# OLDENBURGING. A RENAISSANCE COMPANY

DOWNTOWN CIP AND BROWNFIELD STRATEGY CIP

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PLEASE REFERENCE THIS DOCUMENT WITH THOSE THAT THE CITY OF SUDBURY ALREADY HAVE ON FILE - INCLUDING: - Rezoning Application, Planning Committee Rezoning Approval, City Council Ratification

CITY OF SUDBURY FILE NUMBER: 751-6/15-26

### **ENDORSED PROGRAMS**

#### **Downtown CIP**

The purpose of the CIP is to:

- Revitalize Downtown Sudbury;
- Increase the residential population of the downtown;
- 3. Create and retain employment opportunities;
- 4. Grow the municipal assessment base;
- 5. Grow the municipal property tax revenue;
- 6. Repair and intensify the existing urban fabric with compatible projects;
- 7. Take advantage of existing infrastructure; and,
- 8. Enhance the quality of the public realm

https://www.greatersudbury.ca/play/downtown-sudbury/the-downtown-sudbury-master-plan/

https://www.greatersudbury.ca/play/downtown-sudbury/the-downtown-sudbury-master-plan/downtown-community-improvement-plan/

#### **Brownfield Strategy CIP**

To be eligible, the property must:

- Be located in the community improvement project area;
- Be an urban property;
- Have been previously used for commercial or industrial purposes;
- Be vacant, derelict or at risk;
- · Be the subject of a residential or mixed use re-use or redevelopment proposal; and,
- Have a "failed" Phase 2 Environmental Site Assessment.

https://www.greatersudbury.ca/do-business/planning-and-development/community-improvement-plans/brownfields/







#### PROJECT DESCRIPTION IN RELATION TO ENDORSED PROGRAMS

#### **Existing Properties**

185-227 Lorne Street (abandoned building), Victoria Street at Alder Lots (2 empty lots) and the purchase and closure of Alder Street (as per rezoning approval) - 2.1 Acres

- Property is derelict, vacant and abandoned
- MPAC values as vacant land
- Historic neighbourhood
- Closing of city street to create public park and private right of way.

#### **Proposed Development (Zoning Approved)**

- 50 residential condominium lofts and 18,620 sqft of commercial condominium space, 82 indoor parking spaces, 40 outdoor parking spaces (see PL2016-190)
  - build new 36,500 sqft of new residential in abandoned building (includes hallways)
  - build new 40,000 sqft of new residential tower (includes lobby, hallways and elevator tower)
  - residential lofts will be sized from 550 sqft to over 2000 sqft
  - existing infrastructure is capable of handling all requirements of development
  - Walk Score of 75 Most errands can be accomplished on foot.

#### **Objectives**

#### Revitalize Downtown

- Downtown Sudbury Master Plan aims to add 3000-5000 people living downtown over next 10 years
- combination of residential and commercial property in a fully walkable neighbourhood
- showcase Sudbury to the world OLDENBURGinc has hired aPR agency to promote the property in its current and finished state to the international Architectural and Design community
- The Brewer Lofts and Sudbury, Canada are promoted together

### Increase Residential Population of Downtown

- addition of 50 residential units will add anywhere between 75 and 112 people to the downtown population
- significant redevelopment of this land will encourage other infill development and investment

#### Create and Retain Employment Opportunities

- nearly 20,000 sqft commercial space as approved by Planning Committee creates opportunities for new and established business to move into the downtown
- expect anywhere from 40 to 120+ people to be employed by businesses that operate out of this building
- see page enclosed document for approved uses ranging from retail, office and light industrial

#### Grow Municipal Assessment Base

- significant and substantial redevelopment of vacant, derelict and abandoned property will increase value of these existing properties and surrounding neighborhood

#### Grow Municipal Property Tax Revenue

- this project with residential and commercial occupancy will increase Municipal Property Tax Revenue >18x its current municipal tax rate
- municipal tax revenue from this property will increase +3400%
- ancillary tax revenue from adjacent properties will follow as land values increase

#### Repair and Intensify the Existing Urban Fabric

- will rehabilitate a derelict and vacant property
- reconnect established West End neighbourhood with the city by building on the nostalgia of this property and the immense value to the city
- does not burden undeveloped green space and adds new recreational and neighbourhood common spaces
- reduce dependence of car and greenhouse gases

