



Corporate Report

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DATE: August 31, 2010

TO: Chair and Members of the Planning and Development Committee
Meeting Date: September 20, 2010

FROM: Edward R. Sajecki
Commissioner of Planning and Building

SUBJECT: **Assessing Planning Tools for Mississauga - Recommendations Report**

- RECOMMENDATION:**
1. That a public meeting be held to consider proposed revisions to the Draft Mississauga Official Plan policies pertaining to Community Improvement Plans and Bonus Zoning as outlined in the report titled "*Assessing Planning Tools for Mississauga – Recommendations Report*" dated August 31, 2010 from the Commissioner of Planning and Building;
 2. That Corporate Policies be prepared to clarify the protocol for the implementation of Community Improvement Plans and Bonus Zoning as outlined in the consultant report titled "Assessing Planning Tools for Mississauga" dated July 2010 prepared by GHK International (Canada) Ltd., and N. Barry Lyon Consultants;
 3. That staff report to the Planning and Development Committee on the application of Community Infrastructure Impact Studies following the completion of a community infrastructure needs assessment pilot project for the Downtown.

BACKGROUND:

As the city transitions from greenfield expansion to intensification and redevelopment, new planning tools become necessary. In January 2009, the City of Mississauga retained a consultant team led by GHK International (Canada) Ltd. to provide information and formulate policy recommendations on the general application of Community Improvement Plans (CIP), Bonus Zoning, and Community Infrastructure Impact Studies (CIIS) in the City of Mississauga.

The purpose of this revised set of tools is to:

- facilitate the management of growth and change;
- encourage the kind of development envisioned in the Strategic Plan and Official Plan; and
- ensure that intensified communities are well supported by services and facilities.

The Assessing Planning Tools Study is comprised of the following phases:

- **Phase 1**, the subject of this report, examines local growth management and strategic planning issues. The consultant's report provides an analysis of existing CIP, Bonus Zoning and CIIS policies and proposes recommendations for the enhanced application of these tools on a city-wide basis; and
- **Phase 2**, to be completed in early 2011, consists of a pilot community infrastructure needs assessment for the entire Downtown area representing Mississauga's Urban Growth Centre. Following the completion of this case study, a further report will be prepared on the appropriate application of CIISs.

The consultant's recommendations have been formulated by an examination of best practice applications in other Ontario municipalities, as well as consultation on local issues and priorities with an interdepartmental working committee comprised of City staff and senior management teams. Additional feedback on emerging directions was obtained from external stakeholders through meetings, workshops and conversations with ratepayers' groups, building sector

representatives, developers, the Region of Peel and non-governmental organizations.

The consultant's final recommendations report titled "*Assessing Planning Tools for Mississauga*" dated July 2010 prepared by GHK International (Canada) Ltd., and N. Barry Lyon Consultants is available for review in the Policy Division of the Planning and Building Department.

COMMENTS:

A New Approach to Growth Management

In 2006, the Province of Ontario released "Places to Grow – Growth Plan for the Greater Golden Horseshoe" (Growth Plan) to guide development to 2031. The Growth Plan prescribes population and employment density targets for municipalities along with a set of policies for managing growth based on the efficient use of resources, infrastructure and development in more compact forms.

The Growth Plan also requires that an appropriate range of services and facilities shall be provided to meet the needs of the population to foster complete communities and that all sectors - government, private, non-profit and residents – are encouraged to work collaboratively to achieve this vision.

Bill 51 – Enhanced Municipal Planning Powers

Bill 51 introduced changes to the *Planning Act* (effective January 1, 2007) which provided Ontario municipalities with reinforced planning tools to better manage growth and development provided that appropriate enabling Official Plan policies are in place. The definition of "community improvement project area" under Section 28 of the *Planning Act* was expanded to mean "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" (*Planning Act*, Section 28 (1)).

The new definition enables municipalities to provide incentives to address strategic planning matters and no longer limits the application of community improvement incentives to lands that are deteriorated or experiencing blight.

Amendments introduced through Bill 51 also enable upper-tier municipalities to prepare community improvement plans for prescribed matters under their jurisdiction and to participate in local community improvement plans.

Region of Peel Official Plan

As part of its Official Plan conformity exercise, the Region of Peel has implemented enabling Official Plan policies for community improvement through ROPA 25 and is considering provisions for incentives to promote intensification through ROPA 26.

Overview of Planning Tools Under Consideration

The consultant's report provides an extensive discussion on CIPs, Bonus Zoning and CIISs in Ontario and, where applicable, other jurisdictions and outlines how municipalities have applied the tools to achieve municipal goals.

The following is an overview of each tool:

Community Improvement Plans

A Community Improvement Plan (CIP) is a tool, enabled under Section 28 of the *Planning Act*, which allows a municipality to develop a comprehensive plan for community improvement either at a city-wide or area-specific scale. A CIP is a strategic framework for dealing with the development of land and buildings in a way that can address local physical, social, economic or environmental issues and priorities.

Distinguished from other types of plans, CIPs are supported by a range of powers which enhance the municipality's ability to promote and direct community improvement. Once a CIP is in effect, municipalities have the ability to:

- provide financial incentives to owners of property within the community improvement project area in compliance with Section 106 of the Municipal Act 2001 which otherwise prohibits a municipality from directly or indirectly bonusing a business enterprise through economic assistance; and
- prepare lands for community improvement through the purchase or expropriation and assembly of land as well as its disposal through sale or lease for any use in conformity with the CIP.

The programs contained within a CIP are typically time-limited and generally consist of either municipally-driven or incentive-based activities. Municipally-driven CIPs are those which focus on capital works improvements (e.g. public realm improvements or the creation of new public amenities and facilities). Incentive-based programs represent financial inducements for property owners within the CIP project area. They include a range of financial incentives such as grants, loans, fee exemptions and property tax relief. In most cases the resulting community improvement, which benefits both the community and the property owner, is expected to stimulate ongoing investment interest in the area after the incentive program has ended.

CIPs have been recently introduced in several municipalities in Ontario, particularly for downtown revitalization and brownfield redevelopment. Examples of CIP incentive programs that have been introduced in the cities of Hamilton and Brampton are included in Appendix 1.

Bonus Zoning

Bonus zoning (also referred to as “density bonusing”) is a planning tool, authorized by Section 37 of the *Planning Act* which enables municipalities to acquire community benefits in conjunction with a rezoning permitting increased height and/or density over and above existing planning permissions.

While bonus zoning can act as an incentive to developers, the premise behind this tool is that a community share in the increased value of development that would otherwise be acceptable on the basis that it

represents good planning. Bonus zoning allows the developer to gain additional value in the form of more height or density in exchange for providing the municipality community benefits which would otherwise not been included in the proposal.

“Community benefits” are defined by a municipality and take the form of capital facilities or the cash equivalent. Operating costs may not be extracted through this tool. Some examples of benefits gained through bonus zoning by Ontario municipalities include public facilities, affordable housing, heritage conservation and public art.

The process for determining an acceptable amount of community benefit is not prescribed by the *Planning Act* but is negotiated on a voluntary basis between the local municipality and the developer. The terms of the exchange of density and height for community benefits are secured through a legally enforceable Section 37 agreement which may be registered on title.

While the term “exchange” is often used in the context of bonus zoning, it important to note that “good planning” is a prerequisite for any proposed development. Further, this tool should also not be used to secure benefits that could be obtained through other regulatory mechanisms, such as development charges or parkland dedication.¹

Community Infrastructure Impact Studies

Community Infrastructure Impact Studies (CIIS) assess the impact of new development on community services and facilities. The studies can consider a range of services and facilities, such as schools, day cares, community centres, recreational facilities, parks, libraries, places of worship, seniors’ services, other human services, hospitals and emergency services.

¹ It should be noted that Section 37 agreements can be used in place of development agreements to secure conditions of development not covered by other legal mechanisms even when bonus zoning does not apply. e.g. parkland dedication above and beyond that required by Section 42 of the *Planning Act*.

In some instances, CIISs are conducted by municipalities themselves in order to make a comprehensive assessment of existing facilities and services to better inform the evaluation of development proposals and identify community service needs. In other instances, developers are required to submit a CIIS to support their applications when requested by the municipality. These developer-conducted studies assess the impact of the proposed development on existing community facilities and services and identify service gaps or additional services required to support the proposed development.

The implementation of Community Infrastructure Impact Studies as an evaluation tool is dependent upon the manageability of the scope of community infrastructure and the ability of various public service partners such as the City, Region and school boards to share, monitor and update relevant information. CIISs typically include the following components:

- social and demographic analysis;
- an inventory of existing community facilities and services;
- the ability to project future demand to assess servicing gaps;
- the ability to prioritize community infrastructure;
- service delivery strategies; and
- an approach to monitoring.

