

DRAFT
BY-LAW 2017-XXXX
DECEMBER 11, 2017

**A BY-LAW OF THE CITY OF GREATER SUDBURY TO
ADOPT AMENDMENT NO.1 TO THE CITY OF GREATER SUDBURY TOWN CENTRE COMMUNITY
IMPROVEMENT PLAN**

WHEREAS Subsections 28(4), 28(5) and 17(22) of the Planning Act, R.S.O. 1990, c.P13 authorizes the Council of a municipality to adopt a Community Improvement Plan and any amendments to it;

AND WHEREAS, the Town Centre Community Improvement Plan for the City of Greater Sudbury was adopted by City Council on August 14, 2012 by By-law 2012-167;

AND WHEREAS, the City of Greater Sudbury has complied with the requirements of Sections 28 and 17 of the Planning Act, R.S.O. 1990, c.P.13 for the purposes of this amendment;

AND WHEREAS, Council of the City of Greater Sudbury has, by By-law 2012-166, designated parts of the City of Greater Sudbury as a Community Improvement Project Area for the purpose of the City of Greater Sudbury Town Centre Community Improvement Plan;

AND WHEREAS, the Council of the City of Greater Sudbury deems it desirable to amend the Town Centre Community Improvement Plan for the City of Greater Sudbury;

NOW THEREFORE THE COUNCIL OF THE CITY OF GREATER SUDBURY HEREBY ENACTS AS FOLLOWS:

1. Amendment No. 1 to the City of Greater Sudbury Town Centre Community Improvement Plan attached hereto as Schedule 'A' is hereby adopted.

READ AND PASSED IN OPEN COUNCIL this xxxx day of xxxx, 2017.

COMPONENTS OF THE AMENDMENT:

PART A – The preamble does not constitute part of this Amendment.

PART B – The Amendment, consisting of the following text, constitutes Amendment No. 1 to the City of Greater Sudbury Town Centre Community Improvement Plan.

DRAFT

PART A – THE PREAMBLE

A.1 Background

The City of Greater Sudbury's Town Centre Community Improvement Plan was adopted by City Council and came into effect on August 14, 2012.

The Town Centre Community Improvement Plan is designed to provide financial incentives for redevelopment led by the private sector and municipal community improvement initiatives within designated Town Centres and traditional "Main Street" areas in the City of Greater Sudbury.

The purpose of the CIP is to enhance the quality of the physical and social environment through the development and redevelopment, preservation and rehabilitation of certain areas of the City; undertake comprehensive community improvement programs with respect to identified projects or designated community improvement areas and increase employment, economic activity and investment in the City.

The Town Centre Community Improvement Plan is design to help by providing the following programs:

- Tax Increment Financing Program;
- Planning and Building Permit Fees Rebate Program;
- Project Development Study/Report Grant;
- Façade Improvement Grant; and
- Building Improvement Loan Program.

As per Council direction, the programs have been updated to reflect the Downtown Community Improvement Plan. The City of Greater Sudbury would like to extend the two new residential programs and the refocused Tax Incremental Equivalent Grant (TIEG) offer through the Downtown Community Improvement Plan to the Town Centres and remove the Building Improvement Loan Program.

A.2 Purpose

This Amendment amends the City of Greater Sudbury Town Centre Community Improvement Plan to align the incentives offered through these programs with those offered through the recently updated Downtown Community Improvement Plan.

Similar to the changes made to the Downtown Community Improvement Plan, key amendments that are proposed in the updated Town Centre Community Improvement Plan are:

- Two residential incentive programs: a per-door grant program and a muliti-residential interest-free loan program;
- Remove the Building Improvement Loan Program; and
- A refocused Tax Incremental Equivalent Grant (TIEG) program.

A.3 Location

This Amendment applies to the seven town centres designated in the Town Centre Community Improvement Plan: Capreol, Chelmsford, Copper Cliff, Flour Mill, Kathleen Street, Levack and Lively.

A.4 Basis

The *Planning Act* allows municipalities to use powers afforded through Section 28(7) of the Act to provide grants, loans and tax increment financing to registered or assessed owners or tenants of lands and buildings within designated areas. These powers allow the City the opportunity to develop innovative approaches to providing financial incentives for redevelopment led by the private sector and municipal community improvement initiatives.

Summary of Changes

The current Tax Increment Financing Program which provides a tax rebate to property owners or tenants based on the anticipated municipal portion of the property taxes that will be realized as a result of the redevelopment to a Tax Increment Equivalent Grant which provides a similar rebate will be revised. The revised program will provide 100% of the tax increment in years one through three and 50% of the tax increment in years four and five. For vacant properties, subject to Council approval, the program can be extended from five years to ten years.

