

# EMPLOYMENT LAND COMMUNITY IMPROVEMENT PLAN

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## 1.0 PLAN BACKGROUND

### 1.1 Introduction

With the emergence of new clean-tech and battery electric vehicle sectors and the focus on critical minerals in Canada and around the world, Greater Sudbury is on the cusp of an unprecedented time of potential growth for our community as the global nerve centre for green mining expertise and innovation; in fact the community's mining supply & service sector is already leading the world's transition to electrification of mining.

Existing CIPs within Greater Sudbury have been successful in fostering redevelopment and the creation of new housing within strategic areas, and the new Employment Land CIP will enhance the efforts of the City to attract investment by providing potential investors with a significant incentive to support growth and expansion of existing businesses, and to attract new developments. CIPs have proven successful in other Ontario communities and will help Greater Sudbury remain competitive in our business attraction efforts.

Staff presented the City of Greater Sudbury Employment Land Strategy (ELS) to the City's Finance and Administration Committee on August 9, 2022. The ELS provides key recommendations to ensure that Greater Sudbury is well positioned to be investment-ready and able to support and attract industrial, commercial and institutional development and job growth over the next 25 years. The Employment Land Community Improvement Plan is a recommendation of the Employment Land Strategy.

An Employment Land CIP will have a number of benefits, which include:

- **Increased Employment Opportunities:** The Employment Land CIP will help add jobs to the community to grow our population and tax base.
- **Increased Investment:** The Employment Land CIP will help our current industry grow to the level they require to maintain their competitive positions. The Mining Supply & Service sector is seeking to grow operations in both number of full-time employees and square footage to existing facilities. Many in this sector are now deciding whether to proceed with the expansions in Sudbury or move to other strategic locations. These expansions will attract new businesses and investment to the city, providing a much-needed boost to the local economy.
- **Leveraged Financial Incentives:** Financial incentive programs from Federal and Provincial agencies such as FedNor and the Northern Ontario Heritage Fund often evaluate projects based on the other levels of government support they are leveraging. The CIP will allow the City to bolster the financial incentive packages offered to investment opportunities and clearly signal that the CGS is also supporting investment in the community.
- **Increased Tax Revenue:** the Employment Land CIP will attract new investments which grow tax assessment and increase the local tax base, helping to fund essential public services such as healthcare, education, and public safety.

- **Environmental Benefits:** By incentivizing investments in Clean Tech and Life Sciences particularly, our Employment Land CIP can create cleaner, healthier communities by reducing pollution and improving air and water quality.

Greater Sudbury is in a competitive position based on our established cluster of mining sector and services industry and our higher, more affordable quality of life as compared to major metropolitan areas in southern Ontario. Further, the changing landscape of industry to include sectors such as battery electric vehicles and their subsequent supply needs will effectively leverage the expertise, innovations and supply chain accessible in Greater Sudbury. The Employment Land CIP will allow Greater Sudbury to leverage these community benefits and industry assets to attract new investment and encourage existing business growth.

## **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 the objectives set out in the Official Plan.

## **2.1 Project Area Description and Boundaries**

The Community Improvement Plan Area, which is established by municipal by-law, includes all lands within the City of Greater Sudbury. To be eligible for the financial program outlined in this plan, properties must be within municipal boundaries at the time of application.

In keeping with the intent to encourage development and redevelopment of employment-related uses, to be eligible for a grant program, a building permit must be issued for an Industrial or strategic industry project.

To be eligible for the additional five points related to location, the project must occur in the Strategic Employment Areas shown on Schedules A1-8. The Employment Land Strategy identified these areas as having the maximum potential to achieve the land supply requirements for serviced and available industrial land.

Expansion of Strategic Employment Areas boundaries as shown on Schedules A1-8 will only be considered if consistent with policies in the Official Plan and in alignment with water and wastewater servicing availability.

### **3.0 Greater Sudbury's Employment Land Community Improvement Plan**

Section 28 (7) of the Planning Act, and Section 106 (3) of the Municipal Act, 2001, 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**

The City of Greater Sudbury 2019-2027 Strategic Plan sets out several strategic objectives, including Asset Management and Service Excellence. This goal speaks to The City's priorities to reinforce infrastructure for new development. Through objective 1.4, Council has directed staff to develop an employment land strategy and community improvement plan that links infrastructure and economic development and ensures that the City has an adequate supply of serviced employment land and an incentive framework in place to stimulate investment, development and job creation.

The objectives of this Community Improvement Plan is to:

1. Stimulate investment, development and job creation.
2. Create and retain employment opportunities, including industrial.
3. Grow the municipal assessment base.
4. Grow the municipal property tax revenue.
5. Take advantage of existing infrastructure.

#### **3.2 Encouraging Development and Redevelopment of Employment Lands**

The City of Greater Sudbury may use its legislative authority pursuant to Section 28 of the Planning Act to enact by-laws designating the Employment Land Community Improvement Plan areas. The entire City of Greater Sudbury is designated as the Employment Land Community Improvement Plan project area. Applications within the Strategic Employment Areas included in Attachment A are eligible to score additional points as outlined in the scoring matrix. In doing so, the City is making the Tax Increment Equivalent Grant Program financial incentive available to approved eligible properties.

This program provides the greatest return on investment for the City and has been assessed/proven to be of most value to both new business seeking to relocate or establish within a municipality and existing businesses wishing to expand.

