

Presented To:	Planning Committee
Presented:	Monday, Sep 10, 2018
Report Date	Friday, Aug 17, 2018
Type:	Managers' Reports

## Request for Decision

### Update on Downtown Sudbury CIP 2018 Intake Period

#### Resolution

THAT City staff be directed to prepare a business case for the 12 eligible and complete applications received under the Downtown Sudbury Community Improvement Plan, and the Brownfield Strategy and Community Improvement Plan as part of the 2019 Budget, as outlined in the report entitled "Update on Downtown Sudbury CIP 2018 Intake Period" from the General Manager of Growth and Infrastructure, presented at the Planning Committee meeting of September 10, 2018.

#### Relationship to the Strategic Plan / Health Impact Assessment

Updating the Downtown Sudbury CIP framework was identified as part of Council's 2015-2018 Corporate Strategic Plan priority of implementing the economic development related plans approved by Council, with the necessary resources to support them. This priority rests under the Growth and Economic Development pillar.

#### Report Summary

The Downtown Sudbury Community Improvement Plan (DSCIP) came into effect in January, 2017. In February, 2018, staff was directed to introduce an intake period to help implement the City's Community Improvement Plans. The annual deadline to submit applications is June 30.

The 2018 Intake Period garnered 12 applications. All of these applications were deemed eligible based on DSCIP and BSCIP eligibility criteria. The total monetary request of the City for the 12 applications is \$5,628,166 over 19 years, while the total private investment leveraged would be \$51,212,187, representing a public to private investment ratio of 1:8.

Taken together, the proposals would help meet the following planning objectives: revitalizing the core; increasing the residential population of the downtown; creating and retaining employment opportunities; growing the municipal assessment base; growing the municipal property tax revenue; repairing and

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##### **Recommended by the Division**

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##### **Financial Implications**

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intensifying the existing urban fabric with compatible projects; taking advantage of existing infrastructure; and, enhancing the quality of the public realm.

Staff recommends that the City accept the 12 complete and eligible applications. Staff also recommends that it be directed to prepare business cases to be considered as part of the 2019 Budget.

### **Financial Implications**

There are no financial implications associated with this report. Funding for eligible applications is subject to Council approval of the business case as part of the annual budget process. It is understood that the CIP programs are non-entitlement, discretionary programs and that not all applications meeting the eligibility criteria may be approved for funding.

**Downtown Sudbury Community Improvement Plan – 2018 Intake**  
**August 20, 2018**  
**Planning Services Division**

## **Background**

The City of Greater Sudbury adopted a new Downtown Sudbury Community Improvement Plan (DSCIP) on December 13, 2016 (See Reference 1). The stated objectives of the DSCIP are to:

1. Revitalize Downtown Sudbury;
2. Increase the residential population of the downtown;
3. Create and retain employment opportunities;
4. Grow the municipal assessment base;
5. Grow the municipal property tax revenue;
6. Repair and intensify the existing urban fabric with compatible projects;
7. Take advantage of existing infrastructure; and,
8. Enhance the quality of the public realm.

The City adopted the Greater Sudbury Brownfield Strategy and Community Improvement Plan (BSCIP) in October, 2011 (See Reference 2). The stated objectives of the BSCIP are to:

1. Create and retain employment opportunities;
2. Increase assessment and tax revenues;
3. Increase economic competitiveness;
4. Enhance environmental quality, health and safety; and,
5. Intensify and revitalize neighbourhoods and communities

## **Comparative Fiscal Impact Analysis of Growth Study**

Planning Committee recently directed staff to study the costs and revenues related to residential development across the city prior to adopting the 5-year review of the City's Official Plan. On January 8, 2018, Staff presented the Comparative Fiscal Impact Analysis of Growth Study to better understand the costs and revenues of providing services across the city (See Reference 3). The study focused on residential development and this was the first time that a study of this kind had been undertaken in Greater Sudbury. Using best available data, it estimated the cost of providing services in urban, suburban and rural areas, as well as the revenue (assessment, taxation) collected in the same areas.

The study confirmed what is generally understood and accepted. Urban areas are the most efficient to service, followed by suburban and rural areas. The study recommended that the City should focus growth in areas that have existing capacity (especially for water, wastewater, fire and transit services) to maximize development revenue and minimize additional infrastructure costs. This is one of several reasons municipalities adopt Community Improvement Plans such as the Downtown Sudbury

CIP, the Town Centre CIP, and the Brownfield Strategy and CIP.

## **2018 Intake Process**

In February, 2018, Staff received direction to receive new applications to the City's Community Improvement Programs annually until June 30 of each calendar year for consideration as part of the following budget year. Staff developed a new website, developed a new application form, and promoted the new annual deadline and process (see Reference 4). This new intake process garnered 12 applications.