A new Residential Incentive Program is proposed to jump start the residential markets in the town centres. The program will provide a grant of \$10 per square foot for newly created habitable space or \$20,000 per dwelling unit, whichever is the lesser.

A Multi-Residential Interest-Free Loan Program is being introduced which seeks to stimulate revitalization and rehabilitation of residential development. This program offer financial assistance to projects that result in predominantly residential redevelopment. Interest-free loans of up to 25% of the project costs, to a maximum of \$250,000 will be available to property owners who undertake:

- The creation of a new multiple dwelling upon vacant land or parking areas; and/or,
- A building addition containing at least four new dwelling units; and/or
- The conversion of existing commercial, industrial, institutional space into a multiple dwelling.

Other changes are housekeeping amendments to update the Town Centre Community Improvement Plan.

PART B – THE AMENDMENT

All of this part of Schedule 'A', entitled 'Part B – the Amendment', consisting of the following text, constitutes Amendment No.1 to the City of Greater Sudbury Town Centre Community Improvement Plan.

DETAILS OF THE AMENDMENT

The City of Greater Sudbury Town Centre Community Improvement Plan is hereby amended, as follows:

1. In Section 1.2, by deleting the first two paragraphs and replacing them with the following:

“The City of Greater Sudbury’s 2015-2018 Corporate Strategic Plan, *Greater Together*, sets out a number of priorities along with its implementation plan which serves as a roadmap of some of the larger, more resource-intensive and transformational projects to be undertaken. Through one of such projects, the City aims to “begin to realize the Nodes and Corridors Strategy, ensuring the Downtown is better connected to revitalized Town Centres, other strategic commercial and core areas by allowing for mixed uses, connecting citizens across Greater Sudbury, while providing excellent public transit.

The City’s Nodes and Corridor Strategy conforms to the requirements of the Province’s Growth Plan for Northern Ontario, which provides a strategic framework that guides decision-making and investment planning to strategic core areas in Northern Ontario until 2036. Town Centres, along with the City’s Regional Centres, have long been the strategic areas within our community and traditionally been the focus of investment in hard and soft infrastructure.”

2. In Section 4.0, by deleting the phrase “Financing (in the form of a grant)” from the first bullet point of Section 4.0 and replacing it with “Equivalent Grant”.
3. In Section 4.0, by deleting the fifth bullet point and replacing it with the following:
 - “Residential Incentive Program (Per-Door Grant)
 - Multi-Residential Interest-Free Loan Program”
4. In Section 4.1, by deleting the section in its entirety and replacing it with the following:

“4.1 Tax Increment Equivalent Grant

The purpose of this program is to provide grants to the owner or tenant of an eligible property to help offset costs associated with its rehabilitation, reuse, redevelopment and development of the property, provided that the improvements to the property result in an increase in assessment taxation.

The value of the grant provided is equal to the incremental increase in property assessment and municipal property tax resulting from the improvements. The grant is provided to the owner (registered or assessed), tenant or assigned third party, after the taxes have been paid in full.

The grants will be provided after the improvements to the property are complete and after the reassessment of the property by the Municipal Property Assessment Corporation has demonstrated an increase in the assessed value of the property.

The pre and post improvement assessment and tax value will be used to calculate the incremental increase in municipal property tax revenue and the total value of the grant.

The maximum number of years that any individual application can benefit from is 5 years. In years one through three of the program, the grant to the property owner/tenant is equal to 100% of the tax increment. In years four and five, the grant decreases to 50% of the tax increment. The grant ceases thereafter.

Subject to Council approval, and where development is proposed on vacant property, includes ground-level retail and above-grade residential, the maximum number of years an application can benefit is 10 years. In this situation only, the grant to the property owner/tenant is equal to 100% of the tax increment in years one through four, and 50% of the tax increment in years five through ten. The grant ceases thereafter. To qualify for the 10-year incentive, the subject property must have been vacant on the date of adoption of this community improvement plan.”.

5. In Section 4.2, by inserting the phrase “or tenants” after the phrase “to property owners”.
6. In Section 4.4, by inserting the phrase “or tenants” after the phrase “to property owners”.
7. By deleting Section 4.5 – Building Improvement Loan Program.
8. By inserting a new Section 4.5 – Residential Incentive Program, as follows:

“4.5 Residential Incentive Program

The purpose of this limited-time program is to jump-start the residential markets in the Town Centres. The program will be limited in value and duration, and will be carefully monitored to allow for its retirement once a market is established in each of the Town Centres. The program offers a grant for the creation of new residential units.”