Policies contained in Mississauga Plan through OPA 58 and OPA 95 and the Draft Mississauga Official Plan enable the City to request the proponent of an intensification project to submit a Community Infrastructure Impact Study.

Mississauga Official Plan Policies

As required by the *Planning Act*, the City already has existing provisions for Community Improvement and Bonus Zoning in its Official Plan. In-force enabling policies, which meet all legislative requirements, are contained within Mississauga Plan.

Mississauga Plan identifies nine community improvement project areas centered on commercial nodes and the Urban Growth Centre. General official plan policies for Community Improvement identify the circumstances under which either an existing or potential area

would receive attention. The “identification of the need to encourage office employment opportunities” was added through OPA 58 to the selection criteria.

Mississauga Plan policies for Bonus Zoning enable the City to secure a range of community amenities when increases in permitted development are deemed acceptable. In all cases the proposed increase in height and density is subject to a site specific review, which evaluates the proposal against a number of criteria aimed at achieving good planning.

In response to recently adopted strategic City objectives, minor revisions to these policies are proposed through the Draft Mississauga Official Plan. For example, the entire City is proposed to be designated as a Community Improvement Area to facilitate the creation of future local area community improvement plans. “Multi-modal transportation facilities”, “community infrastructure”, “enhanced urban design features”, “streetscape improvements” and “public art” have also been added as potential community benefits that can be secured through Bonus Zoning.

The notion of CIISs was introduced in Mississauga Plan through OPA 58 as a “community uses” impact study. Under Mississauga Plan, the proponent of an intensification project may be required to provide such a study to “assess the proximity to and adequacy of existing community uses, human services and emergency services to meet increased demand caused by proposed intensification”. In OPA 95, the City’s conformity OPA, the study was renamed to “Community Infrastructure Impact Study” and definition modified to better align with the Growth Plan’s concept of “community infrastructure”. The Draft Mississauga Official Plan includes additional policies which identify the preferred locations for community infrastructure facilities and the role they play in achieving complete communities.

Application of the Planning Tools in Mississauga

Despite existing enabling policies, the application of CIPs, Bonus Zoning and CIISs has been very limited. In the 1980s, the main streets of Clarkson Village, Port Credit and Streetsville had CIPs developed in order to participate in a provincial commercial

improvement grant program. The focus of these CIPs was streetscape matters: public benches and street lamps to enhance the historic character of the commercial areas. The CIPs did not directly deal with any economic development issues that may have contributed to decline.

Bonus Zoning has only been successfully implemented through the development approval process on one occasion. In 2006, the approval of Official Plan Amendment and rezoning applications for a mixed-use development at 15 Hurontario Street by F. S. Port Credit resulted in a \$1 million cash contribution to the City for improvements to nearby Lions Park.

However, this and other more recent development applications where community benefits may be under consideration, have not been common. Notwithstanding that bonus zoning is a legitimate planning tool authorized by the *Planning Act*, it has only been extensively used in Ontario by the City of Toronto. In Mississauga, the lack of agreed-upon local priorities or procedures for negotiating a community benefit has also given rise to concerns about “lets-make-a-deal planning” and the adequacy of public transparency.

Another relevant issue is that Mississauga’s existing development regulations limit the scope of the wide application of bonus zoning in the city. In areas where intensification is desired and where no height or density restrictions are included in the Plan or Zoning By-law, such as the Downtown, the potential for using bonus zoning is eliminated.

The requirement for CIISs, which was introduced relatively recently, has not yet been applied in Mississauga.

Consultant Recommendations

The consultant has examined Mississauga’s Strategic Plan and Official Plan objectives and provides the following recommendations on how CIPs, Bonus Zoning and CIISs can be best used to meet these objectives. Their findings indicate that only minor modifications are required to be made to the enabling policies for Community Improvement and Bonus Zoning proposed by the Draft Mississauga Official Plan (Appendix 2). To assist with the interpretation and

implementation of these planning tools, new Corporate Policies are proposed to be introduced (Appendices 3 and 4). It is also recommended that further work be done on CIISs before revised official plan policies and procedures are created.

Community Improvement

The consultant concludes that CIPs could benefit the City on many different scales. For example, a city-wide CIP targeting affordable housing could stimulate desired housing development that would not otherwise happen. An area-specific CIP could provide several incentives that encourage private investment to revitalize a community.

The challenge for Mississauga will be to prioritize the many interests competing for financial incentives. In addition, in a municipal setting which has not traditionally subsidized private investment, the following objectives should be incorporated into the development of any financial incentives program:

- to send clear signals to the development community;
- to engage citizens and stakeholders to ensure public transparency;
- to develop a business case that demonstrates good value for money; and
- to monitor the progress of both quantitative and qualitative impacts.

The consultant proposes that the City consider the use of a CIP as an implementation plan for delivering on the Downtown 21 Master Plan vision. Based on preliminary consultations with various stakeholders, two elements that could be incorporated include addressing the issue of building structured parking and providing financial incentives to attract office development.

The use of CIPs on a smaller neighbourhood scale should also be considered where community revitalization is desired. Programs at this scale could be aimed at façade improvement, heritage preservation, signage improvements as well as attracting new

development. It is recommended that community needs and CIPs be considered in conjunction with Local Area Plan reviews.

The following policies are proposed to be added to the Community Improvement policies contained within the Draft Mississauga Official Plan (Appendix 2):

Community Improvement

Section 19.21.5

- p. Opportunities to support the growth management objectives of this plan and encourage transit supportive communities.*

Section 19.21.6

- h. Allocation of public funds, in the form of grants, loans or other financial instruments for the physical rehabilitation or improvement of land and/or buildings including the remediation of contaminated properties.*

A Statement of Good Practice (Appendix 3) is proposed as a guide for the development and implementation of CIPs. This document would be used in conjunction with the Community Improvement Planning Handbook 2008, prepared by the Ministry of Municipal Affairs and Housing and would collectively provide the basic procedure for developing a CIP. To address concerns about having a guideline outside of the Official Plan, it is proposed that a Corporate Policy be developed from these documents that would be read in conjunction with the Official Plan implementation policies on CIPs.

Bonus Zoning

The consultant's report supports clarifying existing bonus zoning policies and making them easier to implement, but cautions that the application of this tool may be limited. While Intensification Areas are appropriate locations for bonus zoning, opportunities to use this tool as a major source of funding for community benefits are limited for the following reasons:

- the major focus for intensification is the Downtown Core. The absence of height and density limits in the Core effectively prevents the application of Section 37 in this area;
- the desire to achieve density targets and the appropriate scale and form of development may outweigh the desire to extract public benefits; and
- there is not a clear sense of local community needs.

The consultant's report also notes that Mississauga has had limited experience with Section 37 proposals and may be reluctant to apply bonus zoning on a wide-spread basis.

The consultants have considered these issues and identified gaps in our existing policies and procedures. They also suggest where bonus zoning would be appropriate. It is recommended that bonus zoning be considered for Intensification Areas subject to the achievement of good planning. Other areas where bonus zoning may be appropriate include Corridors and unique infill sites within Neighbourhoods where heights in excess of four storeys are deemed acceptable through a rezoning application. Following the implementation of enabling city-wide official plan and corporate policies and, where appropriate, local bonusing policies and priorities could be established.

Bonus zoning should also be considered in cases where there is room between the height limit in the Official Plan and the as-of-right zoning. In these cases, a Section 37 incentive could be applied to achieve the full development potential envisioned by the Official Plan provided the intent of the Plan was achieved.

One of the major issues associated with bonus zoning is the perception that the approval of development is dependent upon securing a community benefit contribution. This is not the intent of bonus zoning. It is proposed that the Draft Mississauga Official Plan (March 2010) policies be revised (as shown in italics) to state that the proposed development must meet the test of good planning in its own right. The following policy is proposed to be added to Section 19.7.1 of the Draft Mississauga Official Plan:

“City Council may pass by-laws permitting increases in height/and or density for development permitted by this Plan and/or the zoning by-law to enable the City to secure amenities that benefit the city. These by-laws are intended to act as incentives to encourage developers to provide specific amenities. To be eligible for increases in height and/or density, the proposed development must constitute good planning, be consistent with the intent and objectives of this Plan, and comply with all other City of Mississauga policies.”

To confirm that bonus zoning is used to secure benefits that are above and beyond those secured through other planning mechanisms, the following policy is proposed to be added to Section 19.7.2 of the Draft Mississauga Official Plan:

“City Council may grant bonuses in height and/or density of site-specific development proposals in exchange for facilities or matters, above and beyond that that would be otherwise provided under the provisions of the Planning Act, the Development Charges Act or other statute, such as, but not limited to: ...”

