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Planner: A. WATSON/T. MACBETH

TO:	CHAIR AND MEMBERS PLANNING & ENVIRONMENT COMMITTEE
FROM:	JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER
SUBJECT:	INFORMATION REPORT PUBLIC ENGAGEMENT PROCESS FOR THE EVALUATION OF COMMUNITY IMPROVEMENT PLAN INCENTIVES MEETING ON AUGUST 22, 2016

RECOMMENDATION

That, on the recommendation of the Managing Director, Planning and City Planner, the following actions **BE TAKEN** regarding the review of the City’s Community Improvement Plans (CIPs) and associated incentive programs and potential new CIPs and associated incentives:

- a) the attached report regarding the review of the City’s Community Improvement Plans and associated programs and incentives, including a summary of the public consultation undertaken to date, and a preliminary review of potential new Community Improvement Plans and programs **BE RECEIVED** for information;
- b) that, based on the review of the potential new Community Improvement Plans that have been identified for future implementation, **NO FURTHER ACTION BE TAKEN** with respect to the proposed new Community Improvement Plans to provide for development charges grants for Sports and Recreation Programs or Private/Not-for-Profit Education Facilities, as the proposals do not meet the intent of community improvement as defined in the *Planning Act*, and,
- c) that, based on the review of the City’s current Community Improvement Plans and the associated programs and incentives, the following programs **BE RETAINED**, noting that staff will further refine the program guidelines for these programs to incorporate success measures and identify possible funding revisions for Municipal Council consideration:
 - SoHo, Old East Village and Downtown Upgrade to Building Code Program
 - SoHo, Old East Village and Downtown Façade Improvement Loan Programs
 - Old East Village and Downtown Tax Increment Grant Program
 - Brownfield Tax Increment and Property Tax Assistance Grant Program
 - Brownfield Assessment Study Grant Program

IT BEING NOTED THAT staff will continue to review possible program changes to the current development charges grant programs available for industrial and residential development, including further public consultation on any possible program changes, and report back to Municipal Council in November regarding any changes to those programs

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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February 1, 2016	PEC – Evaluation of Community Improvement Plan Incentives
May 19, 2015	PEC - Development Charges Grant Program for Downtown and Old East Village CIP Areas
April 7, 2015	PEC - Evaluation of Community Improvement Plan Incentives
March 23, 2015	PEC - Fibre Optic Connection Grant Pilot Program for Downtown London

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March 2, 2015	PEC - Development Charges Grant Program for Downtown and Old East Village CIP Areas
Feb. 2, 2015	PEC - Development Charges Grant Program for Downtown and Old East Village CIP Areas
August 26, 2013	Strategic Priorities & Policy Committee – Strategic Change in Delivery of Development Charge Exemptions and Incentives Policies. This is the report that lead to the small business incentives

PURPOSE AND SUMMARY

The purpose of this report is to provide an update to Council on the consultation undertaken to date as part of the review relating to the range of financial incentives offered through the City's existing CIP programs, a description and evaluation of the current Community Improvement Plans and programs, and a description and preliminary evaluation of the potential new Community Improvement Plans and programs that have been proposed to Council for consideration.

RECOMMENDATIONS	FURTHER ANALYSIS REQUIRED/REPORT BACK
<ul style="list-style-type: none"> - No CIP for Sports and Recreation Programs - No CIP for Private/Not-for-Profit Education Facilities - Retain Upgrade to Building Code Loan Programs (Downtown, Old East, SoHo) - Retain Façade Improvement Loan Programs (Downtown, Old east, SoHo) - Retain Tax Increment Grant Programs (Downtown, Old East) - Retain Brownfield Tax Increment Grant Program and Property Tax Assistance Program - Retain Brownfield Assessment Study Grant Program 	<ul style="list-style-type: none"> - Downtown and Old East Residential DC Grant Program - Industrial DC Grant Program - Airport Tax Increment Grant Program - Increasing the value of Building Code Loans - Increasing the value of Façade Improvement Loans - Consider Tax Increment Grant Program caps - Lambeth CIP Programs (potential) - Hamilton Road CIP Programs (potential) - Expansion of Downtown CIP Boundary/Programs - Incentives for Environmentally Sustainable Buildings/Communities - Industrial Corridor Enhancement Program - SoHo Tax Increment Grant Program - SoHo Residential DC Grant Program - Heritage Building Assessment/Condition Grant Program (Downtown, Old East) - Façade Improvement Grant Program - Forgivable Upgrade to Building Code Grant Program - Non-street Façade Loan Program - Awning, Signage and Decorative Lighting Grant Program - Tax Holiday Grant Program

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BACKGROUND

Municipal Council Direction to Review Incentive Programs

On February 17, 2016, Council resolved that a service review be undertaken to consider and evaluate all Community Improvement Plans and the financial incentives offered under those CIPs.

Council resolution identified the following directions for Civic Administration in order to undertake the service review:

- Consider and evaluate all existing CIPs and existing incentive programs, as well as the potential for new incentive programs under new Community Improvement Plans.
- Amongst the range of options considered as part of the comprehensive review, consider and evaluate two (2) potential program changes to the Development Charges (DC) incentives. These two programs to consider are: first, the potential for a \$10 million “cap” to the City’s contribution to residential DC grants which are currently an unlimited rebate of 100% of the development charges for applicable residential projects in applicable areas; and, second, a targeted approach, such as strategic alignment with the Industrial Land Development Strategy (ILDS), for the Industrial DC rebate incentive, which is also currently an unlimited rebate of 100% of DCs.
- Undertake rigorous public and stakeholder consultation as part of the service review; and
- That the consideration of new CIPs and attendant incentives is to be consideration and evaluation of an identified list of potential new candidate CIPs which have previously been requested of Council by members of the public and interested stakeholders.

Staff have begun the service review and public engagement process, and through this report are providing an update on the process, key considerations, and feedback received to date, as well as next steps in the CIP service review process.

Objective of CIPs

Planning Act (Section 28)

The Community Improvement provisions of the *Planning Act* provide the opportunity to re-plan, redesign, redevelop, and rehabilitate older areas of the City. Under Section 28 of the *Planning Act*, municipalities may designate "Community Improvement Project Areas" within which the City may prepare improvement plans, and undertake various community improvement projects and works to implement these plans.

The *Planning Act* defines community improvement as "...the planning or replanning, design or redesign, subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary."

The *Act* further states that "For the purpose of carrying out a municipality's community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, 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 eligible costs of the community improvement plan."

Official Plan (Chapter 14)

The Official Plan for the City of London contains policy and framework for the selection and designation of "Community Improvement Project Areas", and for the preparation and implementation of community improvement plans.

