Reserved Lane, Church Street (Regional Road 86), Township of Woolwich)

   c) A By-law to Amend By-law Number 58-87, as amended, Being a By-law to Designate and Regulate Controlled-Access Roads (Lackner Boulevard (Regional Road 54), City of Kitchener)

   d) A By-law to Confirm the Actions of Council – October 9, 2013

22. **ADJOURN**
TO: Regional Chair Ken Seiling and Members of Regional Council

DATE: October 9, 2013  FILE CODE: F18-30

SUBJECT: T2013-138 DOWNTOWN KITCHENER EMS STATION

RECOMMENDATION:

THAT the Regional Municipality of Waterloo accept the tender of Nith Valley Construction (2008) Ltd. for T2013-138 Downtown Kitchener EMS Station, Kitchener, ON in the adjusted amount of $865,422.93 including all applicable taxes.

SUMMARY: Nil

REPORT:

Tenders were called for the construction of the Downtown Kitchener EMS Station, 100 Weber Street West, Kitchener, ON and were advertised in the Record, on the Ontario Public Buyers Association website and on the Region’s website. There had been a prequalification for the general contractors completed for this project (PQ2013-006) and only bids from the pre-qualification list were accepted. Tenders were opened in the presence of R. van den Berg, P. McKinnon and M. Palmer-Novakovic.

The following tenders were received (inclusive of applicable taxes):

- Nith Valley Construction (2008) Ltd. New Hamburg, ON $969,088.00
- Collaborative Structures Limited (CSL) Cambridge, ON $1,015,870.00
- Aveiro Constructors Ltd. Dorchester, ON $1,022,395.75
- Kiwi-Newton Construction Ltd. Guelph, ON $1,034,402.00
- Gateman-Milloy Inc. Kitchener, ON $1,040,870.12
- Reid & Deleye Contractors Ltd. Courtland, ON $1,051,403.42
- Devlan Construction Ltd. Guelph, ON $1,118,700.00
- Dakon Construction Ltd. Waterloo, ON $1,122,864.05

As the original bid exceeded the approved budget, staff entered into negotiations to lessen the scope of work. Under the Purchasing By-law, Part VII – Purchase by Negotiation, Section “D,” the Region has the right to negotiate when “the lowest bid exceeds the estimated cost and it is impractical to recall the bid.” The scope of changes included reducing landscaping and interior finishes as well as changing roof and wall assemblies to find efficiencies without compromising operational and functional requirements. The order of the bids received was not impacted in any way with the negotiations. Post tender negotiations resulted in a reduction of $103,665.07.

The new Downtown Kitchener EMS Station, located at the corner of Water Street North and Weber Street West, will allow the closure of the current interim EMS station location at 16 Victoria Street North (Unit 1) to avoid impacting other projects. The EMS facility will be a one story wood structure of approximately 225 square meters in floor space, consisting of a tandem
bay drive-through garage, a staff lounge with kitchen area, washrooms and showers, mechanical room and display window area.

Subject to Council approval, construction is expected to begin October 2013 with a completion date of April 2014.

CORPORATE STRATEGIC PLAN:

The construction of this EMS ambulance station supports Focus Area 4 and the strategic objective to enhance local health service delivery by optimizing Emergency Medical Services (EMS) delivery.

FINANCIAL IMPLICATIONS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2013-138 (adjusted)</td>
<td>$865,422</td>
</tr>
<tr>
<td>Less: Municipal Rebate of 86.46% of HST (11.24%)</td>
<td>(86,082)</td>
</tr>
<tr>
<td>Total</td>
<td>$779,340</td>
</tr>
</tbody>
</table>

The approved 2013 Base Capital Budget includes $982,662 in 2013 for Downtown Kitchener EMS station (project 82016), to be funded by the issuance of debentures and development charges. An amount of $780,000 has been allocated for the construction portion of the project. To date, $142,000 has been committed for associated consulting fees, permits and Regional Engineering. The remaining $840,662 is available for this tender and ancillary project costs.

By-law 04-063 authorizes the Chief Purchasing Officer to negotiate where the lowest bid exceeds the estimated cost and it is impractical to recall the bid.

The final date of acceptance for this tender is October 26, 2013.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

This project is a joint initiative of Public Health and Corporate Resources.

ATTACHMENTS: Nil

PREPARED BY: Charles Whitlock, Director, Procurement & Supply Services

APPROVED BY: Craig Dyer, Chief Financial Officer
THE REGIONAL MUNICIPALITY OF WATERLOO
COMMUNITY SERVICES COMMITTEE

Summary of Recommendations to Council

The Community Services Committee recommends as follows:

1. THAT the Regional Municipality of Waterloo enter into an agreement with the Province of Ontario for the purposes of implementing the Community Action Integration Leaders Project;
   AND THAT the 2013 Operating budget for Children’s Services budget be increased by $50,000 gross and $0 net regional as outlined in Report SS-13-036, dated October 1, 2013.

2. THAT the Regional Municipality of Waterloo approve an increase to the 2013 Operating Budget for Employment and Income Support, Social Services of $73,357 gross and $0 net Regional levy as outlined in report SS-13-037, dated October 1, 2013.

3. THAT the Regional Municipality of Waterloo approve the Exhibition Policy for the Waterloo Region Museums, as described in Report P-13-095, dated October 1, 2013.

4. THAT the Regional Municipality of Waterloo approve an increase to the 2013 operating budget for the Seniors’ Services Division in the amount of $109,261 gross and $0 net Regional Levy for physiotherapy and exercise classes for residents as outlined in report SS-13-035, dated October 1, 2013.

October 1, 2013
THE REGIONAL MUNICIPALITY OF WATERLOO
ADMINISTRATION AND FINANCE COMMITTEE

Summary of Recommendations to Council

The Administration and Finance Committee recommends as follows:

1. THAT the Regional Municipality of Waterloo approve a pre-budget expenditure not to exceed $2,457,000 for the purchase of 13 vehicles and equipment to replace those listed in Appendix A of report CR-FM-13-017 dated October 1, 2013, which are scheduled for replacement in 2014 in the Ten Year Capital Plans of various departments, to be funded from the appropriate vehicle/equipment reserves.

October 1, 2013
To: Chair Ken Seiling and Members of Regional Council  
From: David Roewade, Sustainability Planner  

This memo is in response to questions raised at the October 1, 2013 Administration and Finance (A&F) Committee regarding the proposed GHG emission reduction target. Specifically, the request from Committee is to provide the following information:

1. a) More details on the biosolids, wastewater and waste management operations/activities that are projected to achieve the majority of the emission reductions related to the proposed GHG target;  
   b) Clarify if any components of the deferred Biosolids Master Plan review are incorporated into these projections, and;  
2. Further clarification on any new funding required to support other initiatives within the action plan in relation to the emission reduction target recommended within the report.

**Biosolids, Wastewater, Waste Management Activities and GHG Emission Reductions**

The biosolids related actions that are included in the GHG target calculations for 2019 include capital works and operational changes already occurring and will continue up until 2019 which is the time horizon of the Region’s Corporate GHG Action Plan and target. These actions include decommissioning of lagoon storage and installation of dewatering equipment at three larger wastewater treatment plants, changes in treatment and management of biosolids at the smaller WWTPs (aerobic biosolids) and land application of both aerobic and dewatered biosolids. Many of these projects have been recently completed (since 2010) or are near completion. None of the above activities are affected by Regional Council’s recent decision to further review and update the Biosolids Master Plan (report E-13-014, dated September 10, 2013). The incorrect reference to the Master Plan in the A&F report CR-FM-13-015 dated October 1, 2013 has been corrected in the current report before Council (CR-FM-13-015.1, dated October 9, 2013).