It is also proposed that the range of possible community benefits that can be gained through bonus zoning be expanded by adding to Section 19.7.2 of the Draft Mississauga Official Plan the following:

- l. contributions to city-wide funds for public art or affordable housing;*
- m. environmental development performance standards or LEED certification that exceeds that required by the Official Plan; and*
- n. inclusion of office space in high density areas to meet population-to-employment ratios.*

Guidelines for the Implementation of Bonus Zoning and Section 37 agreements are also proposed to be introduced (Appendix 4). Staff proposes that these guidelines be converted to a Corporate Policy. The guidelines will address, among other matters, what is meant by “good planning”, and “an equitable planning relationship” between the

increase value of the development compared with the proposed community benefit.

As these policies are intended as general enabling policies, the ability to use Section 37 will be permitted on a city-wide basis subject to height and density threshold criteria. For example, density incentives are proposed to be applied mainly to projects which are larger than 5,000 m² (54,000 sq. ft.) and where the proposed density will exceed 1,500 m² (16,000 sq. ft.) over the permitted density. Development that is below four storeys in height or non-profit is proposed to be exempt from this provision.

Community Infrastructure Impact Studies

The consultant's report provides suggestions for the development and implementation of CIISs in Mississauga. One possible application approach is to broaden the scope of Future Directions planning which currently examines community library, parks and recreation and fire services on a five-year cycle. The rationale for this approach is that regular updates are already performed on these services so that building upon this model could be more efficient and cost-effective. Another potential application is to assess community infrastructure requirements as part of a Local Area Plan review. This is proposed for the Downtown and will be accomplished by Phase 2 of this study.

The consultant's report outlines some of the challenges associated with developing an evaluation process for community infrastructure impact studies:

- establishing the scope of services within community infrastructure;
- the availability and quality of data that could be incorporated into a CIIS;
- the identification of key stakeholders that should be involved in the development of a CIIS;
- defining the roles, responsibilities and terms of reference for City-led vs. developer-submitted CIISs including the role for participating departments and external agencies;

- estimating the resources required to produce and maintain CIISs and the ability to secure these resources; and
- developing a protocol for CIISs that is cost-effective.

The report recommends that an interdepartmental study group be created to finalize the City’s approach to CIISs. Phase 2 of this study will answer these questions when it examines the community infrastructure needs for the Downtown. Upon completion of this pilot, a report will be presented to Planning and Development Committee on the implementation of CIISs in Mississauga.

Integrating the Tools

The consultant’s recommendations provide a framework for the use of each tool on its own. However, integrating the tools provides even greater accountability and opportunities for effective programs. For example, knowing what facilities and public services a community lacks helps to identify city or community priorities. This information can also be used to inform bonus zoning negotiations and better target incentives within a CIP area.

STRATEGIC PLAN:

The enabling city-wide policies arising from the Assessing Planning Tools Study have the capacity to support many ongoing strategic initiatives where some type of development incentive or community improvement is contemplated or where an assessment of development-related community impact is required.

This study has linkages to the following Strategic Plan Pillars for change, goals and actions contained in the City’s Strategic Plan:

Pillar for Change	Goals and Actions
MOVE: Developing a Transit-oriented City	<i>Direct Growth</i> <ul style="list-style-type: none"> • #16 Use development revenues from “density bonusing to support higher-order transit • #19 Accelerate the creation of higher-order transit

<p>CONNECT: Completing our Neighbourhoods</p>	<p><i>Develop Walkable, Connected Neighbourhoods</i></p> <ul style="list-style-type: none"> • #2 Establish a library or community facility within a 10-15 minute walk for all Mississauga residents <p><i>Create Great Public Spaces</i></p> <ul style="list-style-type: none"> • #10 Develop vibrant cultural districts <p><i>Provide Mobility Choices</i></p> <ul style="list-style-type: none"> • #14 Create more bike-friendly facilities • #15 Use incentives to encourage work commutes by public transit <p><i>Nurture Villages</i></p> <ul style="list-style-type: none"> • #19 Recognize and revitalize our historic villages • #20 Fix our historic facades <p><i>Create a Vibrant Downtown</i></p> <ul style="list-style-type: none"> • #26 Create a downtown “anchor hub” • #27 Establish an arts, culture and entertainment district
<p>PROSPER: Cultivating Creative and Innovative Businesses</p>	<p><i>Meet Employment Needs</i></p> <ul style="list-style-type: none"> • #6 Cultivate and nurture the business environment
<p>GREEN: Living Green</p>	<p><i>Promote a Green Culture</i></p> <ul style="list-style-type: none"> • #7 Implement an incentive/loan program for energy improvements

FINANCIAL IMPACT: None at this time. Financial incentives for development may be appropriate under a CIP.

CONCLUSION:

The Assessing Planning Tools Study examined how Community Improvement Plans, Bonus Zoning and Community Infrastructure Impact Studies can be used to manage growth and achieve strategic planning objectives. The consultant's report concludes that these planning tools enable the city to engage with stakeholders from all sectors to better manage growth and recommends revised policies and procedures for their enhanced application in Mississauga.

In summary it is proposed that a public meeting be held to consider additional policies which are proposed to be added to the Draft Mississauga Official Plan. Complementary Corporate Policies are also proposed to be developed to assist with the interpretation and implementation of Community Improvement Plans and Bonus Zoning in Mississauga.

ATTACHMENTS:

Appendix 1: Examples of CIP Incentive Programs in Hamilton and Brampton

Appendix 2: Draft Mississauga Official Plan (March 2010) Policies for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

Appendix 3: CIP Statement of Good Practice

Appendix 4: Bonus Zoning: Guidelines for Implementation of Section 37

Original Signed By:

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Commissioner of Planning and Building

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HAMILTON DOWNTOWN MULTI RESIDENTIAL PROPERTY INVESTMENT PROGRAM

PROGRAM DESCRIPTION

The Hamilton Downtown Multi Residential Property Investment Program (the "Program") was developed as a catalyst for stimulating residential development within Downtown Hamilton as defined by the Downtown Hamilton Community Improvement Project Area. The Program is intended to provide financial assistance for projects that result in predominantly residential development including converting existing commercial space into multiple dwelling units; renovations to existing multiple dwelling units; the creation of a new multiple dwelling on vacant land; together with uses accessory to the residential development. A multiple dwelling must contain at least three (3) dwelling units.

Acting as a lender, the City provides financial support for the Program and ensures that development arising from the Program within the Downtown is consistent with the policies, principles and design themes contained within the Downtown Hamilton Secondary Plan, relevant Urban Design Guidelines, the Zoning By-law as well as any other City Council approved policy/regulation.

TERMS OF THE PROGRAM

1. The maximum Loan term is five (5) years and six (6) months (subject to prior termination on default) from the date of the final advance exclusive of holdback. No extension or renewal shall be granted.
2. The Loan interest rate will be at 0 % interest for the first five (5) years. For the last six (6) months of the Loan, interest shall be payable on the principal outstanding at the then prevailing rate established by Council for interest on tax arrears, such interest to be calculated and payable monthly, not in advance.
3. The Loan will be secured by a second mortgage upon the lands to be developed (the "Property") upon first advance of funds.
4. Interest on arrears will be 15% per annum or such tax arrears interest rate as may be established by Council from time to time.
5. Principal is repayable in annual amounts of ten percent (10%), in 12 equal monthly payments, of the original loan amount. Monthly principal payments will continue during the last six (6) months of the repayment

term with interest calculated and payable monthly, not in advance. Payments will commence one year following the final advance, exclusive of any required holdback. The balance outstanding will be paid by a balloon payment at the end of the five (5) year and six (6) month term. Monthly principal payments will continue during the last six (6) months of the repayment term with interest calculated and payable monthly, not in advance, if not paid earlier.

6. The loan will mature at the end of the five (5) year and six (6) month term at which time the principal balance outstanding will be paid in full plus any outstanding interest.
7. The loan may be prepaid at any time without notice, bonus or penalty.
8. The maximum loan amount is 25% of the Cost to Construct Budget prepared by an architect/engineer and addressed to the City of Hamilton and dated within 6 months of the date of application. For loans \$1 million or above, a letter addressed to the City from a third-party quantity surveyor approving the Cost to Construct Budget must accompany the application. For loans under \$1 million the appraisal submitted at time of application is to be addressed to the City of Hamilton and include replacement cost. All of the aforementioned documents are at the expense of the applicant.
9. Approval of the loan application is at the absolute discretion of the City and subject to the availability of funds.
10. The City will periodically review the terms and the duration of the Program and make appropriate revisions as per the direction of City Council.
11. The City may request such security as may be required to secure a commercial loan, including the following: title insurance in lieu of a survey if appropriate; loan agreement; and/or personal property security; and/or personal guarantee's; and/or lien on the property to be improved; and/or collateral mortgage/charge registered on the property to be improved; and/or letter of credit in lieu of a second mortgage charge on the property (subject to City's minimum equity requirements); and/or such other security which may be appropriate or available in the circumstance. In the instance where a personal guarantee is required a personal net-worth statement may also be required.
12. Redevelopment/development will commence no longer than 2 years following City Council's approval of the loan commitment. The 2 year period may be extended by City Council at its absolute discretion.
13. The City's funding will be advanced in 3 stages, upon completion of 60%, 80% and substantial completion of the project. Upon proof satisfactory to the City that the proposed development is 60% complete based upon the cost of construction and that equity and/or financing required to that stage of completion has been injected into the development then the approved City funds will be made available and released proportionately based upon the approved source of funds (equity/financing/City funds).