The following extract identifies the City's objectives related to Community Improvement:

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COMMUNITY IMPROVEMENT OBJECTIVES

It is intended that the application of the Community Improvement Policies shall be directed towards the following objectives:

- i) Provide for the designation of "Community Improvement Project Areas" in areas of the City that exhibit problems of instability, building deterioration, inadequate municipal services and facilities, or inappropriate arrangement of land uses.*
- ii) Promote the long term stability and viability of designated "Community Improvement Project Areas".*
- iii) Encourage the co-ordination of municipal expenditures and planning and development activity within designated "Community Improvement Project Areas".*
- iv) Stimulate private property maintenance and reinvestment activity.*
- v) Enhance the visual quality of designated "Community Improvement Project Areas" through the recognition and protection of heritage buildings.*
- vi) Reduce the detrimental effects of incompatible land uses in designated "Community Improvement Project Areas".*
- vii) Upgrade physical services and social and recreational facilities in designated "Community Improvement Project Areas".*
- viii) Promote the improvement of energy efficiency standards for residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses within the designated community improvement project areas.*
- ix) Support the creation of Affordable Housing by considering any municipally-owned, undeclared surplus land for Affordable Housing before any other use is considered subject to policy 12.12.2.2. ix) of this Plan.*
- x) Support the implementation of measures that will assist in achieving sustainable development and sustainable living.*
- xi) Support the retention of heritage properties or areas.*

Similarly, The London Plan identifies the importance of Community Improvement:

Community improvement plans are intended to provide City Council with the necessary tools to stimulate reinvestment and redevelopment, inspire appropriate infill and intensification, coordinate planning efforts, improve the physical infrastructure, support community economic development, preserve neighbourhood and cultural heritage value, and lead to the establishment of an improved neighbourhood. The tools to implement community improvement plans may include incentives and targeted private and/or public investment to achieve the vision, key directions and policies in The London Plan. Council may also acquire, clear and dispose of land to support community improvement and economic development, or use any other methods to support community improvement or environmental, social or community economic development that is permitted by the legislation

The London Plan also sets out the objectives of Community Improvement:

Community improvement is intended to meet the following objectives:

- 1. Maintain and improve the public realm, including such things as streets, sidewalks, street lights, street trees, pathways, parks, open spaces, and public buildings.*
- 2. Maintain and improve municipal services including such things as the water distribution system, the sanitary and storm sewer systems, mobility network, transit services, and neighbourhood services.*
- 3. Encourage the coordination of municipal servicing expenditures with planning and development activity.*
- 4. Stimulate private sector property maintenance, repair, rehabilitation, redevelopment and other forms of private sector investment and reinvestment activity.*
- 5. Maintain and improve the physical and aesthetic amenities of streetscapes in*

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both the public and private realms.

6. *Encourage the conservation, restoration, adaptive re-use and improvement of cultural heritage resources.*
7. *Encourage the eventual elimination and/or relocation of incompatible and conflicting land uses and where this is not possible, encourage physical improvements to minimize the incompatibility/conflict.*
8. *Promote the improvement of energy efficiency standards for residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses.*
9. *Foster the revitalization and continued improvement of the Downtown and other existing commercial districts including but not limited to the Old East Village, the SoHo Area, and other established business districts.*
10. *Upgrade social and recreational facilities and support the creation of affordable housing.*
11. *Support the implementation of measures that will assist in achieving sustainable development and sustainable living.*
12. *Improve environmental and social conditions.*
13. *Promote cultural and tourism development.*
14. *Facilitate and promote community economic development.*
15. *Promote and improve long-term community stability, safety and quality.*

Community improvement plans allow municipalities to focus public attention on local priorities and municipal initiatives; target areas in transition or in need of repair, rehabilitation and redevelopment; facilitate and encourage community change in a coordinated manner; and stimulate private sector investment through municipal incentive-based programs.

DESCRIPTION AND EVALUATION OF CURRENT COMMUNITY IMPROVEMENT PLANS
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Presently, the City of London has seven Community Improvement Plans through which a variety of financial incentives have been funded. The following chart illustrates the programs currently in place. Between the various CIPs there may be similar and overlapping incentives a property owner might choose to apply for related to a specific property. Each CIP provides specific program guidelines for each financial incentive program.

City of London CIP Incentive Program Overview

CIPs	Financial Incentive Programs Offered				
Downtown	Last Mile Grant	Façade Improvement	Upgrade to Building Code	Tax Grant Program	DC Grant
Old East Village	Façade Improvement		Upgrade to Building Code	Tax Grant Program	DC Grant
SoHo	Façade Improvement			Upgrade to Building Code	
Heritage	Tax Increment Grant			Development Charge Equivalent Grant	
Airport Area	Tax Increment Grant				
Brownfield	Tax Increment Equivalent Grant	Contamination Assessment Study Grant Program	Development Charge Rebate	Property Tax Assistance Program	
Industrial Lands	Development Charge Grant				

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Visions, Goals & Objectives of Existing City of London CIPs

The City’s existing CIPs do not include measurement or monitoring criteria and therefore do not explain what ‘success’ looks like. As a result, a large part of this review process includes the creation of review criteria that can be used to determine what the *success* of each CIP entails.

Although all CIPs are fundamentally created to provide the opportunity to re-plan, redesign, redevelop, and rehabilitate older areas of the City, each CIP is unique in that it was created to address specific priorities and circumstances. The following chart provides a high level summary of goals and potential targets of each of the City’s existing CIPs.

Overview of Success Review Criteria for the CIP Program

Program:	Indicator of Success:	Target:	Means of Measurement:
<i>Airport Area Community Improvement Plan:</i>	Increase in the long-term economic viability of the aerospace industry in London	Reach and maintain a level of aerospace industry competitive with comparable municipalities	Labour market data NAICS codes
<i>Brownfield Community Improvement Plan:</i>	Increase in site remediation project	All brownfield sites remediated to encourage redevelopment	Number of contaminated sites cleaned up
<i>Downtown Community Improvement Plan:</i>	Encourage the coordination of municipal expenditures and planning and development activity	Downtown becomes a place where people are attracted to live, work, shop, and play	Population census data Labour market data
<i>Heritage Community Improvement Plan:</i>	Increase the retention and rehabilitation of heritage resources	Create a sense of place through the retention of the City’s built heritage	Creation of HCD Property modification & adaptive re-use activity
<i>Industrial Community Improvement Plan:</i>	Increase the market attractiveness and competitiveness of industrial land in London	1 new targeted industrial use per year located in London	Labour market data NAICS codes
<i>Old East Village Community Improvement Plan :</i>	Revitalization of the four districts of Old East Village	Creation of a complete community with recreational/entertainment opportunities, pedestrian-oriented areas, and commercial corridors	NAICS codes # of businesses
<i>SOHO Community Improvement Plan:</i>	Stimulate reinvestment for infill and intensification	Facilitate the redevelopment of a vibrant neighbourhood that benefit surrounding communities	Population census data

Goals of Existing City of London CIPs

The CIP project areas within the City where the City has prepared community improvement plans and undertaken various community improvement projects have different goals and programs associated with them to achieve those goals. The intent and goals of these CIPs reflect the local needs, priorities and circumstances for which each of the CIPs were adopted.

For the purpose of this review, the term “goals” is used to represent the Visions, Goals and Objectives identified within the various existing CIPs. The following section shows the Goals of each CIP and a proposed Evaluation Matrix reflecting the identified goals.

Airport (applied to lands owned by the Airport)

The goal of the Airport CIP is to encourage long-term economic development in the industrial lands around London International Airport by encouraging aerospace industries to locate at the Airport.