These incentive programs can also be used in conjunction with new or existing financial incentive programs such as the Brownfield Strategy and 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. To be eligible, projects must be for an industrial use as determined through a building permit. Notwithstanding this requirement, it is at the discretion of the Director of Economic Development whether a project qualifies for the incentive program provided through this CIP.
2. Applicants must submit a Business Case in support of the application.
3. Works commenced prior to submitting an application are ineligible. Works commenced after submitting an application, but prior to application approval, are done so at the Applicant's risk.
4. 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.
5. To be eligible, a project must have a minimum estimated construction value of \$1,000,000 and be issued a building permit for an Industrial use, which is consistent with the program's intent of encouraging development and redevelopment of employment-related uses.
6. Approved grants may be made to the registered owner, assessed owner or tenants of land and buildings within the community improvement plan areas and, subject to City approval, are assignable to a third party to whom such an owner or tenant has assigned the right to receive a grant.
7. Ineligible properties will not be brought forward for Council's consideration.
8. At its sole discretion, Council may sell municipal property within a community improvement plan area, in this case consisting of lands within the municipal boundary, at below fair market value for industrial or strategic industry purposes to achieve the goals of the Community Improvement Plan.
9. The City 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.
10. The total amount of all municipal financial incentives provided to an approved eligible property will not exceed the eligible costs to develop that property. Per the Planning Act, as amended from time to time, eligible costs may include the costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

11. The City may receive applications that exceed the maximum program amounts outlined in this Community Improvement Plan. At its sole discretion, the City may provide incentives that are greater than the amounts outlined herein, provided that all other applicable criteria are met.
12. In the case of a conflict of the provisions outlined in this CIP, the most stringent provision shall apply, unless otherwise permitted in the CIP.
13. 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.
14. 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.
15. For the purposes of clarity, approval for the financial incentive program 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.
16. City staff, officials and/or agents of the City may inspect any approved eligible property that is subject of a financial incentive program application.
17. 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.
18. The City is not responsible for any costs incurred by an Applicant in relation to any of the above financial incentive programs.
19. The eligible property will not be in a position of tax arrears at the time of application.
20. 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. 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.
21. 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.
22. 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.
23. The City is not bound to accept any application. The City of Greater Sudbury reserves the right to consider any, none or all of the applications, to accept applications in whole or in part, and to elect not to proceed with this process at any given time.
24. Eligibility to the program does not guarantee funding of projects.
25. Applications will be evaluated according to adopted policies and by-laws of the City of Greater Sudbury. The City will have regard to its Climate Emergency Declaration and also reserves the

right to evaluate applications based on additional criteria developed from time to time, including the right to require Applicants to submit a more in-depth second phase evaluation. Applicants may be contacted by the City of Greater Sudbury during the evaluation process to clarify their application or to provide further information.

26. Applicants may be required to provide the City of Greater Sudbury with additional information to demonstrate their creditworthiness and business track record.

27. The Recipient will not assign this Agreement, or the Grant or any part thereof, without the prior written approval of the City, which approval shall not be unreasonably withheld by the City but may be subject to such terms and conditions as the City may reasonably impose. Without limiting the generality of the foregoing the City will require the assignor and assigned to enter into an assignment and assumption agreement with the City.

#### **3.2.1.1. General Implementation Applying to CIP Approvals**

1. CIP Approvals shall be implemented by municipal by-law, outlining the recipient, the general description of project, the financial incentives and maximum amounts of grants.
2. CIP Approvals shall be further implemented by agreement or other document necessary to set out the terms on which the grants and/or loans will be provided.
3. The agreement or other necessary document shall be signed by the recipient within 6 months of the passing of the implementing by-law. The expiration of this timeline shall constitute a lapsing of the City's approval.
4. Projects, where approved, shall be completed within 24 months of the signing of the agreement. The Director of Economic Development may extend the agreement, by one year only.
5. Notwithstanding paragraph 4, the Director of Economic Development may approve a longer timeline for larger projects. Once this agreement is executed, the Director of Economic Development may extend said agreement, by one year only.

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

##### **Purpose:**

The TIEG program will foster investment in the City by providing significant incentive to support growth and expansion of existing businesses as well as attract new developments. The program provides grants equivalent to the incremental increase in municipal property tax assessment and revenue resulting from property improvements such as, but not limited to, new construction. Bridging the difference between the tax rate prior to development/redevelopment and the post redevelopment tax rate has been found to be the most effective incentive for encouraging development.

##### **Description:**

In keeping with the intent to encourage development and redevelopment of employment related uses, to be eligible a project must have a minimum estimated construction value of \$1,000,000 and a building permit must be issued for an industrial use.

The City may provide grants to the owner or tenant 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 property tax.

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 (MPAC) has demonstrated an increase in the assessed value of the property.

All costs associated with the improvement/development and the requirements of this Program are to be borne by the Applicant, including construction, design, development charges, administration fees, appraisals, inspections, Municipal Property Assessment Corporation (MPAC) post development assessment estimates, legal and registration fees, where applicable.

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 for the calendar year to which the application for the annual instalment applies.

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.

#### 3.3.1.1 TIEG Scoring

The maximum number of years that any individual project can benefit from under the TIEG is 10 years. The scoring will determine whether a project is eligible for a three, five, seven or ten year TIEG. In all years of the program, the grant to the property owner/tenant is equal to 100% of the tax increment. The grant ceases thereafter.