Specific initiatives in the original Biosolids Master Plan consisting of a centralized heat drying facility and installation of cogeneration equipment at three wastewater treatment plants are not considered in the target horizon of the Region’s corporate GHG Action Plan to 2019. Similarly, further exploration of synergies between the Biosolids Master Plan and the pending Waste Management Master Plan also influence potential changes in Regional operations after the year 2019. Therefore the organic waste diversion and landfill gas flaring activities included in calculating the proposed GHG target are not impacted. The following table separates these major actions as requested in terms of their estimated GHG reduction potential as of year 2019 (values have been recalculated and updated).
## Wastewater, Biosolids and Waste Actions 2010 – 2019

<table>
<thead>
<tr>
<th>Action</th>
<th>Estimated GHG Reduction (T)</th>
<th>% of total GHG Reduction Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installation of dewatering equipment at three largest WWTP resulting in reduced volume of treated biosolids (two already installed in 2010/2011, one to be completed in 2014)</td>
<td>12,800</td>
<td>27.1%</td>
</tr>
<tr>
<td>More treated dry biosolids cake diverted from landfill and subsequently land applied due to new dewatering contract*</td>
<td>10,000</td>
<td>21.2%</td>
</tr>
<tr>
<td>Decommissioning of wastewater/biosolids lagoon storage at Kitchener WWTP (in-progress)</td>
<td>2,050</td>
<td>4.3%</td>
</tr>
<tr>
<td>Organic waste diversion (green bin)</td>
<td>6,810</td>
<td>14.4%</td>
</tr>
<tr>
<td>Portable flaring of landfill methane</td>
<td>5,280</td>
<td>11.2%</td>
</tr>
<tr>
<td><strong>Total GHG reductions from wastewater / biosolids and waste management</strong></td>
<td><strong>33,060</strong></td>
<td><strong>78%</strong></td>
</tr>
</tbody>
</table>


The remaining 22% or approximately 14,000 tonnes of emission reductions considered in the proposed GHG target are expected to come from initiatives within operation of facilities, equipment and fleet including those expected as a result of implementing the pending Asset Management and Energy Management Plans. The following pie chart provides further detail and updated calculations of where the proposed emission reductions would occur by source.
Financial Implications of the Proposed Reduction Target

The funding support for the wastewater, biosolids and waste management actions during 2010 – 2019 are already a part of previously approved capital works and divisional base operational budgets within Waste Management and Water Services Divisions and do not require further approval of new investments in the timeframe of the GHG action plan. Similarly, there is no impact to the 2014 budget process from facilities and fleet initiatives currently being implemented as they are also already included in existing capital budgets (e.g. Energy Conservation Office projects, LEED building construction, furnace replacements in housing). Many of these initiatives are also being implemented over several years and consequently the energy and GHG benefits will be included in future GHG progress reports.

An estimated 85% - 90% of the GHG emissions required to meet the proposed reduction target involve actions that are essentially fully funded. The remaining 10% - 15% of GHG reductions may include projects that require additional investments in the future. In these cases an estimated range of $5 - $7.5 million is referenced in the current report (Table 2, page 4) which is a total cost for consideration during the 2015 – 2019 budget years. The normal budgetary process will continue to be followed for the year that these projects are proposed. For discretionary initiatives, it is recognized that often a strong business case will be required to justify and prioritize new investments on a case-by-case basis. Staff also continues to be aggressive in seeking external grants and incentives to lower the Region’s needed investment.

Some initiatives that could potentially lead to energy or fuel savings and GHG emission reductions may be cost neutral whereas others could be potentially funded by the re-investment of FIT revenues (net average of $149,000 per year) as recently approved by Regional Council (report CR-FM-13-008, dated June 18, 2013). This would equate to a total of almost $900,000 which can be used to invest in future energy conservation and efficiency measures during the remaining time period of the Corporate GHG Reduction Plan (2014 – 2019). Within the Financial Implications section of the A&F report CR-FM-13-015 dated October 1, 2013 an incorrect reference to the long-term PV revenue available for this re-investment has been corrected in the current report before Council (CR-FM-13-015.1, dated October 9, 2013).

It is also important to note that many of the Region’s initiatives result in an accidental outcome of GHG reductions and are more representative of changes already occurring, planned or under consideration within Regional operations due to the following primary influences:

- Compliance to provincial legislation such as the Nutrient Management Act and Green Energy Act;
- Required capital upgrades/replacement and new facility construction in relation to the availability of improved process design and technology for infrastructure equipment, HVAC systems, lighting, and;
- Best management practices in operations (e.g. waste diversion, asset management, fleet program review).

The implied commitment within the recommendation before Council is to achieve the reduction target and not necessarily to implement specific actions. The identification of actions within the initial GHG action plan and the current progress report represent best available opportunities and continue to evolve over time as conditions change and new technology becomes available. Staff has demonstrated that it can effectively identify initiatives that improve operations and services often achieving a reduction of operational expenses for energy and fuel resources as well as avoided capital replacement costs which in turn can result in GHG emission reductions. Therefore the proposed GHG reduction target is representative of a commitment to this continuous improvement within the Region’s operations and service delivery primarily with current resource commitments.
REGION OF WATERLOO
CORPORATE RESOURCES
Facilities Management and Fleet Services

TO: Regional Chair Ken Seiling and Members of Regional Council

DATE: October 9, 2013

SUBJECT: PROGRESS REPORT/ REVISED TARGET - CORPORATE GREENHOUSE GAS ACTION PLAN

RECOMMENDATION:

THAT the Regional Municipality of Waterloo adopt an enhanced target to reduce greenhouse gas (GHG) emissions from Regional Operations at an absolute level of 10% below 2009 levels by the year 2019 as described in report CR-FM-13-015.1 dated October 9, 2013;

AND THAT this report be forwarded to FCM Partners for Climate Protection (PCP) program and Sustainable Waterloo’s Regional Carbon Initiative for formal acknowledgement and recognition.

SUMMARY:

In May 2011, Regional Council approved a GHG Action Plan for corporate operations under the responsibility of the Region of Waterloo (report CR-FM-11-011). Staff have recently prepared an updated emissions inventory which indicates that the Region has achieved almost a 15% reduction GHGs in two years. Based on the success achieved to date and the identification of practical and beneficial actions to implement, staff believe that over the life of the plan to 2019, the existing target of stabilizing absolute emissions at 2009 levels will be fulfilled and reduced further by up to 5%. Given this and the increasing need for mitigation of climate change, staff are recommending that the current target be replaced with a more aggressive target of 10% absolute emissions reduction to be achieved by the year 2019 (equivalent to an intensity target of 25% reduction per capita). The progress report captures actions implemented to date and also flags other benefits such as cost savings, better operation/maintenance of assets and reduced release of air pollutants associated with smog and ill health effects. The impacts from implementing the remainder of the action plan are outlined within this covering report and in more detail within Appendix A. The progress report and new reduction target, if approved, can be used to attain formal recognition from FCM for achieving the final milestones of the national PCP program as well as attain Bronze Pledging Member status within the local Sustainable Waterloo Regional Carbon Initiative based on the new per capita intensity target.

REPORT:

Background

In recent years, reports at the international, national and regional levels have indicated that climate change and variability is already impacting various places around the world including Canada. Conservation Authorities in Ontario have already acknowledged changes to the hydrological cycle which affect the occurrence of droughts, floods and create challenges to protecting water quality. Evidence that climate change is occurring within Waterloo Region can be observed within local weather data from over the past 60 years. Notable local effects include record breaking warm weather last year in March that was followed by more colder seasonal April temperatures which severely impacted some agricultural crops. More recently, intense rain and wind storms in July of this year caused significant damages to trees, homes and other buildings and infrastructure within the
While no single storm or weather-based record can be attributed solely to climate change, the long-term trends show a strong correlation between historical and current GHG emissions from human activity, atmospheric CO₂ concentration levels and changing climate conditions.

With a growing urgency for GHG mitigation, a call to action went out to local governments around the world in the mid-1990’s as municipalities account for 30-50% of worldwide emissions and 60% of global energy consumption according to the Federation of Canadian Municipalities (FCM). In Canada, under the FCM’s Partners for Climate Protection (PCP) program, over 240 municipalities have responded with commitments to reduce GHGs from their local operations and at the community scale. Regional Council passed a resolution on April 6, 2010 (CR-FM-10-007) to join the national FCM-PCP program as well as the local Sustainable Waterloo Regional Carbon Initiative (SWRCI), both requiring commitment to action towards achieving a reduction target. This report provides an update on the Region’s Corporate GHG Action Plan. A report on the community action plan will follow later this fall.

Current Emissions and Progress to Date

In May 2011, Regional Council approved a GHG Action Plan for corporate operations under the responsibility of the Region of Waterloo (report CR-FM-11-011). The report included an inventory of emissions from operations in 2009, a 10 year forecast and reduction target along with an action plan which included existing and planned actions being implemented from 2010 onward. The target that was approved aims to stabilize absolute emissions at 2009 levels out through the year 2019 (required for FCM-PCP) translating to a 15% reduction per capita based on anticipated population growth (intensity target used for SWRCI). The report also indicated that at that time, not all actions to meet that target were specifically quantified and that staff would report back to further describe the strategy proposed to fill the gap. This assessment has now been completed and consequently the current report provides an update on progress made as a result of actions completed over the past two years as well as the projected impact from implementing the remainder of the action plan including projected emission levels and estimated costs.