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Proposed Airport Area CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
Increase in the amount of aerospace-related employment	Maintain an employment rate in the aerospace industry competitive with comparable municipalities	Labour market information	Tax Grants
Increase in the amount of manufacturing related to the aerospace industry in the area	Reach and maintain a level of manufacturing related to the aerospace industry competitive with comparable municipalities	Labour market data NAICS codes	
Increase in the proportion of Fanshawe aviation technician graduates that stay in London for work	80 % of aviation graduates find work in London	Fanshawe College data	n/a
Increase in the amount of aerospace-related lands	At least 75% of the industrial in the Airport Area are occupied and utilized for aerospace use	NAICS codes	Tax Grants
Reduction in the vacancies within the Airport Industrial land	Maintain a minimum of 80 % occupancy rate for aerospace use	NAICS codes	

Brownfield (applied City-Wide)

The goals of the Brownfield CIP are to encourage site restoration and redevelopment of brownfield sites throughout the City by remediating these sites so that they are available for redevelopment, and to undertake studies to determine the extent of any site contamination on those lands.

Proposed Brownfield CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement:	Applicable Incentive:
Brownfields play an important role within the context of development for the entire City	5% of London's development on remediated brownfields sites	Area (ha) of available Brownfields industrial lands	Property Tax Assistance Tax Increment Grant Development Charge Rebate
Long-term stability and vitality of area surrounding Brownfield Site	1 brownfield site remediated for future redevelopment per year	Industrial data information	
Private investment activity in Brownfields is strong	5 % private investment activity is on brownfield lands	Development permits	
The reduction in the amount of vacant, under-utilized or abandoned areas within the urban growth boundary	1 brownfield site remediated for future redevelopment per year	Development permits	
Enhancing the viability of inner-city	1 brownfield site remediated for future redevelopment per year	Development permits	
Increased intensification of existing infrastructure	1 brownfield site remediated for future redevelopment per year	Development permits	
Increase in property tax revenue (ex. Municipal tax base)	Redeveloped, remediated sites generate municipal taxes 50 % higher than pre-remediation	Property tax collected	

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Downtown (applied to lands within the Downtown Area)

The goals of the Downtown CIP are consistent with those of Downtown London and include:

- Enhancing Downtown as a unique community and the heart of the City. The Downtown shall be a place where people are attracted to live, work, shop and play;
- Encouraging the preservation of significant heritage resources;
- Encouraging and assisting private property owners to rehabilitate buildings in the Downtown to ensure their long-term economy viability;
- Focusing municipal efforts that address the provisions of streetscape improvements, municipal services, and infrastructures; and,
- Promoting the continuous development of the Downtown as the primary business, office, cultural and administrative centre for the City, and as a regional centre for Southwestern Ontario.

Proposed Downtown CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
The residential neighbourhood plays an important within the context of the entire City	Minimum of 5% of London's population resides within the Downtown's boundaries	State of the Downtown Report	Façade Improvement Loan Upgrade to Building Code Loan Tax Grant DC Grant
	Improvements in "upstairs" apartments over commercial space		
The neighbourhood can support a supermarket	Minimum population sufficient to support a community scale supermarket Interest from multiple supermarket companies	Labour market information	
Residential growth is strong for an identified period	Minimum of 750 residential units are constructed within a consecutive 5-year period	Building permits	
The neighbourhood caters to a wide array of socio-economic groups	Minimum of 15% of the area's population fits within each of the City's four household income quartiles	Census information	
The neighbourhood provides a significant stock of affordable housing	Minimum 25% of all rental housing is affordable	Market surveys	
Vacancies are low and storefronts are well occupied	Maximum 5% vacancy rate on ground level commercial spaces, as well as residential space	State of DT Report	
Quality uses on key storefronts	Minimum 75% of ground floor uses on key commercial streets are targeted uses	State of DT Report	
Active streets	Minimum hourly pedestrian counts on key commercial streets on a selected Friday during the month of September for the following periods (1) 8-9AM; (2) Noon-1PM; (3) 5-6PM and (4) 8-9PM	Pedestrian activity count	
Quality facades and storefronts	Minimum 80% façade and storefront graded A or B Condition (City rating)	State of DT Report	

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Heritage (City-Wide)

The goal of the Heritage CIP is to ensure that the City of London's unique built heritage is preserved through the retention, restoration and adaptive re-use of identified heritage properties.

Proposed Heritage CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
Increased property stability	Creation of a sense of place, maintenance of the identity of London	Property turnover Length of residency	
Increase in property re-investment	Maintenance of the identity of London, stimulation of private property re-investment	Property modification, adaptive re-use activity # heritage alteration permits # of requests for demolitions # of demolitions Value of improvement	Tax Increment Grant
Increase in property viability/ property maintenance	Ensure that the City's built heritage is retained Recognition of and protection of heritage properties	Property modification, Adaptive re-use activity # heritage alteration permits # of requests of demolitions # of demolitions	Development Charge Equivalent Grant

Industrial (applied to Industrially-designated lands, City-Wide)

The primary goals of the Industrial Lands CIP include:

- Promote economic rehabilitation, revitalization, economic diversification, economic development and prosperity in London;
- Improve the market attractiveness and competitiveness of industrial land in London;
- Increase investment in industrial land development in London;
- Increase employment on industrial land in London by creating new employment opportunities and retaining existing employment;
- Ensure an adequate supply of serviced and appropriately sized and located industrial land in London; and,
- Increase the long-term industrial assessment base and industrial land property tax revenues.

Proposed Industrial CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
Increase employment rate in the industrial areas	Maintain an employment rate equal or greater than the Provincial rate	Labour market data NAICS codes	Development Charges
Increase in the # of businesses and companies in the Industrial area	Tax grant incentives are no longer required	Labour market data NAICS codes	
Increase in the # of manufacturing jobs in the area	Minimum of 15% of London's population employed in the manufacturing (as of 2011 it was 12.4%)	Labour market data NAICS codes	
Reduction in the # of existing businesses moving out of London	No targeted industries move out of London	Market surveys LEDC data	
Increase in the value-added GDP for the City of London	Increase/maintain level of industrial GDP	Market surveys	
Increase in the retention of highly skilled employees and young Londoners in the City	Retention of 75 % or more Fanshawe College and UWO graduates	Fanshawe College & UWO data Employer data	
Increase in the amount of immigrants and newcomers being employed in the industrial sector	Unemployment rate of immigrant population equal to the general population	London & Middlesex Local Immigration Partnership data	
Retention of UWO and Fanshawe graduates in London's labour market	Increase % of College and University educated employees to meet future job trends	Fanshawe College & UWO data	
Reduction in the vacancies within the Industrial Lands Area	Maintain 10 % or less vacancy rate	Market review	
Increase in innovative methods to combat climate change through energy efficiency and sustainable industrial buildings	London's net carbon emissions is equal to or less than comparator Municipalities	Carbon counting data	

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Old East Village (applied to lands within the OEV Area)

The goals of the Old East Village CIP are that the Old East Village shall:

- to serve as a focal point for the surrounding residential community;
- offer goods and services which are useful to, and used by, the surrounding community;
- offer some goods and services for a broader City-wide market;
- offer a range of entertainment, arts, and cultural uses; and,
- foster a pedestrian-oriented streetscape.