#### Take Advantage of Existing Infrastructure

- existing infrastructure in the form of electricity, gas, water, sanitary and storm sewers, road network are currently in place and have significant/abundant capacity for the approved plan
- existing sidewalks, transit, schooling, emergency services and other municipal services are in place
- GSU has begun a substantial upgrade of hydro services and assets along Lorne corridor, next light standards installed Winter 2017 between Victoria and Hazel
- Lorne Street has been identified as a corridor which will be updated and refined

#### Enhance Quality of Public Realm

- new urban park and art to be created along closed section of Alder Street between Victoria and Willow
- programming of new space allows for public events and festivals to be considered
- enhanced pedestrian experience on Alder, Victoria and Lorne Streets

### **DOWNTOWN CIP AREA**



#### **HOW WE GOT HERE**

1905 - 1907: - Construction and creation of Silver Foam Brewery in Sudbury, Canada

- Doran, Fee and Mackey are the three partners

- Brewery opens in 1907

- Sudbury's first filtered water source

- Brewery is Sudbury's 3rd largest employer after mining (INCO) and rail company (CP)

1939-1945: - Brewery doubles in size with substantial addition during WWII

- New office, lab and retail store building on-site and Mackey Building at Elm and Durham are built for operations, excise office and management

- War measures act creates beer monopoly for Northern Ontario's Doran's Northern Breweries, north of the 46th parallel

1950-1972: - Doran's Northern Breweries is one of the most profitable breweries in the world proportionally to market size

- Mr. Doran retires to California

Early 1970's: - Canadian Breweries (Carling O'Keefe) buys Northern Breweries

- Employees revolt and make things difficult for Canadian Breweries as they feel the company is using the 'monopoly' asset to drive stock value and market share. Anticipating layoffs and closure of Brewery.

**Late 1970's:** - Employees purchase brewery from Canadian Breweries

- Northern Breweries becomes the largest employee owned brewery in the world

**1980's:** - Sunday Hours and Draft Balls become the story a huge influence in the North and throughout Ontario

- Beer Store strike, and creates a Northern legend in the process

1990's: - Draft (beer) monopoly has ended at bars and taverns - Northern faces tougher times in part from the 'Molson and Labatt beer wars'.

Late 1990's: - Significant investment by Molson and Labatt for Summer and Hockey seasons crushes Northern share, profits and business

Early 2000's: - New investment from Southern Ontario beer executives to redevelop the Northern beer brands and brewery operation

Mid 2000's: - Challenges with modernizing brewery and market forces shutter Northern for good

Late 2000's: - Brewery is decommissioned with all equipment being removed

- City of Sudbury (CGS) revised Official Plan to allow for adaptive reuse

**2010's:** - Local company purchases property

- CGS creates Brownfield Strategy CIP and Downtown CIP programs to encourage infill development - Northern Breweries property is the idealized vision for these programs

Mid 2014: - Preliminary and substantial investment for environmental assessment and market studies are undertaken to determine if 'The Brewer Lofts' concept is feasible

- Structural review, market review, surveys, as-built drawings, design development and engineering reviews

- CGS expands Downtown CIP to include the property at 185 Lorne Street

Early 2015: - New ownership of property and redevelopment vision for the property proceeds forward based on market interest and incentive programs from CGS on the books

**2016:** - Architectural design finalized, initial marketing and pre-sales

- Unanimous rezoning approval from Planning Committee and City Council for highest use - best use

2017: - TBL LP applies for Brownfield CIP and Downtown CIP based on programs requested and/or endorsed by council

- Municipal property tax base for 185-227 Lorne will increase 3400%

- 10 year tax value of subject property for CGS (Municipal and Education) will increase from \$150,000 to nearly \$4,000,000. This does not account for property value increases or tax increases

THE MATH		
DOWNTOWN CIP (Downtown Master Plan states 3000-500 new resident goal)		
Tax INCREMENTAL EXEMPTION GRANT (TIEG) - Subject Property is Qualified	Under Program Guidelines	
10 YEAR MUNICIPAL TAX REVENUE IN CURRENT STATE*	\$90,680	
10 YEAR MUNICIPAL TAX REVENUE AFTER REDEVELOPMENT*	\$3,141,510	
10 YEAR MUNICIPAL TAX REVENUE INCREASE*	+ 3464%	
10 YEAR GRANT VALUE BASED ON +\$20.0M PRIVATE INVESTMENT \$2,135,580		
*DOES NOT ACCOUNT FOR PROPERTY VALUE OR TAX INCREASES		
RESIDENTIAL PER DOOR PROGRAM INCENTIVE (To incentivize Downtown Mass	ter Plan Goals, Offset Risk)	
CURRENT LIMIT(ASSUMING ONLY 10 NEW RESIDENTIAL UNITS PER YEA	AR) \$200,000	
PROPOSED REQUEST BASED ON ACHIVEMENT OF 5 YEAR PROGRAM (	GOAL \$1,000,000	
MINIMUM OR MAXIMUM, +/- (Subject to Council Approval)	\$800,000	
INTEREST FREE LOAN PROGRAM (To incentivize Downtown Master Plan Goals, Offset R	isk)	
CURRENT LIMIT(AMORTIZED & PAID BACK OVER 5 YEARS)**	\$250,000 (or 20% costs)	