9. By inserting Section 4.6 as follows:

“4.6 Multi-Residential Interest-Free Loan Program

This program seeks to stimulate private sector investment in, and revitalization and rehabilitation of residential development within the Town Centres. The program offers financial assistance to projects that result in predominantly residential development.”

10. In Section 5.0 Urban Design Principles, by inserting the following sentence at the end of the first paragraph, “Should Urban Design Guidelines be adopted by the City in the future, such Guidelines will supercede the urban design principles set out below.”.

11. By adding Section 6.0 as follows:

“6.0 Monitoring, Review and Amendment

The Town Centre CIP will be monitored on an ongoing basis to track progress relative to its goals and objectives. The monitoring program could be structured around a number of indicators, as outlined below. Information on these indicators would be collected at the individual project level and aggregated. This aggregated information would be used as the basis for an annual report to Council. To the extent possible, these annual reports would also address the economic and social effectiveness of the CIP. It is envisaged that the annual reports would also be used to inform decisions relating to adjustments to the CIP, as well as any budget decisions relating to any of the financial incentive programs described herein.

Minor and technical amendments (e.g. correcting typographical errors) may be made without Council approval. Major and substantive amendments may be made by amendment, subject to the statutory process under the *Planning Act*, which includes public consultation and Council approval. Notwithstanding this, the City may discontinue any of the programs contained in this CIP without amendment. The addition of new programs not expressly referenced herein requires an amendment.

PROGRAM	INDICATOR
TIEG Program	Number of applications received Increase in assessment value of participating properties Estimate and actual amount of municipal tax assistance/grants provided Hectares/acres of land redeveloped Residential/Industrial/Commercial space (sq.ft.) rehabilitated or constructed Residential units/sq.ft./ rehabilitated or constructed Value of private sector investment leveraged
Planning and Building Fees Refund Program	Number, type and value of planning application fees refunded Number and value of demolition and building permit fees refunded Residential/Industrial/Commercial space (sq.ft.) rehabilitated or constructed Residential units/sq.ft. rehabilitated and constructed Value of building permit fees paid Value of building permits issued
Project Development Study	Number of applications received Value of total grants Value of private sector investment leveraged
Façade Improvement Programs	Number of applications received Value of total grants Value of private sector investment leveraged

Residential Incentive Programs	Number of applications received Number of new residential units created Value of total grants Value of private sector investment leveraged
--------------------------------	---

12. In Schedule A, General CIP Financial Program Application Processes,

- a. Deleting “Growth and Development Department” and replacing it with “Planning Services Division”;
- b. Inserting “applications and” after “Council may approve the”;
- c. Deleting the phrase “Where an application is recommended for approval,”;
- d. Inserting the phrase “on accepted applications” after “City staff will prepare a report”;
- e. Deleting the phrase “on the application’ and replacing it with the “for consideration of their approval”; and
- f. Deleting “Tax Increment Financing” and replacing it with “Tax Increment Equivalent Grant”.

13. In Schedule A, General Criteria Applying To All Programs,

- a. Deleting criterion 5) and renumbering subsequent criteria accordingly;
- b. In criterion 5) deleting “approved” and replacing it with “considered and resolution adopted”;
- c. In criterion 5) inserting “on a first come, first served basis” after “adopted by Council”;
- d. In criterion 5) inserting the following last sentence, “The agreement may be made with respect to terms, duration, default and termination provisions of the grant.”;
- e. Adding criteria 6 through 9 as follows:
 - “6) The subject property shall not be in a position of tax arrears at the time of application or get into a position of tax arrears post application or get into tax arrears post application or at any time receiving financial incentives under this program;
 - 7) Any outstanding Orders from the City Building Services Department or the City By-law Enforcement Department must be complied with prior to the consideration of any application or must be rectified through the proposed improvements;
 - 8) Applications for programs will be submitted to staff and reviewed. If eligible, applications will be recommended to Council for approval on a first come, first served basis; and

9) The total amount on loan at any one time for all CIP programs, with the exception of the Affordable Housing CIP, shall not exceed \$1,000,000.”