The main approach incorporated within the action plan to achieve emission reductions include:

- Energy efficiency and conservation in Regional facilities and streetlights
- On-site generation and utilization of renewable power (i.e. solar, geothermal)
- Methane gas emission management at the landfill
- Greening the Regional fleet and reducing employee business travel
- Improvements to processes in wastewater treatment and biosolids management

This approach led to an estimated annualized reduction of over 26,000 Tonnes of GHG emissions in 2012 based on actions completed to date. The most recent emissions inventory prepared by staff estimates that absolute GHG emissions from Regional operations for year-end 2011 have decreased by approximately 15% compared to 2009 levels as indicated in table 1. Although emissions from the Region’s vehicle fleet grew moderately during this time (including transit, EMS and police), emissions from energy use in the Region’s buildings, staff business travel, landfill operations, wastewater treatment and biosolids management all decreased compared to base year levels. Appendix A contains a more detailed progress report on actions implemented during 2010 - 2012, emission levels for 2011 in relation to base year values (2009) as well as improvements to monitoring of corporate emissions to better reflect progress and provide more efficient ongoing reporting.

The significant reduction between 2009 and 2011 is largely a result of changes made to wastewater operations and management of biosolids as well as the expansion of the organic waste diversion and solar/portable flaring activities at the Region’s landfill which reduces methane, a GHG that is more than 20 times more potent than CO₂ in terms of global warming potential. Almost 900 megawatts of electricity were also reduced from 2009 to 2011 coupled with a lower carbon intensity of the provincial energy grid which further reduced emissions from the Region’s electricity consumption in buildings and exterior lights on streets.
Table 1. Comparison of 2009 and 2011 Corporate GHG Emissions from Regional Operations

<table>
<thead>
<tr>
<th>Emission Source</th>
<th>2009 GHGs (Tonnes)</th>
<th>2011 GHGs (Tonnes)</th>
<th>Difference (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (Buildings/facilities, streetlights and traffic signals)</td>
<td>17,402</td>
<td>15,802</td>
<td>-9%</td>
</tr>
<tr>
<td>Natural gas (Buildings/facilities)</td>
<td>15,099</td>
<td>14,262</td>
<td>-6%</td>
</tr>
<tr>
<td>Fleet Vehicles (incl. Transit and 3rd party waste collection)</td>
<td>36,244</td>
<td>37,550</td>
<td>+4%</td>
</tr>
<tr>
<td>Staff business travel</td>
<td>550</td>
<td>521</td>
<td>-5%</td>
</tr>
<tr>
<td>Solid waste (Waterloo and Cambridge landfills)</td>
<td>64,428</td>
<td>56,593</td>
<td>-12%</td>
</tr>
<tr>
<td>Wastewater treatment / biosolids (non-energy based emissions)</td>
<td>14,020</td>
<td>1,372</td>
<td>-90%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>147,743</strong></td>
<td><strong>126,100</strong></td>
<td><strong>-15%</strong></td>
</tr>
</tbody>
</table>

Reduction Targets Revisited

The assessment of the current action plan has now been completed and forecasts that the existing target of maintaining 2009 emission levels will be surpassed when fully implemented despite expected growth in Regional facilities and quantity of vehicles. Given this strong progress achieved to date and availability of practical actions remaining to be implemented, staff are confident that more aggressive absolute emission reductions can be achieved by the target year 2019 while improving operations. Several different options to enhance the Region’s GHG reduction target ranging from 5% to 20% were considered and discussed with the Environmental Leadership Committee which is comprised of senior management from all seven Regional departments. Potential reduction levels are illustrated in Figure 1 in relation to the current target, updated action plan and emission levels as of year-end 2011. The target options considered by the Committee are summarized within table 2 including an overview of associated financial and technological related risks.
Although the Region has achieved strong early progress on emission reductions, it is expected that this will be tempered by growth in emissions during 2014 – 2019 as various operations, infrastructure and services expand to fulfill the demand from an increasing population in Waterloo Region (e.g. transit, police, new facilities). However, it is anticipated that significant opportunities to further improve emissions, financial and service performance will emerge from the current asset management activities in facilities and fleet management along with implementation of the Region’s pending corporate energy conservation plan which is required under the Province’s Green Energy Act by July 1, 2014 (report for consideration by Regional Council will be prepared in Spring 2014).

Table 2. Summary Implications of GHG Reduction Target Options (from base year 2009 to 2019)

<table>
<thead>
<tr>
<th>Target Options (Absolute)</th>
<th>Per Capita Reduction</th>
<th>Actions Required</th>
<th>Risk Implications (financial / technological)</th>
<th>Estimated New* Costs</th>
</tr>
</thead>
</table>
| 0% (current target)      | 15%                  | Completed or committed actions up to year-end 2014/15   | **Negligible:**  
- Supported by existing budgets  
- Use of proven technologies  
- Paybacks within life of asset, | 0 0 |
| 0 - 5%                   | 15 - 20%             | Full implementation of current action plan              | **Low** (Same as above +):  
- Budget issue papers may be required for larger projects where business case exists (e.g. streetlights: $4M with a simple payback of 8 years)  
- Prioritization of paybacks within life of asset, | $5M – $7.5M  
Avg. payback: 5 - 10 years | $100,000 |
| 10% Recommended New Target | 24%                | Same as above + additional improvements from Corporate Energy and Asset Management Plans (2014) | **Low - Medium:**  
- Additional improvements supported by base operating and capital replacement budgets as part of improved asset management processes (i.e. facilities, fleet, equipment)  
- Budget issue papers maybe required for large projects where payback is within asset life  
- Use of proven technologies with some pilot projects testing of advanced applications | Same as above with no incremental cost increases expected |
| 15%                      | 28%                  | Same as above plus more aggressive and innovative action plan | **Medium to High:**  
- Innovative actions may require significant new budget support  
- May include several actions without a payback or where payback exceeds asset life  
- Likely to involve use of advanced technologies which may have reliability and uncertainty implications | $10M - $15M  
Avg. payback: 10 - 15 years | $250,000-$500,000 |
| 20%                      | 32%                  | Same as above plus more aggressive and innovative action plan | | $15M - $20M  
Avg. payback: 10 - 20 years | $500,000-$1,000,000 |

*Any new costs would be subject to normal budget approval process. See page 5 and the Financial Implications section for further explanation.
Sample initiatives associated with each target level are included in Appendix B. All actions considered within the plan are based on the premise that they should provide multiple benefits in an economic, environmental, and social (community) context. This is an integral part of the Region’s Sustainability Strategy in terms of the principle of balancing environmental considerations with financial responsibility and fulfillment of community needs via the delivery of high quality programs and services. The Corporate GHG Action Plan demonstrates this approach by focussing on what the Region of Waterloo is already doing and planning within its operations or program delivery and identifying different methods which reduce environmental impact and costs where possible while maintaining or improving current levels of service.

Although specific implementation costs for some actions are included in the attached progress report, it is important to note that these are not necessarily extra costs for “environmental” initiatives. In many cases the costs associated with the actions identified within this plan are embedded within existing budgets for regular maintenance and improvement of operations and services. Examples of this include:

- Capital replacement budgets for buildings and equipment (e.g. furnaces, boilers and lighting);
- Incorporation of improved fuel economy in life-cycle cost analysis for replacement/new vehicle purchases and optimization of overall fleet efficiency;
- Improvements in landfill gas management and waste diversion, wastewater treatment processes and management of biosolids.

Many actions will improve the maintenance and operation of assets such as facilities and vehicles which in turn can positively affect their performance and longevity (e.g. LED streetlights, use of biodiesel). Several actions will also reduce or avoid costs associated with energy/fuel consumption in addition to decreased emissions of air pollutants causing smog and related ill health effects (e.g. idling reduction equipment on fleet vehicles). Furthermore, all emission reductions achieved to date have utilized existing budgets including the Corporate Sustainability Fund, the resources allocated for Corporate Energy Office projects and capital replacement for equipment and facilities construction (e.g. LEED buildings). External sources of funding used by staff for implementing initiatives include rebates from local utility providers, grants for solar PV installations as well as the FCM Green Municipal Fund to name a few. Any additional funds to implement these projects will be subject to the normal budget approval process as required and any such requests for new funding, or to utilize existing approved funds, will include business cases relative to the cost/benefit of the initiative.

