

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG	
	STAFF REPORT	
TO:	Mayor and Council	
FROM: TITLE:	Dave Johnson Planner I – Heritage	
DATE OF MEETING:	August 13, 2018	
TITLE / SUBJECT:	Downtown Cobourg Community Improvement Plan: 2018 Intake	
REPORT DATE:	August 2, 2018	File #:

1.0 STRATEGIC PLAN

Objective #2: Support the preservation and enhancement of the Town’s arts, culture and heritage.

Objective #3: Promoting diverse economic development opportunities.

2.0 PUBLIC ENGAGEMENT

In 2015, in conjunction with the Downtown Cobourg Vitalization Master Plan (DMP) process, the Town embarked on the preparation of a Downtown Cobourg Vitalization Community Improvement Plan (CIP). The CIP is intended to provide a comprehensive tool kit of financial incentive programs specifically designed to address the community improvement needs in Downtown Cobourg and, over time, will help achieve the Vision for Downtown Cobourg as outlined in the Downtown Cobourg Vitalization Action Plan (DVAP) and the DMP.

On March 21, 2016, following a comprehensive background review and public engagement process, Cobourg Municipal Council adopted the Downtown Cobourg Vitalization CIP in accordance with Section 28 of the Planning Act, RSO 1990, c.P.13, as amended.

An Implementation Plan for 2017 was outlined in a report to Council in February, 2017. A multi-media communication plan for the 2017 CIP Intake program was implemented by staff, including the preparation of a brochure summarizing the CIP that was mailed to all property owners within the eligible CIP study area, presence on the municipal website, as well as regular advertisements in the Town’s weekly ad block in the Northumberland News

newspaper.

An Implementation Plan for 2018 was outlined in a report to Council in April, 2018. As per 2017, a multi-media communication plan for the 2018 CIP Intake program was implemented by staff, including the preparation of a brochure summarizing the CIP that was mailed to all property owners within the eligible CIP study area, presence on the municipal website, as well as regular advertisements in the Town's weekly ad block in the Northumberland News newspaper.

3.0 RECOMMENDATION

WHEREAS seven (7) applications for financial support under the Downtown Cobourg Community Improvement Plan (CIP) were received during the intake period of 2018,

AND WHEREAS the Evaluation Committee has determined that the proposed scope of work of six (6) projects is consistent with the goals of the Downtown Cobourg Vitalization Community Improvement Plan, and meets the program requirements for the Façade Improvement Grant/Loan Program and/or the Building Improvement Grant/Loan Program, and/or the Residential Grant/Loan Program and/or the Study Grant/Loan Program;

IT IS RECOMMENDED THAT Council authorize the disbursement of the following financial incentives under the programs of the Downtown Cobourg Community Improvement Plan (CIP):

- 2 King St. W, 239-243 Division St. (REIDREV Management Inc./Verdier): \$2,500.00 Study Grant; \$8,100.00 Façade Improvement Grant; \$8,658.00 Building Improvement Grant;
- 40 King St W. (Mulder): \$4,000.00 Building Improvement Grant;
- 42-44 King St. W (Marr): \$2,750.00 Building Improvement Grant;
- 89 King St. W (Lotfi): \$2,500.00 Study Grant;
- 39 King St. E (Desjardin/Cleveland): \$18,750.00 Façade Improvement Grant; \$12,500.00 Building Improvement Grant;
- 35-37 King St. W (Trozzolo): \$2,500.00 Study Grant; \$6,250.00 Rear Façade Improvement Grant; \$12,500.00 Building Improvement Grant; \$49,714.00 Residential Grant. \$7,500.00 Rear Façade Improvement Loan; \$25,000.00 Building Improvement Loan; \$66,286.00 Residential Loan.

IT IS FURTHER RECOMMENDED THAT Council delegate approvals to the Evaluation Committee and Municipal Staff for the remainder of 2018 to reconsider the application submitted under the 2018 Intake (but is presently not being recommended for financial support) should the applicant address the Building Department's Order to Comply, and to consider new applications for

the unallocated portion of the \$150,000.00 in the amount of \$13,178.00, due to the shortened Council schedule for 2018.

4.0 ORIGIN

The purpose of this report is to advise Council of the applications received during the 2018 Intake period for financial support under the Downtown Cobourg Vitalization CIP, and to recommend the allocation of funds.

5.0 BACKGROUND

The Downtown Cobourg Vitalization CIP was prepared in concert with the Downtown Cobourg Master Plan (DMP), and is intended to complement, support and be implemented in conjunction with the DMP. The CIP is called the Downtown Cobourg “Vitalization” CIP because it has been expressly developed and refined to help achieve the Vision and support the strategies and recommended actions contained in the Cobourg Downtown Vitalization Action Plan (DVAP).

In 2013, a survey of Cobourg and area residents undertaken as part of the DVAP strongly indicated that respondents wanted an improvement in the appearance of the buildings in Downtown Cobourg. The need to improve the poor appearance of building exteriors, back lanes and parking lots was highlighted by more than 80% of respondents – topping the list of concerns. Furthermore, the negative appearance of Downtown Cobourg accounted for a significant majority of unsolicited comments offered by residents. The survey also identified the following additional desired stores or services: mid-scale family restaurants, up-scale restaurants, food retailer, ladies & children’s clothing & accessory shops, up-scale coffee shop, specialty stores, and businesses with unique cultural & artisan experiences.