The calculation of the proportion to be advanced will reflect that the first 60% of funding is from non-City sources. Advances will be made in conjunction with first mortgage financing advances or after proof of equity injections.

14. Owner applicants shall have no less than 25% equity based upon the appraised value of the property upon completion. The appraisal must be addressed to the City of Hamilton, dated within 6 months of the date of the application, include replacement cost, be prepared by an accredited member of the Appraisal Institute of Canada (AIC) and, must accompany the application. The cost of the appraisal is at the total expense of the owner.
15. An application fee of \$255.00 must accompany the application. An administration fee of \$500.00 per unit for developments under 50 units; \$400.00 per unit for developments between 50 and 100 units and \$300.00 per unit for projects over 100 units is charged to the borrower and is eligible to be paid out of the loan proceeds. The administration fees will be paid out of the first loan advance that flows from the City of Hamilton. All fees will be authorized through a user-fee by-law passed by City Council. The rate of the fees may be changed from time to time as approved by City Council.
16. All taxes as billed must be paid current and in good standing throughout the development process.
17. Eligible existing buildings/vacant properties must be located in the Downtown Hamilton Community Improvement Project Area. Vacant lands include properties developed as parking lots.
18. Site Concept Plan drawings in a form acceptable to the City must accompany the application.
19. Advances are made by the City, upon proof by a third-party quantity surveyor for loans \$1 million or above confirming the value of the work completed. Loans under \$1 million require an architect/engineer to confirm the value of the work completed.
20. All costs associated with the conversion or renovations are to be borne by the applicant including construction, design, application and administration fees, appraisals, professional services, inspections, legal and registration fees. The City retains the right to assess the reasonableness of costs and which costs are eligible under the terms of the Program.
21. In the event of the sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of the Property then at the option of the City all monies secured by the mortgage to the City shall forthwith become due and payable. The City shall have absolute discretion in requiring repayment of the loan secured by the mortgage.
22. Change of Corporate Control

Where the Owner is a corporation the Owner covenants and agrees that in the event that:

- a) the Owner fails to supply the City, in a form satisfactory to the City such information relating to the ownership of its shares as the City may from time to time require: or
- b) without the written consent of the City first had and obtained:
 - i) the Owner issues or redeems any of its shares or transfers any of its shares;
 - ii) there is a sale or sales of the shares of the Owner which result in the transfer of the legal or beneficial interest of any of the shares of the Owner; or
 - iii) the Owner amalgamates, merges or consolidates with any other corporation

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Owner, or the requested information is not provided, then all monies secured by the mortgage together with accrued interest thereon shall forthwith become due and payable at the option of the City and the City's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

- 23. Upon sale of individual condominium units, the City will be repaid upon closing 25% of the sale price of the unit until the total loan amount has been paid in full.
- 24. The proposed development must conform to the City of Hamilton Official Plan, the Downtown Hamilton Secondary Plan, relevant Urban Design Guidelines and the Zoning By-law, as well as any other City Council approved policy/regulation.
- 25. The City of Hamilton will require specific insurance terms to be met to protect the City's interest.
- 26. Deadlines for the submission and approval of building permits and construction start dates are established following a report to Council for approved applications.
- 27. Whether or not an Applicant satisfies the requirements of the Program, the City may reject any application received from an applicant where, in the opinion of Council, the commercial relationship between the City and the Applicant has been impaired by, but not limited to, the applicant being involved in litigation with the City. Applicants are individuals; corporate entities and individuals behind the corporation (Officers/Directors/Shareholders).

Planning, Design & Development

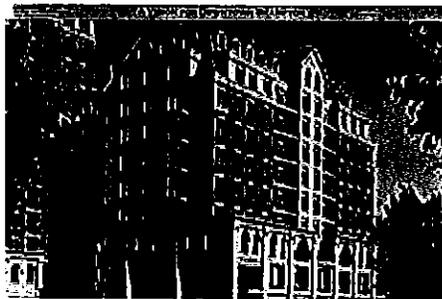
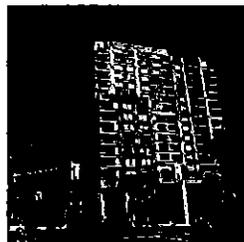
CENTRAL AREA COMMUNITY IMPROVEMENT PLAN

DEVELOPMENT CHARGES INCENTIVE PROGRAM

PROGRAM GUIDE

QUEEN CORRIDOR PRECINCT VISION

The Queen Corridor Precinct, between Bloor and Danforth, is a significant area for development. It is a central area for the city, and a great place to live and work. A great place to live and work. A great place to live and work.



BUILD FORM EXAMPLE

1. Program Description

To provide an economic catalyst for new development projects, redevelopment projects, expansions, additions adaptive reuse or conversions to existing buildings in the Brampton Central Area Community Improvement Project Area by providing a financial incentive that pays part or all of the City portion of the development charge on behalf of the owner of the land who receives issuance of a building permit.

2. Who can apply?

Only owners of properties within the Development Charges Incentive Program Boundary as shown as Appendix A that meet the program eligibility requirements may apply. The City retains the right and absolute discretion to reject an application received from a person or corporation which in the opinion of the City or its professional advisers, does not possess the experience, financial, technical, personnel or other resources that may be required to carry out the obligations that the applicant proposes to assume under the terms of its application and grant agreement.

3. What are the program eligibility requirements?

- 3.1 This program applies only to new development projects on vacant lots, redevelopment projects, expansions, additions, adaptive reuse or conversions to existing buildings within the Development Charges Incentive Program Boundary outlined on Appendix A attached to this Guide, and more particularly to the "Central Area Mixed Use", and "Medium-High/High Density Residential" land use designations prescribed by the Brampton Central Area Secondary Plans (The Downtown Brampton Secondary Plan (SP 7) and Queen Street Corridor Secondary Plan (SP 36)).

The program shall only apply to development within the following land use designations:

- a) In the "Central Area Mixed-Use" designation:
 - i) All **office** uses having a minimum building height of 3 storeys and subject to the limitations set out in Section c) below;
 - ii) All **hotels** having a minimum building height of 3 storeys and subject to the limitations set out Section c) below;
 - iii) **High density residential** uses having a minimum density of 98 units per hectare (40 units per gross acre);

- iv) **Entertainment** uses subject to the limitation set out in Section c) below; and,
 - v) **Mixed Use Developments** having a minimum building height of 3 storeys, containing any two or more of the following uses: entertainment; retail/commercial (including hotel); office; residential. The non-residential component of eligible mixed-use buildings shall only be eligible for a financial incentive if it is located within the "*Central Area Mixed Use*" designation in the Downtown Brampton Secondary Plan (SP 7) and the Queen Street Corridor Secondary Plan (SP 36) west of Highway Number 410, and is subject to the limitations set out in Section c) below;
- b) In the "Medium-High /High Density Residential" designation in the Downtown Brampton Secondary Plan (Official Plan Amendment OP93-63):
- i) Medium-High and High density apartment projects;
- c) Commercial space as identified in a) i, ii, iv and v above is eligible up to a maximum of 1,500 square metres per site, and to a maximum of 9,000 square metres in any given year.

3.2 The following are the eligibility requirements for the **Main Street North and Queen Street West Small Business Stimulus Policy**. Applications under this section have different requirements and follow a different process than standard applications to the DCIP:

- a) The incentive shall apply only to existing or converted single or semi-detached dwelling types in the following locations:
 - i) Lots with frontage on Main Street North within Special Policy Area 2 (Main Street North Special Policy Area) of the Downtown Brampton Secondary Plan
 - ii) Lots with frontage onto Queen Street West between George Street and McLaughlin Road and,
 - iii) The properties shall also be within the "Central Area Mixed Use" designation in the Downtown Brampton Secondary Plan.
- b) The proposal shall have obtained all land use approvals for the proposed use.
- c) The project shall provide on-site improvements such as: front yard landscaping or streetscape enhancements, appropriate signage improvements, and/or implementation of access management, to the satisfaction of the City.

