

# DRAFT DOWNTOWN SUDBURY COMMUNITY IMPROVEMENT PLAN

## 1.0 PLAN BACKGROUND

### 1.1 Introduction

Downtowns are important. They are the historic and symbolic heart of a community, the reflection of a city's image, pride and prosperity. They are the meeting place for the entire city, where all types of different people come together to celebrate and share common experiences.

A healthy, active, successful downtown makes a positive statement about the prosperity of a city, sending a confident message to future residents, businesses and investors. The reverse is also true, which is why a strong Downtown Sudbury is so important.

While Downtown Sudbury has a number of strengths, there is great potential for improvement.

This Community Improvement Plan (CIP) presents a series of incentive programs to reinforce the Downtown's role as the biggest, brightest and best downtown in Northern Ontario. The following CIP has been prepared to allow the City of Greater Sudbury to use powers afforded through section 28 of the Planning Act to make grants, loans and tax increment financing available to registered or assessed owners of lands and buildings within the designated area.

### 1.2 Rationale

Downtown is the heart of Greater Sudbury and a strategic core area in northern Ontario. It forms the historic core of the amalgamated City, retaining its important function as a local and regional centre of government services, business, retail, sport and entertainment uses, arts and culture, and community and institutional uses. The Downtown services a large catchment area that extends beyond Greater Sudbury. It is also a place where people live. Compact, walkable and transit-supportive, the Downtown possesses a distinct built form that sets it apart from other urban areas, offering unique opportunities to protect, develop and sustain its role as the vibrant hub of a dynamic city.

The City of Greater Sudbury and its partners have developed a new Downtown Sudbury Master Plan (the Vision, Plan and Action Strategy) for the Downtown, to guide revitalization by increasing the level of investment and activity, better connecting the Downtown into the surrounding urban fabric, rebalancing the Downtown street system and improving the Downtown's quality of place.

#### 1.2.1 Downtown Sudbury has opportunity

The Downtown offers a unique urban environment that is characterized by its distinct built form, heritage resources, street configuration, pedestrian spaces, and linkages to neighbourhoods and amenities such as Bell Park. The Downtown plays a key role in defining the City's image and quality of place, perceptions that are essential to the success of a number of City initiatives.

Residential development in the Downtown is key to its future success and is consistent with residential intensification policies. In 2011, approximately 1,720 people lived in the Downtown. Increasing the

number of people living Downtown will enhance the existing community dynamic and expand the residential constituency. A residential base also provides support for downtown businesses, acting as a stimulus for small business development.

Residential development is a key priority for the Downtown as a means of stimulating increased investment and business activity, reinforcing the City's urban structure and achieving more efficient pattern of development. The City, through the Downtown Sudbury Master Plan, aims to double the number of people living in Downtown over the next 20 years.

Attracting new non-residential uses such as office, retail, cultural uses and institutional uses is key to growing the level of activity in the Downtown. Office uses foster a strong business environment and provide a customer base for other uses. Retail uses and restaurants reinforce the Downtown's role as a destination for niche products and dining. Cultural and institutional uses augment the Downtown's role as an arts, culture, entertainment and event destination.

### **1.2.2 Overcoming barriers will help build a greater city**

Downtown development and redevelopment has many economic, environmental and social benefits. Overcoming barriers such as up-front costs, securing capital and the availability of parking, and unlocking the latent potential within Downtown Sudbury is another part in the City's continuous movement towards building a stronger, healthier and better-looking Greater Sudbury.

From a policy standpoint, developing and redeveloping Downtown Sudbury also helps implement elements of the City's Official Plan, the Greater Sudbury Community Economic Development Strategic Plan "From the Ground Up", and the 2014 Provincial Policy Statement.

## **2.0 Official Plan Conformity**

Section 15 of "The City of Greater Sudbury Official Plan" provides for the use of Community Improvement Plans within the City. Additionally, section 15.2 of the Official Plan designates the entire City of Greater Sudbury as a Community Improvement Project Area. The Official Plan states that the objectives of Community Improvement Plans are to:

- a. Enhance the quality of the physical and social environment through the development, redevelopment, preservation and rehabilitation of certain areas of the City;
- b. Undertake comprehensive community improvement programs with respect to identified projects or designated community improvement areas; and,
- c. Increase employment, economic activity and investment in the City.