Proposed Old East Village CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
The residential neighbourhood plays an important within the context of the entire City	Population remains stable/increases over census period	5 year census	
Residential growth is strong for an identified period	Minimum of 150 residential units are constructed within a consecutive 5-year period	Building permits	Façade Improvement Loan
The neighbourhood provides a significant stock of affordable housing	Minimum 25% of all rental housing is affordable	Market surveys	Upgrade to Building Code Loan
Vacancies are low and storefronts are well occupied	Maximum 5% vacancy rate on ground level commercial spaces	OEV BIA data/City	Tax Grant
Quality uses on key storefronts	Minimum 75% of ground floor uses on key commercial streets are targeted uses	OEV BIA data/City	DC Grant
Active streets	Minimum hourly pedestrian counts on key commercial streets on a selected Friday during the month of September for the following periods (1) 8-9AM; (2) Noon-1PM; (3) 5-6PM and (4) 8-9PM	Pedestrian activity count	
Quality facades and storefronts	Minimum 80% façade and storefront graded A or B Condition (City rating)	OEV BIA data/City	

SOHO (applied to lands within the SOHO Area)

The goal of the SOHO CIP is to stimulate reinvestment by:

- accommodating appropriate infill & intensification;
- stimulating investment along the commercial corridors;
- harmonizing the delivery of recreational & social services;
- preserving neighbourhood & heritage character; and
- facilitating the redevelopment of a vibrant neighbourhood resulting in benefits for the neighbouring communities of Old South and Downtown.

Proposed SOHO CIP Evaluation Matrix

Indicator of Success	Target	Means of Measurement	Applicable Incentive
The residential neighbourhood plays an important within the context of the entire City	Population remains stable/increases over census period	5 year census	
Residential growth is strong for an identified period	Minimum of 50 residential units are constructed within a consecutive 5-year period	Building permits	Façade Improvement Loan
The neighbourhood provides a significant stock of affordable housing	Minimum 25% of all rental housing is affordable	Market surveys	Upgrade to Building Code Loan
Vacancies are low and storefronts are well occupied	Maximum 5% vacancy rate on ground level commercial spaces	City survey	Tax Grant
Quality uses on key storefronts	Minimum 75% of ground floor uses on key commercial streets are targeted uses	City survey	DC Grant
Active streets	Minimum hourly pedestrian counts on key commercial streets on a selected Friday during the month of September for the following periods (1) 8-9AM; (2) Noon-1PM; (3) 5-6PM and (4) 8-9PM	Pedestrian activity count	
Quality facades and storefronts	Minimum 80% façade and storefront graded A or B Condition (City rating)	City survey	

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Financial Incentives Provided Through CIPs

Presently the City of London has seven Community Improvement Plans through which 37 financial incentive programs have been approved (some of the programs have, however, never been funded and some have had funding discontinued). The financial incentive programs consist primarily of loans and grants; however, there are variety programs which can generally be summarized into the four types as shown in following chart.

Program Type	Program Examples	Description
Loans	Upgrade to Building Code Facade Improvement Non-street Façade Improvement Loan	No interest loans that are paid back to the City over a 10 year period. The loans are capped (current max. \$50,000 and based on percentage of cost of improvements). <i>This type of incentive is seen as being low cost to the City. The cost is cash-flow to cover the loans.</i>
Tax Grant	Brownfield Tax Increment Equivalent Grant Rehabilitation & Redevelopment Grant Heritage Tax Increment Grant Airport Tax Increment Grant	Tied to the increase in municipal property taxes that result from property/building improvement. The City provides a grant back of a portion of the tax increase. The City receives tax payments no less than prior to improvement. <i>This type of incentive is seen as being low cost to the City. The cost is delaying the receipt of increased tax.</i>
Other Grants	Forgivable Upgrade to Building Code Forgivable Facade Improvement Awning, Signage & Decorative Lighting Grant Tax Holiday Grant Industrial Corridor Enhancement Grant	Typically tied to small scale property and/or building improvement projects or site specific studies. These grants are capped (current max. \$25,000 and based on percentage of cost of improvements) <i>This type of incentive is seen as being moderate cost to the City.</i>
DC Grants	Industrial Residential Brownfield Heritage Development Charge Equivalent Grant	Widely used for a variety projects. There is no cap on the maximum value of the grant for the Industrial, Residential or Airport CIP programs, however the Heritage and Brownfield programs are capped based on costs of site improvement/remediation and/or cost of the heritage restoration. <i>This type of incentive is seen as being high cost to the City. The cost is foregone fees which cover capital costs associated with new growth, and that the costs are not fixed (no dollar value upset limit).</i>

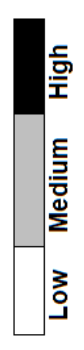
Evaluation of CIP Programs

The following matrix summarizes the initial review criteria being used to evaluate the programs currently offered by the City of London through the existing Community Improvement Plants.

Evaluation of CIP Programs

The matrix below provides an un-weighted scale from a hollow circle to a solid circle that is used to rate the existing incentive programs, with white box representing the most favourable or high condition and a black-filled box represents the most favourable condition or high. Black-filled represents High; grey-filled represents Medium; and white-filled represents Low.

Review Criteria	AIRPORT CIP		BROWNFIELD CIP				SoHo / D / OEVCIP		D / OEVCIP		INDUSTRIAL CIP		HERITAGE CIP	
	Tax Increment Grant	Property Tax Assistance	DC Rebate	Tax Increment Equivalent Grant	Contamination Assessment Study Grant Program	Façade Improvement	Upgrade to Building Code	Tax Grant	DC Grant	Tax Grant	DC Grant	Tax Grant	DC Equivalent Grant	
Cost of Program	Low	Medium	High	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	
Application Volume	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	
Sustainability based on funding source	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	
Link to Strategic Plan	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	
Are the CIP objectives being achieved?	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	
Impact of removal of program	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	
Impact of moderating program	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	