- d) The incentive shall only apply to a conversion within an existing building or accessory building, or a building expansion consisting of a maximum gross floor area of 300 square metres. If the addition is greater than 300 square metres, full Development Charges are payable for the additional floor space above the limit.
- e) The incentive shall apply to a conversion from residential to commercial or mixed-use or from one commercial use to another commercial use where building permits are required and a development charge would be payable.
- f) The Scoring Provisions of the Implementation Guidelines do not apply.
- g) To apply, an applicant shall provide the Planning, Design and Development Department with written correspondence describing the project and requesting exemption from the City's Development Charge and a completed application form. Confirmation of exemption shall be provided by the City's Planning, Design and Development Department. Other application and process requirements under Section 3.0 shall not apply.
- h) If approved, the City of Brampton shall pay the City development charge on behalf of the Owner. The applicant will not be required to sign an agreement.
- i) The program shall be retroactive for any City Development Charges paid for eligible projects from January 1, 2009 forward. The program is limited to a period of two years, beginning August 5, 2009.

3.3 The following are other program requirements. Please consult the Implementation Guidelines for complete details.

- i) Applications must be made in writing (check the City website for the program application form or contact the City (see the contact information at the bottom of this Program Guide)).
- ii) Upon application for site plan approval of the first phase of a multi-phase development, only that phase which receives site plan approval is eligible under this program.
- iii) The applicant will be required to make application for site plan approval and submit a site plan and professional architectural/design drawings which shall be in conformity with any City issued urban design guidelines, heritage design guidelines, facade design guidelines and sign by-laws and any other City requirements.

- iv) The property owner may be required to submit other supporting documents as specified by the City.
- v) The applicant shall obtain all necessary development approvals in accordance with City requirements and applicable legislation.
- vi) The subject property shall not be in tax arrears. All applicable property taxes shall be paid prior to the remittance of any refund or payment of development charges enabled under this program.
- vii) All proposed works and associated improvements to buildings and/or land shall conform to all municipal by-laws, policies, procedures, standards and guidelines.
- viii) All works completed must comply with the description of the works as provided in the application form and contained in the program agreement, with any amendments as approved by the City.
- ix) Existing and proposed land uses must be in conformity with applicable Official Plan(s), Zoning By-law and other planning requirements and approvals at both the local and regional level.
- x) All improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals.
- xi) When required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to City payment of the Development Charges Incentive.
- xii) City staff, officials, and/or agents of the City may inspect any property that is the subject of an application.

4. What if I am receiving other sources of government funding?

If a project has accessed other public sector funding (Federal, Provincial, Municipal, CMHC, etc) that can be applied against the eligible costs are anticipated or have been secured, it is not eligible for this program.

5. I am proposing Townhouses, am I eligible?

No, townhouse and low-density forms such as single and semi-detached dwellings are not eligible for this program.

6. How does the Program work?

If your Development Charges Incentive Program application is approved by the City, you will be required to enter into a legal agreement with the City that specifies the terms and conditions of the grant. City pays part or all of the owner's normal City development charge payable at the time of building permit issuance. The amount of the City development charge that will be paid by the City depends on how the project scores based on a number of evaluative criteria reflective of the City's Vision of the Central Area. The criteria scoring (attached as Appendix B) is weighted toward developments that are: located at major intermodal transit nodes, at key nodes, mixed use, transit-supportive, of high physical quality and design, and demonstrate innovation in concept.

In order to help ensure that the Development Charges Incentive is provided only to projects that will result in actual development, once your site plan is approved, you have a maximum of six (6) months to obtain a building permit or the Development Charges Incentive approval shall be at an end. If site plan approval is conditional upon approval of a zoning by-law by the Ontario Municipal Board, the six (6) month time limit will commence on the date the Ontario Municipal Board approves the zoning by-law.

7. Is there a fee to apply?

No.

8. Can the Development Charges Incentive be retained by the approved applicant if the property is sold?

The City portion of the Development Charge is paid on behalf of the developer by the City. No funds go directly to the approved applicant. If no building permit is issued within the applicable timeframe, the project loses its funding allocation and any new owner must reapply and be subject to the terms and conditions of the program. The Incentive is not assigned to an owner, but to an actual development project.

9. Can the Development Charges Incentive be assigned to a new property owner if the property is sold?

No actual commitment is made by the City to any project until the agreement is signed. Any new owner would be subject to terms and conditions set out in the agreement by the City. Any default of the terms of the signed agreement would result in the loss in the approved Development Charges Incentive and a requirement for reapplication.

10. What would result in a default under the Program?

The provisions are contained in the Development Charges Incentive Program Implementation Guidelines and the Development Charges Incentive Agreement. Payment of the Development Charges Incentive by the City on behalf of the Owner may be delayed, cancelled or the City, and the City may require payment of the then outstanding amount if:

- a) a Building Permit is not issued within 6 months of the date of Site Plan approval;
- b) the as-constructed works do not comply with the description of the works as provided in the Application Form and Required Documents;
- c) the works are not undertaken in conformity with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- d) a Building Permit is revoked;
- e) any representation or warranty made by the Owner is incorrect in any material respect;
- f) the Owner fails to perform or comply with any of the obligations contained in the Development Charges Incentive Program Agreement or any other Agreement entered into between the Owner and the City; and,
- g) prior to the payment of the Development Charges Incentive, the Owner makes an assignment for the benefit of creditors, or assigns in bankruptcy or takes the advantage in respect of their own affairs of any statute for relief in bankruptcy, moratorium, settlement with creditors, or similar relief of bankrupt or insolvent debtors, or if a receiving order is made against the Owner, or if the Owner is adjudged bankrupt or insolvent, or if a liquidator or receiver is appointed by reason of any actual or alleged insolvency, or any default of the Owner under any mortgage or other obligation, or if the subject lands or interest of the Owner in the subject lands becomes liable to be taken or sold by any creditors or under any writ of execution or other like process.

If the City issues an approval under this program, and the applicant defaults on the conditions or the terms of the agreement, the approval and funding allocation is lost and the applicant will have to reapply and restart the process. The funds that had been allocated to the program will be returned to the general funding pool and may be assigned to another project or application. If the funding cap has been reached, any new application is not eligible unless funding becomes available.

11. How do I apply for the Program?

- a) Arrange a pre-application meeting with staff in order to determine program eligibility, discuss the application process and your preliminary development concept including proposed building size, height and density, number of residential units, gross floor area of residential and commercial space and other project details.

- b) You will submit an Intent to Apply letter including the information contained in 9a) above and the proposed development timeline to the City prior to making formal application for the program.
- c) City staff will review your Intent to Apply check eligibility requirements and evaluate the potential impact of a formal application on the yearly budget allocation.
- d) If authorized to apply, you will be instructed to complete a formal application form for the Development Charges Incentive Program once you have submitted an application for site plan approval. Please ensure that your application includes all of the information requested in the application form.