Based on the approach outlined above, staff are recommending that the Region’s Corporate GHG commitment be enhanced to a 10% absolute reduction target of emissions by 2019 compared to 2009 levels which translates to an intensity target of 24% reduction of emissions per capita. These enhanced targets are expressed in this manner with respect to two different GHG reduction programs:

- An absolute reduction target figure is used with reference to the Region’s commitment to the FCM Partners for Climate Protection program. The attached progress report can be submitted for formal recognition for achieving the final milestones within this national program.
- Within the local Sustainable Waterloo Regional Carbon Initiative, the enhanced per capita intensity target would enable the Region attain Bronze Pledging Partner status (current status is Observing Member).

Although it is recognized that a 20% or greater reduction may be more desirable from a climate protection and sustainability perspective, at this time staff believe that a 10% absolute emission reduction target is still ambitious yet reasonably achievable. The 10% target can be achieved with the existing action plan along with the anticipated improvements related to the pending asset management and corporate energy plan both slated for completion by 2014. Updates to the Region’s corporate GHG emissions inventory will continue to be provided to Regional Council every other year with respect to actual progress made in relation to the reduction target.
CORPORATE STRATEGIC PLAN:

Focus Area 1 - Protect and Enhance the Environment:

- Objective 2 – Reduce Greenhouse gas emissions and work to improve air quality

FINANCIAL IMPLICATIONS:

As indicated previously when Regional Council approved the Corporate GHG Action Plan, a significant portion of the financial resources within the current action plan exist within approved budgets (report CR-FM-11-011). Estimated incremental capital and operating costs were provided on the current action plan at that time. Those actions that require new financial support will follow the normal budget approval processes prior to implementation with priority given to those initiatives with strong business cases and where paybacks exist within the Region’s useful life of the asset. Further details of estimated financial implications from implementation of the Corporate GHG Action Plan are included within Appendix A.

The energy savings referred to in Appendix A are generally used to help reduce program area operating budgets. Similarly, fleet and transit initiatives that result in fuel savings help to offset increased usage (i.e. kilometres driven or hours of operation) as well as offsetting increases in fuel costs. Additionally, the recent recommendation approved by Regional Council regarding the use of Solar PV Feed-In-Tariff revenue will bolster the implementation of the pending corporate energy conservation plan and is estimated to result in additional savings and cost avoidance over 20 years of $6.26 million from a $2.98 million investment (see report CR-FM-13-008). Using the projected average annual net revenue from the Region’s installed FIT projects ($149,000), a total of almost $900,000 could be used to invest in future energy conservation and efficiency measures during the remaining time period of the Corporate GHG Reduction Plan (2014 – 2019).

There are no financial implications of changing the current Observing member status with Sustainable Waterloo’s Regional Carbon Initiative to Pledging member status in terms of membership fees paid to the organization.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

Development of this report included consultation with the Environmental Leadership Committee with representation from all seven Regional departments.

ATTACHMENTS:

Appendix A: Progress Report: Region of Waterloo’s Corporate GHG Emission Reduction Plan  
(Attachment distributed separately)

Appendix B: Examples of Actions to Achieve Corporate GHG Emission Targets

PREPARED BY:  David Roewade, Sustainability Planner, Corporate Resources

APPROVED BY:  Gary Sosnoski, Commissioner, Corporate Resources
## Appendix B
### Examples of Actions to Achieve Corporate GHG Emission Targets

<table>
<thead>
<tr>
<th>Timeframe - %Target from Base Year</th>
<th>GHG Emissions (Tonnes)</th>
<th>Sample Projects to Achieve Emission Reduction Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 Base Year</td>
<td>147,743</td>
<td></td>
</tr>
<tr>
<td>2019 Forecast (no action)</td>
<td>180,143</td>
<td></td>
</tr>
<tr>
<td>0% reduction by 2019 (Current plan implemented between 2010 – 2013)</td>
<td>147,743</td>
<td>Green bin diversion, solar flaring at landfill, changes in wastewater and biosolids management operations and practices (e.g. installation of dewatering equipment, decommissioning biosolids lagoon, diverting dried cake from landfill to agricultural land application), photovoltaic installations (2011/2012), heat recovery at Sunnyside, interior lighting retrofits at office buildings (2010 - 2012).</td>
</tr>
<tr>
<td>5% reduction by 2019 (Current plan implemented between 2014 – 2019)</td>
<td>140,356</td>
<td>Biodiesel in GRT, expansion of fleet telematics pilot project, aggressive right-sizing for vehicle purchases as standard procedure; centralized fleet pool (post fleet program review), increased emphasis of staff Travelwise program (coinciding with full employee pay parking in 2014), streetlight replacement with LED technology, further lighting retrofits and HVAC upgrades in buildings.</td>
</tr>
<tr>
<td>10% reduction by 2019 (Implementing new Corp. Energy and Asset Mgmt. Plan in facilities/fleet, expanding pilot projects where feasible)</td>
<td>132,969</td>
<td>Expanding use of heat recovery units in buildings, solar thermal for hot water at Sunnyside, Asset Management processes involving optimized energy performance in existing buildings (e.g. higher building envelope standards improving roofs/windows etc.), use of a solar wall for heating in a new LEED building, expansion of anti idling pilot project in fleet, pilot plug-in electric vehicles in Regional fleet.</td>
</tr>
<tr>
<td>15% reduction by 2019</td>
<td>125,582</td>
<td>Co-generation/district energy/combined heat and power at a cluster of Regional buildings, ground mount solar PV (e.g. Airport), piloting use of stationary hydrogen fuel cells as power source, more use of geothermal where appropriate.</td>
</tr>
<tr>
<td>20% reduction by 2019</td>
<td>118,194</td>
<td></td>
</tr>
</tbody>
</table>
THE REGIONAL MUNICIPALITY OF WATERLOO
PLANNING AND WORKS COMMITTEE

Summary of Recommendations to Council

The Planning and Works Committee recommends as follows:


2. THAT the Regional Municipality of Waterloo approve an amendment to Controlled Access By-law #58-87 for a full-movement, temporary access on the east side of Regional Road #54 (Lackner Boulevard), approximately 140 metres south of Regional Road #04 (Ottawa Street) in the City of Kitchener, subject to site plan approval by the City of Kitchener and closure of all existing accesses to the property from Lackner Boulevard as described in Report No. P-13-093, dated October 1, 2013.

3. THAT the Regional Municipality of Waterloo amend Traffic and Parking By-Law 06-072, as amended, to add to Schedule 16 – Lane Designation, northbound left-turn, left-turn / through / right-turn lane on Cherry Blossom Road at Maple Grove Road (Regional Road 38) in the City of Cambridge, as outlined in Report E-13-113, dated October 1, 2013.

4. THAT the Regional Municipality of Waterloo amend Traffic and Parking By-law 06-072, as amended, to remove from Schedule 18, 80 km/h maximum speed, Wrigley Road (Regional Road 49) from 750 metres east of Stanley Street to Spragues Road (Regional Road 75), in the Township of North Dumfries, as outlined in Report E-13-114, dated October 1, 2013.

5. THAT Regional Municipality of Waterloo approve the use of four different styles of bridge barriers as described in Report E-13-117 on all future new and rehabilitated Region of Waterloo bridges, where a Performance Level 2 barrier as defined under the Canadian Highway Bridge Design Code is required for the bridge barrier and not with standing the policy there may be circumstances when Regional Council would consider using a unique site-specific railing system.

6. THAT the Regional Municipality of Waterloo approve the proposed revisions to MobilityPLUS eligibility criteria and policies as outlined in Report E-13-112, dated October 1, 2013:

   a) Update the MobilityPLUS eligibility criteria to: “MobilityPLUS specialized services are intended for transit customers with a Physical disability who are unable to access fixed-route public transit, such as GRT conventional buses, for the majority of their transportation needs. Eligibility is considered on a case by case basis and is not based on a particular disability nor is it based on income level.”

   b) Approve the Grand River Transit Policy - Managing Customer Adherence to Scheduled Service Delivery, attached as Appendix A to this report.

   c) Approve the creation of a Transit Support Person card (PLUSone card) to be used as a bus fare to allow complimentary travel for one support person, if they are
needed by the person with a disability to use transit, in accordance with the Accessibility for Ontarians with Disabilities Act.

7. THAT the Regional Municipality of Waterloo enter into a Consulting Services Agreement with LGL Limited to provide consulting services over a 5.5 year period for undertaking the Surface Water Quality Monitoring Program, at an upset limit of $1,994,735 plus applicable taxes, as per Report E-13-119 dated October 1, 2013.