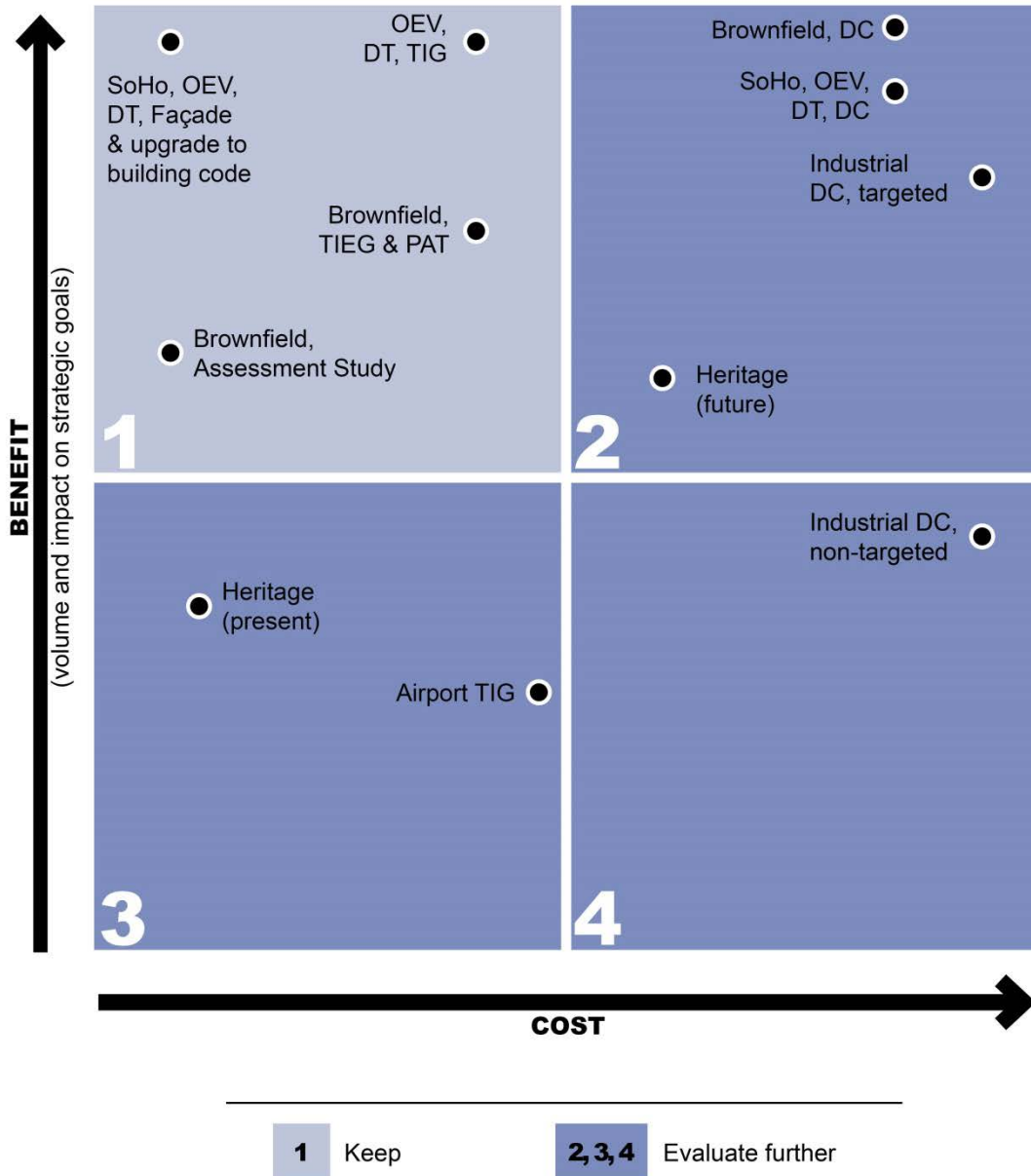


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Evaluation of CIP Objectives Being Achieved

Using the same ranking system as previously described, the figure below illustrates what the initial cost-benefit analysis of the existing incentive programs. Box 1 identifies low cost/high benefit; Box 2 identifies high cost/high benefit; Box 3 identifies low cost/low benefit, and Box 4 identifies high cost/low benefit to the City.



The following summarizes the Based on this assessments, staff would as a preliminary suggestion looks at three groupings, which would be subject to:

- Box 1: Keep programs, consider minimal changes to program guidelines, and possible funding revisions
- Boxes 2-4: Further evaluation of these programs, consider changes to eligibility of program, and potential funding changes for cost savings

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OTHER MUNICIPAL INCENTIVES OFFERED (NOT THROUGH CIPS)

There are a number of financial and other incentives that the City of London offers in addition to those financial incentives that are part of a Community Improvement Plan and its identified project area. These other types of incentives include height and density bonusing and a range of municipal activities related to economic development and land development activities within the city.

Through the public consultation meetings, Staff described the types of things that would be eligible for Community Improvement Plan incentives subject to Section 28 of the *Planning Act*, and other forms of “incentives” that do not require a community improvement plan. It was also noted that a Community Improvement Plan is required to establish community improvement incentives, and where such a Plan does not exist, there is a process that must be undertaken to first develop a Community Improvement Plan, and that any program developed under these Plans would each have their own requirements and eligibility. It was also described through the public consultation process that it is only through an adopted Community Improvement Plan that a City is able to make grants or loans to a business.

Forms of incentives outside of those provided through Community Improvement include bonusing and municipal investments and the provision of infrastructure

Height and Density Bonusing: *Planning Act, Section 37*

Municipalities may allow for Bonus Zones as provided under the Planning Act. This is a process to allow buildings to exceed the height and/or density of development otherwise permitted by zoning by-laws in exchange for community benefits. The City of London’s Official Plan has policies and criteria that would permit a bonus, and numerous projects have been approved with a bonus provision. Bonusing permits increases in height and density of a development in return for the provision of facilities, services, or matters that benefit the community and results in public benefits such as public art or transit improvements to be provided to the community without increasing the financial burden on municipalities or their taxpayers.

Height and Density Bonusing supports intensification, growth management, transit and other community building objectives. It often provides site amenities to enhance the development site and the surrounding neighbourhood. Availing of a bonus in height and density is an incentive to developers, because it permits the development of more units to be sold or rented than would otherwise be permitted by the Zone.

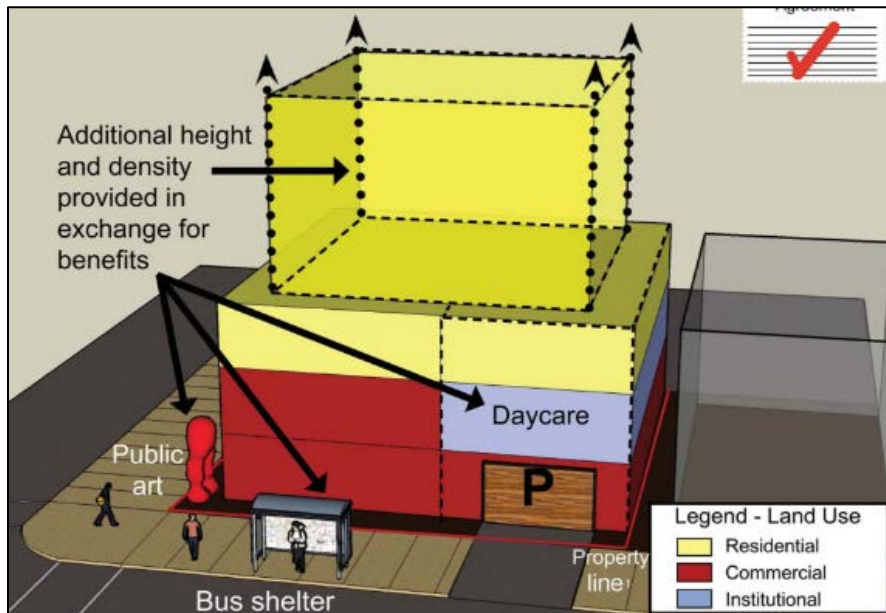


Image 1:
Example of Height & Density Bonusing

Source:
<http://www.mah.gov.on.ca/AssetFactory.aspx?did=7027>

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Municipal Investments and the Provision of Infrastructure

As a tool to foster and facilitate economic development and employment, the City of London actively undertakes planning, acquisitions, the provision of infrastructure and servicing, and the marketing and sale of employment lands for future industrial users. This is identified in the City of London’s Industrial Land Development Strategy 2014.

In addition to the incentive programs under the Industrial Lands Community Improvement Plan, the Industrial Land Development Strategy ensures that that industrial land sale prices of London’s industrial land is competitive compared to surrounding municipalities. The City also ensures that level of municipal investment in infrastructure such as roads and sanitary servicing is provided at a higher level to meet the needs of industrial users. The City also has an aggressive program of land acquisition to ensure that there is an adequate supply “shovel ready” serviced lands.