#### **Requirements for the TIEG:**

The TIEG application must be accompanied by:

- A Post-development reassessment value prepared by the Municipal Property Assessment Corporation (MPAC)
- photos in the required format depicting the current condition of the eligible property
- business case, 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

The following table describes the scoring criteria used to evaluate proposals:

SCORING MATRIX	
A. Construction Value	
\$1,000,000-\$1,999,999	1 point
\$2,000,000-\$9,999,999	2 points
\$10,000,000-\$39,999,999	3 points
\$40,000,000+	4 points

B. Full-time Jobs Created or Retained	
1-9	5 points
10-19	6 points
20-34	7 points
35-50	8 points
51-74	9 points
75-100	10 points
100+	11 points
C. Strategic Employment Areas	
In one of the 8 strategic Employment Areas as shown on Schedules A1 to A8	5 points
D. Strategic Industries – Category A	
Meets with the definition of Clean Tech or Life Sciences	5 points
E. Strategic Industries – Category B	
Meets the definition of Tourism/Film and Television	2 points
(A+B+C+D+E) Score generates TIEG amount	
0-7 points	No grant
8+ points	3 year TIEG
12+ points	5 year TIEG
15+ points	7 year TIEG
20+ points	10 year TIEG

**Definitions:**

The following definitions are provided to offer guidance to potential Applicants. However, it is to the evaluator's discretion as to whether a company qualifies as a strategic industry as per criteria of the scoring matrix.

<b>CONSTRUCTION VALUE</b>	Is the Construction Value listed on the Building Permit.
<b>FULL-TIME JOBS CREATED OR RETAINED</b>	Full time employment is defined as work of 30 hours or more per week. Applicants will provide the number of jobs anticipated to be created or retained through a Business Case submitted as part of the application and will be confirmed through annual corporate numbers throughout the TIEG period.
<b>STRATEGIC EMPLOYMENT AREAS</b>	The Strategic Employment Areas include Ceasar Road Industrial Area, Coniston Industrial Area, Fielding Road/Duhamel Road Industrial Area, Kingsway Industrial Area, LaSalle/Elisabella Industrial Area, Drive Industrial Area, National Street Industrial Area, and Valley East Industrial Area as shown on Schedules A1 through A8.
<b>TIEG AMOUNT</b>	The score generated will determine the number of years a project will be eligible for a Tax Increment Equivalent Grant. In all years of the

	program, the grant to the property owner/tenant is equal to 100% of the tax increment.
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STRATEGIC INDUSTRIES – CATEGORY A	
Life Sciences	The branches of science that involve the scientific study of life, such as microorganisms, plants, and animals including human beings.
Clean Tech	Any process, product, or service that reduces negative environmental impacts through significant energy efficiency improvements, the sustainable use of resources, or environmental protection activities.
STRATEGIC INDUSTRIES – CATEGORY B	
Tourism	Any business venture that draws visitors to the City for an overnight stay.
Film and Television	Any business that supports or creates the production of a movie or television series.

- See Section 3.2.1 for further general financial incentive requirements.
- Grants are not permitted to be transferred or assigned to another party without prior written approval of the City.

#### 4.0 Municipal Leadership Actions:

The financial incentive program contained in this Plan is designed to indirectly encourage private sector development of employment land in Greater Sudbury. However, as noted in the Employment Land Strategy, there are several actions that the City should undertake to directly promote employment and industrial land development in Greater Sudbury. The Municipal Leadership Actions are designed to complement the incentive program by limiting risk and generating enhanced market demand for industrial land and interest on the part of the private sector in using the available incentive programs.

The City of Greater Sudbury may utilize the full range of actions permitted under Section 28 of the Planning Act and other provincial legislation to implement the Municipal Leadership Actions within the Community Improvement Project Area, including:

- i) acquisition, holding, clearance, grading or other preparation of land for community improvement;
- ii) construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan; and
- iii) sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan.

### **Property Acquisition**

The City of Greater Sudbury may facilitate the consolidation of land within the City boundaries in conformity with the Community Improvement Plan. Additionally, the City of Greater Sudbury may acquire, hold, clear, grade or otherwise prepare the land for community improvement as defined by this CIP. Within the strategic employment areas the City may also prepare studies to support the development of the land, including but limited to: geotechnical studies, servicing feasibility studies, and environmental studies.

Additionally, the City of Greater Sudbury may choose to reconstruct, repair, rehabilitate or improve buildings on land that it acquires or holds to further the objectives of this CIP.

### **Property Disposition**

The City of Greater Sudbury may dispose of municipally owned land or buildings within the Community Improvement Project Area in conformity with the Community Improvement Plan. Additionally, the City of Greater Sudbury may sell, lease or otherwise dispose of any land and buildings that it acquired or held provided that the end use of the property and/or buildings remains in conformity with this CIP.

The City of Greater Sudbury may choose to dispose of municipally owned property or buildings at less than market value to facilitate the development, redevelopment or adaptive reuse of the property and/or buildings.

### **Ensuring Adequate Supply of Employment Land**

The availability of a suitable range of serviced employment lands is a key site selection factor that companies consider in selecting a community for relocation or expansion. The Provincial Policy Statement (PPS) acknowledges the importance of having an adequate supply of land for employment uses and the infrastructure that supports it. The PPS requires municipalities to promote economic development and competitiveness by:

- Providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses that support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- Planning for, and protecting and preserving employment areas for future and current uses; and
- Ensuring the necessary infrastructure is provided to support current and projected needs.

The City of Greater Sudbury plays a critical role in ensuring that there is an adequate supply of “shovel ready” employment lands. The incentive, activities and actions outlined in this CIP will be used to support and facilitate the provision of a suitable range of serviced employment land.

