



## **STAFF REPORT**

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**Meeting Date: May 9, 2022**

**Title: 325 Government Street CIP Application**

**Prepared By: Tyler Peacock**

**Department:** Community Development

**Report Number: Economic Development-2022-003**

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### **Recommendation:**

That council provide direction to staff regarding the level of support they wish to grant towards the CIP contained within this report.

### **Background:**

City Staff were made aware by the property owners of 325 Government Street that they will be proceeding with the demolition of the majority of the existing buildings currently located on the property. The property will subsequently undergo significant redevelopment, making way for a new chain hotel and restaurant.

The applicant is seeking a grant for up to 100% of the associated Demolition Permit and Landfill Tipping fees through the City of Dryden's Community Improvement Plan.

### **Discussion:**

The development of a new hotel and restaurant in the City of Dryden will have a great impact on the tourism economy and the availability of accommodations within the City of Dryden, especially needed during peak seasons. It has been identified through recent community engagement sessions related to ongoing strategic planning that additional accommodations and restaurant options are needed in our community and this development has the potential to accomplish both of those needs.

The assessment growth associated with this redevelopment will increase the amount of tax revenue generated by the City of Dryden. Based on the current market in Dryden, the assessment growth would be in the range of ~3.5x to ~5.5x the current assessed value.

Furthermore, a conservative estimate of the additional revenue generated annually by increased availability of hotel accommodations through the adopted Municipal Accommodations Tax would be in the range of ~\$72,000 at the low end and ~120,000 at the high end. This would result in an additional ~\$36,000 to ~\$60,000 coming directly to the City of Dryden.

Lastly, the project has a construction value of ~\$16M and is expected to create an additional 25 full-time jobs and 30 part-time jobs in our community. Timeline for construction to commence is Summer 2022.

### **Financial Implications:**

**Waiving of UP TO 100% of the Demolition Fees: ~\$500.00**

**Waiving of UP TO 100% of the Land Fill Tipping Fees: ~ \$35,000 to \$48,000\***

\* The range in value is dependent on the weight of the material removed from the site. This is an estimate only at this time and Council can choose to fund a percentage of or up to a certain dollar threshold as per the Program Details contained within the Community Improvement Plan.

### **CIP Program Details:**

**Building and Demolition Permit Fee Grant:** A grant for up to a total of 100% of the City's fees, as determined at the discretion of Council and in consultation with the City's Administrator and/or the Land Sale and Development Committee, to cover the cost of building permit fees or demolition permit fees.

**Landfill Tipping Fees Grant:** A grant for up to a total of 100% of the City's tipping fees at the City of Dryden Highway #502 Landfill for regular (sorted) loads, as determined at the discretion of Council and in consultation with the City's Administrator and/or the Land Sale and Development Committee.

### **Current Budget Allocation:**

**Account #:**

### **Attachments (Reference Material):**

325 Government Street – CIP05-22 Application

Quote 1 – Tipping Fees

Quote 2 – Tipping Fees

Demolition Map

325 Government Street Economic Impact and Artist Rendition