

Strategic Core Areas Community Improvement Plan Application – 7 Pine Street

Presented To:	Finance and Administration Committee
Meeting Date:	October 16, 2024
Type:	Managers' Reports
Prepared by:	Ed Landry Planning Services
Recommended by:	General Manager of Growth and Infrastructure

Report Summary

This report provides a recommendation regarding a Strategic Core Areas Community Improvement Plan application for 7 Pine Street to construct a new 3-storey, 18-unit multi-residential building.

Resolution

THAT The City of Greater Sudbury approves the application for 7 Pine Street, Sudbury, and directs staff to prepare a by-law to authorize staff to enter into the required agreement;

AND THAT the grant request costs of \$324,260 be funded from the Tax Rate Stabilization Reserve – Uncommitted, as outlined in the report entitled “Strategic Core Areas Community Improvement Plan Application – 7 Pine Street”, from the General Manager of Growth and Infrastructure, presented at the Finance and Administration Committee meeting of October 16, 2024.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

The City of Greater Sudbury, through Council's Corporate Strategic Plan (2019-2027), directs staff to prioritize Economic Capacity and Investment Readiness. Objective 2.4 aims to “Revitalize Greater Sudbury's Town Centres with Public Investment that Supports 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 Community Improvement Plan Grant request is \$324,260. The total construction cost of the project is estimated to be \$3,343,670. If approved, the funds would come from the Tax Rate Stabilization Reserve – Uncommitted, and the public to private investment would be 1 : 9.31.

Background

The stated objectives of the Strategic Core Areas Community Improvement Plan (SCACIP) are to:

1. Revitalize Strategic Core Areas of the City.
2. Increase the residential population of the Strategic Core Areas.
3. Create and retain employment opportunities, including new commercial and office spaces.
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.
8. Enhance the quality of the public realm.
9. Increase the energy efficiency and climate readiness of the existing building stock.

7 Pine Street

The City received a SCACIP application for lands at 7 Pine Street on August 26, 2024. The currently vacant lands are proposed to be redeveloped with an 18 unit multi-residential building, comprised of a mix of 2-bedroom units and studio units. The work is anticipated to begin in the Fall of 2024 and be completed by the Fall of 2025.

The request includes the following:

Incentive Program	Amount Requested
Tax Increment Equivalent Grant	Approximately \$400,000 spread out over five years
Planning Fee Rebate Program	\$5,000
Building Permit Fee Rebate Program	\$30,000
Residential Incentive Program	\$281,760
Feasibility Grant Program	\$7,500
TOTAL (Excluding TIEG)	\$324,260
Total Work Estimates	\$3,343,670
Public : Private Ratio	1 : 9.31

The total cost of the project is estimated to be \$3,343,670. If approved, the public to private funding ratio would be 1 : 9.31.

The proposal would help meet the following objectives of the SCACIP:

- Revitalize Strategic Core Areas of the City.
- Increase the residential population of the Strategic Core Areas.
- 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.
- Enhance the quality of the public realm.

Downtown Sudbury Master Plan

The Downtown Sudbury Master Plan notes that the most successful downtowns are ones in which people live. The Master Plan proposes a Greater Downtown population of between 3,000 and 5,000 additional residents by 2021.

If approved, and per the City's recent Population Projection's report figure of 2.4 persons per unit (ppu), the

redevelopment of 7 Pine has the potential of adding an additional 44 (18 units x 2.24 ppu) residents to the downtown core.

Housing Supply Strategy

The development of 7 Pine Street would help meet the following focus areas of the City's Housing Supply Strategy:

- Focus Area 6: Achieving medium and high density uses at transit-supportive densities in compact, pedestrian-friendly built forms [in nodes and strategic corridors].
- Focus Area 9: Incentivizing the creation of additional residential dwelling units, both market and affordable in strategic areas and parts of the housing continuum

Community Improvement Plan Funding

Community Improvement Plans are the means by which the City provides financial incentives for the development and redevelopment of properties to meet Council's goals regarding revitalization, brownfield redevelopment, affordable housing, etc. CIP funding is achieved by balancing a CIP Fund composed of five parts: 1) funds committed to active CIP agreements, 2) annual \$250,000 of municipal operating budget, 3) uncommitted funds, if any, are placed in a Tax Stabilization Reserve – Committed, 4) loan repayments, and 5) any other funding source to be used for CIP purposes. The CIP Fund does not include Tax Increment Equivalent Grants (TIEG) that, although also included in some CIPs, are not funded directly through the Operating Budget.

Since 2017, Council has budgeted a total of \$2,859,000 for CIP programs.¹ To date, the City has issued approximately \$1.3M in grants and loans and has approximately \$1.4M in remaining commitments. The CIP fund currently has a balance of approximately \$350,000. Staff do not recommend using the remaining balance to fund the application for 7 Pine Street as it is anticipated that it will be required to fund upcoming, smaller scale applications.

Recommendation

The proposal at 7 Pine Street conforms to the recent amendment made to the CIP which allows the City to receive applications that exceed the maximum program amounts for the Residential Incentive (Per-Door) Program only. In this case, the applicants are requesting \$20/sq ft for the entirety of the 14,088 sq ft development ($\$20 \times 14,088 = \$281,760$), rather than \$20,000 per unit maximum ($\$20,000 \times 18 \text{ units} = 360,000$).

The proposal exceeds the minimum of 10 dwelling units required by the CIP. The application addresses the focus areas and housing targets outlined in the Housing Supply Strategy and the City's contribution, if approved, would not exceed 50% of the cost to construct budget.

The City currently has approximately \$350,000 in the Tax Rate Stabilization Reserve – Committed for CIP funding. To approve the application, staff recommends that the Tax Rate Stabilization Reserve – Uncommitted be used as the funding source for the entirety of the grant request. Staff do not recommend using the remaining balance to fund the application for 7 Pine Street as it is anticipated that it will be required to fund upcoming, smaller scale applications.

¹ In addition to the funding since 2017, Council transferred \$125K from the Financial Incentives for Downtown Renewal Pilot Program to the Town Centre CIP in 2012. The City also received \$162,487 from Provincial Mainstreet funding in 2018 which was also allocated to the Town Centre CIP.

Resources Cited

1. Strategic Core Areas Community Improvement Plan
<https://www.greatersudbury.ca/do-business/planning-and-development/community-improvement-plans-and-incentive-programs/financial-incentive-programs/strategic-core-areas-community-improvement-plan/pdfs/scacip-plan/>