October 1, 2013
On October 1, 2013, the Planning and Works Committee considered Report No. P-13-094/F-13-088 for possible Regional funding of a Joint Tax Increment Grant (TIG) with the City of Kitchener. The committee deferred consideration of the report to the Regional Council meeting on October 9 pending confirmation of the zoning of the property and whether City of Kitchener staff discussed higher density development options with the applicant. This memo is a follow up to that request.

Regional staff has consulted City of Kitchener staff and confirmed that the zoning for the property located at 55 Mooregate Crescent, Kitchener is Residential-Nine (R-9) under City of Kitchener Zoning By-law 85-1. The R-9 zoning permits multiple dwellings, which includes any residential development comprised of 3 or more units including apartments, townhomes (stacked and/or cluster or street-oriented) and triplexes. The development meets the applicable R-9 zoning regulations in terms of type and density of development.

Staff also noted that the existing density of development in this area is already significant, and support the density and design of the proposed development as appropriate for the property and compatible with adjacent properties.
TO: Chair Jim Wideman and Members of the Planning and Works Committee
DATE: October 1, 2013
FILE CODE: F-25-20

SUBJECT: BROWNFIELDS FINANCIAL INCENTIVE PROGRAM - TAX INCREMENT GRANT PROGRAM APPLICATION – 55 MOOREGATE CR, CITY OF KITCHENER

RECOMMENDATION:

THAT the Regional Municipality of Waterloo take the following action regarding the property municipally known as 55 Mooregate Crescent in the City of Kitchener:

a) Approve a joint Tax Increment Grant for an amount not to exceed $343,172 to be financed from the incremental tax revenue for the property following remediation and redevelopment;

b) Provide the Tax Increment Grant subject to the completion of remediation and redevelopment on the property and upon final confirmation of any additional brownfield related financial assistance rendered under the Region’s Brownfield Financial Incentive Program or through the City of Kitchener; and

c) Authorize the Region’s Commissioner of Planning, Housing and Community Services and Chief Financial Officer to execute any associated agreements with the registered owner of 55 Mooregate Crescent and the City of Kitchener, as described in Report P-13-094/F-13-088, dated October 1, 2013, with the form and content of such agreement(s) to be satisfactory to both the Regional and City of Kitchener Solicitors.

SUMMARY:

Since the fall of 2012, City of Kitchener and Regional staff have been in discussions with Savic Homes Ltd. (the applicant) regarding a forthcoming application to the joint Tax Increment Grant (TIG) program. On November 27, 2012 the City of Kitchener received a joint TIG application by the applicant in regards to the remediation and redevelopment of the property municipally known as 55 Mooregate Crescent in Kitchener. On February 6, 2013 Regional Council approved a longer term Regional funding framework for the joint TIG program (Report P-13-004/F-13-007). As a result, the applicant’s joint TIG application was accepted by the Region on February 14, 2013.

Approval of the joint TIG would facilitate the redevelopment of a vacant, contaminated, former waste disposal site to accommodate 31 townhomes in an existing residential neighbourhood serviced by Grand River Transit (iXpress Route 201).

The applicant has submitted actual remediation costs for the site of $773,814. This amount, plus a 10% allowance for indirect costs afforded under the joint TIG program ($77,381), less assistance already received under the Phase Two ESA Grant ($11,117) and Regional
Development Charge (RDC) exemptions ($278,690) results in a maximum eligible joint TIG of $561,388. The grant would be cost-shared between the Region and the City of Kitchener with grant proportions determined by each municipality’s share of the municipal taxes levied on the property with 61.1% ($343,172) being provided by the Region and the remaining 38.9% ($218,217) provided by the City of Kitchener. The annual payments, which are estimated to last nine (9) years, would not start until after the property is fully remediated, redeveloped and ultimately reassessed by the Municipal Property Assessment Corporation (MPAC).

City of Kitchener staff prepared a report recommending the joint TIG application to their General Committee, which was approved on September 9, 2013. The joint TIG application was subsequently approved by Kitchener City Council on September 16, 2013.

The Region’s portion of the joint TIG ($343,172) would be funded from the incremental tax revenue following remediation and redevelopment.

As a condition of approval under the joint TIG program, an Interim Tri-Partite Remediation and Redevelopment agreement between the applicant, the Region and the City of Kitchener would be required.

This report provides details of the application, the site and proposed redevelopment, joint TIG program requirements used to evaluate the application, details of the proposed financial commitments, TIG payment schedules and a recommendation for approval of the Region’s fifth complete joint TIG application.

**REPORT:**

**Brownfield Financial Incentive Program Background**

In October 2006, Regional Council approved the framework for a Regional Brownfields Financial Incentive Program (BFIP). The goals of the BFIP are to encourage the remediation and redevelopment of brownfield sites, to promote reurbanization and to reduce the outward movement of the urban area in support of the Regional Growth Management Strategy (RGMS) and the Province’s Places to Grow Growth Plan.

Currently, the BFIP consists of three forms of financial assistance for the development community:

1. Phase Two Environmental Site Assessment (ESA) Grants – a cost sharing incentive which funds up to 50% of eligible costs associated with the completion of a Phase Two ESA to a maximum of $40,000;

2. Regional Development Charge (RDC) exemptions for Brownfields – the RDC by-law provides for development charge exemptions up to the total eligible remediation costs associated with the clean up of contaminated properties outside the core areas of Cambridge and Kitchener;

3. Joint Tax Increment Grants (TIGs) – a joint incentive with participating Area Municipalities to further assist with eligible remediation costs by providing the developer with a grant based on the increase in municipal taxes resulting from the completion of remediation, redevelopment and reassessment of a contaminated property.
The BFIP also provides funding for Area Municipalities to assist in amending or developing Community Improvement Plans (CIPs) to provide for the implementation of the joint TIG program.

Brownfield Financial Incentive Program Update

Since 2006, the Region has approved 25 applications under the BFIP comprising of 17 Phase Two ESA grants, 4 RDC exemptions and 4 joint TIGs. These incentives represent a total Regional commitment of $12,043,007, of which $6,490,172 has been approved by the Region through the joint TIG program.

Application Details: 55 Mooregate Crescent, Kitchener

On November 27, 2012 the City of Kitchener received a joint TIG application by Savic Homes Ltd. (the applicant) in regard to the remediation and redevelopment of a property municipally known as 55 Mooregate Crescent in Kitchener. On February 6, 2013 Regional Council approved a longer term Regional funding framework for the joint TIG program (Report P-13-004/F-13-007). As a result, the applicant’s joint TIG application was subsequently accepted by the Region on February 14, 2013.

55 Mooregate Crescent is an irregularly shaped parcel consisting of 0.44 ha (1.09 acres) near the intersection of Westmount and Victoria Streets in west Kitchener (please see Attachment 1 for site map). The site is located in an existing urban, residential neighbourhood which is currently serviced by Grand River Transit and is located in close proximity to the iXpress Route 201. Prior to remediation, the site had been vacant and did not contain any buildings or structures. The redevelopment of the site consists of five blocks of three-storey townhomes totaling 31 units.

Environmental site investigations determined that the property formed part of a historical waste disposal site. Environmental contaminants found on the property included concentrations of lead, arsenic, copper and benzo(a)pyrene at levels in exceedance of accepted Ministry of Environment Table 2 standards for residential development. The site is located in a Wellhead Protection Sensitivity Area (WPSA) 7 and 8 (Regional Official Plan, Map 6A).

As part of the application process, a Remedial Work Plan was submitted by the applicant (prepared by a Qualified Person as defined and required by Ontario Regulation 153/04, as amended). This work plan provided an estimate of the remediation costs for the site which City of Kitchener and Regional staff reviewed and found to be acceptable.

Remediation activities have concluded on the site and a Record of Site Condition has been filed and acknowledged by the Ministry of Environment. Redevelopment of the site to accommodate the 31 townhomes is currently underway.

The applicant has submitted actual remediation costs for the site of $773,814. This amount, plus a 10% allowance for indirect costs afforded under the joint TIG program ($77,381), less assistance already received under the Phase Two ESA Grant ($11,117) and Regional Development Charge (RDC) exemptions ($278,690) under the BFIP results in a maximum eligible joint TIG of $561,388. The grant will be cost-shared between the Region and the City of Kitchener with grant proportions determined by each municipality’s share of the municipal taxes levied on the property with 61.1% ($343,172) being provided by the Region and the remaining 38.9% ($218,217) provided by the City of Kitchener. The annual payments, which are estimated to last nine (9) years, would not start until after the property is fully remediated,
redeveloped and ultimately reassessed by the Municipal Property Assessment Corporation (MPAC). Payments are not expected to commence before 2015.