On March 21, 2016, Cobourg Municipal Council adopted the Downtown Cobourg Vitalization CIP in accordance with Section 28 of the Planning Act, RSO 1990, c.P.13, as amended. The Downtown Cobourg Vitalization CIP provides a comprehensive tool kit of financial incentive programs specifically designed to address the community improvement needs in Downtown Cobourg and, over time, will help achieve the Vision for Downtown Cobourg as outlined in the DVAP and the DMP. These financial incentive programs are designed to encourage private sector investment, rehabilitation, adaptive reuse, redevelopment, and construction activity in Downtown Cobourg.

The incentives contained within the Downtown Cobourg Vitalization CIP include grants and/or loans for work proposed under the following programs:

- Study Grant Program – costs for urban design study, heritage impact assessment, feasibility study and/or architectural/engineering studies and drawings;

- Façade Improvement Grant/Loan Program – costs for eligible façade and storefront improvement/restoration works;
- Building Improvement Grant/Loan Program – costs associated with eligible building improvement/restoration works;
- Residential Grant/Loan Program – costs associated with the creation/rehabilitation of residential space;
- Vitalization Tax Increment Grant Program – offsets any significant increase in municipal assessment and property taxes derived from a project(s);
- Brownfields Tax Assistance Program – cancellation of property taxes during rehabilitation and redevelopment periods on eligible brownfield properties;
- Vitalization Development Charge Grant Program – reduces or cancels development charges for eligible large-scale residential, commercial and mixed use vitalization projects; and,
- Fees Grant Program – application fees reduced or waived on specified development applications and permits for the renovation, rehabilitation and/or redevelopment of existing buildings.

Each program contains eligibility criteria for applicants to apply for and receive funding from Council, including for addressing such matters as improvements for barrier-free accessibility, energy efficiency retrofits and HVAC systems, fire protection systems, weatherproofing, residential intensification, brownfields, and structural and non-structural building upgrades. The programs can be used individually or “stacked” together for a particular project(s), just like tools in a toolbox.

Council approved \$50,000.00 in the 2016 Municipal Budget for the implementation of the grant incentive programs of the Downtown Cobourg Vitalization CIP, with the funds allocated from the Holdco reserve. Given that the CIP was not in effect until late March of 2016, applications were accepted and reviewed by municipal staff on a case-by-case trial basis for the duration of 2016. A total of five projects were approved by Council, with total grants in the amount of \$54,696.13 and total secured repayable loans in the amount of \$51,886.00.

After the successful initial implementation of the CIP in 2016, Council approved \$150,000.00 in the 2017 Municipal Budget (via the Holdco reserve) to continue supporting the financial incentive programs.

In 2017, a eleven (11) projects were approved by Council with total grants in the amount of \$80,046.00 and total secured repayable loans in the amount of \$31,862.00. The zero interest loans are fully secured via loan agreements which are registered on title and repayable to the Town over 5 years at a cost of 3% per annum. The loan costs and statutory fees to register the

agreements on title amounted to \$5,607.27. Therefore, the total expenditure by the Town for both the Spring and Summer intakes amounted to \$85,653.27, with \$64,346.73 unallocated in the 2017 Municipal Budget.

Furthermore, Council authorized two (2) reconsiderations of CIP applications in 2017. This provided for an additional total expenditure by the Town of \$28,075.28 for the two (2) reconsiderations. Therefore, the total expenditure by the Town for 2017 amounted to \$113,728.55 for the thirteen (13) projects.

After a successful second year of the implementation of the CIP in 2017, Council approved \$150,000.00 in the 2018 Municipal Budget (via the Holdco reserve) to continue supporting the vitalization of Cobourg's historic downtown through the financial incentive programs of the CIP. In April of 2018, Council endorsed the implementation of a single Intake for the implementation of the CIP program in 2018.

The 2018 CIP Intake closed on Friday July 13th, 2018. Seven (7) applications were received. On July 23rd and 30th, 2018 an Evaluation Committee consisting of the C.A.O., the Director of Finance, the Director of Planning and Development, the Heritage Planner, the Economic Development Officer, the Chair of the Downtown Coalition, the President & C.E.O of the Northumberland Central Chamber of Commerce, a member of the Cobourg Heritage Advisory Committee and the Chief Building Official met to review this year's applications.

The Evaluation Committee utilized an application evaluation matrix with a weighted scoring system that considered the following criteria:

- Grant Cost Leverage – the ratio of the applicant's contribution to the Town of Cobourg's grant/loan funds requested;
- Visual Impact – significance of the improvement to the building/property as is visible from the public realm;
- Downtown Vitalization Impact – the extent to which a project supports the goals and objectives of the Downtown Vitalization Action Plan
- Heritage Conservation Impact – where a project involves a designated heritage property, the application of best practices of heritage building stewardship;
- Residential Square Footage – the percentage of the total gross floor area of a building that is residential space being rehabilitated/converted/upgraded/created;
- Business Square Footage – the percentage of the total gross floor area of a building that is commercial/business space being rehabilitated/converted/upgraded/created.
- Structural Integrity Impact – where a project addresses significant structural/engineering issues with a building.