SUMMARY OF PUBLIC CONSULTATION

Who Was Contacted about the Review

In addition to the identified groups for inclusion in the public/stakeholder engagement process in Council’s resolution, Staff identified a number of additional key stakeholders to consult in the process. The range of stakeholders represents ratepayers, community and business groups, development industry, municipal staff, consultants, business representatives, and financial institutions. In addition to the public liaison asking the general public to participate in meetings, the list below identifies stakeholders who were invited to a series of meetings to provide input into the comprehensive review. The identified stakeholders were:

Ministry of Municipal Affairs and Housing	London Association Of Architects
London International Airport	London Consulting Engineers of Ontario
London Economic Development Corp.	London Area Planning Consultants
London Development Institute	Sifton Properties
London Chamber of Commerce	Corlon Properties/Sunningdale Golf Course
London Manufacturing Council	Bluestone Properties
Urban League of London	Auburn Developments
Argyle BIA	Drewlo Holdings
Downtown London BIA	Tricar
Old East Village BIA	Execulink
Hamilton Road Business Association	Z Group
Hyde Park Business Association	Fusion Homes
Old South Business Association	Norquay Developments
Lambeth Community Association	Sierra Construction
Gym World	Rembrandt Homes
Ontario Registered Music Teachers Assoc’n	Dancor

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Public Consultation Meetings

During the past number of months, the public and the identified stakeholders listed above were invited to a number of public meetings. A number of meetings organized by the individual stakeholder organizations were also held. The meetings held to date are listed below. In early June, four public meetings were also held, two of which were during business hours and two of which were held in the evening. Meetings were open to discuss all of the CIPs; however, to frame the discussion, two of the meetings (one daytime and one evening each) were focused on an “economic/employment” category of CIPs (Airport, Industrial and Brownfield), and the other two meetings were focused on the more “neighbourhood/residential” CIPs (Downtown, Old East, SoHo, and Heritage). Proponents requesting new CIPs were invited based on the subject matter of the proposed new CIP.

Meeting Dates:

- April 4 Building and Development Liaison Forum
- May 16 London Economic Development Corporation & Chamber of Commerce
- June 7 2 Public Stakeholder Meetings at the Stronach Community Recreation Centre
- June 8 2 Public Stakeholder Meetings at the Stronach Community Recreation Centre
- June 14 London Development Institute
- June 22 London Regional Manufacturing Council
- June 30 Progress London
- July 6 London Advisory Committee on Heritage

Framework for the Public/Stakeholder Consultation Discussion

In order to frame the CIP incentives review discussion, Staff presented a number of key considerations and messages regarding the incentive service review. These key messages and considerations included:

1. An overview of the February 2016 Council resolution;
2. What a Community Improvement Plan includes (including evaluation through Section 28 of the *Planning Act*, approval by Council, and the identification of a Community Improvement Plan project area where any subsequent incentives or other municipal actions may be undertaken in conformity with the CIP);
3. An overview of the seven CIPs within the City of London, the incentive programs under the existing CIPs, and the Council-approved but as of yet unfunded incentive programs in existing CIPs;
4. That, in addition to financial incentives through Community Improvement Plans, other forms of “incentives” are offered through different provisions of the *Planning Act* outside of Community Improvement, and also through municipal leadership actions of the City of London;
5. A summary of the categories of incentive programs including the general costs (to the municipality) and degree of certainty (fix versus unfixed costs) associated with different types of programs (i.e. Loans vs. Tax Grants vs. Other Grants vs. Development Charges Grants);
6. That based on the generally higher costs per grant application for Development Charges Grants compared to other forms of incentives, the focus of possible adjustments to programs will be on the higher cost incentive programs related to Development Charges;
7. The Multi-Year Budget has established a “budget envelope” for all CIPs and all incentive programs. Also noted was that although different reserve funds exist for different CIPs, there is only one municipal budget from which all programs may draw. Any modification

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to existing programs or introduction of new CIPs with new programs would be required to remain within the allotted budget developed within the Multi-Year Budget, unless Council was to consider additional funds for new or expanded CIP incentives.

8. Finally, in order to monitor and improve the existing CIPs and evaluate the effectiveness of incentive programs, objectives and monitoring are required. Similarly, any new CIPs with new incentives will require the identification of objectives and community goals and ways to quantify or qualify success in order to evaluate their eligibility or appropriateness for new plans and new programs.

Summary of Comments: “What We Have Heard” To Date

CIP	Public Comments Received to date		
Airport Area	CIP remains in its infant stages. Continuation of this program is important to make the London International Airport a viable operation.		
	How much vacant land is left in this CIP area?		
	How many businesses have taken advantage of the program?		
Brownfield	This CIP needs to be in place as new projects come forward over time. The programs are essential to redevelopment of sites (such as the former McCormick factory site) that may not otherwise redevelop because of significant financial burdens.		
	How many brownfield sites have been identified?		
	Is the incentive for new residential development only or could it be used to clean a site for new industrial uses?		
	How many projects have taken advantage of this program?		
Downtown	Does this program meet the PPS to provide infill and intensification projects?		
	The impact of the existing incentives to retain existing and recruit new business to downtown should be studied and quantified to allow a thorough evaluation of the impact of incentives		
	How many new residents have moved downtown?		
	What is the effect of adding Richmond Row to the BIA DC exemption?		
CIP	Public Comments Received to date		
		Heritage (City Wide)	This is a program that will have to stay in place as new heritage properties come forward for redevelopment. These programs are essential to redevelopment of sites that provide future enjoyment of the built heritage but may not otherwise redevelop because of significant financial burdens, including the former McCormick factory site.
			How many buildings have used this program?
		Industrial Area	Industrial growth is a strategic priority of London’s, including the 2014 Industrial Land Development Strategy: An Investment in Our Future; and CIP Incentives are a priority identified in the ILDS. When the CIP was introduced it was intended to bring high employment companies to the city like manufacturing plant not large warehousing buildings that only employ a few staff. This needs to be reviewed so that the original intent of the incentive is met.
Waiving the industrial DCs is one of the only options available to the city to attract new industrial or manufacturing companies to come to London. Multiple Industrial companies have identified that without the 100% DC Grant, they would not have located in London or expanded in London. The London Regional Manufacturing Council recommends no reduction to the 100% DC Grant.			

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	<p>Industry contributes \$5 billion to London’s GDP and approximately \$24 million in annual tax revenue to the city. London’s industries comprise over 500 established companies in sectors including: automotive, aerospace and defense, food and beverage processing, building supplies, automation and robotics, sporting goods, advanced materials and others.</p>
	<p>City needs to ask itself it wants Industrial jobs and Industrial growth, because if it does, then it needs to be competitive and that competition includes incentives to attract and retain Industrial businesses. To ensure London remains competitive, it must offer a value proposition competitive with peer communities. Incentives play an integral role in maintaining London’s competitive position. London has to stay competitive with Brantford, Kitchener and Dorchester. London needs to look at what other locations offer as incentives in peer municipalities – and to know that the peer municipalities are competitors all across North America, including “right to work” states.</p> <p>Industrial land is a buyers’ market, and companies have the choice of going wherever the mix of business costs are best (including incentives, labour, utilities, land costs, development fees, etc.).</p> <p>The City needs to see London as a “product”, and any negative response amongst Industry, such as would happen by introducing Development Charges, will reflect poorly on the “brand” of London and the “product” of locating in London or expanding in London</p>
	Is this a City wide incentive?
	What is the amount of tax dollar increase for lands granted this incentive in the past?
	Growth and investment is based on a mix of business costs, including: corporate tax rates; available talent and wages; utility rates; price of serviced land; property taxes; regulatory and development fees; and available incentives.
	Studies indicate Industry has a job multiplier effect of 1.8, much higher than other sectors of the economy.
CIP	Public Comments Received to date
Old East Village	The new residential development by Medallion in Old East Village is a prime example of the need for this CIP.
	When was this program initiated?
	Re-instating small grant components of the Financial Incentive Programs which encourage targeted types of business in our economic drivers of Food, Artisanal Producers, Arts, Culture and Unique Retail.
	Re-instating loans to improve the rear façade of buildings, many of which face on to the soon to be renovated Municipal Parking lots.
	Implement a program to encourage small scale, mixed use, infill developments by offering a commercial development charge exemption for small scale developments
	Designing the residential development charge exemptions to ensure that there is stability and clarity about what will be available. Real Estate is a long term investment and creating short deadlines which rush projects and create uncertainty will not incentivise well designed developments which support the City’s official plan goals for intensification on Rapid Transit Corridors.
Modify the proposed Residential Development Charge Exemptions to prevent one area, or only a few developments from using all available grants.	
	The removal of the vacancy tax breaks for commercial buildings, which provide a tax break to commercial buildings which are kept vacant. These vacant buildings hinder the success of adjacent businesses and developments as well as the

