

Hanlon Creek Business Park Performance Report

Summary as of February 2014

Prepared by Economic Development Services (with input from Finance Services & Building Services)

Project Statistics	Notes:
<p>Area Statistics</p> <ul style="list-style-type: none"> • Gross Area = 675 acres • Net Developable Area = 380 acres • Open Space Area = 162 acres • Balance = 133 acres 	<p>Gross acres represents all development blocks, roads, easements, environmental buffers and protected areas</p> <p>Net developable area represents development blocks, or in other words the property that can be sold and title transferred for the purpose of constructing buildings.</p> <p>Open space area consists of such features as environmental buffers, protected areas, provincially significant wetland, etc.</p> <p>This represents road rights of way, easements, storm water management facilities, and 12 km of bike and walking trails.</p>
<p>Phasing</p> <ul style="list-style-type: none"> • Phase 1 • Registered, Serviced and Shovel Ready – Mid 2011 • Zoned: Corporate Business Park <ul style="list-style-type: none"> ○ 26.78 acres (Belmont Equities) ○ <u>95.55 acres (City of Guelph)</u> ○ 122.32 acres (Total) • Phase 2 • Registered, Serviced and Shovel Ready – Mid 2012 • Zoned: Corporate Business Park & Business Park <ul style="list-style-type: none"> ○ 138.55 acres (Cooper Construction) ○ <u>2.93 acres (City of Guelph)</u> ○ 141.47 acres (Total) • Phase 3 • Not yet registered, serviced or shovel ready • Zoned: Business Park <ul style="list-style-type: none"> ○ 34.96 acres (Snyder Estate) ○ <u>84.41 acres (City of Guelph)</u> ○ 119.16 acres (Total) 	<p>This phase was developed by the City of Guelph through a Cost Sharing and Land Exchange Agreement executed between the City and Belmont</p> <p>This phase was developed by Cooper Construction through a Cost Sharing and Land Exchange Agreement executed by the City and Cooper. This agreement included the sale of 63.53 acres of City development and open space property to Cooper.</p> <p>This phase is draft plan approved and not yet registered at land titles or serviced. In order to achieve registration and permit servicing this phase still requires detail engineering and environmental design which is accomplished through the creation of an Environmental Implementation Report. As per conditions of approval this Phase is to be registered by no later than the end of November 2016.</p>

Project Statistics	Notes:
Employment Statistics	<p>Employment Targets</p> <ul style="list-style-type: none"> • Phase 1: Corporate Business Park <ul style="list-style-type: none"> ○ 122.32 acres x 30.35 jobs/acre = 3,712 jobs. • Phase 2: Corporate Business Park & Business Park <ul style="list-style-type: none"> ○ 141.47 acres x 18.61 jobs/acre = 2,633 jobs. • Phase 3: Business Park <ul style="list-style-type: none"> ○ 119.16 acres x 14.57 jobs/acre = 1,736 jobs. • Total Target <ul style="list-style-type: none"> ○ 8,081 jobs ○ Average of 21.27 jobs/acre <p>Employment Achieved to Date</p> <ul style="list-style-type: none"> • Phase 1 <ul style="list-style-type: none"> ○ Fusion Homes: <ul style="list-style-type: none"> ▪ 65 jobs ▪ 2.2 acres ▪ 29.5 jobs/acre ○ Wurth Canada Limited <ul style="list-style-type: none"> ▪ 200 jobs ▪ 12.7 acres ▪ 15.7 jobs/acre ○ Granitworx <ul style="list-style-type: none"> ▪ 30 jobs ▪ 7 acres ▪ 4.3 jobs/acre ○ Raymond James Financial (Semlaka Holdings Inc.) <ul style="list-style-type: none"> ▪ 20 jobs ▪ 1.1 acres ▪ 18.18 jobs/acre ○ Totals <ul style="list-style-type: none"> ▪ 315 jobs ▪ 23 acres ▪ 13.7 jobs/acre

Employment targets are based on recommended employment densities as provided by the City of Guelph's Employment Lands Strategy – Phase 2 (April 23, 2010).

The targets are segregated by the following categories:

- Corporate Business Park = 30.35 jobs/acre
- Business Park = 14.57 jobs/acre
- Blended Corporate and Business Park (weighted) = 18.61 job/acre

Project Statistics	Notes:
Financial Performance	<p>Cash Flow Analysis</p> <ul style="list-style-type: none"> • Phase 1 • Phase 2 • Phase 3
	<p>Valuation of City Land Sales to Date (Closed or Under Contract)</p> <ul style="list-style-type: none"> • Phase 1 = \$5.3 m • <u>Phase 2 = \$5.7 m</u> • Total = \$11.0m

Phase 1 breakeven is projected by the end of 2017. Current cash flow projections and requirements are being met, including projected revenues for the period of 2011 to 2013.

Given the current level of market activity and Agreements of Purchase and Sale that have been presented to potential purchasers in the first quarter of 2014, staff is optimistic the project revenue of \$4.3 M will be achieved.

As previously mention, in 2010 the City sold 63.53 acres of property to Cooper, which resulted in a net revenue (after deduction of City share of costs for this phase) of approximately \$5.7M.

This phase is not scheduled to be developed until 2019.

A staff report detailing the City's development options is scheduled to be presented to Guelph City Council this June. The report will detail the City's risks/benefits of: 1) solely developing this phase, 2) developing with a joint venture partner, or 3) disposing of the property and investing any proceeds for other strategic employment land purposes.

To date between the City and Belmont 32.7% of Phase 1 has been sold in a 2.5 year period. Belmont has now sold all of its lands which will allow the City to better control price within this phase.

City land sales within this Phase have ranged between \$265,000/acre and \$325,000/acre, depending on lot size, configuration and location.

Staff are currently meeting with a number of investment prospect, which could potentially result in the sale of an additional 14 acres of City owned land.

With respect to Phase 2, the City sold approximately 95% of its development blocks to Cooper Construction.

Financial Performance	Municipal Charges and Fees Realized to Date <ul style="list-style-type: none">• New Annual Municipal Property Taxes (2013) = \$132,196.74• Development Charges Levies/Received = \$902,702.36• Building Permit Valuation & Fees Charged/Received<ul style="list-style-type: none">○ 12 Permits Issued (Foundation, Superstructure, Site Services)○ Construction Value of Permits Issued = \$20,927,000.○ Value of Permits Fees = \$21,238.91
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