BROWNFIELD STRATEGY CIP (Rehabilitate Former industrialized Lands)

Tax INCREMENTAL EXEMPTION GRANT (TIEG) - Subject Property is Qualified Under Program Guidelines

10 YEAR MUNICIPAL AND EDUCATION TAX REVENUE IN CURRENT STATE\*

\$3,884,090 10 YEAR MUNICIPAL AND EDUCATION TAX REVENUE AFTER REDEVELOPMENT\*

10 YEAR MUNICIPAL AND EDUCATION TAX REVENUE INCREASE

+ 2919%

\$133,040

5 YEAR GRANT VALUE BASED ON +\$20.0M PRIVATE INVESTMENT

\$1,875,524

\*DOES NOT ACCOUNT FOR PROPERTY VALUE OR TAX INCREASES

REBATES (Policy of the Brownfield Strategy CIP Mandate)

**BUILDING PERMIT\*** \$145,000 (based on hard construction costs)

PLAN OF CONDOMINIUM \$2,900 (based on CGS density pricing grid)

SITE PLAN CONTROL \$1,750 (based on CGS pricing grid)

\*\$250,000 IFL would be beneficial for a duplex or triplex development valued at \$400-600k.

While \$250,000 is a lot of money, it does not account for the scale and proportion of The Brewer Lofts project which is the reasoning for the higher request and some achievement of the Downtown Master Plan.

+/- \$4,500,000

\$4,250,000

No funds are forwarded for the Downtown CIP till after Construction or Occupancy.

PROPOSED REQUEST (20% OF COSTS, PAID BACK IN 12 MONTHS)\*\*

MINIMUM OR MAXIMUM, +/- (Subject to Council Approval)