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	renewal of the corridor as a whole.
SOHO	Area of incentive needs to expand beyond just the lots fronting onto Wellington Road.
	There should be no DC incentive for the South Street property because of the investment already made by the City in the cleanup and reconstruction of surrounding streets and services.
	Is this incentive now in place?
NEW	There should be a two tiered commercial DC recognizing that small business does not require the same level of infrastructure as major commercial development.
	Commercial recreation is understood as being a three legged table that represents the municipal role that the City of London plays in the delivery of sport and recreational programming: <ul style="list-style-type: none"> 1. The municipality provides infrastructure for large venue activities and the organization of basic entry level participation of different activities 2. The non-profit sect administers activities at a basic level using municipal facilities and other high level programming catering to competitive athletes and teams 3. The private (for profit) entities, for the most part are small business run by local people who have a passion for their areas of expertise to fill in the gaps by providing an array of opportunities for area residents to enjoy <p>It is understood that without a balance in these three areas the whole system will fail. The City is facing a serious, systemic problem with respect to the ability of the private, for profit, Commercial Recreation sector to function within the current legislative requirements (e.g. bylaws, building code and development changes that must be adhered to). The City needs to be a partner in providing financial support to accommodate the supply of these activities.</p>
	Criteria need to be determined to set a standard for when a program has been successful. What is the phase out plan for the incentives?
ALL	A cost benefit analysis needs to be conducted to determine that tax increase for properties that use the DC incentive. Has a cost benefit analysis been conducted to determine the benefit of future taxes compared to the amount of tax base paying the DC charge
	What is the dollar value spent on each program to date and what has been the tax increase on the properties? What is the amount of increase tax base from each CIP?
	Is there any record of the number of jobs created? How many construction and permanent jobs have been created within this area?

In general, the feedback received to date has either been (1) support for the continuation of existing programs or rationales for the existing programs, or else (2) questions and requests for clarification. The questions have included the measurements to quantify program success, or clarifications on monetary value of programs, value of investments, number of users of program(s), or number of sites (or land area) that have availed of a given program. A number of the questions and clarifications require further study. A complete response to all public comments received will be included in the final staff recommendation report at the end of this service review.

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DESCRIPTION OF POTENTIAL COMMUNITY IMPROVEMENT PLANS

As part of the review process, the potential Community Improvement Plans and incentive programs are described below. These potential programs have been organized as New CIPs and Programs, Existing, but Unfunded Programs, and Former Programs, Currently Unfunded.

New CIPs and Programs

Hamilton Road CIP

Staff are currently preparing the study for a new CIP for Hamilton Road in response to the Council direction of February 16, 2016. This study was initiated in June 2016, and anticipated project completion is in April 2017.

Recommendation: Any new incentive programs stemming from the Hamilton Road CIP process will be considered as part of this incentive review. Possible sources of funding will be identified as part of the November report.

Lambeth Road CIP

Staff are currently preparing the study for a new CIP for Lambeth in response to the Council direction of February 16, 2016. This study was initiated in June 2016, and anticipated project completion is in April 2017.

Recommendation: Any new incentive programs stemming from the Lambeth CIP process will be considered as part of this incentive review. Possible sources of funding will be identified as part of the November report.

Expansion of Downtown CIP Boundary

In order to make changes to a CIP, including the plan boundary, the City would have to undertake a public review of the CIP. This process may also include an Official Plan amendment. Any potential boundary change would not guarantee alignment with the new boundaries of boundaries of the Downtown London Business Improvement Area, nor would any additional areas be eligible for intensive programs under the Downtown CIP.

This project is not on the Planning Services work plan for 2016-2017, and may be included in the 2018-2019 work plan.

Recommendation: Review the potential cost implications of applying the current Downtown CIP programs in an expanded Downtown CIP boundary to report out in the November report.

DC Rebate for Private, Publicly Accessible Sports & Recreation Facilities

The City of London builds, maintains and programs facilities for sports and recreational activities for all residents to enjoy. City recreational facilities do not meet the needs of some specialized activities and elite athletes, and these facilities are provided by private businesses. These specialized sports and recreational facilities often look to use existing building stock located within established areas, often in industrial building with high ceilings and large building footprints that can be converted for recreational use.

In addition to the costs associated with the building conversion, operators may also be required to apply for a zoning by-law and/or official plan amendments, undertake site plan improvements and pay development charges related to a change of use.

The City has been asked to consider developing a CIP that would establish a development charge grant for these types of uses. As noted in the introduction of this report, the purposes of community improvement are outlined in the *Planning Act*. In the *Act*, community improvement means the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other

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uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary. The *Act* further states that a community improvement project area means a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason. From these definitions in the *Act*, the actual use of a building is not a basis for community improvement, it is the “age, dilapidation, over-crowding, faulty arrangement or unsuitability of buildings” of the buildings themselves. The conversion of a building from one use to another is not a matter considered as community improvement.

Recommendation: No further action be taken regarding the preparation of a Community Improvement Plan for private, publicly accessible sports and recreation facilities.

DC Rebate for Private/ Not-For-Profit Education Facilities

There are a number of exemptions the City of London’s Development Charge By-law including: publicly owned lands; those owned, used and occupied solely by a university, college, community college or school as defined in the Education Act; owned, used and occupied solely by a non-profit philanthropic, religious or educational seminary of learning or land leased and occupied by any of them if the land would be exempt from taxation if it was occupied by the owner; Land used as a theatre that contains fewer than 1,000 seats and that is used predominantly to present live performances of drama, comedy, music or dance; and large non-profit theatres.

The City has been asked to consider providing this exemption to not-for-profit educational facilities, including music schools as part of this Community Improvement Plan review. These facilities would also not meet the intent of community improvement in the same way that the provision of private, publicly accessible sports and recreation facilities would not meet the intent of community improvement as described above.

Recommendation: No further action be taken regarding the preparation of a Community Improvement Plan for private/not-for-profit education facilities.

Incentives for Environmentally Sustainable Buildings/Communities

Sustainable building refers to both a structure and the using of processes that are environmentally responsible and resource-efficient throughout a building's life-cycle: from site location, to design, construction, operation and maintenance. This can also include the renovation and restoration of buildings in older built up areas. New technologies are constantly being developed to complement current practices, the common objective of sustainable development is to reduce the overall impact of the built environment on human health and the natural environment. Following the province's direction, the City of London’s strives to “*plan for strong, sustainable and resilient communities for people of all ages...*” The City’s Official plan includes policies for the preservation of structures and natural areas as well as those for height and density bonusing of projects that “*support innovative and environmentally sensitive development which incorporates notable design features, promotes energy conservation, waste and water recycling and use of public transit*”.

