

Appendix B – Financial Incentives Programs to Encourage Development

The table below shows a summary of legislation from the 2018 BMA Study in relation to what municipalities can do or forms of economic development programs that be used to encourage growth.

Legislation	Summary
Municipal Act	<p>Subsection 111(1) prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses.</p> <p>Notwithstanding the bonusing rule, subsection 111(2) of the Municipal Act permits, with the Ministry of Municipal Affairs approval, certain financial assistance for the purposes of implementing a community improvement plan that has been adopted under the provision of Section 28 of the Planning Act.</p>
Planning Act	<p>Section 28 of the Planning Act sets out the authority for municipalities to designate community improvement project areas and adopt community improvement plans. This is done through a legal process involving public notice, a public meeting and the right of appeal. Once approved by the Ministry of Municipal Affairs, a community improvement plan can provide municipalities with broad powers to acquire, hold, clear, lease and sell land in designated areas for the purposes of community improvement.</p> <p>Once a municipality has approved community improvement policies and designated a community improvement project area, it may use the powers afforded through subsection 28(7) to issue grants or loans to registered or assessed owners of lands and buildings within the designated areas.</p>
Ontario Heritage Act	<p>Section 39 of the Ontario Heritage Act allows municipalities to make grants or loans to owners of heritage designated properties. These grants or loans are to pay for all, or part of, the cost of alteration of the designated property, on terms and conditions established by municipal council.</p>
Development Charges Act	<p>The Development Charges (DC) Act provides the legal basis for Ontario municipalities to impose growth-related development charges in order to recover some or all of the capital costs of new municipal infrastructure requirements from new development. The services eligible to be funded from this source includes transportation (roads and transit), sewer, water and other services that must be provided to serve residential and non-residential growth.</p> <p>Paragraph 10 of subsection 5(1) of the DC Act permits municipalities to give full or partial exemption for some types of development.</p> <p>In the interest of economic competitiveness and job creation or preservation, many Ontario municipalities have chosen to use this section to wholly or partially exempt new industrial development and larger expansions of existing industrial buildings from the imposition of local development charges.</p> <p>Under subsection 2(7) of the DC Act, municipalities may exempt areas of the municipality from the application of a development charges by-law. Such areas could include a downtown or development area, including community improvement areas under the Planning Act. Municipalities may also adopt area by-</p>

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	laws not including a specific area.
Bill 56 – Brownfield Statute Amendment Act	<p>Brownfields are defined by the Province as derelict, dysfunctional or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived contamination. Despite the complexity of developing these properties, they are often in desirable and strategic locations. Redeveloping brownfields means transforming environmentally challenged properties into productive properties. Brownfields are lands on which industrial or commercially activity took place in the past. They may be vacant, underused or abandoned. Brownfields are usually located in strategic areas of the community, with existing transportation, infrastructure and facilities and close to or in the downtown core.</p> <p>Section 365.1 of the Municipal Act allows municipalities to adopt a Brownfields Financial Tax Incentive Program (BFTIP). This is a financing tool that provides municipal property tax assistance to landowners redeveloping brownfields. Municipalities offering the tax incentive can apply to the Province to receive matching education property tax assistance to increase the amount of assistance available to the landowner.</p> <p>Section 365.2 of the Municipal Act establishes the Heritage Property Tax Relief (HPTR) program whereby municipalities may pass a by-law to establish a local HPTR program to provide tax relief (between 10% and 40%) to owners of eligible heritage properties, subject to an agreement to protect the heritage features of their properties. Eligible heritage properties include designated properties under Part IV or Part V of the Ontario Heritage Act.</p>

The table below shows a summary of financial incentives that the City of Greater Sudbury provides to encourage development in the community. Those marked with an * are included in the 2018 BMA Study.

Business Retention & Expansion Program Items	Summary
Economic Development Department (specific programs listed below as outlined in the 2018 BMA Study)	The Economic Development department at the City of Greater Sudbury is focused on investment attraction, community promotion, improved quality of life and support for local business. The department also manages the annual arts and culture grants process. In addition, provides event support through in-kind or financial contributions to events and festivals in the city.
- *Company Visitation Program	City staff regularly visit local companies to ensure that they are aware of programs and supports available for business expertise as well as expansion, investment or relocation.
- *Market Research	Staff use proprietary databases to provide customized research queries for local companies.
- *Export Development	The City of Greater Sudbury delivers the Norther Ontario Exports Program which assists companies to evaluate their potential for

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	exporting goods and services, and provides support to initiate export market development including trade missions and attendance at marketplaces.
- *Regional Business Centre	Provides a one-stop service location for small business expertise at every stage of the business cycle. Seminars and workshops are provided as well as confidential counselling services.
- *Immigration and Workforce Development	The City of Greater Sudbury works in partnerships with the federal government and local post-secondary institutions to support newcomers to the community and to identify ways to enhance skills and marketability for our population.
- *Primary Health Care Provider Recruitment	City staff work with medical students and interested physicians and nurse practitioners to encourage them to locate in Greater Sudbury.

