



June 8, 2023

To Members of the City of London Planning and Environmental Committee

Re: Five-year Review of CIP Incentives

Downtown London has worked side-by-side with the City of London for over 20 years to help inform Community Improvement Plan incentives and improve the awareness of these programs to our members, new businesses, and investors interested in locating downtown and contacting our office. We value the partnership we have with City staff and Council members, and we are pleased to share our feedback on the current five-year CIP Review for your consideration.

According to the 2023 Core Area Land and Building Vacancy Reduction Strategy staff report, London's downtown occupies 0.2% of the total land area in our city, yet generates 5.5% of the property tax revenues. When looking at the **tax assessment generated by properties within the boundaries of the London Downtown Business Association, it is 8 times more, per sq km compared to anywhere in the city of London**. That said, although there is still much more to do, the CIP incentives have played an important role in helping to revitalize our core commercial buildings and grow tax revenues which have supported a wide variety of City-led programs and investments.

We encourage the City Council to take a balanced approach to ensure the longer-term success of our downtown. We recognize that the residential CIPs, including CIPs for affordable housing, are part of the solution to generating economic vitality and a strong quality of life for downtown, however it needs to be balanced with ensuring there are robust programs for rehabilitating the commercial buildings in our district to ensure we attract high-quality businesses and jobs. A strengthened residential footprint symbiotically supports a thriving street-level commercial presence, just as that commercial presence acts as an attractor to continued residential investment.

Additionally, the Vacancy Reduction Strategy report cautions that residential properties do not have the same population density as commercial office properties within the same square footage footprint. This not only has financial implications for municipalities but it also impacts the magnitude of the consumer base required for core businesses to survive.

Similarly, we strongly recommend that City Council support the long-term investment of dedicated downtown economic development programs while leveraging commercial incentives as vital tools to attract business investment and rebuild and revitalize our core. One successful, short-term example in which the City invested was the 2022 Core Area Vacancy Reduction Pilot



Program, through a \$300,000 grant from the Local Community Recovery Network. Partners in this pilot program included London Economic Development Corp., London Small Business Centre, Downtown London and Old East Village BIAs. This program provided us with dedicated resources and the ability to create incentives and proactively recruit businesses and target entrepreneurs to fill core area vacancies. In just 10 months after this collaborative received funding, Downtown welcomed 54 businesses in 2022 with 18 of these businesses receiving start-up grants to offset some of the costs related to opening their business downtown. This pilot program is just one example of the results we can achieve when resources are committed to economic development and commercial financial incentives in the core area.

Further, we strongly encourage the City to further examine the underlying reasons why property owners and tenants are not taking full advantage of some CIP incentives. Often what we have heard from our members and new businesses, it is due to a lack of awareness of these programs. We have also heard from some tenants that certain incentives require their landlord to apply for these. Often, landlords are not willing to apply for some incentives available to them, due to the criteria it requires. For example if the incentive is an interest-free loan then a lien on the title of the owner's property is applied, which is considered unfavourable by many.

Downtown London remains ready and eager to work with the City of London to strike a balanced approach to CIP incentives aimed to increase commercial and residential intensification, revitalize the core and ensure we achieve our mutual priorities and goals.

Sincerely,

A handwritten signature in black ink, appearing to read "B Maly", with a long horizontal flourish extending to the right.

Barbara Maly
Downtown London Executive Director

A handwritten signature in blue ink, appearing to read "Scott Andrew Collyer", with a large circular flourish at the bottom.

Scott Andrew Collyer
LDBA Board Chair