This CIP meets all of the objectives set out in the Official Plan.

### **2.1 Project Area Description**

The Community Improvement Plan Project Area is shown on the attached Schedule 'A'. These boundaries were recently expanded (2013) to correspond to the recommendations of the Downtown Sudbury Master Plan.

The areas in Schedule 'A' have been identified by Council as having the maximum potential to achieve the CIP goals outlined in the Official Plan and benefit from the programs outlined in this plan.

Specifically, these areas were found to be pedestrian friendly, have older mixed use building stock and are experiencing commercial and residential vacancy issues.

### **3.0 Our Downtown Sudbury Plan**

Section 28 (7) of the Planning Act provides municipalities the following authority: for the purpose of carrying out a community improvement plan that has come into effect, “the municipality may make grants or loans to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the cost of rehabilitating such lands and buildings in conformity with the community improvement plan.”

In summary, the only tools available are either a grant or a loan. However there are many applications of this grant or loan which can be used on a case-by-case basis to encourage development or redevelopment within the project area.

#### **3.1 Overall concept**

Several barriers currently prevent Downtown Sudbury development and redevelopment from moving forward. The City can help overcome some of these barriers by using financial mechanisms (grants and loans) to reduce the cost of development and redevelopment in Downtown Sudbury.

The overall goal of these efforts would be to reinforce the Downtown’s role as the biggest, brightest and best downtown in northern Ontario.

The objectives of these efforts 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;

#### **3.2 Encouraging Downtown Sudbury Development and Redevelopment**

The City of Greater Sudbury may use its legislative authority pursuant to Section 28 of the Planning Act to pass by-laws designating the downtown as a community improvement plan area and adopting this strategy as the community improvement plan for the Downtown Sudbury community improvement project area. In doing so, the city can then help encourage downtown development and redevelopment costs by making the following financial incentives available to approved eligible properties:

1. Tax Increment Equivalent Grant Program

2. Façade Improvement Program
3. Planning and Building Fee Rebate Program
4. Residential Incentive Program
5. Feasibility Grant Program

These programs, which are described in the following pages, represent a comprehensive series of actions for Downtown revitalization.

These incentive programs can also be used in conjunction with existing financial incentive programs, such as the Brownfield Community Improvement Plan.

### **3.2.1 General Requirements Applying to all Programs**

All financial incentive programs described herein are subject to the following general requirements. These requirements are not intended to be exhaustive. The City reserves the right to include other reasonable requirements and conditions on a project-specific basis.

1. Works commenced prior to submitting an application are ineligible. Works commenced after submitting an application but prior to application approval do so at the applicant's risk.
2. The financial incentives described herein may be used in combination with any other municipal financial incentive program including, but not limited to, development charge waivers for development in the Downtown, and the Brownfield Strategy and Community Improvement Plan.
3. The financial incentives described herein may be used in combination with any other program offered by the City and/or any other level of government and/or association including, but not limited to, the Federation of Canadian Municipalities.
4. At its sole discretion, Council may sell municipal property at below fair market value to achieve the goals of the Official Plan and the Downtown Master Plan.
5. Council may consider phasing incentives for large, multi-phase redevelopment projects, where it can be clearly demonstrated that the provision of the phased incentive does not exceed the eligible costs associated with any particular phase of development and/or redevelopment.
6. The total amount of all municipal financial incentives provided to an approved eligible property will not exceed the eligible costs for that property.
7. All approved works and improvements shall conform to all relevant provincial legislation including, but not limited to, the Environmental Protection Act, and the Ontario Building Code.
8. All approved works and improvements shall conform to all relevant municipal by-laws, standards, policies and procedures including, but not limited to, the Official Plan and the Zoning By-law.
9. For the purposes of clarity, approval for one or more of the financial incentive programs included herein does not relieve a proponent from the need to obtain any other required

municipal, federal, provincial and/or public agency approval associated with the proposed project.