### **5.0 Monitoring, Review and Amendments:**

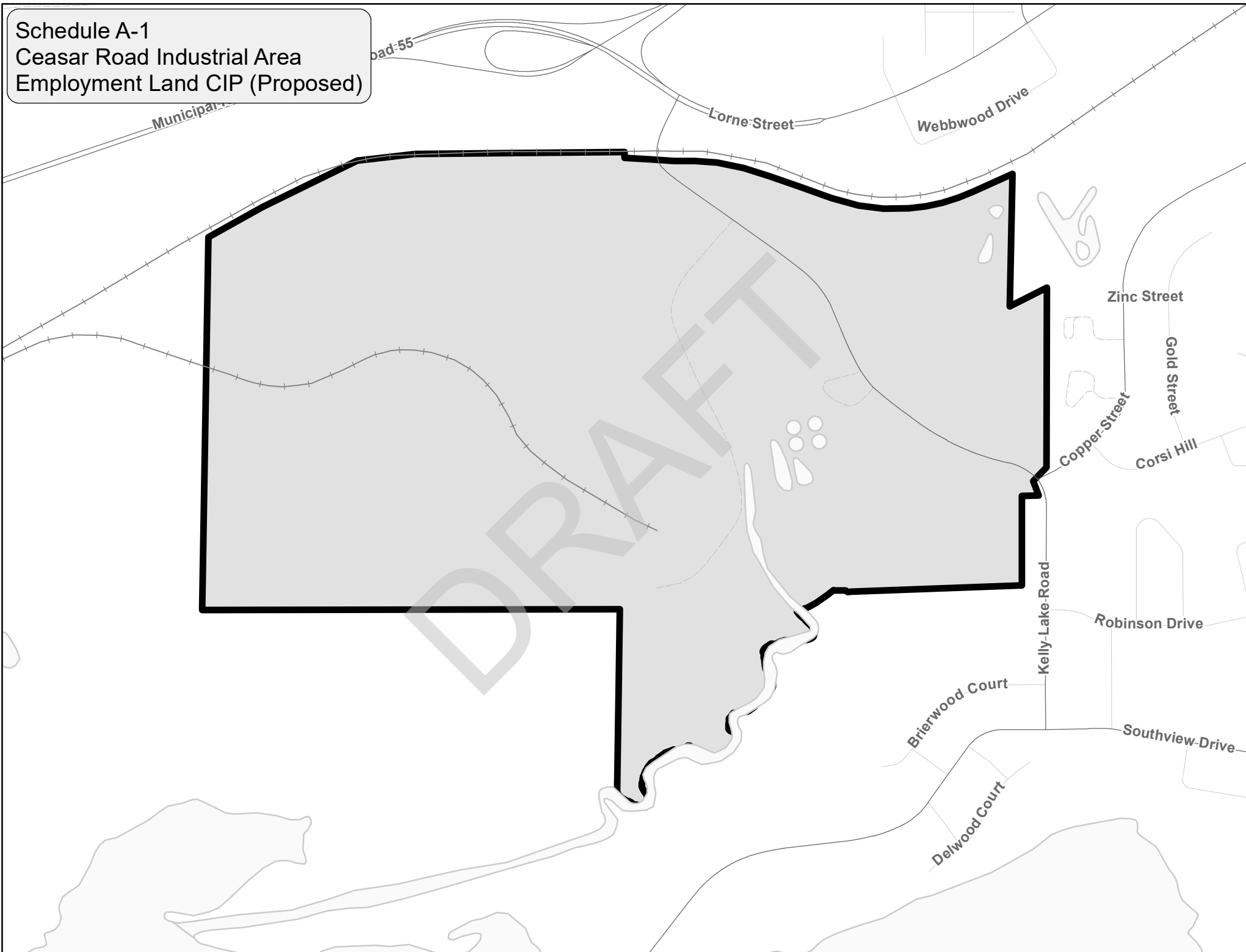
The Plan will be monitored on an ongoing basis to track progress relative to its goals and objectives. The monitoring program could be structured around several indicators, as outlined below. Information on these indicators would be collected at the individual project level and aggregated. This aggregated

information would be used as the basis for an annual report to Council. To the extent possible, these annual reports would also address the environmental and social effectiveness of the Plan. The annual reports would also be used to inform decisions relating to adjustments to this Plan, as well as budget decisions relating to any of the financial incentive programs described herein.

