

## **Employment Land Community Improvement Plan Application – 2949 Trudeau Drive**

Presented To:	Finance and Administration Committee
Meeting Date:	November 19, 2024
Type:	Managers' Reports
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Recommended by:	Chief Administrative Officer

## **Report Summary**

This report provides a recommendation regarding an application received under the Employment Land Community Improvement Plan (ELCIP).

## **Resolution**

THAT The City of Greater Sudbury approves the Employment Land Community Improvement Plan application for 2949 Trudeau Drive, and directs staff to prepare a by-law to authorize staff to enter into the required agreements, as outlined in the report entitled “Employment Land Community Improvement Plan Application – 2949 Trudeau Drive”, presented at the Finance and Administration Committee Meeting of November 19, 2024.

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

The Employment Land Community Improvement Plan aligns with Council’s Strategic Priorities including priority 1.4 which directs staff to utilize a community improvement plan to incentivize economic growth. The ELCIP also aligns directly with goals 2.1, “Build Economic Development Initiatives to Support Existing Businesses, Attract New Businesses and Promote Entrepreneurship” and, 2.3 “Strengthen Business and Development Processes and Services to Support Business Growth” to create Economic Capacity and Investment Readiness.

Providing incentives to develop, redevelop and intensify employment lands within Greater Sudbury is consistent with Goal 1 of the CEEP, which seeks to help sustain compact, complete communities.

The Employment Lands CIP incentivizes investment in the Clean Tech and Life Sciences sectors with a goal of creating a cleaner, healthier community by reducing pollution, improving air quality and water quality, which aligns with the CEEP goals.

## **Financial Implications**

The financial request through the Tax Increment Equivalent Grant is \$125,894/year for a period of 7 years, for a total grant of \$881,258.

Employment Lands CIP approvals for Tax Increment Equivalent Grants (TIEG) are funded by assessment growth the year where property taxes have been levied and the property has been reassessed. This means that a grant/transfer payment will be included in future years budgets, however the municipality will experience assessment growth to offset this incremental increase.

## Background

The Employment Land Community Improvement Plan was created as a result of Council direction through the Strategic Plan to utilize a community improvement plan to incentivize economic growth. The ELCIP was also one of the key recommendations stemming from the 2023 Employment Land Strategy. The primary objective of the ELCIP is to create economic benefits for the City of Greater Sudbury through investment attraction and expansion, by supporting projects that strengthen and diversify the community's industrial sectors through increased employment and investment. The Employment Land Community Improvement Plan includes a single program, which is the Tax Increment Equivalent Grant. The total funding amount is determined by a scoring matrix, which includes points allocated for investment, employment, location and targeted strategic industries.

## 2949 Trudeau Drive

The City received an Employment Land Community Improvement Plan application for the property located at 2949 Trudeau Drive on July 4, 2024, for the development of a new industrial build, specifically, a school bus operations centre, built to suit by Stock Property Group for Northway Bus Lines, a subsidiary of Landmark Student Transportation. The property is currently vacant, and the new build will include a footprint of 8,160SF, with a 1,960SF mezzanine for a gross floor area of approximately 10,120SF. The building program will include a 6,205SF shop area for school bus repair, maintenance and washing, and a 3,915SF office area for operations, logistics and training. Total project value is estimated to be \$2,682,000.

The current home of Northway Bus Line's operations on Belisle Drive was not purpose-built and is not suited to school bus repair, maintenance, or operations. The company's expanded operations through this project will allow them to take on 40 new school bus routes, which will result in the creation of the 77 new jobs (52 Full Time Equivalent Jobs). Operations are currently over-capacity at their existing location as they wait for the new facility to be completed. The project completion date is currently targeted for December 2024.

The expansion will support local schools and the employees and students at the four school boards operating locally. The shop will purchase materials and parts from local distributors, the office will source supplies locally, and other local ancillary services will also benefit from the facility's operations.

The summary of the request includes the following, as determined by the scoring matrix for the ELCIP:

TIEG CALCULATION ESTIMATE			
	Before Project	Project Completion <sup>1</sup>	Tax Increment
Assessment Value	\$ 167,000	\$ 2,608,568	
Municipal Taxes	\$ 8,611	\$ 134,505	\$ 125,894
Annual Grant Payment			\$ 125,894
Duration of Grant Payments (Years)			7
Total Grant <sup>2</sup>			\$ 881,258
TAX CLASSIFICATION & LOCATION:		Industrial – Valley East	
TAX RATE USED:		5.156286 (2024) <sup>3</sup>	
<sup>1</sup> Project completion is calculated based on the post-assessment estimate, less the current assessment value. Broker Opinion of Value for 2949 Trudeau property after the construction: \$2 775 568, less current assessment: \$167 000 = \$2 608 568. This amount may differ from the			

*total estimated project value.*

*<sup>2</sup>This represents the total estimated and maximum grant payment over the duration of the TIEG.*

*<sup>3</sup>This property is subject to capping protection and is currently set at a unique tax rate. The new building will eliminate the capping protection under Bill 140 and will introduce the application of normal tax rates and policies for the City of Greater Sudbury. The TIEG calculation has been made based on the normal tax rate.*

## **Recommendation**

The application for 2949 Trudeau Drive meets the objectives of the Employment Land Community Improvement Plan by creating economic benefits through industrial investment and job creation within the City of Greater Sudbury. Further, the location of the project is within one the eight strategic employment areas as identified in the 2023 Employment Land Strategy.

Staff recommends that the application be approved.

## **Resources Cited**

1. "Community Improvement Plan Process and Funding", report presented at the September 14, 2021 Council Meeting <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=41791>
2. "Employment Land Strategy", report presented at the August 9, 2022 Finance and Administration Committee <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=47318>
3. "Employment Land Community Improvement Plan", report presented at the March 28, 2023 Finance and Administration Committee Meeting <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=48918>
4. "Employment Land Community Improvement Plan – Request for adoption" report presented at the June 26, 2023 Planning Committee meeting <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=49917>