6.0 ANALYSIS

The following section of this report summarizes each of the applications received, and includes a recommendation of the allocation of financial support for each proposal.

2 King St. W & 239 & 243 Division St. (n/w corner of King St. W. and Division St)

FINANCIAL SUPPORT RECOMMENDED:	Study Grant:\$2,500.00 Façade Improvement Grant: \$8,100.00 Building Improvement Grant: \$8,658.00 Total Grant: \$19,258.00
Total cost of project before HST (as per quote submitted):	Approx. \$16,710.30 (Study) Approx. \$16,201.00 (Façade Improvement) Approx.\$17,316.00 (Building Improvement)
Owner:	Reidrev Management Inc. (Fabien Verdier)
Existing use(s) of building/property:	Retail and commercial tenants on the first floor (United TV, Kawartha Credit Union and Reg Ward Insurance). Residential tenants at 2 King St. W, no residential tenants at 239 & 243 Division.
Heritage status:	Located in a Heritage Conservation District (designated under Part V of the <i>Ontario Heritage Act</i>). Heritage Permit approved.

Summary of scope of work:

- Façade improvements: Masonry repairs, the whole façade to be painted Heritage Colour Palette colours: 2nd and 3rd storeys M9 Georgian Bay/ Trim T6 Newbury Port Blue. All painting to be a breathable and appropriate paint for heritage masonry;
- Major masonry repairs at the back of the building, to be painted white (pending further review by staff).
- Roof flashing, downspouts, fascia soffits, capping and eaves to be installed to protect from water intrusion.
- Waterproof portions of foundation and seal gaps where required.

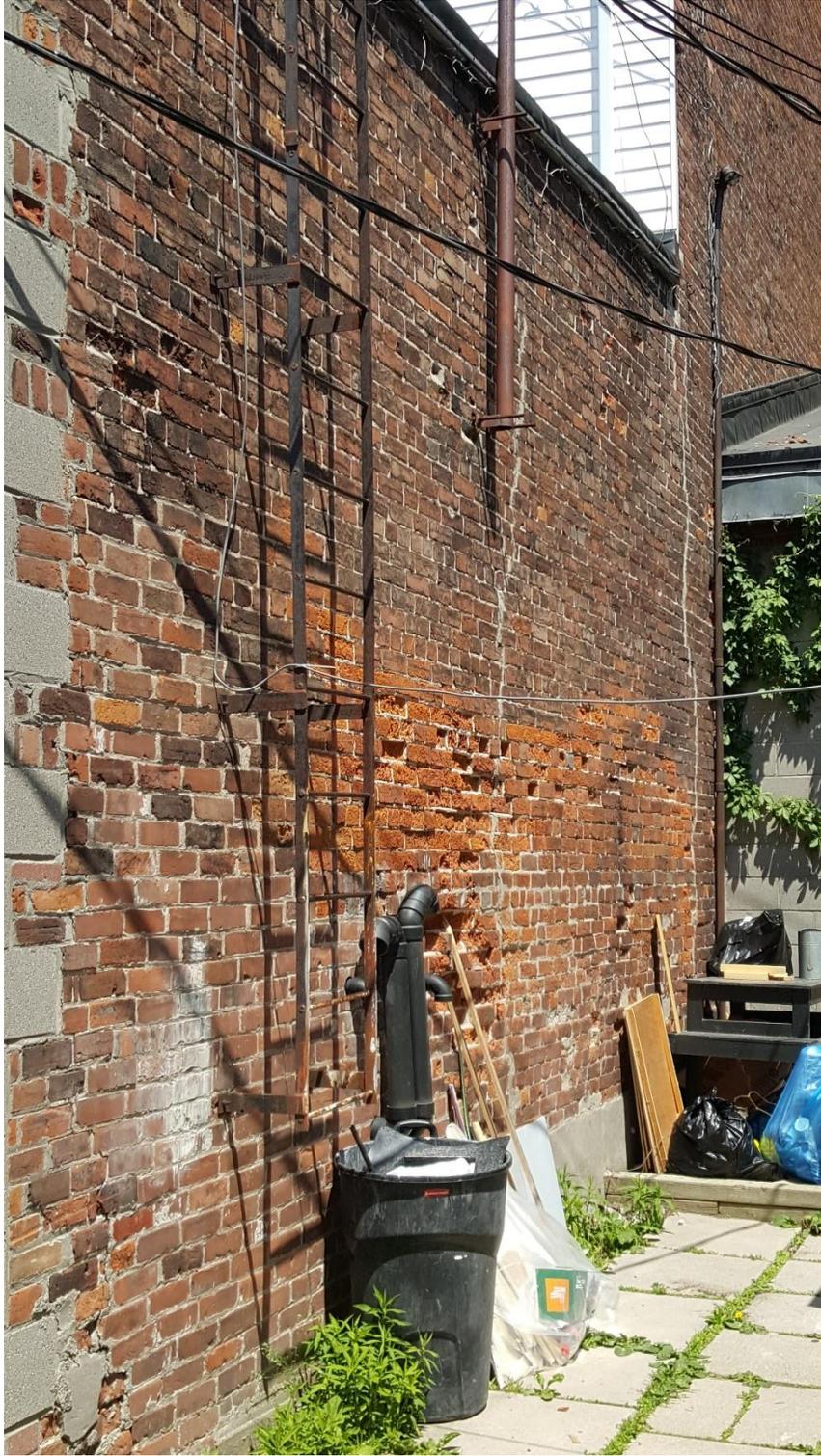
The owner would like to contribute to the vitalization of Cobourg’s Historic Downtown through these improvements. In the future, the owner of the property intends to provide between 8-10 rental apartments on the second and third floors of 239 and 243 Division Street.



