

Staff Report



To	City Council
Service Area	Infrastructure, Development and Enterprise Services
Date	Wednesday, July 21, 2021
Subject	Baker District – Project Update

Recommendation

1. That the Urban Design Master Plan (UDMP) for the Baker District Redevelopment be approved.
 2. That \$15.9 million for two levels of underground public parking for the Baker District be approved and funded \$7 million from parking rates and \$8.9 million from taxation sources.
 3. That the Sustainable Neighbourhood Action Plan (also called One Planet Action Plan) for the Baker District as directed in report IDE-2019-17 be approved and that staff be directed to work with Windmill Development Group Ltd. to finalize the Federation of Canadian Municipalities/Green Municipal Fund project.
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Executive Summary

Purpose of Report

To provide an update on the Baker District Redevelopment project, which includes a new central library, two urban squares, public and private parking, residential, retail and commercial space and request Council approval of the Urban Design Master Plan (UDMP) for the site; budget for constructing public parking under the library; and approval of the Sustainable Neighbourhood Action Plan (SNAP). The Baker District Redevelopment is near completion of the pre-development phase and is transitioning to the development, detailed design and construction phase of the project.

Key Findings

In October 2020, Council approved locating the new Central Library to a standalone building in the south portion of the site. The details of this recommendation can be found in the [Baker District - Project Update 2020-148](#). Incorporating these changes within the overall site has been captured in the UDMP.

This change simplified the business term agreements that are required for this arrangement between the City of Guelph and the private developer Windmill Development Group Ltd.

Additional public information sessions have been held to update the community on the changes and show how the previous engagement feedback has been

incorporated. The UDMP has been one of the main focal points of the public engagement process to date.

Parking is a key element in the Baker District Redevelopment. The plan identifies two levels of underground parking under the entire footprint of the site. The underground parking is to be divided into two separate areas, one owned privately for use by the residential towers and one owned by the City for public parking. The parking is maximized under the footprint of the site to accommodate the most spaces possible and will be finalized pending site plan comments through the City's development review process. The concept for the Baker District site is anticipated to have a total of approximately 260 private and 156 public underground parking spaces.

Financial Implications

There are no direct financial impacts of the approval of the UDMP. This approval facilitates initiation of the design development phase and moves the project closer to being development-ready.

From an economic benefit perspective, the Baker District Redevelopment construction-related employment is anticipated to result in approximately \$39 million in earned labour income, with a total of 793 person years of employment. Once completed, annual spending of the over 600 new residents is expected to be over \$18 million per year with over \$4 million spent directly in Downtown Guelph. In addition, the development is expected to result in one-time growth revenues inclusive of development charges and parkland dedication of upwards of \$10 million which will be used to fund the considerable amount of growth-related capital cost requirements the City will incur to increase service capacity to these new residents and businesses. Further, ongoing annual new tax assessment revenue of \$1 million is expected which will be used to fund the increased operating costs of providing City services to a growing downtown realm.

Council approval of the SNAP is required by the Federations of Canadian Municipalities (FCM) to complete the project and be eligible for additional grant funds in the amount of \$175,000. Completing the project includes additional work for targeting the Zero Carbon Building Standard which will provide further context to additional costs associated with meeting this standard.

Public Parking

The construction cost of the proposed 156 underground parking spaces on the Baker District was previously estimated at \$75,000 per stall; however, with inflation, construction cost escalation, designing to accommodate ground water conditions, and adding all soft costs, such as detailed design, contingency and construction management, the total cost is now \$102,000 per stall, for a total estimated cost of the two-level underground public parking of \$15.9 million.

For context, reducing underground parking to one-level or 80 total parking spots would drop the requested funding to \$7.5 million, a cost per stall of approximately \$94,000. The cost of water-proofing the second level of underground parking on this site is driving additional costs that were not originally expected. Also in comparison to an above-ground parking structure, there is a premium price to be paid to construct below grade that was not part of the 2015 Council-approved Downtown Parking Financial Model.

From a funding perspective, there are challenges with the timing of this decision given the uncertainty of the revenue streams. Parking Services is no longer an eligible service under the updated Development Charges Act, and the viability of a Community Benefit Charge (CBC) is still to be determined. Given that the number of spaces is not creating growth capacity for parking, there is a risk that none of the CBC revenue will be eligible. Further, due to the ongoing COVID pandemic there is uncertainty regarding future parking demand, which needs to be factored into future financial models as revenues begin to normalize. The financial model will be reviewed as part of the Downtown Parking Master Plan (DPMP) slated to be completed in 2023. However, it is known, based on the original model, that the cost per space compared to the permit revenue per space as proposed will not be self-fundable through the parking rates. At most, staff believe a maximum of \$7 million being funded from parking rates is achievable with the understanding that this may still likely mean above-inflation parking permit fee increases and/or additional taxation subsidization once the financial model is updated in 2023. The remaining \$8.9 million of this project is recommended to be funded from taxation sources, most notably from the anticipated proceeds of the sale from the City-owned Baker District land. If it is found that through the DPMP that adjustment to this funding split is required, staff would recommend at change at that time.