As a condition of final approval of eligible costs, invoices must be submitted by the applicant and must be approved for eligibility by City of Kitchener and Regional staff.

Joint TIG Application Review

As part of staff’s review, the site and proposed redevelopment were evaluated based on the following standard eligibility criteria developed by the Region and Area Municipalities for the joint TIG program:

1. The site must be located within the designated Area Municipal Community Improvement Plan (CIP) Project Area where the CIP allows for implementation of the Regional BFIP;
2. The applicant must be the registered owner of the site or an assignee of the owner;
3. The applicant cannot be responsible for causing the on-site contamination that requires remediation;
4. The remediation and redevelopment undertaken must result in a minimum increased property assessment value of $100,000;
5. The Environmental Site Assessments must be completed by a “Qualified Person” (as per Ontario Regulation 153/04);
6. Redevelopment plans must meet all approved policy and should comply, where feasible and appropriate, with applicable design guidelines;
7. The site must not be in a position of tax arrears or have any outstanding municipal financial obligations; and
8. Application for a TIG must be made prior to issuance of building permit(s) for the redevelopment.

City of Kitchener and Regional staff have reviewed the application for 55 Mooregate Crescent under the above eligibility criteria, and are satisfied that the site and proposed redevelopment have met the requirements of the joint TIG program. On September 9, 2013, the City of Kitchener considered and approved this application at their General Committee (please see Attachment 2). The joint TIG application was subsequently approved at Kitchener City Council on September 16, 2013. Regional staff is recommending that the Regional portion of the joint TIG be approved by Regional Council.

Joint TIG Calculations and Payment Schedule

The anticipated joint TIG payments and schedule are determined based on the following key pieces of information:

- Estimate of the anticipated property assessment increment upon completion of redevelopment;
- Estimated increase in municipal (Regional and City) taxes (known as the tax increment) based on the estimated assessment upon completion of the redevelopment; and
• Estimate of the total eligible remediation costs (including a 10% allowance for indirect remediation costs but less the total of any additional government financial assistance received for the project).

This information is collectively used to determine the potential maximum joint TIG the site could receive as well as the potential eligible joint TIG amount the site can achieve based on the estimated remediation costs. The resulting grant is equal to the increment between the pre-remediation and redevelopment municipal property taxes and the post-remediation and redevelopment municipal property taxes. The grant is paid to the applicant on an annual basis for a maximum period of 10 years or until total eligible remediation costs have been recovered, which ever comes first.

Table 1 summarizes the estimated potential maximum joint TIG and the estimated potential eligible TIG amount for this application, including a break down of the Regional and City of Kitchener portions.

Table 2 identifies the anticipated payment period. It should be noted that these estimates are preliminary. The joint TIG grant payment schedule will not be finalized until the actual remediation costs are reviewed and the MPAC assessment is received following the redevelopment of the property.

For more detailed information on the tax increment calculations and methodology please see Attachment 3.

Table 1: Estimated Tax Increment Grants for 55 Mooregate Crescent, Kitchener

<table>
<thead>
<tr>
<th>Maximum Potential TIG</th>
<th>Eligible TIG Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual</td>
</tr>
<tr>
<td>City</td>
<td>38.9%</td>
</tr>
<tr>
<td>Region</td>
<td>61.1%</td>
</tr>
<tr>
<td>Total TIG</td>
<td>64.426%</td>
</tr>
</tbody>
</table>

* Rounded to the nearest dollar

Table 2: Estimated TIG Payment Schedule for 55 Mooregate Crescent, Kitchener

<table>
<thead>
<tr>
<th>Year</th>
<th>City</th>
<th>Region</th>
<th>Total TIG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$25,043</td>
<td>$39,383</td>
<td>$64,426</td>
</tr>
<tr>
<td>2</td>
<td>$25,043</td>
<td>$39,383</td>
<td>$64,426</td>
</tr>
<tr>
<td>3</td>
<td>$25,043</td>
<td>$39,383</td>
<td>$64,426</td>
</tr>
<tr>
<td>4</td>
<td>$25,043</td>
<td>$39,383</td>
<td>$64,426</td>
</tr>
<tr>
<td>5</td>
<td>$25,043</td>
<td>$39,383</td>
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<tr>
<td>6</td>
<td>$25,043</td>
<td>$39,383</td>
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<tr>
<td>7</td>
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<tr>
<td>8</td>
<td>$25,043</td>
<td>$39,383</td>
<td>$64,426</td>
</tr>
<tr>
<td>9</td>
<td>$17,873</td>
<td>$28,108</td>
<td>$45,981</td>
</tr>
<tr>
<td>10</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total TIG</td>
<td>$218,217</td>
<td>$343,172</td>
<td>$561,389</td>
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</tbody>
</table>

* Rounded to the nearest dollar
Interim Tri-Partite Remediation and Redevelopment Agreement

As a condition of approval under the joint TIG program an Interim Tri-Partite Remediation and Redevelopment Agreement (the "Interim Agreement") between the land owner(s), the Region of Waterloo and the City of Kitchener will be required. Upon confirmation of the estimated eligible costs under the joint TIG program, the Interim Agreement would be developed and would establish a number of conditions including, but not limited to, the following:

- Owner must pay all property taxes levied upon the property during remediation and redevelopment (failure to pay and keep in good standing all municipal property taxes will deem the owner in default);

- Owner must submit a Record of Site Condition prepared by a “Qualified Person”, as that term is defined by regulation under the Environmental Protection Act, to the Ontario Ministry of the Environment that permits the use of the site as proposed by the Owner; and

- Owner must demonstrate that the remediation and redevelopment of the site has resulted in a Tax Increment of at least $100,000.

Once the remediation, redevelopment and reassessment of the property have been completed and actual costs, through invoice review, and realized reassessment values have been verified, the Interim Agreement will be superseded by the Final Agreement. This Final Agreement will include the final TIG payments and payment schedule based on the actual costs and the realized reassessment value of the development.

It is important to note that the final TIG payment amounts and schedule may change as it is based on the actual costs and realized assessment at the time the development is completed. However, the maximum amount of eligible remediation costs cannot exceed $561,388 of which $343,172 is the Region’s commitment based on Municipal/Regional tax allocation percentages at the time the application was submitted (2012).

Area Municipal Consultation/Coordination

City of Kitchener and Regional staff have jointly reviewed the application and are satisfied that the application meets the eligibility and application requirements. The City of Kitchener Brownfield Coordinator prepared a report recommending the joint TIG application to its General Committee, which was approved on September 9, 2013. The joint TIG application was subsequently approved at Kitchener City Council on September 16, 2013.

CORPORATE STRATEGIC PLAN:

The Regional Brownfields Financial Incentive Program directly addresses Focus Area 2: Growth Management and Prosperity (Manage growth to foster thriving and productive urban and rural communities) and the Strategic Objective 2.1. Encourage compact, livable urban and rural settlement form.

The recommendations in this report are also consistent with the 2011-2014 Corporate Strategic Plan directs that the Region:

- Implement a sustainable Brownfield Program to promote the redevelopment of previously contaminated sites (Action 2.1.1); and
• Work with area municipalities to develop and implement a comprehensive strategy to promote intensification and reurbanization within existing urban areas (Action 2.1.2).

FINANCIAL IMPLICATIONS:

The maximum cost for the recommended TIG is $343,172 over a total of 9 years as shown in Table 3. Under the funding model for TIGs adopted by Regional Council earlier this year, the annual TIG payments will be funded from the increased tax revenue on the property occurring in the same year. In other words, the tax revenue resulting from the increased assessment following the redevelopment is used to fund the annual TIG. Payments are not expected to commence before 2015. Once the TIG is fully paid, the increased assessment resulting from the redevelopment will benefit the overall tax levy.

OTHER DEPARTMENT CONSULTATION/CONCURRENCE:

Staff from Transportation and Environmental Services (Water Services), Finance and Legal Services were involved in the review of the joint TIG application and are in support of staff's recommendation.