Above: 239 & 243 Division St. front masonry to be repaired where necessary and repainted.

Below: 239 & 243 Division St. rear elevation





Above: Rear of 239-243 Division St.



Above: Back of 239-243 Division St.



Above: Rear of 2 King St. W and 239 Division St.



Above: Rear of 2 King St. W.



Above: Aerial view of 2 King St. W & 239-243 Division St.

40 King St. West (Jake's)

FINANCIAL SUPPORT RECOMMENDED:	Building Improvement Grant: \$4,000.00
Total cost of project before HST (as per quote submitted):	Approx. \$19,100.00 (Building Improvement)
Owner:	Janet Mulder
Existing use(s) of building/property:	Retail on the main floor (Jake's); Residential units on second and third floors unoccupied.
Heritage status:	Located in a Heritage Conservation District (designated under Part V of the <i>Ontario Heritage Act</i>). Heritage Permit approved.

Summary of scope of work:

- The applicant would like to replace the current asphalt roofing with a new black metal roof. The applicants at 40 & 42-44 King St. West (Buttermilk/Peter's Barber Shop) are doing the work concurrently, and using the same contractor.
- The roof is leaking and is in need of repair. The new roof will be black "Century Rib" to replace the ageing shingle roof.



Above: Example of “Century Rib” steel roof in black.



Above: The current state of the asphalt roof at 40 King St. West (King St. frontage).



Above: The current condition of the roof at 40 King St. W (rear Covert St. parking lot)

42-44 King St. W (Buttermilk/Peter's Barber Shop)

FINANCIAL SUPPORT RECOMMENDED:	Building Improvement Grant: \$2,750.00
Total cost of project before HST (as per quote submitted):	Approx. \$13,680.00 (Building Improvement)
Owner:	Robert Marr
Existing use(s) of building/property:	Two commercial units (Buttermilk Café; Peter's Barber Shop); Residential units on second and third floors unoccupied.
Heritage status:	Located in a Heritage Conservation District (designated under Part V of the <i>Ontario Heritage Act</i>). Heritage Permit approved.

Summary of scope of work:

- The applicant would like to replace the current asphalt roofing with a new black metal roof. The applicants at 40 (Jake's) & 42-44 King St. West are doing the work concurrently, and using the same contractor.



Above: 42-44 King St. W roof as seen looking north on King St. West



Above: Example of "Century Rib" steel roof in black.

39 King St. East (former MacGregor's/Saigon)

<p>FINANCIAL SUPPORT RECOMMENDED:</p>	<p>Façade Improvement Grant: \$12,500.00</p> <p>Additional grant for properties designated under the Ontario Heritage Act (at discretion of Council): \$6,250.00</p> <p>Building Improvement Grant: \$12,500.00</p> <p>Total Grant: \$31,250.00</p>
<p>Total cost of project before HST (as per quote submitted):</p>	<p>Approx. \$40,390.00 (Façade Improvement) Approx. \$53,815.00 (Building Improvement)</p>
<p>Owner:</p>	<p>TVM King St. Inc. Applicant: Desjardin & Cleveland</p>
<p>Existing use(s) of building/property:</p>	<p>Affordable residential units 2nd and 3rd floors and one vacant commercial unit</p>
<p>Heritage status:</p>	<p>Located in a Heritage Conservation District (designated under Part V of the <i>Ontario Heritage Act</i>). Heritage Permit approved.</p>

Summary of scope of work:

- Façade Improvements: new paint, repair exterior lighting, new signage, shutters repaired and repainted M28 (Whitewash white). The trim surrounding windows, doors and shutters will be painted M26 (Bracken Cream Light). Currently exposed brick at street level will remain unpainted.
- Building Improvements: Installation of a 12' cooking hood with all new fire protection, new plumbing, and HVAC system upgrades.
- Introduction of a new fresh food business (Market & Smor) into a commercial space that has been vacant for approx. 4 years.



□ Brick will be re-painted M26 (Cobourg heritage colour)

□ Fix light fixtures (see attached)

- Black top-board will be painted M28 (Cobourg heritage colour)
- Lettering of "FRESH MARKET" signage (see attached).

