

Update on the 2021 Community Improvement Plan Intake Period

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Recommended by:	General Manager of Growth and Infrastructure
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Report Summary

This report provides recommendations regarding the applications received during the 2021 Community Improvement Plan Intake Period.

Resolutions

Resolution 1:

THAT The City of Greater Sudbury accepts the complete and eligible 2021 Community Improvement Plan Intake Applications for 96 Larch Street, 124 Elm Street, 158 Elgin Street, 291 Lourdes Street, 10 Beech Street, and 81 Larch Street, and directs staff to prepare the necessary by-laws to authorize staff to enter into the necessary agreements, as outlined in the report entitled "Update on the 2021 Community Improvement Plan Intake Period", from the General Manager of Growth and Infrastructure presented at the Finance and Administration Committee Meeting on November 16, 2021.

Resolution 2:

THAT The City of Greater Sudbury accepts the CIP application at 131 Durham Street, for a total of \$145,000, inclusive of the \$115,000 for the Façade Improvement Grant, and directs staff to prepare the necessary by-law to authorize staff to enter into the necessary agreement, as outlined in the report entitled "Update on the 2021 Community Improvement Plan Intake Period", from the General Manager of Growth and Infrastructure, presented at the Finance and Administration Committee Meeting on November 16, 2021.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

The City of Greater Sudbury, through Council's Corporate Strategic Plan (2019-2027) directs staff to prioritize Business Attraction, Development and Retention. Objective 2.4 aims to "Revitalize Town Centres, nodes and corridors with Public Investment that Supports and Leverages Private Investment.

Providing incentives to develop and redevelop the city's built-up cores is consistent with Goal 1 of the CEEP, which seeks to help sustain compact, complete communities.

Financial Implications

The total \$1,089,787.50 of all complete and eligible applications can be funded via the Tax Rate Stabilization Reserve - Committed, and the Tax Increment Equivalent Grant total of \$819,596.12 (over five years) would be funded the year where the municipal property taxes have been levied by the City based on the reassessed value of the property.

It is anticipated that the total non-TIEG requests would have until 2023 to complete their projects. It is also anticipated that Tax Rate Stabilization Reserve – Committed will have grown to \$1.09M on January 1, 2022, which would allow the City to fund the 2021 Request.

It should also be noted that the bulk of the 2021 Request is made up of loans. The repayment of these loans start within 6-months of the completion of the project and the money is returned to the Tax Rate Stabilization Reserve – Committed.

Backgrounds

The City of Greater Sudbury adopted the most recent Downtown Sudbury Community Improvement Plan (DSCIP) (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.

2021 Intake Process

In February, 2018, Staff received direction to receive new applications to the Corporation's Community Improvement Programs annually until June 30 of each calendar year for consideration as part of the following budget year.

In September 2021, Council directed staff to discontinue the intake process (See Reference 2). Notwithstanding this direction, the 2021 intake process generated 7 complete and eligible applications in 2021. One application, located on Lloyd Street is ineligible as it is located outside the CIP area.

The total monetary request of the Corporation for the 7 complete and eligible applications is \$1,909,383.62 over a 5 year period, while the total private investment leveraged would be \$8.6M, representing a ratio of approximately 1:7 should City Council approve the requests.

Taken together, the proposed projects would meet the stated objectives of the CIPs as described above. Further to the September 14, 2021 direction from Council, should Council approve the recommendations, the total \$1,089,787.50 of all complete and eligible applications can be funded via the new Tax Rate Stabilization Reserve – Committed. Tax Increment Equivalent Grant payments totaling \$819,596.12 (over five years) would begin the year following the levying of the increased municipal property taxes associated with the reassessed value of the properties.

Review and Evaluation

Staff reviewed the applications relative to the mandatory CIP policies and application criteria. The CIPs require that the subject lands be within a 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 Corporation requests that applicants identify the programs applied for under the CIPs, 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 program limits outlined in the CIPs;
- 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 is estimated at \$1.9M, which would result in an estimated \$8.6M in private investment in the Downtown (1:3.5) 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	DSCIP
Tax Increment Equivalent Grant (TIEG)	\$819,596.12
Façade Improvement Program	\$167,675.00
Planning Fee Rebate Program	\$15,000
Building Permit Fee Rebate Program	\$105,950.00
Residential Incentive Program	\$298,450.00
Feasibility Grant Program	\$15,000
Multi-Residential Interest Free Loan Program	\$487,712.50
TOTALS	\$1,909,383.62

TOTAL REQUEST*	\$1,909,383.62
TOTAL LEVERAGED	Approximately \$8.6M
RATIO (Public – Private)	1 : 3.5

131 Durham Street

Applicants for 131 Durham Street are proposing the creation of an outdoor theatre. Their request includes a Planning and Building Fee Rebate, and a Feasibility Study Grant. They have indicated that they are working on completing a TIEG application for a later date.

They have also specifically requested \$115,000 from the Façade Improvement Program, which is an amount exceeding the cap established in the DSCIP by \$100,000. Per Policy 8 of the Section 3.2.1 General Requirements of the DSCIP, “At its sole discretion, Council may provide incentives that are greater than the amounts outlined herein, provided that all other criteria are met.” To date, Council has not exercised this provision within the DSCIP and all approvals to date have been within the program maximums.

Staff is satisfied that the application meets a number of CIP objectives (See Attachment A). It should be noted that the amounts outlined above and in the recommendations include the \$115,000 requested as part of the proposal at 131 Durham.

278 Lloyd Street

As noted above, the City received a CIP application for redevelopment of 278 Lloyd Street. The application is ineligible as it is outside the Downtown Sudbury CIP boundaries. Should Council wish to accept and fund the application, the CIP boundaries would first have to be amended. Per the Planning Act, a CIP amendment follows a process similar to an official plan amendment (e.g. Notice, Public Hearing, Appeal Period, etc).

Staff recommends that the CIP boundary not be amended at this time. Since 2013, and per the recommendations of the Downtown Master Plan, the City has worked to harmonize all boundaries of Downtown Sudbury boundaries, including the Official Plan, the Community Improvement Plan, and the Development Charges Exemption Area.

Resources Cited

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. “Community Improvement Plan Process and Funding”, report from the General Manager of Growth and Infrastructure, presented at the September 14, 2021 Council Meeting.
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=41791>