ATTACHMENTS:

Attachment 1 – Site Map (2013 Aerial Image)
Attachment 2 – City of Kitchener Staff Report
Attachment 3 – Detailed TIG Calculation Methodology

PREPARED BY: Phillip Caldwell, Principal Planner/Brownfields Coordinator
Angela Hinchberger, Director, Financial Services, Treasury & Tax Policy

APPROVED BY: Rob Horne, Commissioner, Planning, Housing and Community Services
Craig Dyer, Chief Financial Officer
Attachment 2 – City of Kitchener Staff Report

REPORT TO: Finance & Corporate Services
DATE OF MEETING: September 9, 2013
SUBMITTED BY: Brian Bennett, Manager, Business Development, 519-741-2200 X 7230
PREPARED BY: Rob Morgan, Capital Investment Advisor, 519-741-2200 X7734
WARD(S) INVOLVED: Ward 8
DATE OF REPORT: July 8, 2013
REPORT NO.: CAO-13-025
SUBJECT: Brownfield Remediation Program Application
55 Moorgate Crescent

RECOMMENDATION:
1. That the City of Kitchener approve the Brownfield Remediation Program Application, received from Savic Homes Ltd., dated November 20, 2012. In exchange for a completed and filed Record of Site Condition for the property, the City of Kitchener will provide a grant in the form of an annual rebate on City taxes in an amount equal to 100% of the City Tax Increment, where the City Tax Increment is defined as the difference between the City portion of real property taxes for the 2012 Taxation Year and the new City portion of real property taxes levied as a result of a new assessment by the Municipal Property Assessment Corporation (MPAC) following completion of the project, as compensation for the remediation of the above stated lands. The annual City property tax grant is estimated to be $25,043, payable for eight years with $17,873 being paid on the ninth and final year following re-assessment by MPAC.

2. That the Region of Waterloo Brownfield Coordinator be advised of City Council’s decision regarding this Application.

3. That the Mayor and Clerk be authorized to execute an Agreement amongst the City of Kitchener, the Region of Waterloo and Savic Homes Ltd.

BACKGROUND:
This application relates to the property municipally addressed as 55 Moorgate Crescent further described as Parts 1 and 2 on 58R-14480. The property is .44 ha in size and is situated on Moorgate Crescent off of Hazelmere Drive. The site was used as a waste disposal site in the 1960’s and has been vacant since the 1970’s. The lands are being redeveloped to accommodate 31 residential townhouses.
REPORT:

a) Contamination and Remediation

The Environmental Consultants for this project are LVM Inc. of Kitchener. Referring to the “Remedial Action Plan”, dated June 6, 2012, and subsequent addendum dated January 10, 2013, Environmental contaminants found on the property included concentrations of lead, arsenic, copper and benzo(a)pyrene at levels in exceedance of accepted Ministry of Environment Table 2 standards. Remediation of the site involved the excavation and off-site disposal of the impacted soils at an appropriate licensed landfill facility.

Remediation activities have concluded on the site and a Record of Site Condition has been filed and acknowledged by the Ministry of Environment. Redevelopment of the site to accommodate the 31 townhomes is currently underway.

b) Eligible Remediation Cost

Savic Homes Ltd. And their Environmental Consultants, LVM have submitted actual remediation costs for the site of $773,814. This amount, plus a 10% allowance for indirect costs afforded under the TIG program ($77,381), less assistance already received under the Phase Two ESA Grant ($111,177.47) and Regional Development Charge (RDC) exemptions ($275,690) under the BFIP results in a maximum eligible joint TIG of $551,388. The grant will be cost-shared between the Region and the City of Kitchener with grant proportions determined by each municipality’s share of the municipal taxes levied on the property with 61.1% ($343,172) being provided by the Region and the remaining 38.9% ($208,217) provided by the City of Kitchener. The annual payments, which are estimated to last nine (9) years, would not start until after the property is fully remediated, redeveloped and ultimately reassessed by the Municipal Property Assessment Corporation (MPAC).

c) Existing Assessment and Taxes

There are no tax arrears outstanding on this property. The total 2012 Residential/New Multi-Residential Assessment for the lands was $245,000, and 2012 property taxes were $3070.10 split as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Kitchener</td>
<td>$982.56</td>
</tr>
<tr>
<td>Region</td>
<td>$1545.21</td>
</tr>
<tr>
<td>Education</td>
<td>$542.33</td>
</tr>
</tbody>
</table>

Excluding the Education component, the total 2012 Municipal (Region + City) taxes are $2527.77

d) Projected Assessment and Taxes

This development will provide 31 new residential townhomes. The Applicant has estimated the projected post-project Assessment value at $6,500,000.

The attached Table 1 - Tax Increment Grant Calculation provides details of the projected assessment and taxes generated by the development.
Using the 2012 Tax Rates, the projected annual Municipal Taxes (Region + City) following full completion of the project would be $66,953.77, split as follows:

City of Kitchener $26,025.35
Region $40,928.42

Based upon this projection, the City's Annual Tax Increment (i.e., the difference between the existing City tax level and the future City tax level) is estimated at $25,042.79 (26,025.35 - $982.56).

The Regional Tax Increment is estimated at $39,303.21 ($40,928.42 - $1545.21).

e) Sequence of Financial Incentives

The Region – City Brownfield Financial Incentive Program provides the development industry 3 funding instruments which work in the following sequence:

First, the Region provides a 50% grant (up to $40,000) for a Phase 2 Environmental Site Assessment.

Second, the Region provides an exemption in the applicable Regional Development Charge equivalent to (but not exceeding) the “ Eligible Remediation Cost”.

Lastly, the Region and the City jointly provide a Tax Incremental Grant (TIG) on any remaining “ Eligible Remediation Cost” which has not been funded by Regional Development Charge exemptions.

This development is eligible for all 3 incentives listed above. Staff estimates that the Regional Development Charges for 31 new residential units (using current DC rates) is $278,890.

ALIGNMENT WITH CITY OF KITCHENER STRATEGIC PLAN:

This project implements our Community Vision and the Citizens' Vision for the Environment:

“Together, we will build an innovative, caring and vibrant Kitchener with safe and thriving neighbourhoods”;

“Our shared vision is for Kitchener to be a community that focuses significant energy and resources on becoming more environmentally friendly through investments in things like bicycle trails, improved transit systems, tougher environmental bylaws and stricter growth management policies that limit sprawl.”

This project is in keeping with the following Environmental Strategic Direction:

“Endorse and implement the proposed Environmental Remediation Strategy.”

FINANCIAL IMPLICATIONS:

The approval of this application will obligate The City of Kitchener to provide an annual municipal property tax rebate estimated to be $25,043.00 per year for the first 8 years upon reassessment by MPAC and $17,873.00 for the ninth and final year.
COMMUNITY ENGAGEMENT:
This Application has not been circulated to the public. Staff would note that this approval applies only to the City of Kitchener portion of the proposed Tax Incremental Grant. The Region of Waterloo Council will consider its portion of this application at a future date.

CONCLUSION:
Regional Staff and The Brownfield Steering Committee, consisting of the City's Capital Investment Advisor, Director of Revenue, City Solicitor, and Director of Planning, reviewed the application. Staff support acceptance within the terms and conditions of Region of Waterloo - Kitchener Brownfield Remediation Program.

ACKNOWLEDGED BY:  Jeff Willmer, CAO
Tax Increment Grant (TIG) (2012)

Project Name: Mooregate Townhomes
Owner: Savic Homes Ltd
Address: 55 Mooregate Cr, Kitchener

Tax Increment Calculation

<table>
<thead>
<tr>
<th>Current Value Assessment</th>
<th>*Prior to Remediation</th>
<th>**After Project Completion</th>
<th>Increment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential/New Multi-Residential (RT/NT)</td>
<td>245,400</td>
<td>6,500,000</td>
<td>6,254,600</td>
</tr>
<tr>
<td>Multi-Residential (MT)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial (CT,DT,ST,GT,CH)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Vacant/Excess (CU,CX)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Commercial (XT,YT,ZT)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Commercial Vacant/Excess (KU)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Industrial (IT,LT,HT)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Industrial Vacant/Excess (IU,IX,IK)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Industrial (JT,KT)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Industrial Vacant/Excess (JJ,JX,KJ,KK)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Tax Rates

<table>
<thead>
<tr>
<th>Area</th>
<th>Municipal</th>
<th>Residential/New Multi-Residential</th>
<th>0.00400390</th>
<th>0.00400390</th>
<th>0.00400390</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Multi-Residential</td>
<td>0.00780760</td>
<td>0.00780760</td>
<td>0.00780760</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commercial</td>
<td>0.00780760</td>
<td>0.00780760</td>
<td>0.00780760</td>
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<tr>
<td></td>
<td>Commercial Vacant/Excess</td>
<td>0.00507494</td>
<td>0.00507494</td>
<td>0.00507494</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industrial</td>
<td>0.00780760</td>
<td>0.00780760</td>
<td>0.00780760</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industrial Vacant/Excess</td>
<td>0.00507494</td>
<td>0.00507494</td>
<td>0.00507494</td>
<td></td>
</tr>
</tbody>
</table>