□ All black trim will be painted M28 (Cobourg heritage colour)

Above: 39 King St. E front façade, outlining the scope of work.



We will be fixing the lights that are currently on the storefront. We will be spraypainting them black, as shown.

They are currently black but in need of good repair.

Above: Colour of the repaired gooseneck lights.



45 cm letters spelling "FRESH MARKET" in a Sans-serif font.
Cobourg heritage colour T13.

Either plastic (non-reflective) or metal will be used, depending on quotes.

Above: Signage detailing for 39 King St. E

323 George St.

FINANCIAL SUPPORT RECOMMENDED:	None at this time*
Total cost of project before HST (as per quote submitted):	Approx. \$20,000.00 (Façade Improvement)
Owner:	Northumberland Standard Condominium Corporation (NSCC) #72
Existing use(s) of building/property:	Residential condominium
Heritage status:	Located in a Heritage Conservation District (designated under Part V of the <i>Ontario Heritage Act</i>).

Summary of scope of work:

- Repair/replace failing capitals at the top of 4 columns, which are a character defining heritage feature of the building

* *The Downtown Vitalization CIP general program requirements specify that any Work Orders, Orders to Comply or other charges associated with a property shall be satisfactorily addressed prior to grant and/or loan approval. The Chief Building Official has advised that an Order to Comply to address outstanding deficiencies associated with an open Building Permit currently applies to the subject property (against the original developer), and that a further Order to Comply regarding these deficiencies is being issued against NSCC #72 within the next few days. Thus, the Evaluation Committee recommends against approval of funds until the Order is addressed to the satisfaction of the Chief Building Official.*



Above: 323 George Street Capitals (above columns)

35-37 King St. W (Chesler's)

<p>FINANCIAL SUPPORT RECOMMENDED:</p>	<p>Study Grant: \$2,500.00</p> <p>Façade Improvement Grant for rear work (at discretion of Council): \$6,250.00</p> <p>Façade Improvement Loan: \$7,500.00</p> <p>Building Improvement Grant: \$12,500.00</p> <p>Building Improvement Loan: \$25,000.00</p> <p>Residential Grant: \$49,714.00 Residential Loan: \$66,286.00</p> <p>Total Grant: \$70,964.00 Total Loan: \$98,786.00</p>
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Total cost of project before HST (as per quote submitted):	Approx. \$57,200 (Façade Improvement rear): Approx. \$698,205.00 (Residential / Building Improvement)
Owner:	Lou Trozzolo
Existing use(s) of building/property:	Commercial (Cheslers), 2 nd and 3 rd floors are presently vacant.
Heritage status:	Located in a Heritage Conservation District (designated under Part V of the <i>Ontario Heritage Act</i>). Heritage Permit application pending.

Summary of scope of work:

- Refurbish/renovate/create 4 new apartment units and related work on vacant second and third floors.
- Rear façade work – masonry repairs, 12 new windows (some are bricked in, some will be new and all will be wood windows) pending Heritage Permit application. Removal of paint, and painting.
- Building improvement: new plumbing, heating & AC, structure reinforcement of interior floors.