12. What happens next?

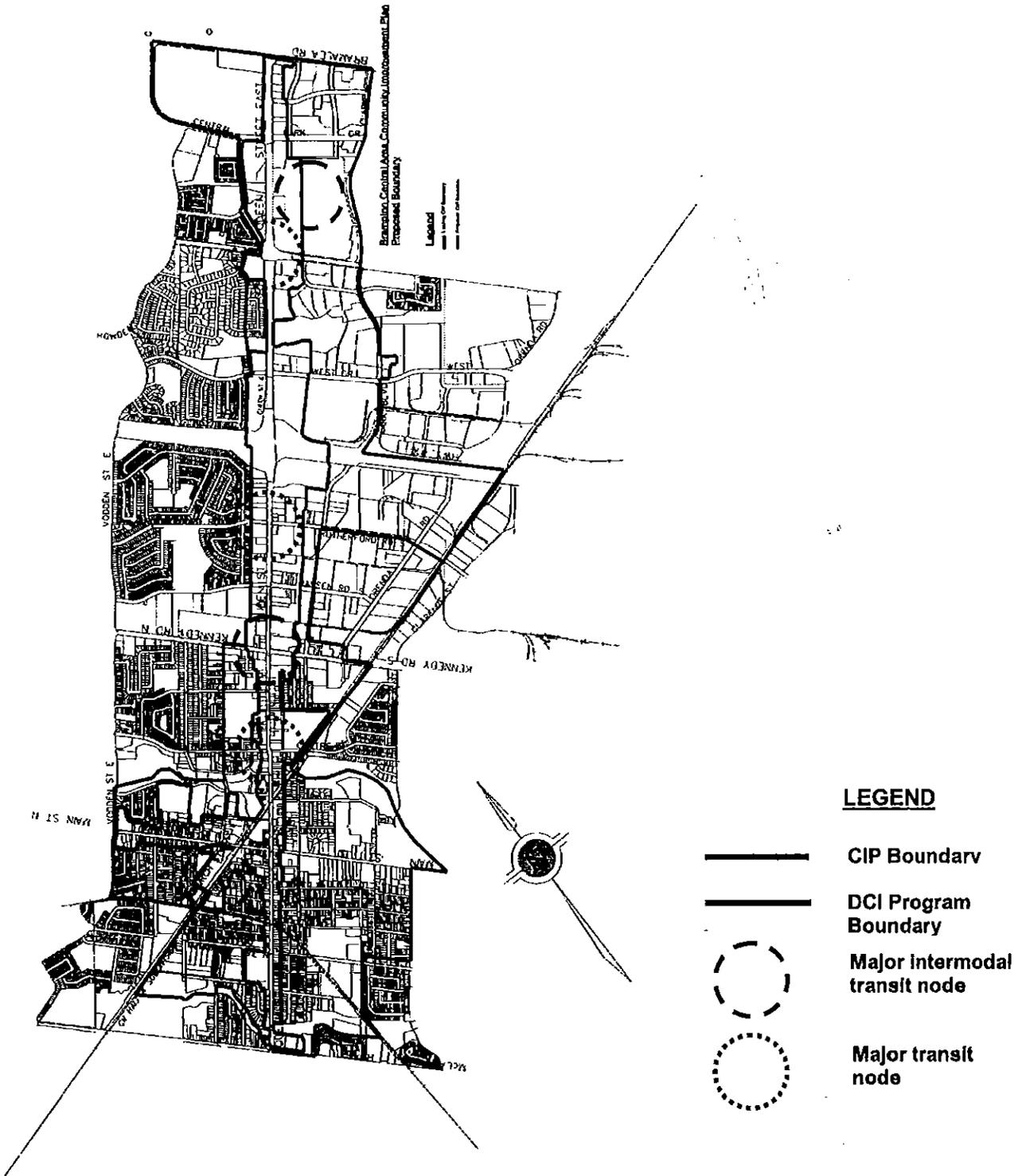
- a) Applications and supporting documentation are reviewed by staff to ensure that they meet all of the eligibility requirements. If your application does not meet the eligibility requirements, you will be notified of this in writing.
- b) Staff may request clarification or additional supporting documentation.
- c) Staff may perform an initial site visit(s) and inspection(s) of the property (if necessary).
- d) Staff will calculate an estimate of the scoring of the application against the evaluation criteria, the amount of the Development Charges Incentive, and the City Development Charge payable.
- e) City staff will then send the applicant a letter that confirms program eligibility and provides an estimate of the amount of the Development Charges Incentive, and the City Development Charge payable.
- f) Once your site plan is approved, City staff will prepare a recommendation report on the application (including the scoring of the application).
- g) City staff will then forward the recommendation report to Council for consideration. This will include conditions (if any) and a draft of the Development Charges Incentive Program Agreement.
- h) If your application is approved, you will be notified in writing (including the amount of the Development Charges Incentive). If your application is not approved, you will also be notified in writing.
- i) If approved, a Development Charges Incentive Program Agreement will need to be signed by the Owner. Once signed, the Development Charges Incentive Program Agreement will be executed by the City, with a copy returned to you for your records.
- j) Prior to the City paying the Development Charges Incentive on behalf of the Owner, the Development Charges Incentive Program Agreement must be signed, and any other requirements of Council satisfied.
- k) When your building permit is issued, the amount of the Development Charges Incentive will be deducted from the City development charge payable.

For further information on this program, please contact Bernie Steiger, Central Area Planner at (905) 874-2097 or at bernie.steiger@brampton.ca

Further information can also be found on the City website www.brampton.ca. See www.brampton.ca/cvision/. Or search under Community Improvement Plan, or Development Charges Incentive Program

Appendix A: Program Boundary

(from Appendix 5.2 Program Area Map, DCI Program Implementation Guidelines)



Appendix B: Scoring Summary

Criteria	Factor	Yes or No	Rating	Scoring
0. Pre-requisites	The project meets the eligibility criteria			50%
1. LOCATION	- Is the project max. 150m from major intermodal transit node (GO station, Kennedy) OR - Is the project max. 150m from major nodes (see map)		+Up to 10% OR +Up to 5%	(Max 10%)
2. PREFERRED TYPE OF DEVELOPMENT	- Is the project mixed-use (e.g. residential + retail; office + retail; hotel + retail)? - Are active uses provided at grade? - Is greater than 50% of the property frontage on a major street, active retail/commercial uses - Is the residential component condominium?		+10% +5% +2.5% +2.5%	(Max 20%)
3. HIGH QUALITY PHYSICAL ENVIRONMENT*	- Does the project respond <u>creatively</u> to design policies and CA Vision – does the massing and articulation of the project complement in an exceptional manner with the existing or desired character of the area? AND - Does the project exhibit a very high order of architectural quality through urban design and the use of high quality materials?		+Up to 5% +Up to 5%	(Max 10%)
4. COMMUNITY BENEFIT	- Does the project preserve or restore a heritage building or resources OR - Does the project incorporate public realm improvements, e.g. Public art contribution, public space/high quality streetscape contribution		+Up to 5% OR +Up to 5%	(Max 5%)
5. SUSTAINABILITY	- Does the project incorporate sustainable development features (e.g. LEED-certified, green roofs, energy-saving elements, site development standards (bioswales, permeable paving, sustainable stormwater management)?		+Up to 5%	(Max 5%)
TOTAL				100%

Appendix 2: Draft Mississauga Official Plan Policies (March 2010) for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

Community Improvement (Section 19.21)

- 19.21.1 In accordance with the Planning Act, all lands within the city are designated as a Community Improvement Area.
- 19.21.2 Mississauga may by by-law identify Community Improvement Project Areas, prepare and adopt Community Improvement Plans, and implement Community Improvement projects pursuant to the provisions of the Planning Act.
- 19.21.3 Mississauga may become involved in improving municipally-owned lands, services, and facilities and encourage private property owners in these areas to undertake similar improvements to the benefit of the entire area.
- 19.21.4 Mississauga may acquire lands or buildings in order to undertake community improvement initiatives.
- 19.21.5 Community Improvement Plans may consider the following, among other matters:
- a. deficiencies in the physical infrastructure of the area including sanitary sewers, water or storm sewer systems, roads, sidewalks, curbs, street lighting, and electrical facilities;
 - b. deficiencies in the provision of off-street parking areas;
 - c. inadequate park space, open space, recreation, and other community facilities;
 - d. for commercial areas, evidence of economic decline such as unstable uses or high vacancy rates;
 - e. the existence of conflicting land uses;
 - f. the condition of the housing and building stock if poor and in need of repair;
 - g. identification of the need to provide affordable housing;
 - h. the potential of creating a BIA or expanding an existing BIA;
 - i. identification of the need to improve streetscape amenities;
 - j. identification of the need to conserve heritage resources;
 - k. identification of need to provide cultural infrastructure;
 - l. opportunities for infilling and development of under-utilized sites;
 - m. soil and water conditions, based on past industrial and/or commercial uses, resulting in potential for contamination and need for remediation;
 - n. identification of the need to encourage office and other employment opportunities;
 - o. identification of the need to encourage energy improvements; and (add)

Appendix 2: Draft Mississauga Official Plan Policies (March 2010) for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

- p. opportunities to support the growth management objectives of this plan and encourage transit supportive communities.*

19.21.6 Community Improvement Plans may be implemented by the following methods:

- a. participation in funding programs with senior levels of government which provide assistance in undertaking Community Improvement projects;
- b. the formation and continuation of BIAs to maintain and improve commercial areas;
- c. the preparation of design guidelines which outline necessary streetscape improvements and beautification plans for the area;
- d. the encouragement of site remediation and/or infill and development that is in harmony with the existing pattern and character of the surrounding lands;
- e. the acquisition and assembly of lands for public facilities and infrastructure, and possible development;
- f. the application of the Ontario Heritage Act to preserve and enhance heritage buildings, where appropriate;
- g. the application and enforcement of Property Standards By-laws for the maintenance and occupancy of residential, commercial, industrial, and institutional properties within Community Improvement Areas; *and (add)*
- h. allocation of public funds, in the form of grants, loans or other financial instruments for the physical rehabilitation or improvement of land and/or buildings including the remediation of contaminated properties.*

19.21.7 The following will be considered when determining the timing and sequence of Community Improvement projects:

- a. the opportunity to co-ordinate improvements with other Capital Budget projects;
- b. the existence of a recognized BIA;
- c. the efforts of local business associations to upgrade and promote the area; and
- d. availability of other government funds through programs in which the City may wish to participate.

19.21.8 The formation and continuation of BIAs will be encouraged and supported; when possible, assistance will be provided to such organizations.

Appendix 2: Draft Mississauga Official Plan Policies (March 2010) for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

Bonus Zoning (Section 19.7)

19.7.1 City Council may pass by-laws permitting increases in height and/or density for development permitted by this Plan and/or the zoning by-law to enable the City to secure specific amenities that benefit the city. These by-laws are intended to act as an incentive to encourage developers to provide specific amenities.

Insert at the end of Section 19.7.1:

To be eligible for increases in height and/or density, the proposed development must constitute good planning, be consistent with the intent and objectives of this Plan, and comply with all other City of Mississauga policies.