### PROJECT RENDERINGS

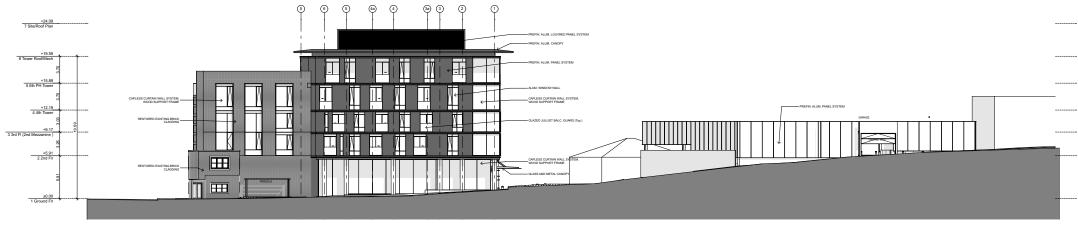




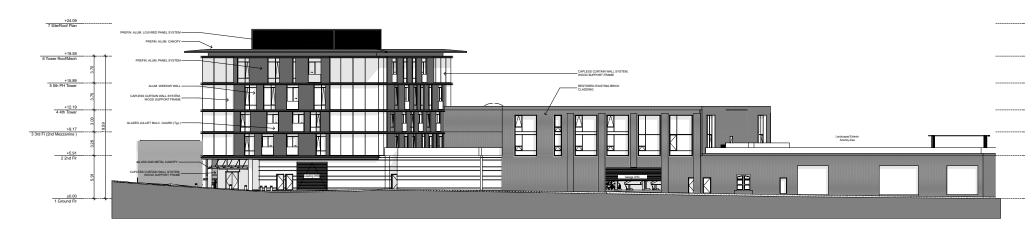




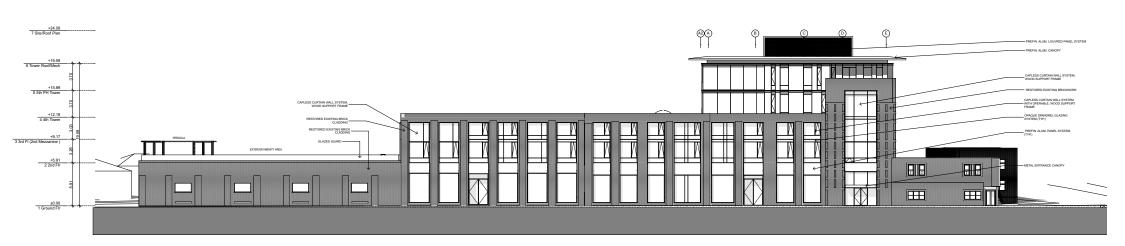
### **ELEVATIONS AND MASSING**



#### North Elevation 2



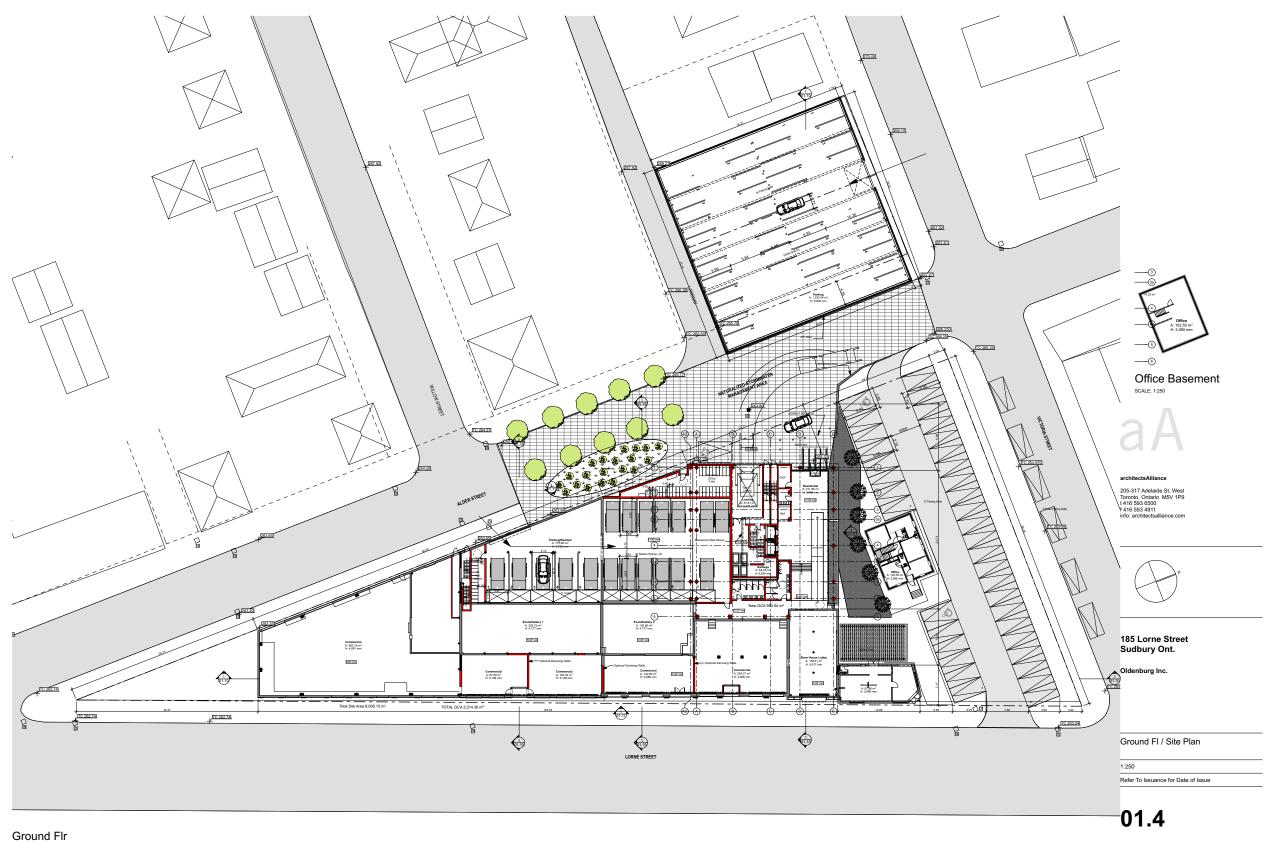
### West Elevation



#### East Elevation

SCALE: 1:200

### **SITE PLAN**



### PUBLIC REALM - ALDER STREET CLOSURE - PUBLIC PARK AND EXPERIENCE



### APPROVED COMMERCIAL SPACE ZONING USES

Art Gallery

Assembly Hall

Audio/Visual Studio

Automotive Sales Establishment (Electric Vehicle)