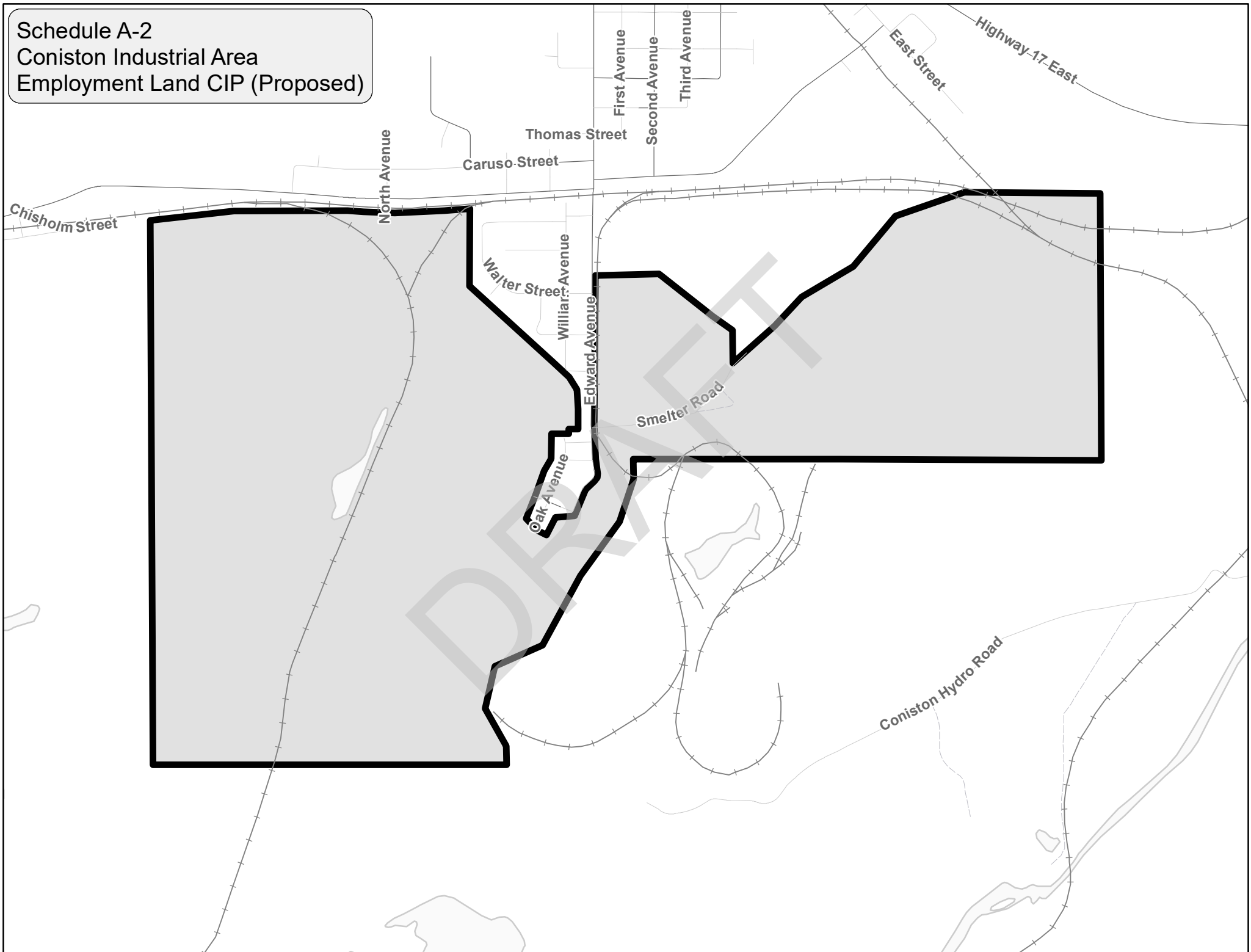
Minor and technical amendments (e.g., correcting typographical errors) may be made without Council approval. Major and substantive amendments may be made by amendment, subject to the statutory process under the *Planning Act*, which includes public consultation and Council approval. Notwithstanding this,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

PROGRAM	INDICATOR
TIEG Program	<ul style="list-style-type: none"><li>• Number of applications received</li><li>• Increase in assessment value of participating properties</li><li>• Estimate and actual amount of municipal tax assistance/grants provided</li><li>• Hectares or acres of land redeveloped</li><li>• Industrial space (sq.ft. or sq.m.) rehabilitated or constructed</li><li>• \$ value of private sector investment leveraged</li><li>• Number of new jobs created</li></ul>

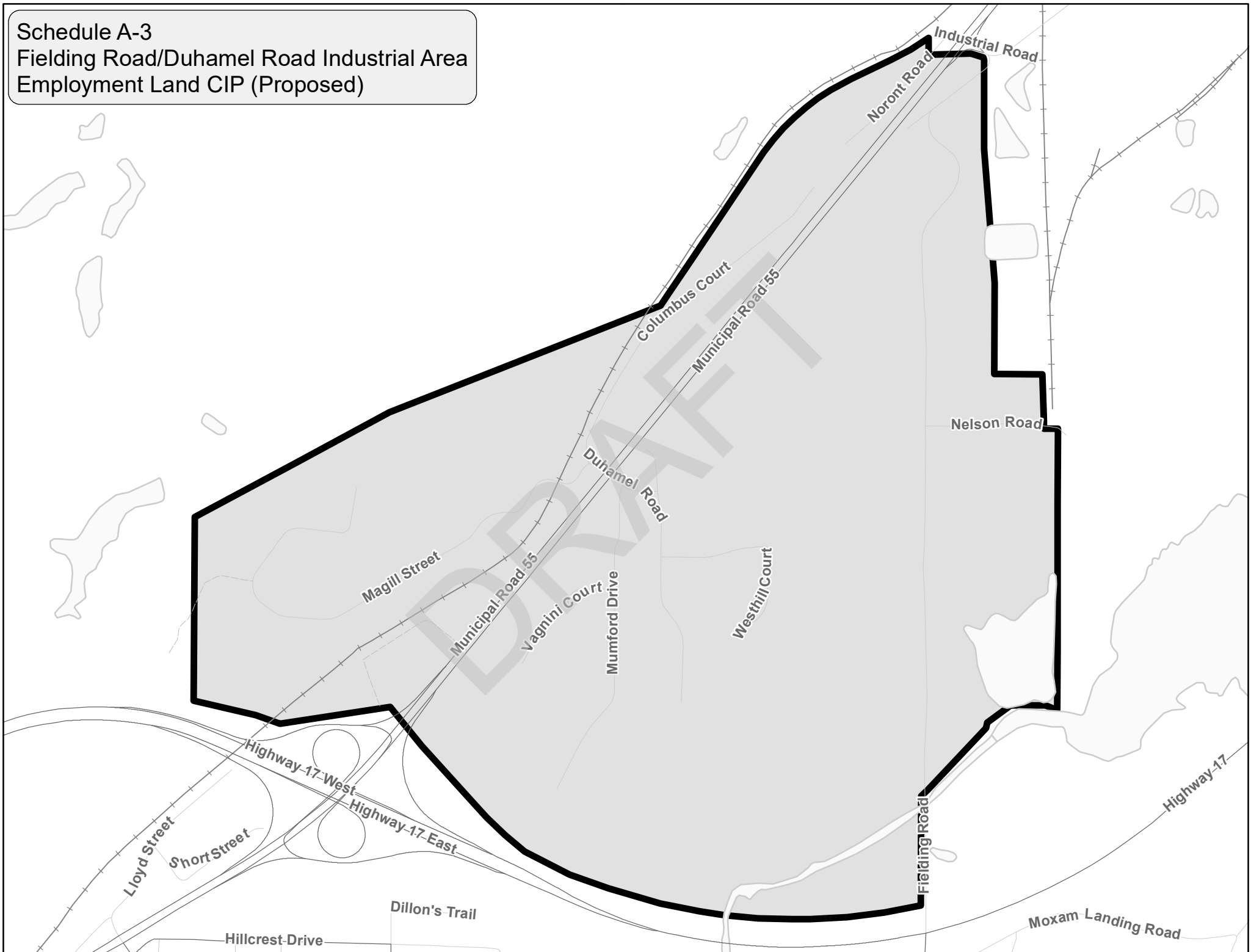
Schedule A-1  
Ceasar Road Industrial Area  
Employment Land CIP (Proposed)