19.7.2 City Council may grant bonuses in height and/or density of site specific development proposals in exchange for facilities or matters such as, but not limited to:

Replace Section 19.7.2 with:

City Council may grant bonuses in height and/or density of site-specific development proposals in exchange for facilities or matters, above and beyond that that would be otherwise provided under the provisions of the Planning Act, the Development Charges Act or other statute, such as, but not limited to:

- a. protection of significant views and vistas of Lake Ontario;
- b. provision of parkland above that required by the Planning Act;
- c. enhancement of the Natural Areas System;
- d. provision of additional road or servicing improvements
- e. provision of multi-modal transportation facilities;
- f. provision of community infrastructure;
- g. provision of a wide range of housing types, including affordable, assisted and special needs housing;
- h. preservation of heritage resources;
- i. provision of public art;
- j. enhanced urban design features;
- k. provision of streetscape improvements; *and*

Appendix 2: Draft Mississauga Official Plan Policies (March 2010) for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

Add the following to Section 19.7.2:

- l. contributions to city-wide funds for public art or affordable housing;*
- m. environmental development performance standards or LEED certification that exceeds that required by the Official Plan; and*
- n. inclusion of office space in high density areas to meet population-to-employment ratios.*

19.7.3 In all cases, the increase in height and/or density will be based on a site specific review. In reviewing the proposed increase in height and/or density City Council will ensure that:

- a. the proposed development is compatible with the scale and character of the surrounding area and has minimal impact on neighbouring uses;
- b. there are adequate engineering services and community services;
- c. the transportation system can accommodate the increase in density;
- d. the site is suitable in terms of size and shape, to accommodate the necessary on site functions, parking, landscaping, and recreational facilities; and
- e. a special study is required from the applicant which establishes an equitable relationship between the benefit to the owner of the value of the density increase that may be permitted and the value of the facility, service, or matter to the public.

19.7.4 When considering bonusing, and allowing the provision of benefits off-site, the positive impacts of the exchange should benefit the surrounding areas experiencing the increased height and/or density.

19.7.5 By-laws permitting bonusing of height and/or density will:

- a. specify the amount by which the height and/or density of the development would be increased in exchange for certain facilities, services, or matters;

Appendix 2: Draft Mississauga Official Plan Policies (March 2010) for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

- b. contain the detailed development standards that would apply to the site to lessen the impact the proposed increase in height and/or density may have on the surrounding area.

19.7.6 The facilities, services, or matters will be transferred to the City or secured by agreements entered into by the developer and the City, prior to or in conjunction with to the enactment of the bonus zoning by-law.

19.7.7 Mississauga may develop bonusing policies applicable to specific areas of the city.

Community Infrastructure (Section 6.3)

(Note: No revisions are proposed at this time to these policies).

Community infrastructure is a vital part of complete communities, contributing to the quality of life and well-being of residents. It is essential in meeting social, cultural, education, recreational, and spiritual needs for a growing and multi-cultural resident population. In addition to the services provided by the City, community infrastructure is also provided by other agencies, levels of government and the private sector.

Access and transportation connections to community infrastructure are important. Generally, new community infrastructure is encouraged to locate in Intensification Areas and Corridors to minimize traffic impacts on local roads.

6.3.1 Community infrastructure will support the creation of complete communities.

6.3.2 The preferred location for community infrastructure will be within the Downtown, Major Nodes, Community Nodes and Corridors. Where appropriate, community infrastructure may also be located within Neighbourhoods and Corporate Centres. Community infrastructure will generally not be located within Employment Areas. Where permitted within Employment Areas, these uses will be located along the periphery of Employment Areas.

Appendix 2: Draft Mississauga Official Plan Policies (March 2010) for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

- 6.3.3 Community infrastructure located within Neighbourhoods may include schools, emergency services, private clubs, daycare/day programs and places of religious assembly. Where community infrastructure is located in Neighbourhoods it will generally serve the local or nearby Neighbourhoods. City wide or region-wide community infrastructure may not be permitted in Neighbourhoods.
- 6.3.4 Community infrastructure that generates large amounts of traffic will be located to minimize impacts on the transportation system.
- 6.3.5 Community infrastructure will generally be:
- a. in proximity to transit facilities;
 - b. on Corridors, major and minor collector roads, preferably at intersections;
 - c. connected to trails, cycling facilities, where possible; and
 - d. in proximity to other community infrastructure and places of gathering, where possible.
- 6.3.6 Mississauga will cooperate and assist other levels of government and public and private agencies in providing community infrastructure that are not within the jurisdiction of the City.
- 6.3.7 The type of community infrastructure as well as its scale, design, layout and configuration permitted at any location, may be limited to ensure visual and functional compatibility with surrounding development.
- 6.3.8 Where possible, community infrastructure will be encouraged to develop shared parking facilities.
- 6.3.9 School sites will be determined during the processing of development applications and will have regard for the site policies established by the School Boards.
- 6.3.10 School sites will be used for schools under the jurisdiction of the Peel District School Board, the Dufferin-Peel Catholic District School Board, the Conseil Scolaire de District Centre-Sud-Ouest, or the Conseil Scolaire de District Catholique Centre-Sud, or private schools.

Appendix 2: Draft Mississauga Official Plan Policies (March 2010) for Community Improvement, Bonus Zoning and Community Infrastructure Impact Studies

- 6.3.11 Private clubs will be discouraged from locating in Neighbourhoods.
- 6.3.12 The preferred locations for places of religious assembly will be the Downtown, Major Nodes and Community Nodes. Otherwise, places of religious assembly will be encouraged to locate in Corridors, preferably at their intersections.
- 6.3.13 The availability and location of existing and planned community infrastructure will be taken into account so that new community infrastructure can be provided efficiently and effectively and tailored to meet the needs of the population in each community.
- 6.3.14 The proponent of an intensification project may be required to provide a Community Infrastructure Impact Study. A Community Infrastructure Impact Study will, among other things, assess the proximity to and adequacy of existing community infrastructure, human services and emergency services to meet increased demand caused by proposed intensification. A Community Infrastructure Impact Study will identify necessary community infrastructure and the need for staging to ensure that development does not precede necessary community infrastructure improvements. A Community Infrastructure Impact Study will require the approval of the City and other appropriate approval agencies.

CIP Statement of Good Practice

The purpose of this Statement of Good Practice is to provide guidance to City of Mississauga staff on best approaches to the development of Community Improvement Plans (CIP). The Statement does not have the weight of official policy; the approaches detailed in the Statement are meant to be considered and altered to meet the needs of particular planning challenges. The City's policy on Community Improvement is stated in the City of Mississauga Official Plan, in accordance with Section 28 of the Planning Act. If any conflicts arise between the Official Plan provisions and this Statement, the Official Plan policies shall prevail.

The Ontario Ministry of Municipal Affairs and Housing has produced a *Community Improvement Planning Handbook 2008* to assist municipalities in the creation of CIPs. The Handbook is a useful and comprehensive resource. The Statement serves as a complement to the Handbook and restates and isolates key components of a successful approach to the development of a CIP.

In preparing a CIP, the City of Mississauga will:

Engage the public and involve stakeholders

The statutory requirements for public consultation are quite limited. In the creation of CIPs in the City of Mississauga, stakeholders and the public should be involved from the very beginning and throughout the plan development process. Stakeholder and public involvement is an important part of the CIP process in many ways. The first is that local residents and business owners will have opinions on the direction of their community and insights into barriers to improvement. The consultation process must also reach out to the stakeholders who are anticipated to use the program to determine what incentives might be most effective and stimulate the largest take-up. Finally, stakeholders, especially BIAs and Business Associations, can be involved once the program has been approved and is in place. They might be engaged in the administration of the programs (screening, assessing qualifications), as well as marketing and promotion. Consultations should be structured to realize the many ways the public and stakeholders will contribute to the process.

Develop a business case

In a climate of limited resources where Council must make difficult decisions about financing approaches to a variety of competing priorities, it is essential that the business case supporting a CIP be clearly drawn. The business case should include:

An identification of the problems and opportunities the CIP is to address – A basic first step in the development of a CIP is to clearly identify the problems or opportunities to be addressed through measures included in the CIP. Special attention may be drawn to issues suitable to be addressed though the use of financial incentives.

A market analysis – Incentives included in CIPs cannot compensate for structural market influences. CIPs can, however, work with market forces to direct change and establish new patterns of development. An assessment of the market forces at play will allow the City to evaluate whether

the strategic use of incentives can address market failures that have disincentivized appropriate development in the past. The business case should describe how the financial incentives will interact with market forces to redirect private investment in a manner which supports the public objectives identified in the CIP.

A market analysis will also help to identify the scale of change and therefore the appropriate scale of intervention. The desire to improve the physical condition of commercial properties within communities could lead to the establishment of a façade improvement program which offers small grants to many individual business owners. To meet the objective of encouraging office development in the Downtown larger grants might be offered to fewer property owners to serve as a catalyst to stimulate further private investment.

