

MINUTES OF THE ECONOMIC DEVELOPMENT STANDING COMMITTEE MEETING
HELD IN THE BOARD ROOM, CITY HALL,
ON MONDAY, 2004-OCT-18, COMMENCING AT 10:06 A.M.

PRESENT: Councillor T. K. Krall, Chair

Members: Councillor M. D. Brennan
Councillor C. S. Manhas
Mayor G. R. Korpan, Ex-Officio

Others: Councillor Cantelon
Councillor Holdom
Councillor McNabb
Councillor Sherry
Councillor Tyndall

Staff:	A. C. Kenning	G. Horth
	A. W. Laidlaw	A. Tucker
	B. N. Mehaffey	J. T. Bowden
	B. E. Clemens	K. L. Burley
	T. McQueen	K. King

1. ADOPTION OF MINUTES:

Minutes of the 2004-SEP-27 Meeting of the Economic Development Standing Committee held in the Board Room, City Hall at 10:08 a.m.

It was moved and seconded that the Minutes be adopted as circulated. The motion carried unanimously.

2. REPORTS OF ADVISORY BODIES:

Downtown Nanaimo Partnership:

(a) Purchase of Theatrical Lighting

The Downtown Nanaimo Partnership (DNP) has received a request from the Western Edge Theatre Company to purchase theatrical lighting equipment at a cost of \$11,811. plus any applicable taxes. The lighting equipment would be owned by the DNP but would be available for use by Western Edge, the Port Theatre, and other community performing arts groups. The DNP passed a motion in support of the request on 2004-OCT-05. The source of funding would be the DNP Capital Budget – Arts/Culture Projects which has a current balance of \$49,500.

Authorization from City Council is required for any purchase made by the DNP in excess of \$5,000. The purpose of this report is to seek Council authorization for the above-noted expenditure.

The DNP has been marketing the Downtown on the basis of three distinct character areas: the Old City Quarter; the Arts District; and the Waterfront. With regards to the Arts District, the DNP encourages and supports the establishment of a variety of cultural and performing arts venues in the Downtown area.

One of the top priorities of the DNP 2004 Action Plan for the Arts, Culture, and Entertainment Sub-committee is to "Convert an existing assembly space (e.g. Bay Theatre) to a reusable performance space for small performing arts groups."

The proposed lighting would be owned by the DNP and would be available to Western Edge and other local theatre and performing arts groups. The equipment list has been reviewed by the technical staff at the Port Theatre and meets the specifications of the Port Theatre and could be used in their productions as well.

On 2004-Oct-05, the DNP passed the following resolution:

"MOVED by D. Brennan, SECONDED by B. McGuffie that the DNP purchase, at a cost of \$11,811. plus taxes if applicable, the lighting equipment outlined in the letter from Western Edge Theatre dated 2004-Aug-27, with retained ownership by the DNP and subject to the condition that a usage agreement complete with adequate insurance, maintenance, sub-lease and contingency clauses be negotiated to the satisfaction of the DNP. CARRIED."

Recommendation: The Economic Development Standing Committee recommends that Council authorize the expenditure of \$11,811. plus any applicable taxes from the DNP capital budget for the purchase of theatrical lighting equipment as outlined in the letter from Western Edge dated 2004-AUG-27.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

New Nanaimo Centre Advisory Committee:

(b) Recommendations Arising from the 2004-SEP-30 Meeting:

(1) New Nanaimo Centre – Feasibility, Launch, Communication and Pre-Development Budget:

Committee's Recommendation: The Economic Development Standing Committee recommends that Council approve the budgets of the New Nanaimo Centre as follows:

project feasibility	\$200,000.
referendum	75,000.
communications	100,000.
pre-development	250,000.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

(2) "Build Wood":

Committee's Recommendation: The Economic Development Standing Committee recommends that Council authorize Staff to consider using wood in the construction of the New Nanaimo Centre.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

(c) Recommendations Arising from the 2004-OCT-14 Meeting:

Grant Thornton Report:

Committee's Recommendation: The Economic Development Standing Committee recommends that Council receive the report.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

3. CITY MANAGER'S REPORT:

(1) Gusola Block Tax Exemption Application – 104 Commercial Street:

The Downtown Residential Conversion Tax Exemption Program was created by the City in May, 2002 with two primary goals. One, to encourage residential conversion of existing heritage commercial buildings, and two, to encourage the preservation of heritage buildings in the Downtown Core.

An application under the program has been submitted by the owners of the Gusola Block located at 104 Commercial Street to rehabilitate and adapt the existing building to accommodate new commercial uses on the main and basement floors and to create three residential units on the upper floor.

The estimated total project cost is approximately \$534,000. of which \$129,000. would be devoted to seismic, building code, sprinkler and external building façade improvements.

Property taxes for 2004 were \$5,458.14. Based on the estimate provided of \$129,000. in eligible work and the property tax exemption formula used by the tax exemption program, the applicant would qualify for the maximum tax exemption term, which is ten years.

The tax exemption proposal was reviewed by the Downtown Partnership on 2004-OCT-05 and the following motion passed:

"MOVED by B. McGuffie, SECONDED by D. Backhouse to recommend that the Downtown Residential Conversion Tax Exemption Application from Zaicana Pacific Realty Ltd. for 104 Commercial Street (Gusola Block) be approved for a ten-year tax exemption term."

Staff has reviewed and evaluated the project proposal and note that it satisfies all requirements and objectives of the program and, as such, Staff recommends that Council provide approval, in principle, a 10-year full tax exemption for the property.

Committee's Recommendation: The Economic Development Standing Committee recommends that Council approve, in principle, a ten-year full property tax exemption for the Gusola Block located at 104 Commercial Street, subject to the conditions specified in this report.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

4. ADJOURNMENT:

It was moved and seconded at 10:15 a.m. that the meeting terminate. The motion carried unanimously.

C H A I R

CERTIFIED CORRECT:

SENIOR MANAGER,
CORPORATE ADMINISTRATION