Region

| Residential/New Multi-Residential | 0.00539660 | 0.00539660 | 0.00539660 |
| Multi-Residential | 0.01227854 | 0.01227854 | 0.01227854 |
| Commercial | 0.01227854 | 0.01227854 | 0.01227854 |
| Commercial Vacant/Excess | 0.00780760 | 0.00780760 | 0.00780760 |
| Industrial | 0.01227854 | 0.01227854 | 0.01227854 |
| Industrial Vacant/Excess | 0.00780760 | 0.00780760 | 0.00780760 |

Education

| Residential/Multi-Residential (RT,MT,NT) | 0.00221000 | 0.00221000 | 0.00221000 |
| Commercial (CT,DT,ST,GT,CH) | 0.01490000 | 0.01490000 | 0.01490000 |
| Commercial Vacant/Excess (CU,CX) | 0.00968650 | 0.00968650 | 0.00968650 |
| New Commercial (XT,YT,ZT) | 0.01200000 | 0.01200000 | 0.01200000 |
| New Commercial Vacant/Excess (KU) | 0.00819000 | 0.00819000 | 0.00819000 |
| Industrial (IT,LT,HT) | 0.01590000 | 0.01590000 | 0.01590000 |
| Industrial Vacant/Excess (IU,IX,IK) | 0.01033550 | 0.01033550 | 0.01033550 |
| New Industrial (JT,KT) | 0.01200000 | 0.01200000 | 0.01200000 |
| New Industrial Vacant/Excess (JJ,JX,KJ,KK) | 0.00819000 | 0.00819000 | 0.00819000 |

Annual Taxes

| Area Municipal | $982.56 | $26,025.35 | $25,042.79 |
| Region | $1,545.21 | $40,926.42 | $39,383.21 |
| Total Municipal Taxes | $2,527.76 | $67,951.77 | $64,426.01 |
| Education | $542.33 | $14,365.00 | $13,822.67 |
| Total Taxes | $3,070.10 | $81,316.77 | $78,248.67 |

**Notes:**
- 2012 MPAC Assessment
- "*Estimate only. Actual assessment to be determined by MPAC at time of development completion."
### Tax Increment Grant (TIG) (2012)

**Project Name:** Mooragate Townhomes  
**Owner:** Savic Homes Ltd.  
**Address:** 55 Mooragate Dr., Kitchener

#### Costs Eligible for TIG

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% Allowance</td>
<td>$ 773,814.15</td>
</tr>
<tr>
<td>Total TIG (before deductions)</td>
<td>$ 851,195.57</td>
</tr>
</tbody>
</table>

#### Less Other Brownfield Financial Assistance

<table>
<thead>
<tr>
<th>Description</th>
<th>Status</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional ESA Grant</td>
<td>Approved</td>
<td>$ 11,117.47</td>
</tr>
<tr>
<td>Regional DC Brownfield Exemption</td>
<td>Pending</td>
<td>$ 279,690.00</td>
</tr>
<tr>
<td>Area Municipal DC Brownfield Exemption</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Other</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Other Brownfield Financial Assistance</td>
<td></td>
<td>$ 280,807.47</td>
</tr>
</tbody>
</table>

**Total TIG** | $ 561,388.10

#### Amount of Tax Increment Grants

<table>
<thead>
<tr>
<th>Tax Increment Grant</th>
<th>Maximum Potential TIG</th>
<th>Eligible TIG Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual</td>
<td>Total</td>
</tr>
<tr>
<td>Area Municipal</td>
<td>$ 25,043</td>
<td>$ 250,430</td>
</tr>
<tr>
<td>Region</td>
<td>$ 39,383</td>
<td>$ 393,830</td>
</tr>
<tr>
<td><strong>Total TIG</strong></td>
<td>$ 64,426</td>
<td>$ 644,260</td>
</tr>
</tbody>
</table>

#### TIG Payment Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Area Municipality</th>
<th>Region</th>
<th>Total TIG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>2</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>3</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>4</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>5</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>6</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>7</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>8</td>
<td>$ 25,043</td>
<td>$ 39,383</td>
<td>$ 64,426</td>
</tr>
<tr>
<td>9</td>
<td>$ 17,873</td>
<td>$ 28,108</td>
<td>$ 45,981</td>
</tr>
<tr>
<td>10</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total TIG</strong></td>
<td>$ 218,217</td>
<td>$ 343,172</td>
<td>$ 561,388</td>
</tr>
</tbody>
</table>

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5 - 6
The anticipated joint Tax Increment Grant payments and schedule are determined for each application based on the following steps:

The first step includes the preparation of the anticipated assessment increment. These are based on the pre-remediation MPAC assessment values and the estimated post-remediation and redevelopment assessment values for each phase of development as provided by the applicant.

<table>
<thead>
<tr>
<th>Assessment Value “Pre”</th>
<th>Assessment Value “Post”*</th>
<th>Assessment Increment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$245,400 (2012)</td>
<td>$6,500,000 (est.)</td>
<td>$6,254,000 (est.)</td>
</tr>
</tbody>
</table>

*These values are based on estimates and will be confirmed by MPAC upon project completion.

Estimates are then prepared to identify the anticipated increase in municipal taxes (Region and City) that would be generated by the remediation and redevelopment for each phase, referred to as the ‘tax increment’.

<table>
<thead>
<tr>
<th>Area Municipality</th>
<th>Municipal Taxes “Pre”*</th>
<th>Municipal Taxes “Post”*</th>
<th>Total Tax Increment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$983</td>
<td>$26,025 (est.)</td>
<td>$25,043 (est.)</td>
</tr>
<tr>
<td>Region</td>
<td>$1,545</td>
<td>$40,928 (est.)</td>
<td>$39,383 (est.)</td>
</tr>
<tr>
<td>Total</td>
<td>$2,528</td>
<td>$66,954 (est.)</td>
<td>$64,426 (est.)</td>
</tr>
</tbody>
</table>

*Tax amounts do not include the education portion of annual taxes levied and are rounded to the nearest dollar.

The final step is to determine the estimated total eligible remediation costs for the joint TIG program which includes a 10% allowance for indirect remediation costs to be applied on top of eligible remediation cost estimates. This total is reduced by an amount equal to any other government financial assistance received for the project. At this time additional financial assistance from other sources is not anticipated.

<table>
<thead>
<tr>
<th>Estimated Rem. Costs</th>
<th>Indirect Rem. Allowance (10%)</th>
<th>Less: Other Assistance</th>
<th>Total Eligible Rem. Costs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$773,814</td>
<td>$77,381</td>
<td>$289,808</td>
<td>$561,388</td>
</tr>
</tbody>
</table>

* Rounded to the nearest dollar.

These steps culminate in the maximum eligible joint TIG for this application which is then cost shared between the Region and City based on the proportion of each municipality’s share of the municipal taxes levied on the property. The following table summarizes the maximum joint TIG and estimates of the Regional and City financial commitments for this application.

<table>
<thead>
<tr>
<th>Maximum TIG*</th>
<th>Regional Portion (61.1%)*</th>
<th>City Portion (38.9%)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$561,388</td>
<td>$343,172</td>
<td>$218,217</td>
</tr>
</tbody>
</table>

* Rounded to the nearest dollar.

Payments related to the development do not commence until at least one (1) year following the re-assessment of the development by the Municipal Property Assessment Corporation (MPAC).

The TIG is not an exemption from the property taxes levied, but a grant payable to the owner according to the payment schedule in accordance with an agreement between the parties.
Therefore the applicant is required to pay all applicable property taxes for the property at all times during and after remediation and redevelopment or until such time as ownership is transferred to the intended end-user (if applicable).

The joint TIG Program applies only to the municipal portion of the tax bill and does not include the education portion that is remitted to the Province.

The final amounts of the TIG payments will be determined by the actual MPAC assessment value and classification and the final net eligible remediation costs, thus the final schedule of payments is subject to change.
The Library Committee recommends as follows:

1. THAT the Region of Waterloo Library approve the free 90-day trial offered by Unique Management Service to assist in recovering long overdue library items or the associated fines and fees. [P-LIB-13-005]

October 1, 2013