10. City staff, officials and/or agents of the City may inspect any approved eligible property that is subject of a financial incentive program application.
11. The City reserves the right to peer review/audit any studies and/or works approved under a financial incentive program, at the expense of the applicant.
12. The City is not responsible for any costs incurred by an applicant in relation to any of the above financial incentive programs.
13. The eligible property will not be in a position of tax arrears at the time of application.
14. If the applicant is in default of any program requirement, or any other requirement of the City, the City may delay, reduce or cancel its financial incentive program approval.
15. Outstanding work orders and/or orders or requests to comply, and/or other charges from the City (including tax arrears) must be satisfactorily addressed prior to the issuing of any financial incentive.
16. The City may discontinue any financial incentive program at any time. Notwithstanding this, approved eligible properties will continue to receive approved municipal financial incentives, subject to compliance with the requirements set out herein and any associated by-law and/or agreement.

### **3.3.1 Tax Increment Equivalent Grant Program**

#### **Purpose:**

To encourage the development and redevelopment of eligible properties by providing grants equivalent to the incremental increase in property tax assessment and revenue resulting from property improvements such as, but not limited to, new construction.

#### **Description:**

Council may provide grants to the owner of an eligible property to help offset costs associated with its rehabilitation, reuse, development and redevelopment of the property, provided that that the improvements to the property result in an increase in assessment and 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 can 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 values 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 a development is proposed on vacant property, includes ground-level retail, above-ground residential, and structured parking, 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 5 through 10. 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.

Requirements:

1. Tax Increment Equivalent Grant Program applications must be filed prior to the start of any activity that would constitute an eligible cost and to which the proposed grant would apply.
2. Tax Increment Equivalent Grant Program applications must be accompanied by:
  - photos in the required format depicting the current condition of the eligible property;
  - 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; and,
3. Tax Increment Equivalent Grant Program applications where approved, shall be approved by City Council, by by-law.
4. As a condition of approval, City Council may require the owner of the approved eligible property to enter into an agreement with the City respecting the terms, duration, default and termination provisions of the grant.

Council may also apply other conditions to the approval where appropriate and warranted.

5. In years one through three, the approved grant will be equal to 100 percent 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.
6. 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; 3) the development proposes above-ground residential; 4) the proposal includes structured parking. 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 five through ten.
7. Should the owner 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.

8. Approved grants are applicable to the registered owner or assessed owner or tenants of land and buildings within the community improvement plan area and are assignable to any third party to whom such an owner or tenant has assigned the right to receive a grant.

See Section 3.2.1 for further general financial incentive requirements.

### **3.3.2 Façade Improvement Program**

Purpose:

The Façade Improvement Grant program would provide grants to property owners who rehabilitate and improve façades (including signs) of buildings within the Community Improvement Project Area. The purpose is to achieve aesthetic improvements to the streetscapes and grant applications will be required to demonstrate how the proposed will achieve this goal.

Requirements:

1. A grant of 50% of the cost to improve a building's facade, to a maximum of \$15,000 is available. Payment will be made only upon the completion of the work. Signage improvements will only be considered as part of a comprehensive façade improvement project. The total amount of funding allocated to the signage component of a comprehensive façade improvement project will be limited to \$2,500.
2. Applications for the program shall be accepted by the City, and if eligible, recommended to Council for approval on a first come first serve basis;
3. All applications will be considered subject to the availability of funding;
4. Property owners must submit the required application to the City of Greater Sudbury and must receive written approval from the City prior to the commencing of any work related to the requested grant/loan;
5. The subject property shall not be in a position of tax arrears at the time of the application;
6. The project must be deemed to be in conformity with all applicable City policies, including but not limited to matters of zoning, heritage matters, site plan matters and matters of urban design. Applications that are not deemed to be in conformity shall not be approved;
7. Any outstanding Work Order from the City Building Services Department must be complied with prior to the consideration of any application;
8. Grants will be approved at the sole discretion of the City of Greater Sudbury; and

### **3.3.3 Planning and Building Fee Rebate Program**

Purpose:

To encourage the development and redevelopment of eligible properties by rebating fees associated with Planning Act and Ontario Building Code applications.

