
Report To: Council

Date of Meeting: April 6, 2009

Submitted By: Rod Regier, Executive Director, Economic Development

Prepared By: Rod Regier, Executive Director, Economic Development

Ward(s) Involved: All

Date of Report: April 2, 2009

Report No.: CAO-09-021

Subject: Centre Block Agreement of Purchase and Sale

RECOMMENDATION

The Agreement of Purchase and Sale between the City and Andrin Investments Limited for the Centre Block lands, attached to Report CAO-09-21, be tabled and referred to the April 20, 2009 Finance and Corporate Services Committee for discussion.

For information.

BACKGROUND:

On June 16, 2008, Council selected Andrin Investments Limited as the developer for Centre Block. Andrin's proposal met all of the criteria set out in the Centre Block Terms of Reference adopted by Council in October 2006. The company proposed a high-quality mixed-use development which includes diverse residential development, ground floor retail, combinations of safe, connected public and private outdoor spaces. They have proposed the allocation of 250 parking spaces in a portion of the underground structure to be retained in City ownership at a competitive cost.

The project sets a new standard for architecture and urban design for a high density residential project in the Waterloo Region. It achieves maximum density on the site and makes a significant contribution to Kitchener's downtown as a vibrant urban place by attracting new residents and contributing to an improved balance between employment and residents in the downtown. The proposal addresses the City's requirement for Leadership in Energy and Environmental design (LEED), supporting Kitchener's Environmental Strategy. It also advances the objectives of the City's Economic Development Strategy, Economic Development Investment Fund by creating a new magnet for talented young people and investment, strengthening the brand of Downtown Kitchener.

The developer has a track record of high quality reurbanization projects in Kitchener, the Greater Toronto Area and in the United States. They have the financial, technical and marketing expertise to successfully build this project.

Andrin's proposal was subjected to a rigorous public consultation process. Public opinion gathered through this process was strongly supportive of the project. The specific feedback from the public was utilized in discussions with Andrin regarding the details of their proposal and has resulted in changes to the proposal that improve its ability to achieve the City's objectives.

REPORT:

In October 2008, staff was directed to complete negotiation of the purchase and sale and development agreements with Andrin. The attached Agreement of Purchase and Sale has been negotiated between the parties and is being tabled with Council for its discussion at the April 20, 2009 Finance Committee and subsequent ratification, if approved.

The Agreement of Purchase and Sale will be discussed with the Kitchener Business Improvement Area Board of Directors, the Downtown Advisory Committee and the Economic Development Advisory Committee.

FINANCIAL IMPLICATIONS:

The attached Agreement of Purchase and Sale is a binding commitment between the City of Kitchener and Andrin Investments Limited, to sell the lands known as Centre Block for \$3.1 million and to purchase an underground parking structure of between 200 and 250 spaces at a rate of \$35,000 per space, subject to the completion of mutually agreed development agreements outlining the final built form of the project..

Rod Regier
Director, Economic Development