All of these applications were deemed eligible based on DSCIP and BSCIP eligibility criteria and application requirements. The total monetary request of the City for the 12 complete and eligible applications is \$5,628,166 over a 19-year period, while the total private investment leveraged would be \$51,212,187, representing a ratio of approximately 1:8 should City Council approve the requests as part of the 2019 Budget.

Taken together, the proposed projects would:

- revitalize the core;
- increase the residential population of the downtown;
- create and retain employment opportunities;
- grow the municipal assessment base;
- grow the municipal property tax revenue;
- repair and intensify the existing urban fabric with compatible projects;
- take advantage of existing infrastructure; and,
- enhance the quality of the public realm.

Should Council approve the recommendation, it will have an opportunity to consider funding all or part of the funding requests as part of the 2019 Budget Process.

## **Review and Evaluation**

A City-staff team led by Planning and including representatives from Building, Finance and Taxation, reviewed the applications relative to the mandatory DSCIP and BSCIP policies, and application criteria.

The DSCIP requires that the subject lands be within the CIP Area, that the eligible property is not in a position of tax arrears at the time of the application, and that outstanding work orders must be satisfactorily addressed prior to the issuing of any financial incentive. Works commenced prior to submitting an application are ineligible.

The BSCIP requires that the subject lands be within the CIP area, have been previously used for commercial or industrial purposes, be vacant, derelict or at risk, be the subject

of a residential or mixed use re-use or redevelopment proposal, and have a 'failed' Phase II Environmental Site Assessment. The BSCIP also requires that the eligible property is not in a position of tax arrears at the time of the application, and that outstanding work orders must be satisfactorily addressed prior to the issuing of any financial incentive. All 12 applications met the minimum DSCIP and BSCIP requirements at the time of writing of this report.

The City requests that applicants identify the programs applied for under the DSCIP, and BSCIP, as well as the amount of incentive applied for, broken down by program.

Staff reviewed the applications received during the intake by:

- applying the grant and loan program limits outlined in the DSCIP and BSCIP;
- estimating the Building Permit Value based on the cost estimates provided by the proponents;
- providing an estimated Tax Increment Equivalent Grant value only where a post-development assessment value was provided by the proponent who had engaged MPAC; and,
- considering whether a Planning Act application would be required.

The total monetary request from complete and eligible applications, and capped within individual program limits, is estimated at \$5,628,166 (\$250,000 in loan requests, and \$5,378,166 in grants), which would result in an estimated \$51,212,187 private investment in the Downtown (1:8 public to private ratio) should projects be approved for funding and proceed.

The following chart is a based on data taken from the complete and eligible applications:

Incentive Type	Incentive Amount Requested (capped)
DSCIP Tax Increment Equivalent Grant (TIEG)	\$3,145,797.38
DSCIP Façade Improvement Program	\$134,495.00
DSCIP Planning Fee Rebate Program	\$7,990.00
DSCIP Building Permit Fee Rebate Program	\$60,000.00
DSCIP Residential Incentive Program	\$350,000.00

DSCIP Feasibility Grant Program	\$0
DSCIP Multi-Residential Interest Free Loan Program	\$250,000.00
BSCIP TIEG	\$1,586,901.25
BSCIP Tax Assistance	\$32,982.00
BSCIP Planning Fee Rebate Program	\$0
BSCIP Building Permit Fee Rebate Program	\$60,000
TOTAL	\$5,628,165.63

TOTAL REQUEST	\$5,628,165.63
TOTAL LEVERAGED	\$51.2M (estimated)
RATIO (Public – Private)	1 : 8

## Summary and Recommendations

In February, 2018, staff was directed to implement the City's Community Improvement Plan by introducing a new annual intake deadline of June 30. The 2018 intake period garnered 12 applications for both the DSCIP and the BSCIP. All of these applications were deemed eligible based on DSCIP and BSCIP eligibility criteria and application requirements. The total monetary request of the City for the 12 applications is \$5,628,166 over 19 years, while the total private investment leveraged would be \$51.2M.

It is recommended that City Council direct Staff to prepare a business case for the 12 complete and eligible applications, for consideration as part of the 2019 budget process.