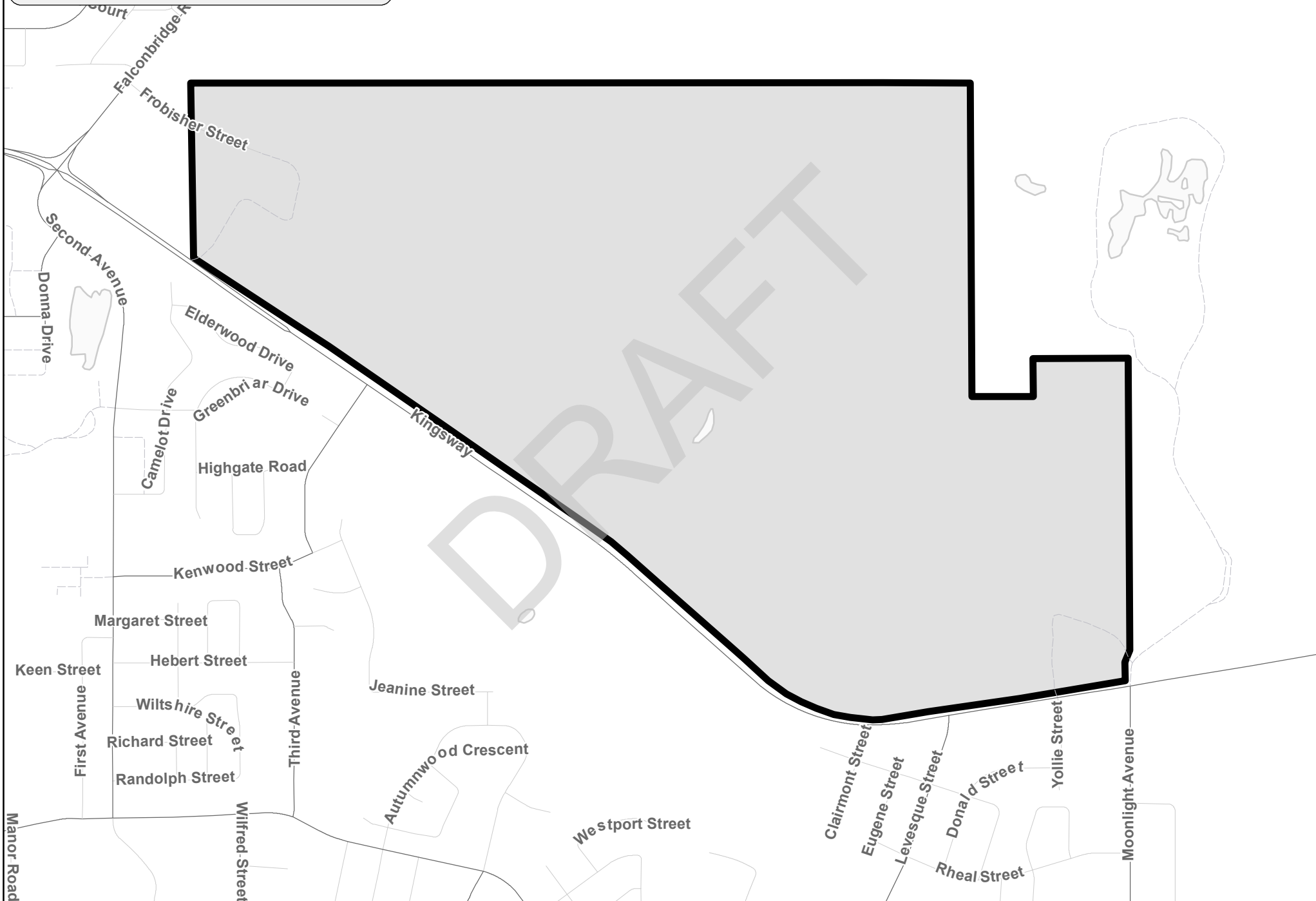
Schedule A-2  
Coniston Industrial Area  
Employment Land CIP (Proposed)