Bake Shop

Banquet Hall

Brewery

Business Office

Custom Print or Copy Shop

Financial Institution

Food Processing Plant

Industrial Use, Light

Institutional Use Office

Medical Office

Personal Service Shop

Pharmacy

Private Club

Professional Office

Retail Store

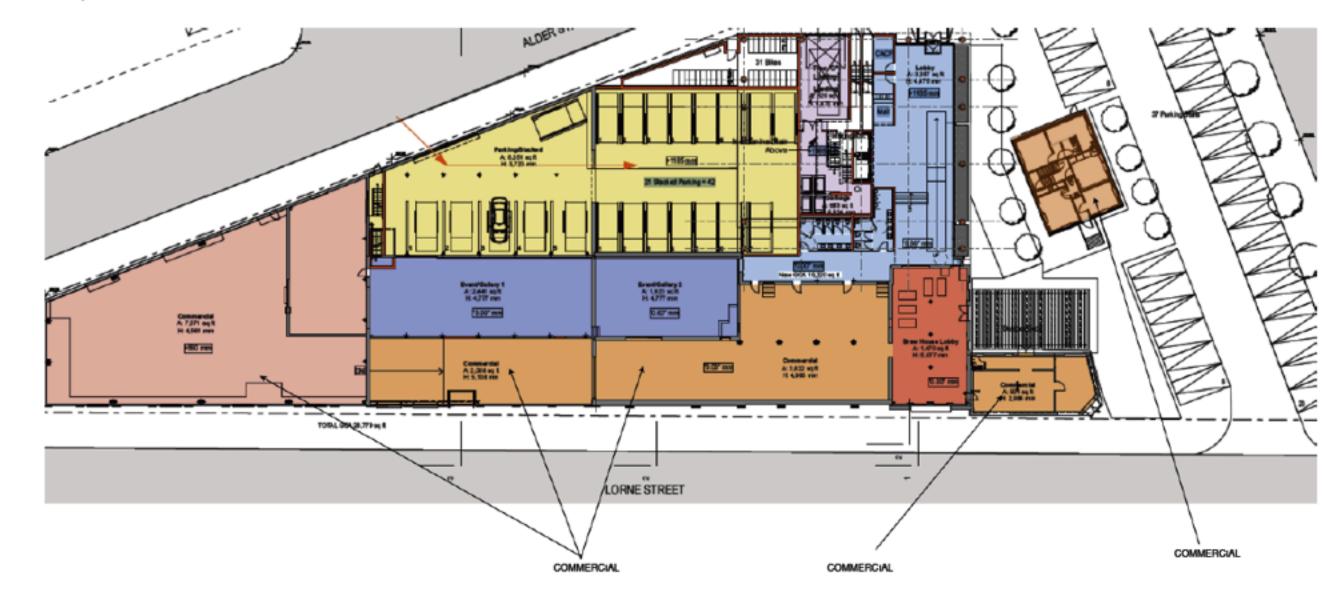
Recreation Centre, Commercial

Restaurant

Scientific or Medical Laboratory

School, Commercial

Service Trade



### **OLDENBURGinc.**

Innovation Through Design

- Experience developing and managing projects with International Corporations, Design Firms and Contractors
- Career working in and with Marketing, Design and Architectural professionals



 The Oldenburg's immigrated to Sudbury -Canada in the earliest days of the 1900's, fought and died in WWI for Canada, settled and worked in this original Sudbury neighbourhood









Design Based Development

- Developing the project is an expression of lifestyle through architecture and design
  Build a building that aims to improved the
- Build a building that aims to improved the quality of life for residents and the community



- City Of Sudbury official plan calls for the development of 3000-5000 residential properties in the Downtown area
- 25% of lofts reserved even before rezoning completed



THE BREWER LOFTS

- Access to untapped market
- Few condominium developments in city
- High awareness of project and property
- Support of neighbours and city staff



- 50 Lofts For Sale (Condo Corp Structure)
- Exclusive and authentic
- 110 year old historic property
- Lack of Condominium options in city



- Very walkable. Basic errands can be accomplished on foot.
- Front door access to transit routes, major
- highways and residential amenities



- Continued demand for new housing
- Strong rental market for investor units
- Local desire from all age groups for options other than a house or rental apartment
- Vacancy rate < 3%</li>



- City plan amended in 2000's to allow Mixeduse residential development at this property
- Tax benefits to developer and purchasers
- Most significant historical building in city