Report

The Baker District Redevelopment project is a mixed-use development, which includes a new central library, two urban squares, public and private parking, residential, retail and commercial space. A number of public engagement sessions have been held to solicit community and stakeholder feedback on the development project. Specifically, the Urban Design Master Plan (UDMP) has been one of the main focal points of the public engagement process.

Parking for the site consists of two separate underground parking garages. One is owned and operated by the City as public parking, the other would be operated by the residential towers for the exclusive use of residents. This arrangement simplifies the operation and maintenance of the parking for both the City and the residential towers. Staff and Windmill are working to maximize the number of spaces and are looking into possible options for future shared space arrangements.

Schematic design for the new central library is progressing and detailed design activities will progress in the coming months.

Business terms to define the short-term and long-term roles and responsibilities for the City and Windmill Development Group Ltd. (Windmill) continue to be developed.

This report presents the updated Urban Design Master Plan, the budget for public parking and the Sustainable Neighbourhood Action Plan for Council's approval.

Urban Design Master Plan

The purpose of the Baker District Urban Design Master Plan (UDMP) is to set objectives and describe the proposed solutions pertaining to the urban design of the Baker District Redevelopment in order for the urban design elements to be evaluated. The City of Guelph, through documents such as the Urban Design Manual and the City's Official Plan, has emphasized the importance of urban design excellence. Excellence requires conscious and coordinated efforts on the part of the public and private sectors, and the UDMP sets out how the elements of the public

and private realm will work together to create a coherent and functional redevelopment. The document is used to show design intent of the spaces and has varying levels of detail as the designs continuously evolve.

The UDMP for the Baker District Redevelopment has been one of the main focal points of the public engagement. The four engagement sessions conducted prior to the October 2020 Alternate Design gathered feedback which helped shape the UDMP along with the City of Guelph's Official Plan, Downtown Guelph Secondary Plan, Urban Design Manual and Downtown Streetscape Manual and Built Form Standards. Since October 2020, two additional engagements with the Downtown Guelph Business Association (DGBA) as well as a number of one on one meetings between the City and the DGBA have been undertaken, and the UDMP accompanying this report continues to reflect the feedback received by the public over the last 3.5 years.

See Attachment-1 Urban Design Master Plan for Baker District.

Site Layout

The proposed site layout includes three new buildings and two new urban squares as part of the redevelopment. The North Tower, a thirteen-storey tower on a two-storey podium base extends east-west across the site, and frames the Wyndham Urban Square, a new publicly-accessible open space on Wyndham Street North. At grade, the North Tower includes retail and live/work uses, the principal residential lobby entrance for the North Tower off of Baker Court, and a central flexible outdoor open space accommodating vehicles, pedestrians and cyclists that connects Baker Street to Park Lane. Connected to the northern side of the North Tower are a row of stacked townhouses fronting Baker Street, with residential entrances animating the streetscape, and a modest amount of resident parking behind accessed from Park Lane.

The South Tower also positions its main residential lobby entrance off of Baker Court, with additional retail and live/work frontages on Baker Street and adjacent to the Library Urban Square to the south. The South Tower includes a three-storey podium with a twelve-storey tower above, and extends north-south along the Baker Street frontage.

The Library is positioned at the southern end of the site, with its principal entrance off Baker Street and a secondary entrance from the eastern end of Chapel Lane. Three-storeys in height, the Library extends east-west providing an animated frontage along Chapel Lane as well as the Library Urban Square to the north.

The overall distribution of uses and built-form on the site allows for a higher and better use of the land related to height restrictions as only the south portion of the site is directly in the view corridor zone and is limited in height to three floors as to not impede the view corridor.

The site accommodates two levels of underground parking under the entire footprint, with separate garages for residential parking below the North and South Towers, and public parking below the Library.

Vehicular movements on the site are defined by landscaping and focused on the use of Park Lane and Chapel Lane to gain access to at-grade servicing/loading areas and underground parking areas via ramps at the north and south ends of the site. Cycling is encouraged on the site through multiple bike parking locations adjacent

to principal entrances, the potential for an east-west cycling connection, and improvements to the surrounding on-street cycling network including through the reconstruction of Baker Street and Chapel Lane. Pedestrian porosity is maintained through walkway connections between Wyndham Urban Square and Baker Court, and south to Library Urban Square, along with diagonal routes provided through the reconstruction of Park Lane and its interconnection with the open spaces within the redevelopment.