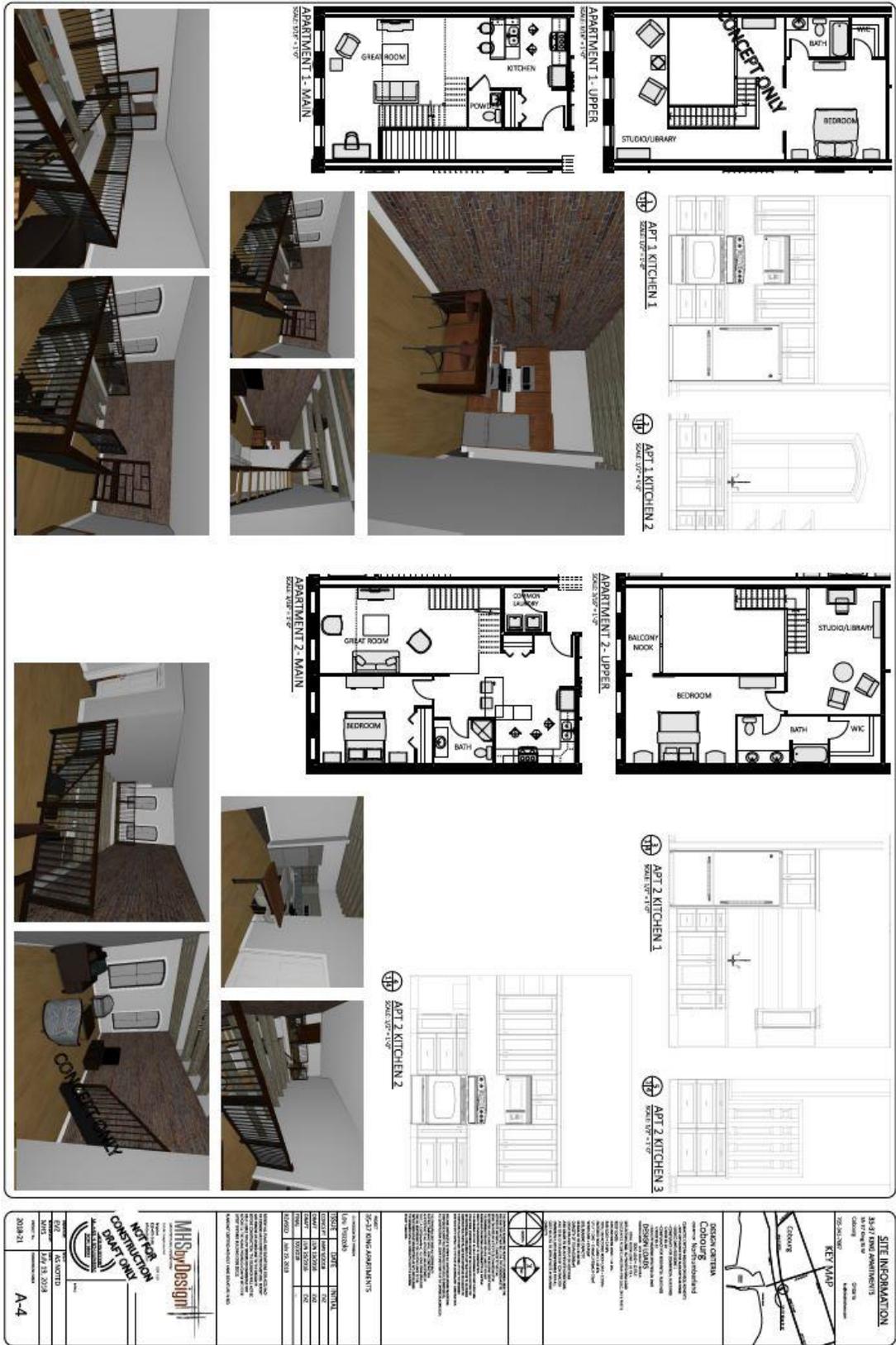
It should be noted that upon a cursory review only by Building Department staff of the concept designs submitted, there appears to be issues with respect to egress requirements for the building pursuant to the Ontario Building Code, including the residential units and laundry room, which may have an impact on the scope of work, professional design & plan requirements and project costs. Both mechanical and structural engineering drawings are necessary for the design of the project. Plumbing, heating and structural drawings will be necessary. An architect, mechanical and structural engineer must also be retained to provide General Review of the construction. A full review of the project will be undertaken by Building Department staff upon receipt of a complete building permit application.



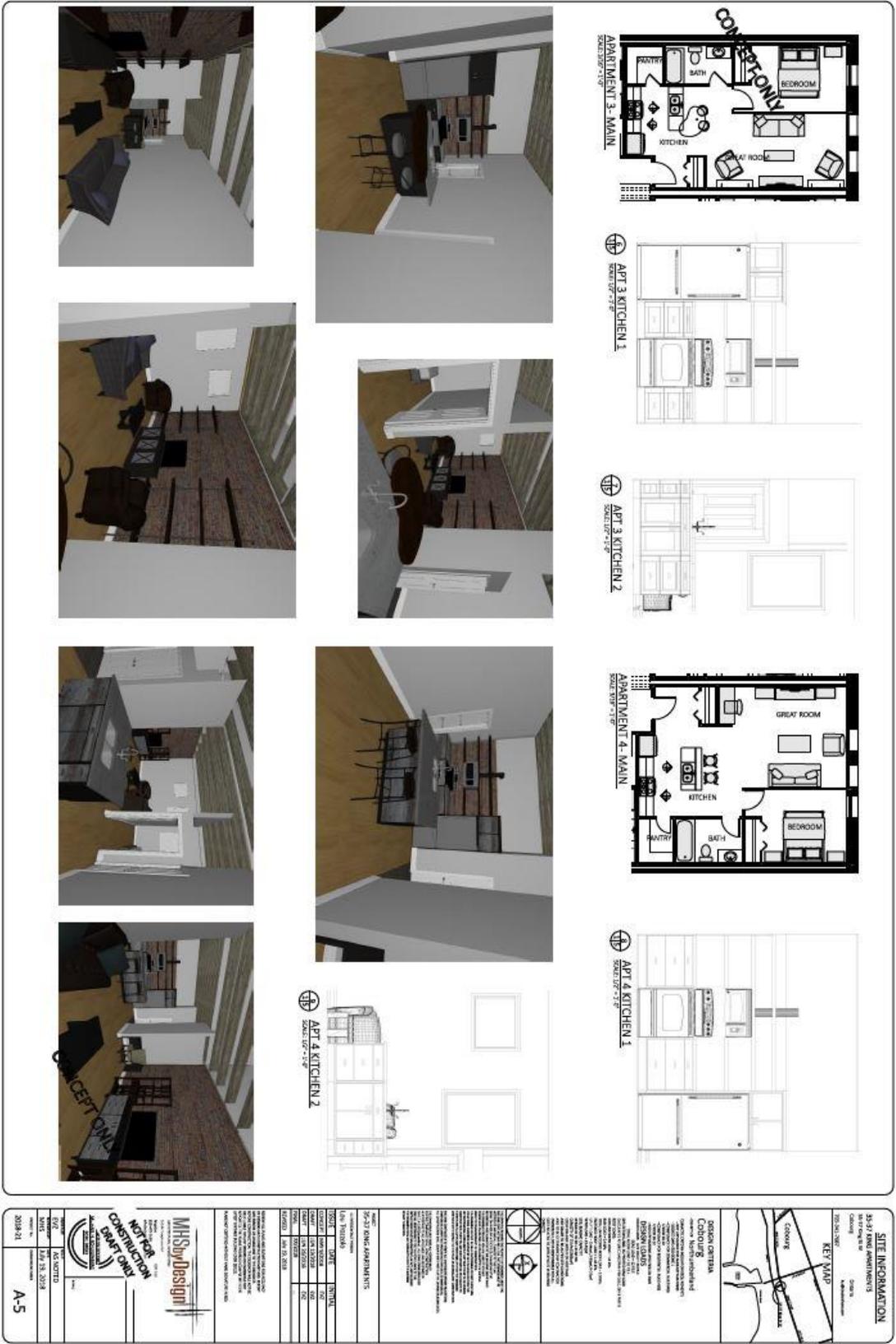
Above: Existing conditions at rear of 35-37 King St. W