The City of Greater Sudbury provides the following financial incentive programs for development or redevelopment of certain properties or areas. This is outlined on the City of Greater Sudbury's website. Funding for these programs is subject to approval from City Council through the annual Budget process from the annual property tax levy.

Financial Incentive Program	Summary	Funding Available
Affordable Housing Community Improvement Plan	This plan is a tool to facilitate the development of affordable housing units in the City of Greater Sudbury and direct those units to locations where they will benefit from proximity to public and private facilities and services as well as maximize the use of existing infrastructure.	Council approved a one-time funding source from the Social Housing Capital Reserve Fund for this plan in the 2019 Budget.
Brownfield Strategy & Community Improvement Plan	<p>This plan helps breathe new life into vacant commercial and industrial properties – otherwise known as brownfields. Repurposing them improves the environment, stimulates economic development, increases the municipal assessment and tax revenue base and makes our city look better.</p> <p>Tax Assistance Program: defers or cancels 100% of the municipal and education portion of the property tax (education portion subject to Minister of Finance approval) during the rehabilitation period and development period (up to 18 months). Amount of assistance provided under this program varies.</p> <p>Landfill Tipping Fee Rebate Program: reduces landfill tipping fees from \$72 to \$36 per metric tonne for impacted soil being removed from a brownfield, as long as it can be used at the City's landfill site. The City will provide approximately \$200,000 in funding under this program annually. The total</p>	<p>Council approved funding in 2019 Budget (combined for Downtown CIP and Brownfield CIP) and next nine years for applications received through the 2018 intake process.</p> <p>Funding for any applications received after 2018 are subject to Council approval in future years Budgets.</p>

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	<p>amount of funding provided to each property is \$40,000.</p> <p>Planning and Building Permit Fee Rebate Program: refunds all or part of planning and building permit fees in the development of a brownfield, after certain performance criteria are met. The City will provide approximately \$350,000 in funding under this program annually. The total amount of funding provided to each property will be \$70,000.</p> <p>Tax Increment Equivalent Grant Program: grants 100% of the incremental increase in the municipal portion of the property tax revenue associated with a project for a period of up to five years. The amount of assistance provided under this program varies.</p>	
Downtown Community Improvement Plan	<p>This plan includes grants and loans to reduce the cost of development and redevelopment in Downtown Sudbury.</p> <p>The six financial incentive programs are: Tax Increment Equivalent Grant Program; Façade Improvement Program; Planning and Building Fee Rebate Program; Residential Incentive Program (per-door grant); Feasibility Grant Program; and Downtown Sudbury Multi-Residential Interest-Free Loan Program.</p>	<p>Council approved funding in 2019 Budget (combined for Downtown CIP and Brownfield CIP) and next nine years for applications received through the 2018 intake process.</p> <p>Funding for any applications received after 2018 are subject to Council approval in future years Budgets.</p>
Town Centre Community Improvement Plan and Incentive Programs	<p>This plan is to enhance pedestrian friendly commercial areas to attract people and new business. Also, to address commercial and residential vacancy issues by improving building stock. As well as to rehabilitate older, mixed used (and preferably multi-storey) building stock and to promote the creation of additional residential dwelling units.</p> <p>The Town Centre CIP applies to certain properties within the town centres of Capreol, Chelmsford, Levack, Flour Mill, Lively, Copper Cliff and Kathleen Street.</p> <p>The six financial incentive programs are: Tax Increment Equivalent Grant Program; Façade Improvement Program (50% of estimated cost up to \$15,000 maximum); Planning and Building Fee Rebate Program (up to \$5,000 maximum); Residential Incentive Program (per-door grant); Feasibility Study Grant (up to \$5,000 maximum); and Multi-Residential Interest-Free Loan Program.</p>	<p>This CIP has one-time funds previously approved by Council as well as one-time grant funding from AMO for Main Street Revitalizations.</p> <p>All other areas are subject to Council approval of funding in future years Budgets.</p>