Description:

The City may rebate fees for Planning Act and Ontario Building Code applications associated with improvements to eligible properties. These include: Zoning By-law Amendments; Minor Variances; Site Plan Control; Subdivisions; Consents; Demolition Permits; Building Permits; and, Occupancy Permits.

Requirements:

1. It should be noted that although these fees are rebated within the project area, this does not mean that they are not required. Applicants are expected to adhere to the requirement of the respective application processes and will receive a grant where applicable. Fees are to be paid in advance and are to be reimbursed upon successful completion and approval of an application;
2. Fees associated with any outside agencies will be required to be paid and are not subject to a rebate, including, but not limited to the Sudbury and District Health Unit, Greater Sudbury Hydro, etc.;
3. An application to the Director of Planning must be received and deemed to be eligible prior to the rebating of any fees;
4. The subject property must not be in a position of tax arrears at the time of the application to the Director of Planning or Chief Building Official;
5. This fees-rebate program does not apply to any required performance securities (i.e., letters of Credit) posted by the proponent, required professional studies, to expenses incurred by the applicant as a result of an Ontario Municipal Board Hearing, or to any required newspaper notices;
6. Council has delegated its authority to a Committee of staff to approve these applications. A refusal by staff may be appealed directly to Council;
7. For planning fees, the City will request the payment of fees at the application stage. Upon release of the building permit for the improvements to the eligible property, all collected fees will be refunded.
8. For building permit fees, the City will request the payment of fees at the application stage. Upon final inspection approval of the completed and occupied project, all fees will be refunded.
9. 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 approved eligible property will not exceed \$5,000.
10. The total amount of incentive provided under the building fee component of this program will not exceed \$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.

11. This program applies to the first phase of development only.

### **3.3.4 Residential Incentive Program (Per-door grant)**

Purpose:

The purpose of limited-time program is to jump-start a downtown residential market. The program will be limited in value and in duration, and will be carefully monitored to allow for its retirement once a market is established.

Requirements:

1. A grant of \$10 per sq foot of newly-created habitable residential space, or \$20,000 per unit, whichever is lesser, is available. Payment will be made only upon the occupancy permit being issued.
2. Applications for the program shall be accepted by the City, and if eligible, recommended to Council for approval on a first come first serve basis;
3. All applications will be considered subject to the availability of funding, and per the limits set below;
4. Property owners must submit the required application to the City of Greater Sudbury and must receive written approval from the City prior to the commencing of any work related to the requested grant;
5. 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.
6. The subject property shall not be in a position of tax arrears at the time of the application;
7. Any outstanding Work Order from the City Building Services Department must be complied with prior to the consideration of any application;
8. Grants will be approved at the sole discretion of the City of Greater Sudbury;
9. This program will be retired 3 years after the adoption of this plan. Council may extend its initial implementation.

### **3.3.5 Feasibility Grant Program**

#### **Purpose:**

The intent of this program is to stimulate private sector investigation of the potential adaptive re-use or redevelopment of buildings or vacant land within the project area. Financial assistance for feasibility studies, building renovation design, and business plans will be provided through this program.

#### **Requirements:**

1. Applications for the program shall be accepted by the City, and if eligible, recommended to Council for approval on a first come first serve basis;
2. A grant up to a maximum of \$5,000 can be applied for;
3. Fifty (50%) of the grant approved under this program will be provided to property owners following submission of the final completed study with the original invoice indicating that the study consultant's have been paid in full. The remaining 50% will be paid to the property owner upon the building being available for occupancy;
4. One copy of the study will be provided to the City for its retention. The applicants agree to provide the City with permission to share the findings with any other subsequent project proponents and/or related government agencies;
5. Feasibility studies shall be for the purpose of a business plan for matters such as but not limited to, structural analysis, soil studies, evaluation of mechanical systems, concept or design plans and market analysis;
6. The subject property shall not be in a position of property tax arrears;
7. Assistance will be provided at the sole discretion of the City of Greater Sudbury and the City reserves the right to refuse any application at any time, and
8. Council has delegated its authority to a Committee of staff to approve these applications. A refusal by staff may be appealed directly to Council.