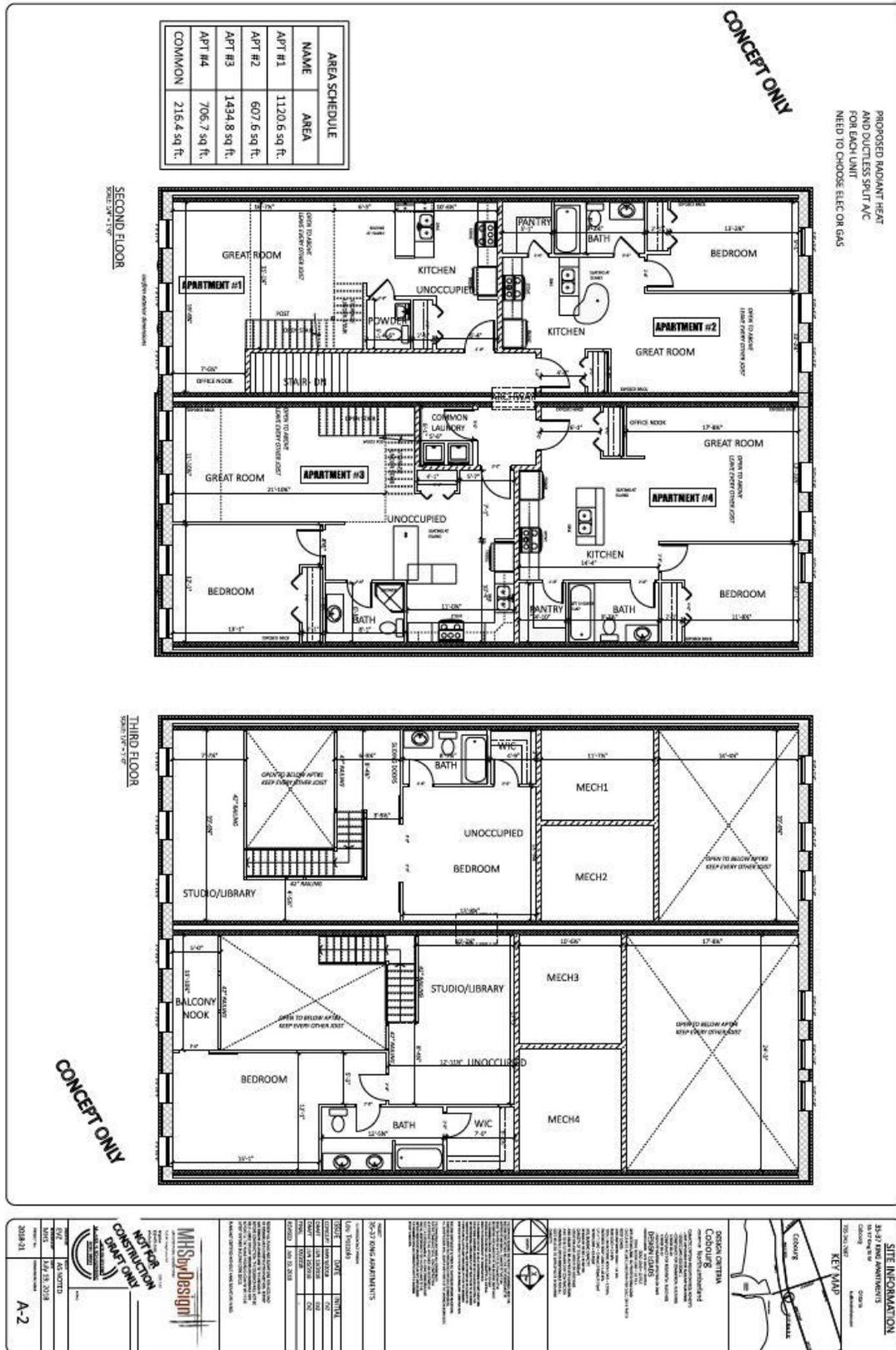
Above: existing conditions at rear of 35-37 King St. W



Above: Draft Floor Plan of Apartment 1 & 2



Above: Draft Floor Plan of Apartments 3 & 4



Above: Draft Floor plan of upper floors

89 King St. W (Royal Spa)

FINANCIAL SUPPORT RECOMMENDED:	Study Grant: \$ 2,500.00
Total cost of project before HST (as per quote submitted):	Approx. \$7,925 (Study)
Owner:	Cyrus Lotfi
Existing use(s) of building/property:	Retail on the main floor (Royal Spa); Residential unit on second floor.
Heritage status:	Located in a Heritage Conservation District (designated under Part V of the <i>Ontario Heritage Act</i>). Heritage Permit approved.