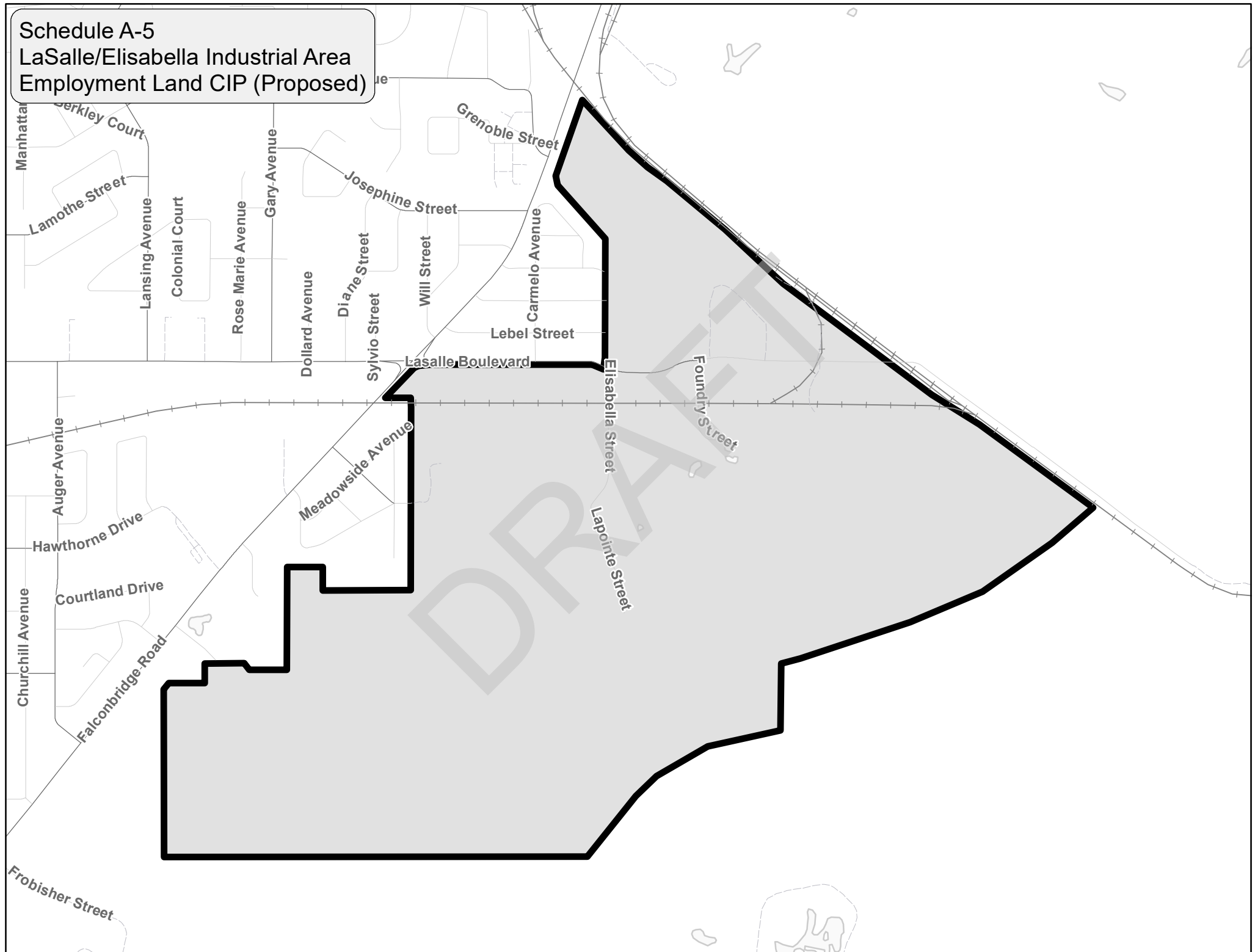
Schedule A-3  
Fielding Road/Duhamel Road Industrial Area  
Employment Land CIP (Proposed)



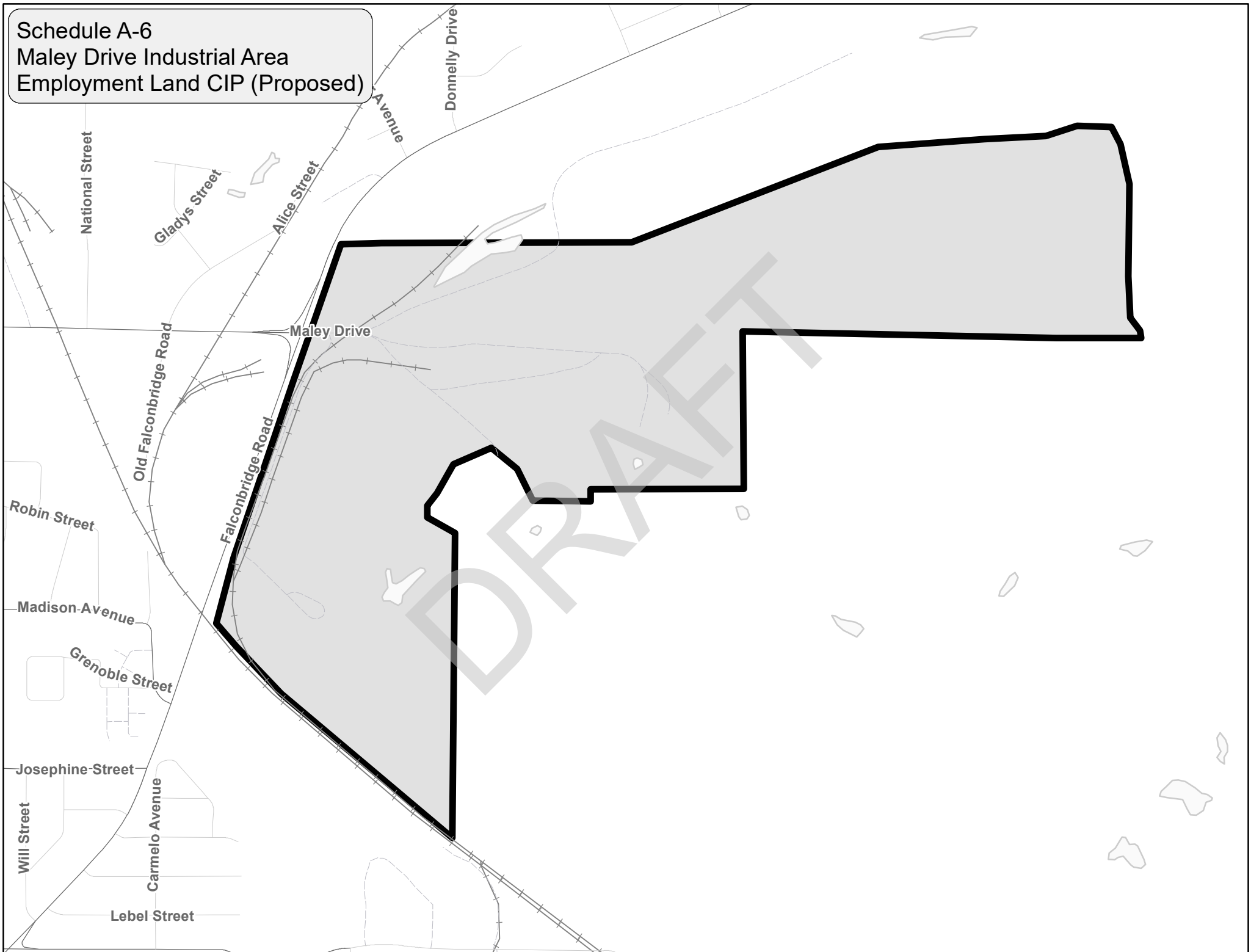
Schedule A-4  
Kingsway Industrial Area  
Employment Land CIP (Proposed)