14. In Schedule A Tax Increment Financing Program Requirements, by deleting the requirements and replacing it with the following:

“Tax Increment Equivalent Grant Program Requirements

Each tax grant will be commenced by an application to the City of Greater Sudbury. This application will allow staff an opportunity to ensure that the proposal meets the intent of the Tax Increment Financing Program. The program criteria are as follows:

1. Tax Increment Equivalent Grant Program applications must be accompanied by:
 - Photos in the required format depicting the current condition of the eligible property; and
 - Plans, reports, estimates, contracts and other information in the required format necessary to understand the proposed development concept for the eligible property, and to ensure conformity with the Official Plan and the objectives of the CIP;
2. In years one through three, the approved grant will be equal to 100% of the incremental increase in municipal property tax revenue associated with improvements to the eligible property. The grant decreases to 50% for years four and five. The grant will be provided every year for up to five years, after taxes have been paid in full each year;
3. Council may provide a ten-year tax increment equivalent grant program only in the following circumstances: 1) where the property to be developed was vacant on the date of adoption of this plan; 2) the development proposes ground-level retail; and 3) the development proposes above-ground residential. An approved grant will be equal to 100% of the incremental increase in municipal property tax revenue for years one through four, and 50% in years six through ten; and
4. Should the owner or tenant of the approved eligible property default on any condition in the by-law or agreement, the grants, plus interest, will become payable to the City in full.”

15. In Schedule A, Planning & Building Fees Rebate Program Requirements, by:

- a. Deleting “10) Other associated and miscellaneous legal agreements”;
- b. Deleting the second paragraph and replacing it with the following: “Assistance will be made in the form of a rebate of the fees for planning approval, demolition or building permit. The total amount of incentive provided under the planning fee component of this program will not exceed \$25,000 annually. The maximum amount of incentive provided under the planning fee component of this program to any eligible property will not exceed \$5,000. Building permit fee rebates would be up to a maximum of \$100,000

annually. The maximum amount of incentive provided under the building fee component of this program to any approved eligible property will not exceed \$30,000. Rebates will be subject to the following:";

- c. Deleting "Growth and Development Department" in criteria 3 and replacing it with "Planning Services Division";
 - d. Deleting criteria 4. And renumbering subsequent criteria accordingly;
 - e. Deleting criteria 7.
16. In Schedule A, Feasibility Study Program Requirements, by:
- a. Inserting "or tenants" after both references to "property owners" in requirement 3;
 - b. Deleting requirement 6 and renumbering subsequent requirements accordingly;
 - c. Deleting requirement 7.
17. In Schedule A, Façade Improvement Program Requirements, by
- a. Inserting "and lighting" after both references to signage;
 - b. Deleting requirements 2 and 3 and renumbering subsequent requirements accordingly;
 - c. Deleting requirement 3 and renumbering subsequent requirements accordingly;
 - d. Deleting requirements 4 and 5 and renumbering subsequent requirements accordingly.
18. In Schedule A, by deleting Building Improvement Loan Program Requirements.
19. In Schedule A, by inserting Residential Incentive Program Requirements as follows:
- "Residential Incentive Program (Per-Door Grant) Requirements**
1. A grant of \$10 per sq foot of newly created habitable residential space, or \$20,000 per dwelling unit, whichever is lesser, is available. Payment will be made only upon the occupancy permit being issued;
 2. The total amount of incentive provided under this program will not exceed \$800,000 annually. The maximum amount of incentive provided under the program to any approved eligible property will not exceed \$200,000; and
 3. This program will be retired 3 years after the adoption of this plan. Council may extend its initial implementation.

20. In Schedule A, by inserting Multi-Residential Interest-Free Loan Program as follows:

“Multi-Residential Interest-Free Loan Program Requirements

1. This program will provide interest-free loans of up to 25% of the project costs, to a maximum of \$250,000 to property owners who undertake:
 - a. The creation of a new multiple dwelling upon vacant land or parking areas; and/or,
 - b. A building addition containing at least four new dwelling units; and/or
 - c. The conversion of existing commercial, industrial, institutional space into a multiple dwelling;
2. A multiple dwelling must contain at least four dwelling units. Projects involving fewer than four dwelling units may be eligible for other grants offered through this community improvement plan;
3. The total amount on loan at any one time under all programs shall not exceed \$1,000,000;
4. If approved, the City’s funding will be advanced in three stages, upon completion of 60%, 80%, and substantial completion of the project;
5. Loan payments will commence six months following the substantial completion advance. Repayment of loans will be on a monthly basis, with the monthly amount to be calculated based on a five-year amortization period. Full repayment may be made at any time without penalty;
6. If, during the course of the work, the scope of the work changes or actual costs are greater or lesser than the estimated costs, the City of Greater Sudbury reserves the right to increase or decrease the total amount of the loan associated with the Multi-Residential Interest-Free Loan Program;
7. Program commitments will expire if construction does not commence within 1 year of the City of Greater Sudbury’s approval. In the event of such an occurrence, the applicants may reapply, and will be subject to Council approval and the availability of funding at the time;
8. Assistance granted under this program to a particular property is not transferable to any other property; and
9. The maximum loan is 25% of the Cost of Construction Budget prepared by an architect/engineer and addressed to the City of Greater Sudbury and dated within 6 months of the date of application.”