Summary of scope of work:

- Plans and reports required to obtain a Building Permit for a new residential dwelling unit (live/work).

DISCUSSION

The Evaluation Committee felt that the quality of the applications submitted under the 2018 Intake program constituted an improvement over 2017, particularly 35-37 King Street West (Trozzolo residential rehabilitation in upper floors, façade improvements), 39 King Street East (Desjardin and Cleveland façade and building improvements for a fresh market commercial use), and 2 King Street East/239-243 Division Street (Reidrev Management Inc. façade and building improvements). These three (3) applications ranked more favourably with respect to grant leverage, visual and heritage preservation impact, rehabilitation of residential/business space, and supporting the goals and objectives of the Downtown Vitalization Action Plan.

Should Council approve the recommended allocation of funds as outlined in this report, a total of \$136,822.00 (including approx. \$6,100.00 in loan and registration costs) will be committed in funding under the 2018 Intake, with \$13,178.00 remaining unallocated in the approved 2018 Budget. The Evaluation Committee is seeking Council’s approval to reconvene to consider the current application that is presently not being recommended for funding, should the applicant address the Building Department’s Order to Comply this year. Furthermore, it is proposed that new applications would continue to be accepted until the remainder of the funds are allocated on a first come, first served basis. The Evaluation Committee would reconvene on an as-needed basis, and a report would be prepared for Council approval.

Alternatively, given the shortened Council Schedule remaining in 2018, Council could delegate approvals to the Evaluation Committee and Municipal Staff for the remainder of 2018 for the unallocated portion (\$13,178.00) of the \$150,000.00.

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

Cobourg Municipal Council allocated a total of \$150,000.00 in the 2018 Municipal Budget (via the Holdco reserve) for the implementation of financial incentives as part of the Downtown Cobourg Vitalization CIP.

A total of \$130,722.00 in grant incentives and a total of \$98,786.00 in loan assessments are recommended for six (6) applications under the 2018 Intake program. The zero interest loans are fully secured via loan agreements which are registered on title and repayable to the Town over 5 years at a cost to the Town of 2% per annum. As such, the total cost to the Town of the loans allocated in the 2018 Intake is estimated at \$6,000.00 for the five (5) year term. The statutory fee to register a loan agreement on title is approx. \$100.00. Therefore, the total cost to the Town for this intake is \$136,822.00. A total of \$13,178.00 remains unallocated in 2018.

The total approximate value of all project construction costs recommended for funding under the 2018 Intake is \$940,541.00 excluding HST. Thus, based on a total proposed municipal funding allocation cost of \$136,822.00, this represents an estimated cost leverage of private investment of 85.5% to Town Incentive of 14.5% in investments in Cobourg's downtown.

8.0 CONCLUSION

In summary, the Evaluation Team recommends allocating financial support under the programs of the Downtown Cobourg Vitalization CIP to six (6) of the seven (7) projects that were submitted for consideration during the 2018 Intake. The provision of financial support through the programs of the Downtown Cobourg Vitalization CIP directly underpins the physical improvements being undertaken by property owners in Cobourg's historic downtown area. The CIP was developed to directly support the Downtown Vitalization Action Plan (DVAP) and complement the Downtown Cobourg Vitalization Master Plan (DMP). A survey conducted in 2013 as part of the DVAP strongly indicated that Cobourg and area residents want an improvement in the appearance of the buildings, the intensification of residential uses, and the attraction of desirable businesses in Downtown Cobourg. The implementation of the CIP in 2018 has prioritized support for these key elements which are anticipated to stimulate further regeneration and vitality in Cobourg's historic downtown.

Finally, the Evaluation Committee has noted that the 2018 Intake program has seen a marked improvement in the quality and completeness of applications. In particular, the Evaluation Committee would like to recognize 39 King St. E (Desjardin/Cleveland), 35-37 King Street West (Trozzolo) & 2 King St. W/239-243 Division St. (REIDREV Management Inc/Verdier) for the overall quality of application submitted, the nature and extent of work proposed and the obvious

time and effort involved in preparing their applications. The bar has been raised for future applications.

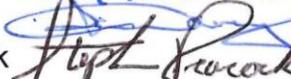
10.0 AUTHORIZATION/SIGNATURES

Approved By:

Glenn McGlashon

Ian Davey

Stephen Peacock



Department:

Planning

Corporate Services

C.A.O.