### References

#### 1. Downtown Sudbury Community Improvement Plan

<https://www.greatersudbury.ca/play/downtown-sudbury/the-downtown-sudbury-master-plan/downtown-community-improvement-plan/community-improvement-plan/>

#### 2. Brownfield Strategy and Community Improvement Plan

<https://www.greatersudbury.ca/linkservid/BC874905-FD36-3989-E4A00284073C255B/showMeta/0/>

#### 3. Comparative Fiscal Impact Analysis of Growth Study

<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1215&itemid=14361&lang=en>

#### 4. Downtown Community Improvement Plan Website and Application Form

<https://www.greatersudbury.ca/do-business/planning-and-development/community-improvement-plans-and-incentive-programs/financial-incentive-programs/downtown-community-improvement-plan/>

Appendix A – Complete and Eligible Applications

Address	Grant Type	Description	Total Grant Request	Estimated Project Cost	Public to Private Investment Ratio	Planning Objectives
20 Ste Anne Road	Tax Increment Equivalent Grant	Expansion of seniors' residences.	\$637,134.86	Approx \$21M	1:31	<p>revitalize the core;</p> <p>increase the residential population of the downtown;</p> <p>create and retain employment opportunities;</p> <p>grow the municipal assessment base;</p> <p>grow the municipal property tax revenue;</p> <p>repair and intensify the existing urban fabric with compatible projects;</p> <p>take advantage of existing infrastructure; and,</p> <p>enhance the quality of the public realm.</p>
30 Ste Anne Road	Tax Increment Equivalent	Associated with expansion of seniors'	\$107,424.32	\$3M	1:27	<p>revitalize the core;</p> <p>increase the residential</p>



	Grant	residences.				<p>population of the downtown;</p> <p>create and retain employment opportunities;</p> <p>grow the municipal assessment base;</p> <p>grow the municipal property tax revenue;</p> <p>repair and intensify the existing urban fabric with compatible projects;</p> <p>take advantage of existing infrastructure; and,</p> <p>enhance the quality of the public realm.</p>
185-227 Lorne Street	Tax Increment Equivalent Grant / Façade Improvement Program / Planning Fee Rebate / Building Permit Fee Rebate / Residential	Conversion of former brewery to mixed use development.	\$4,152,545	Approx \$23.5M	1:5	<p>revitalize the core;</p> <p>increase the residential population of the downtown;</p> <p>create and retain employment opportunities;</p> <p>grow the municipal assessment base;</p> <p>grow the municipal property tax revenue;</p>

	Incentive Program / Tax Assistance Program /					<p>repair and intensify the existing urban fabric with compatible projects;</p> <p>take advantage of existing infrastructure; and,</p> <p>enhance the quality of the public realm.</p>
200 Larch	Façade Improvement Program / Residential Incentive Grant Program	Creation of a community hub.	\$35,000	\$401K	1:10	<p>revitalize the core;</p> <p>increase the residential population of the downtown;</p> <p>create and retain employment opportunities;</p> <p>grow the municipal assessment base;</p> <p>grow the municipal property tax revenue;</p> <p>repair and intensify the existing urban fabric with compatible projects;</p> <p>take advantage of existing infrastructure; and,</p> <p>enhance the quality of the public realm.</p>

62 Elm	Façade Improvement Program	Aesthetic improvements to façade at corner of Elm and Durham Streets.	\$15,000	\$40K	1:2	revitalize the core;  enhance the quality of the public realm.
43 Elm	Façade Improvement Program	Improve Aesthetics on Elm and on Public laneway	\$14,495	\$29.9K	1:1	revitalize the core;  enhance the quality of the public realm.
130 Elm	Façade Improvement Program	Improve aesthetics at corner of Elm and College Streets	\$15,000	\$64.2K	1:3	revitalize the core;  enhance the quality of the public realm.
62-82 Cedar	Façade Improvement Program	Improve aesthetics along Cedar Street between Lisgar and Durham Steets	\$15,000	\$71.5K	1:4	revitalize the core;  enhance the quality of the public realm.
73 Elm	Façade Improvement Program	Improve Aesthetics on Elm and on Public laneway	\$15,000	\$47K	1:2	revitalize the core;  enhance the quality of the public realm.

124 Cedar Street	Tax Increment Equivalent Grant/ Façade Improvement Program/ Planning Fee Rebate/ Building Permit Fee Rebate/ Residential Incentive Program / Loan	Conversion to residential units and façade improvements	\$606,566.45	\$3M	1:4	<p>revitalize the core;</p> <p>increase the residential population of the downtown;</p> <p>create and retain employment opportunities;</p> <p>grow the municipal assessment base;</p> <p>grow the municipal property tax revenue;</p> <p>repair and intensify the existing urban fabric with compatible projects;</p> <p>take advantage of existing infrastructure; and,</p> <p>enhance the quality of the public realm.</p>
124 Elm	Façade Improvement Program	Improve aesthetics.	\$15,000	\$58.4K	1:3	<p>revitalize the core;</p> <p>enhance the quality of the public realm.</p>
<b>TOTALS</b>			<b>\$5,628,166</b>	<b>\$51,212,187</b>		