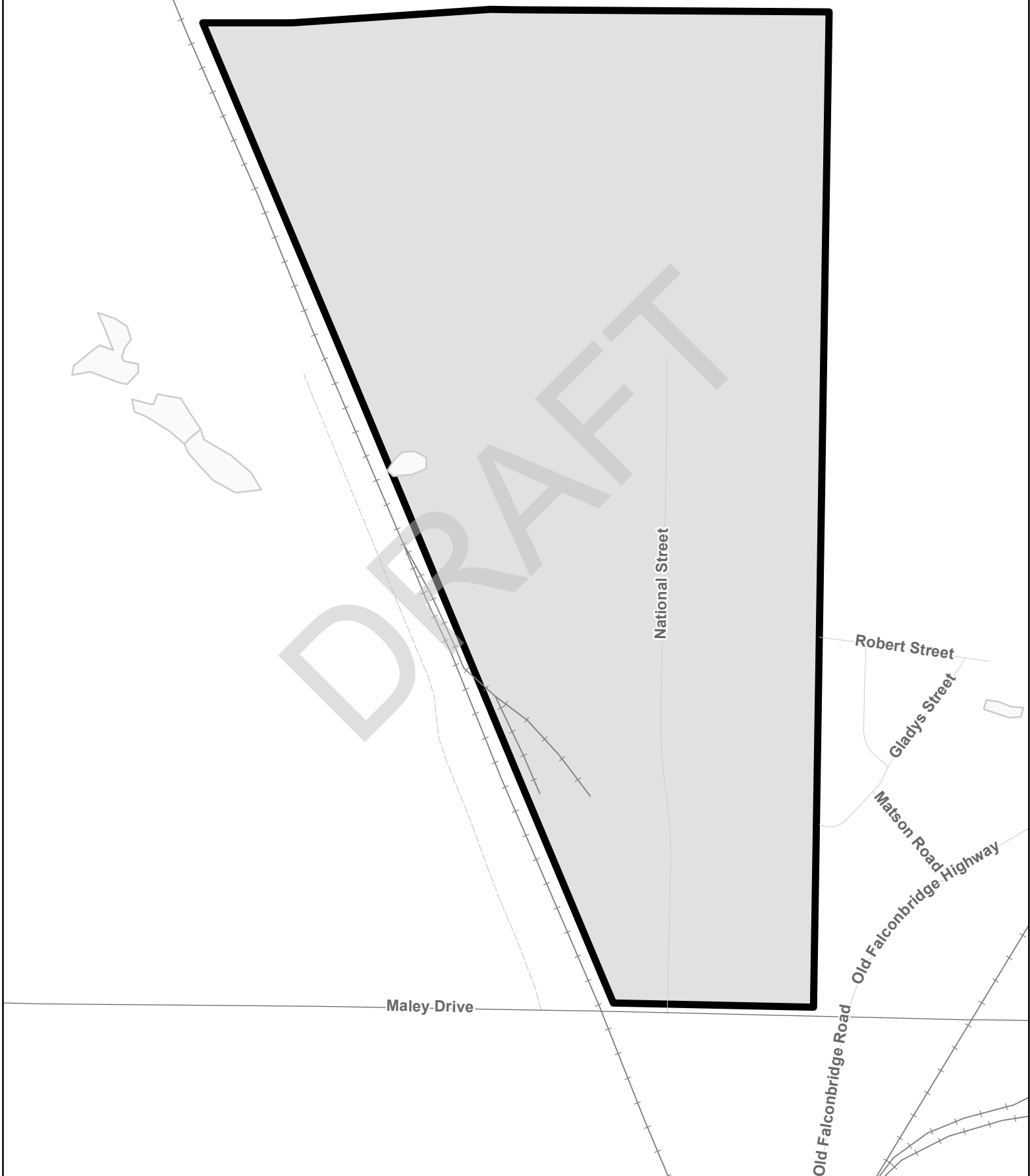
Schedule A-5  
LaSalle/Elisabella Industrial Area  
Employment Land CIP (Proposed)



Schedule A-6  
Maley Drive Industrial Area  
Employment Land CIP (Proposed)



Schedule A-7  
National Street Industrial Area  
Employment Land CIP (Proposed)



Schedule A-8  
Valley East Industrial Area  
Employment Land CIP (Proposed)