Views through the Baker District Redevelopment are encouraged at a number of elevations in order for the redevelopment to fit into and contribute to its surrounding urban context. The protected view corridor to the Basilica of Our Lady Immaculate influences the shape of all buildings within the redevelopment.

Engagement

The UDMP for the Baker District Redevelopment has been one of the main focal points of the public engagement since 2018. The engagement sessions gathered feedback, which helped shape the UDMP along with the City of Guelph's Official Plan, Downtown Guelph Secondary Plan, Urban Design Manual and Downtown Streetscape Manual and Built Form Standards. The feedback received from each event helped to shape the design of the library including the programming options and services that are to be offered, and the overall urban design of the Baker District including the outdoor urban square experience, active transportation throughout the site and the sustainability strategies. The details of the previously completed engagement can be found in the [Baker District Project Update report 2020-148](#).

On May 31, 2021, the City of Guelph, along with Windmill Development Group, launched a virtual open house to share the revised version of the Urban Design Master Plan for the Baker District redevelopment project. The open house was live until June 13, 2021.

As directed by council in October 2020, City staff engaged directly with the Downtown Guelph Business Association (DGBA). Windmill and the City met with the DGBA first on the site of the Baker District Redevelopment on November 23, 2020 in order to walk the property together and discuss the revised design approach.

Windmill, DTAH and the City met again with the DGBA on April 19th, 2021. In this meeting, conducted virtually due to COVID-19, with a presentation that included details of the emerging design solution being captured in the UDMP and a review and discussion of the DGBA's stated goals as they pertain to the Baker District.

Parking

Parking is a key element in the Baker District Redevelopment. The plan identifies two levels of underground parking under the entire footprint of the site, with entrances off Baker Court and Chapel Lane. The underground parking is to be divided into two separate areas, one owned privately for use by the residential towers and one owned by the City for public parking. The parking is maximized under the footprint of the site to accommodate the most spaces possible.

The number of parking spaces will be finalized pending site plan comments through the City's development review process. The concept for the Baker District site is anticipated to have a total of approximately 416 underground spaces.

Delineation of the parking areas would occur by land ownership separation with the public parking underneath the City-owned land for the library. The private parking would be the balance of the site underneath the two residential towers. The City-owned parking would consist of approximately 156 stalls and the privately-owned parking would consist of approximately 260 stalls.

If two levels of parking are constructed, there are anticipated additional costs related to the full waterproofing of the underground structure, currently estimated to be \$1.3 million (the City's proportional share), included in the \$15.9 million proposed budget. An alternative option would be to build only one level of public parking under the library for a total of approximately 80 spots negating the requirement to fully waterproof the underground garage.

This arrangement of separately-owned portions of the parking help to simplify the long-term operation and maintenance for the City and the residential units. The residential tower owners/operators would retain control over the residential permits and the changeover of permits. City staff would operate the City-owned public portion of the garage, including the issuing of permits and enforcement.

Construction at the site will require closure of the current Baker Street parking lot, estimated to be in fall 2021. Staff are developing a strategy to relocate and notify permit holders to minimize the impact to them.

Sustainable Neighbourhood Action Plan (SNAP)

In 2019 Windmill Developments and the City of Guelph submitted an application for funding to the Federations of Canadian Municipalities (FCM) Green Municipal Fund (GMF) program. The successful application led to funding in the amount of \$175,000, used to support the development of a Sustainable Neighbourhood Action Plan (SNAP) for the Baker District Redevelopment. Please refer to report [IDE-2019-07](#) for more information.

The application was based on mutual concern and respect for the environment, shared between the City of Guelph and Windmill. The SNAP was intended to explore ways in which the development could reduce its overall impact on the environment and set meaningful goals and targets to guide development decisions.

As a result of the SNAP, Baker District was endorsed as Canada's second One Planet Living Community and it continues to target the Canada Green Building Council's (CaGBC) Zero Carbon Building standard.

To complete the project, and claim the remaining funds, FCM requires that the SNAP be approved by City Council. A copy of the SNAP has been attached for reference.

See Attachment-2 Sustainable Neighbourhood Action Plan (SNAP).

Financial Implications

There are no direct financial impacts of the approval of the UDMP. This approval facilitates initiation of the design development phase and moves the project closer to being development ready.