“Improvement of energy efficiency” is a matter of community improvement as defined in the *Act*. The City’s current CIPs could be amended to provide programs related to energy efficiency, or a new, specific city-wide CIP could be prepared.

Recommendation: Review potential incentives under the City’s current CIPs to promote energy efficiency, including potential program costs, to report in November.

DC Rebate for Small Businesses

Defining “small business” for the purposes of a program that would meet the intent of community improvement is difficult. As part of this consultation exercise, staff have been discussing what small business means with various stakeholders. There is no consensus on

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what the appropriate parameters/definition would be (e.g. number of employees, size of property, size of building, size of addition).

Once defined, the small businesses that may be eligible for incentives could be aligned with the types of industries identified as targeted industries in the City’s Industrial Lands Development Strategy.

Recommendation: Review a potential small business incentive program as part of the Development Charges incentive program review to report in November.

Existing, but Unfunded Programs

Industrial Corridor Enhancement Program

The existing Industrial Corridor Enhancement Program was approved by Council as part of the Industrial CIP. This project is meant to help industrial property owners improve their properties where such properties are visible from important corridors such as the Veterans Memorial Parkway or Highway 401. The program however has never been funded.

Recommendation: Implement program provided savings can be realized through changes to the existing programs.

SOHO Tax Increment Grant Program and Residential DC Grants

As part of the SOHO CIP, Council approved a number of financial incentive programs in 2011, including the upgrade to building code and façade improvement loans, as well as a DC Grant and a Tax Grant. However, neither the DC nor Tax Grants have ever been funded. As a result no property owners have ever availed of these grants and consequently, the City has not been able to identify the success of these programs.

Recommendation: Implement the Residential Tax Increment Grant Program provided savings can be realized through changes to the existing programs. Review the DC Grant program as part of the DC program review, and implement the program provided savings can be realized through changes to the existing DC programs.

Former Programs, Currently Unfunded

Heritage Building Assessment/Condition Grant Program (Downtown/OEV)

This grant program offered assist owners of properties identified as priority 1 or 2 listed properties on the City’s Inventory of Heritage Resources or designated under Part IV of the Ontario Heritage Act that are located within the identified areas. The funds provide expert heritage/building assessment of the existing condition of a structure with respect to the conservation/restoration of the heritage features. The grant was a one-time payment that covered 50% of the cost of eligible consulting fees to a maximum of \$5,000 per building.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs. Alternatively, consider changes to the Upgrade to Building Code and/or Façade Improvement Loan programs to include this program as an eligible cost.

Façade Improvement Grants (Downtown/OEV)

This grant program offered a chance for property owners in identified areas with street front façade improvements to obtain a no interest loan from the City, and subject to edibility criteria, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. Loans are set at a maximum of \$25,000 per building, but may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City’s Facility Accessibility Design Standards, and increased by another \$5,000 if the property is designated under Part IV of the Ontario Heritage Act. Loans are provided to cover up to 50% of the cost of the eligible works that related to each discrete building, and are capped at \$25,000.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs.

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Forgivable Upgrade to Building Code Grants (Downtown/OEV)

This grant program offered a chance for property owners in identified areas with upgrade to building code improvements that are often necessary to ensure older buildings comply with today's Building Code Requirements to obtain a no interest loan from the City, and subject to edibility criteria, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. Loans are set at of 50% of the eligible costs to a maximum of \$50,000 per building, but may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City's Facility Accessibility Design Standards.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs.

Non-Street Façade Loans (Downtown/OEV)

This program offered financial incentive to property owners within the identified areas to enhance non-street front façades, meaning portions of a non-street front building that is visible from an adjacent street or alleyway. Loans are set at a maximum of 50% of the eligible costs to a maximum of \$25,000 per building, but are eligible to be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City's Facility Accessibility Design Standards, and increased by another \$5,000 if the property is designated under Part IV of the Ontario Heritage Act.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs.

Awning, Signage, Decorative Lighting Grant (Downtown/OEV)

This grant provided financial assistance to property owners in designated areas for eligible street front exterior building improvements including awnings, signs and lighting. The grant was a one-time payment that covered 50% of the cost of the eligible works per building to a maximum of \$3,000 per building.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs

Reactivating Tax Holiday Grant (Downtown/OEV)

This grant program offered financial incentive to property owners within the identified areas to encourage the leasing of ground floor space to a targeted uses, as identified by the respective CIP programs. The City of London provided a grant for a portion of the municipal property taxes paid which was based on the percentage of the total building area actively occupied by a ground level target use. The grant was provided on an annual basis and available for 5 years, starting in 2008 and ending in 2013.

Recommendation: Implement the program provided savings can be realized through changes to the existing programs

As part of the review to identify potential cost savings in existing programs that could support new programs, the implementation of approved, unfunded programs or the re-instatement of former programs, the costs associated with the Loan and Tax Increment Grant Programs will be reviewed to determine the actual costs to the City of these programs, as the loans are fully paid back to the City, and the Tax Increment Grant programs are funded through the increased municipal assessment attributed to the individual projects.

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RECOMMENDED NEXT STEPS

1. Continue the consultation program to:
 - a. Review and seek input on the proposed changes to existing incentive programs with a focus on the Residential Development Charges Grant Program and the Industrial Development Charges Grant Program.
 - b. Review and seek input on any proposed new programs to identify success measures, program requirements, and program costs.
2. Report back in the fall with recommendations regarding any new programs or changes to current programs that require consideration as part of the 2017 budget discussions.
3. Report back in the Fall with recommendations regarding any new programs or changes to current programs that can be achieved through cost savings to the current programs

PREPARED BY:	PREPARED BY:
AMANDA-BREA WATSON, MCIP, RPP PLANNER II, URBAN REGENERATION	TRAVIS MACBETH, MCIP, RPP PLANNER II, LONG RANGE PLANNING AND RESEARCH
SUBMITTED BY:	RECOMMENDED BY:
GREGG BARRETT, AICP MANAGER, LONG RANGE PLANNING AND RESEARCH	JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER

July 27, 2016
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"Attach"

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Written Responses to Consultation

Stakeholder	Submission	Date
London Region Manufacturing Council	London Region Manufacturing Council Position on Industrial Development Charges	July 17, 2016
London International Airport	Letter Re: London Airport – Community Improvement Plan	May 30, 2016
Mike Inglis (Commercial Recreation)	<p>Overview of the current state of the private commercial recreation sector in London</p> <p>Copy of Ministry of Tourism and Recreation Act (R.R.O. 1990, Regulation 797) Recreation Programs</p> <p>Letter of Support from Dive Canada Re: Proposed Multi-Sport Training Centre Development by Gymworld Inc.</p>	June 7, 2016
Progress London	Letter Re: City’s Community Improvement Programs Review	June 29, 2016
Sierra Construction	Letter Re: City Invective Program Review	July 5, 2016
Old East Village	<p>Cover Letter to Planning</p> <p>Old East Village CIP Incentive Report</p> <p>Letters from:</p> <ul style="list-style-type: none"> - London Potters Guild - Root Cellar - Medallion - Ken Keane 	July 18, 2016
London Society of Architects	Email	July 19, 2016