An estimate of costs and benefits – An estimate of the costs and benefits of an incentive program is not always a straightforward task. Given the complicated nature of communities and the number of market and non-market forces at play, directly attributing cause and effect may lead to an oversimplification of the story of community improvement. As well, there are financial and non-financial benefits to consider, the latter being hard to quantify and value. Despite these difficulties, a relationship between cost and benefit must be charted in order to justify the level of incentives provided and to create the logic of intervention which will serve as the main narrative explaining the necessity of public intervention. Linking incentives to the private sector into the narrative of community improvement will form the basis for public benefit rationale required by the Province in order to approve of the use of Section 28 in the manner proposed. A well drawn business case will also help with monitoring and evaluation later in the process.

A consideration of other options – CIPs, and particularly financial incentives, are not the only tool available to the City to achieve community improvement objectives. There may be other possibilities to provide incentives without having to initiate a CIP, for example reductions in parking requirements, reduced development charges, or procedural approaches, such as fast-tracking applications that meet certain criteria. The business case should discuss other possible approaches and their cost and likely efficacy as compared to the use of a CIP.

A do-nothing scenario – The business case should also include a do-nothing scenario representing the trajectory for the area in the absence of the CIP. The elaboration of such a scenario would indicate the gap between it and the CIP, offering clear alternatives. It might also make the point that the choice presented to decision-makers is not necessarily between community improvement and the status quo. Further community deterioration is also a possible scenario.

Support the plan through marketing and education

The success of a CIP incentive program can rise or fall on the issues of administration and marketing. Often these issues are not considered during the CIP development phase. In other municipalities it has proven important for these functions to be considered and appropriately resourced. Many municipalities have seen a very low uptake of their CIP incentives. Marketing and education are an important accompaniment to the CIP; materials should be tailored to the target audience whether they are homeowners, small business owners or major developers. The development of a CIP will include an elaboration of a marketing and education strategy to ensure appropriate uptake of available incentives. Marketing and education costs should be considered in the cost-benefit analysis.

Support the plan through appropriate administrative structures and staffing

The most effective CIP programs tend to be those where one individual is dedicated to the promotion, administration and assessment of the incentive programs. Administrative tasks are those related to the development and delivery of the program, for example the staff time required for processing applications, marketing and promotion, and performance measurement. The development of a CIP will be accompanied by a description of where the administration of the financial incentive programs will fit within the structure of municipal government, what reporting will be required and any new staff resources to be secured. Administrative and staffing costs should be considered in the cost-benefit analysis.

Establish a framework for monitoring and evaluation

It is a challenge to measure the success of financial incentive tools. A critical question to determine in assessing success is whether the program applicants would have undertaken an investment in the absence of the incentive. In this, it is difficult to isolate out the impact of the CIP from other factors that might have played a role, such the general health of the overall economy and market forces, or the success of provincial policies, such as the Growth Plan for the Greater Golden Horseshoe, in directing investment to built-up areas. As well, many of the improvements that are the aim of the CIP may have impacts that are unquantifiable; how can you measure improved quality of place or more attractive streetscapes. Even though the task of evaluating the success of the incentives is not without its complications, a framework for monitoring and evaluation should accompany all CIP programs, particularly those incenting private sector activity. Results should be reported on a fixed timeline (an annual review, for example).

Monitoring is likely to be tailored to specific programs and respond to the logic of intervention detailed in the business case. The City should collect basic information: the number of applicants under each program; the amount of money invested by the municipality compared to that invested by the private sector; whether there has been an increase in property tax assessment within project areas that had undertaken CIPs compared to the rest of the municipality; if there is a residential intensification mandate, how many new units were created. In reporting on these metrics, attention should be paid to differentiate between outputs (for example, program uptake in terms of number of applications granted and total resources distributed) and outcomes (related to objectives). This differentiation should be made so as not to confuse activity with results.

Appendix 4

Bonus Zoning: Guidelines for Implementation of Section 37 Agreements

These guidelines are intended to assist in the implementation of the policies contained in the City of Mississauga Official Plan. These guidelines must be read in conjunction with the policies of the Official Plan. If any conflicts arise between the Official Plan provisions and these guidelines, the Official Plan policies shall prevail.

Good Planning

Good Planning is a basic requirement for all developments in the City of Mississauga and therefore should not be the subject of negotiations regarding height and/or density increases. Good Planning includes addressing all other policies contained in the Official Plan, including urban design policies and objectives. The relationship of a development to its context, the adjacent street, the creation of a good public realm, improvements to the public realm adjacent to the site (including off site improvements included under Section 41), and a harmonious relationship to the natural environment are all elements of Good Planning. Good Planning includes sustainable design and good architecture. Design quality must not be compromised through the use of Section 37.

Reasonable Planning Relationship

A reasonable planning relationship between the community benefit and the proposed development refers, in the first instance, to geographic proximity. The highest priority would be for on site provision of community benefits. The next level of priority would be in the immediate vicinity of the site. Where there exists a city-wide fund to address particular needs which cannot be economically provided on site, but which can be related to the development, such as the provision of affordable housing or public art, contributions to these funds will be considered as eligible in return for increases in height and/or density.

Geographic Applicability

Site specific bylaws including Section 37 benefits may be passed in all parts of the city. It is anticipated that the focus for most Section 37 developments will be Intensification Areas identified in the Official Plan, however, it may also be considered in employment areas and, under unique circumstances, within Neighbourhoods.

Height and Density Threshold

The threshold for height and density increases shall be set out in the Official Plan and/or Local Area Plan and any zoning by-law in excess of the base development limit (where established) or the maximum development limit established in said plans may be considered eligible for Section 37 community benefits.

Size Threshold

Density incentives will be applied mainly to projects which are larger than 5,000 sq. m. (54, 000 sq. ft.) and where the proposed density will exceed 1,500 sq. m. (16,000 sq. ft.) over what would otherwise be permitted. All developments that are under four storeys in height and all non-profit developments will be exempt.

Local Area Plans

Where Council has approved studies or plans for particular geographic areas of the city, including Local Area and Community Infrastructure Impact Studies outlining the range of community facilities, services or matters that should be provided or supported on a priority basis, these will inform negotiations regarding the provision of Section 37 benefits for these areas.

Valuation of Community Benefits

The Section 37 benefits will be negotiated with the owner on a case-by-case basis and will be based on a reasonable relationship between the value of the increased residential and employment activity resulting from the City granting the increase in height and/or density, and an appropriate measured response of Section 37 benefits to identified community needs. In this regard, the community benefits in relation to the height and/or density increases granted will vary from project to project or from one area of the city to another.

A determination of community needs in response to the increased activities resulting from an increase in height and/or density of a development will be used as a guideline for negotiating an appropriate measured response of Section 37 benefits. A financial impact statement will be prepared to be attached to the report recommending approval of the development, summarizing the community benefits that are to be secured, the value of the community benefits (based on estimates from staff in other departments responsible for capital facilities) and the timing of the provision of the benefits. The City will retain an independent real estate appraiser to calculate the increase in value attributable to increases in height and density and use this estimate as the basis for determining fair value of the community benefit. The City may charge the developer for the cost of retaining an independent real estate appraiser and the cost of preparing a financial impact statement.

No Exemptions from Development Charges or Section 42 of the Planning Act

There will be no exemptions for developments subject to Section 37 Agreements from development charges or parks contributions under Section 42 of the Planning Act.

Protocol for Negotiating Section 37 Benefits

In Intensification Areas, it is advantageous to determine local priorities and needs for community benefits in advance of development applications.

An analysis and identification of existing and potential needs and services in a development area would assist in determining the appropriate type(s) and priority of community benefits to be considered eligible for Section 37 contributions. This analysis would also identify the appropriate provision and costing of the community benefits.

To prepare for a possible application of Section 37 and address the issue of transparency, it is critical to have the local Councillor and other Councillors who may be interested, in consultation with City staff, the local community and the relevant service providers, identify local and city-wide priorities for potential community benefits.

Density increases will be approved by an amendment to the Zoning Bylaw, and after consultation with community groups. An agreement will be entered into between the developer and the City prior to the enactment of the Bylaw.

Planning staff, who are responsible for making recommendations on development applications to Council in accordance with the Planning Act and other Provincial policy, will be the lead negotiators with developments that are the subject of Section 37 bonus discussions. Planning staff will also coordinate input from other departments on the appropriate provision and costing of community benefits.

Local Councillors will be consulted regarding Section 37 negotiations and will provide input into the nature of community benefits that might be appropriate in particular circumstances. Local communities also will be consulted, as appropriate.

Agreements

In addition to securing community benefits that are directly related to density and/or height increases, Section 37 agreements may include other matters that may be important to the City to meet its Official Plan objectives, but which may fall outside of the purview of other agreements, such as the protection of rental housing or heritage features. These matters may be secured in a Section 37 agreement as a legal convenience.

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