This development is anticipated to generate a variety of one-time short-term economic benefits as well as long-term impacts. Using an economic input-output model, and construction-related activity associated with the development, the construction of the development is estimated to generate 517 person-years of

employment directly, plus 276 person- years of indirect employment. The construction-related employment is expected to result in approximately \$39 million in earned labour income, a significant portion of which would be earned by construction companies in the Guelph region. A significant proportion of these earnings would be anticipated to be spent in the local economy on day-to-day goods and services. Annual spending of the over 600 new residents is expected to be over \$18 million per year with over \$4 million spent directly in Downtown Guelph. In addition, the development is expected to result in one-time growth revenues inclusive of development charges and parkland dedication of upwards of \$10 million which will be used to fund the considerable amount of growth-related capital cost requirements the City will incur to increase service capacity to these new residents and businesses. Further, ongoing annual new tax assessment revenue of \$1 million is expected which will be used to fund the increased operating costs of providing City services to a growing downtown realm.

Council approval of the SNAP is required by FCM to complete the project and claim additional funds in the amount of \$175,000. Completing the project includes additional work for targeting the Zero Carbon Building Standard which will provide further context to additional costs associated with meeting this standard.

Public Parking

The construction cost of the underground parking spaces on the Baker District was previously estimated at \$75,000 per stall; however, with inflation, construction cost escalation, designing to accommodate ground water conditions, and adding all soft costs, such as detailed design, contingency and construction management the total cost is now approx. \$102,000 per stall for 156 stalls and a total estimated cost of the underground public parking of \$15.9 million. If only one level was constructed, removing the need to waterproof the structure, the cost would be \$94,000 per stall, for a total project cost of \$7.5 million.

From a funding perspective, there are challenges with the timing of this decision given the uncertainty of the revenue streams. Council approved a Downtown Parking Financial Model in 2015 with the intent of transitioning the cost of parking to a self-funded rate model over time. Since that time, many variables in this model have changed, including the timing and cost of the planned parkades, the decision not to implement on-street paid parking and parking fee revenue assumptions. Further, the ongoing COVID-19 pandemic and the uncertainty it has created regarding future parking demand and the pace at which demand may normalize is impacting the sustainability of this financial model which is currently relying on Safe Restart COVID-relief funding for viability. An update to the DPMP and accompanying financial model is coming to Council in 2023 and will be updated for these assumption changes and provide recommendations on how to reach a sustainable self-funded parking system.

In the absence of this update, staff do know that the cost of underground parking is significantly greater than a per stall cost of an above ground parking garage and the cost to revenue ratio is far in excess of what was planned in the original financial model. For this reason, staff believe the maximum that is achievable, based on the original model, is \$7 million being funded from parking rates with the understanding that this may still likely mean above-inflation parking permit fee increases and/or additional taxation subsidization once the DPMP and financial model are updated in 2023.

Also in the original projections for public parking was the use of development charges for the balance of the funding, however, due to recent changes to the Development Charge Act, Parking Services is now an ineligible service and development charges cannot be a funding source. At the time of this report, the viability of a CBC is still to be determined as the assessment of potential revenue magnitude and a CBC study are slated for 2022. Given that the number of parking spaces is not creating growth capacity for the parking system, there is a risk that none of the CBC revenue will be eligible. For this reason, the remaining \$8.9 million of this project is recommended to be funded from taxation sources, most notably from the anticipated proceeds of sale from the city-owned Baker District land.

From an operating cost perspective, staff are comfortable that the parking revenues will sufficiently fund the operating impacts of the facility including the infrastructure renewal and replacement reserve charge required for sustainable capital planning. Estimates for the operating cost will be determined once detailed design of the parking facility can be completed.

Consultations

Windmill Development Group Ltd.

Baker District Steering Committee

Guelph Public Library Board

Strategic Plan Alignment

The Baker District Redevelopment Project aligns with the following Strategic Plan priorities:

Sustaining Our Future

The net-zero carbon targets for the Baker District Redevelopment supports environmental innovation through partnership alignment to mitigate climate change.

Powering Our Future

This project leverages partnerships and is fostering downtown business innovation to support a thriving downtown Guelph. It is a collaborative partnership, which will help grow the downtown residential, business and institutional areas. The development is contributing to a sustainable, creative and smart local economy.

Building Our Future

The redevelopment of an existing parking lot into a multipurpose mix of residential, public and commercial space is a strategic investment in the downtown area. It is a response to Guelph's growing and changing social, economic and environmental needs. It will have a mix of housing types to address the growing concerns in the city and will be working with community partners to establish a safe neighbourhood.

Working Together for Our Future

Through the Baker project, the City continues to: encourage a culture of innovation and high performance; explore new funding options, service-delivery models and partnerships to ease taxes for residents and businesses; and develop strategic partnerships to improve service delivery.

Attachments

Attachment-1 Urban Design Master Plan for Baker District

Attachment-2 Sustainable Neighbourhood Action Plan (SNAP)

Attachment-3 Baker District Update Presentation

Departmental Approval

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