

ASSESSING PLANNING TOOLS FOR MISSISSAUGA

RECOMMENDATIONS REPORT



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INTRODUCTION

1 INTRODUCTION

The City of Mississauga retained a consultant team comprised of GHK International (Canada) Ltd. and N. Barry Lyon Consultants to provide information and formulate policy recommendations on the city-wide application of a number of planning tools in order to achieve strategic planning outcomes for the City of Mississauga. The planning tools addressed are Community Improvement Plans (CIP), Bonus Zoning and Community Infrastructure Impact Studies (CIIS).

The context for this work is the changing nature of Mississauga as an urban area. Over the past 25 years, the City of Mississauga has evolved from a suburb of Toronto to a city in its own right, the sixth largest in Canada. For most of this time, Mississauga developed along a suburban model, with greenfield development as its predominant mode of growth and expansion. As remaining opportunities for new greenfield development are built out, the City must now enter a new phase of development where growth is accommodated through intensification and the redevelopment of existing communities. This shift in orientation presents Mississauga with a new set of challenges. The City had developed and employed a set of mechanisms to provide infrastructure and resources for new Greenfield communities. It must now develop a new set of tools that help shape development and build successful communities in the context of intensification. This set of tools must deliver on a number of levels: it must facilitate the process of intensification, encourage the kind of growth envisioned in policy documents such as the Official Plan, and ensure that intensified communities are well supported by services and facilities.

This report presents our recommendations on how the planning tools under study can be best used to meet these objectives. These recommendations are supported by a discussion of the range of possibilities for each tool, key issues that have emerged through our research, and feedback we have received over the course of their development. The main body of recommendations address general approaches to the use of the tools at the city-wide level, and the steps necessary to bring them into use, including what new enabling policies are required, what changes are required to existing policies, and possible guidelines and standards that can be adopted to detail a uniform approach to their successful use. Our general recommendations are followed by a discussion on the initial use of these tools by the City of Mississauga, based on a list of proposed initiatives already included in City strategies and policies.

PROCESS OF RECOMMENDATION DEVELOPMENT

The development of our recommendations has occurred over several steps. These are:

Background research – To inform the discussion on the best use of planning tools in the City of Mississauga, a background report was produced to: 1) define the planning tools and explore their range of uses; 2) survey the experience of other Ontario municipalities to understand how these tools have been used in practice and what lessons can be drawn from this experience; and 3) identify considerations that the City should take into account when evaluating the suitability of their use in Mississauga. The full background report is included in Appendix E.

Internal interdepartmental discussion – The findings of the background report were presented at a workshop involving a cross section of City of Mississauga staff. A discussion was facilitated on how these planning tools might best be used by the City. Included in Appendix F is an Emerging Directions report which summarizes the proceedings of the workshop and lays out preliminary possibilities for our recommendations.

Consultation – Consultations on the use of planning tools to support intensification were held with external stakeholders through meetings, workshops and phone conversations with ratepayers’ groups, building sector representatives and developers, the Region and non-governmental organizations.

As well as these principal steps, the recommendations have also been shaped through ongoing discussions with the Policy Planning Department and senior managers at the City of Mississauga.

REPORT ORGANIZATION

This report focuses on our recommendations for the use of planning tools by the City of Mississauga to support its growth management objectives. Content from previous documents, such as the Background Report and Emerging Directions Report, is therefore summarized to support our recommendations where necessary. Full versions of these documents are included in the Appendix as sources of more detailed analysis.

This Recommendations Report is organized into the following main sections:

Overview of Tools – A brief description of each of the tools – Community Improvement Plans, Bonus Zoning, and Community Infrastructure Impact Studies – is provided to familiarize readers with the subject of our recommendations. Greater depth of description can be accessed in the Background Report.

General Issues – A discussion of the key issues that impact the use of any of the tools is included to provide some broad context to our recommendations. These issues have been developed through the background research as well as the internal and external consultation program. Included in the survey of key issues is a discussion on the value and limits of cost-benefit analysis in assessing the use of planning tools as well as possible approaches to this analysis.

General Use Recommendations – This section presents our recommendations on the general use of each planning tool in the city-wide context. Here, we do not discuss specific proposals to employ the planning tool in question; rather we establish the manner in which the tool should be used in any circumstance. The rationale for the recommended approach is outlined, drawing on the findings of the background research and internal and external consultations.

Recommendations on Proposed Uses – The use of Community Improvement Plans, Bonus Zoning, and Community Infrastructure Impact Studies have already been referenced in City of Mississauga and Region of Peel strategies and policies as tools to be used to pursue specific objectives. We conclude with a consideration of these initiatives and suggestions on which initiatives should be advanced as pilots of the use of these tools.

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OVERVIEW OF TOOLS

2 OVERVIEW OF TOOLS

The Background Report is a detailed examination of each of the planning tools under study, including lessons that can be gained through the experience of other Ontario municipalities. The Background Report is included in Appendix E and can be referenced for further detail. To keep this Recommendations report concise, the content of the Background Report is not duplicated; instead the focus is on the rationale for our recommendations for the use of these planning tools in the Mississauga context. However before this rationale is discussed, included below is brief summary of each of the planning tools.

COMMUNITY IMPROVEMENT PLANS

A Community Improvement Plan (CIP) is a planning tool, enabled under Section 28 of the Planning Act, which allows a municipality to develop a comprehensive plan for community improvement either at the city-wide scale or targeting a specific area. What differentiates a CIP from other plans is that it is supported by a range of powers which enhance the municipality's ability to promote and direct community improvement. Most notably, these include the ability to provide financial incentives for private development and reinforced powers for the expropriation, assembly and preparation of land.

With these powers, not only can municipalities stimulate and attract investment through their own activities – for example, improvements to the urban realm, the creation of new facilities and revitalized public spaces – they can also directly promote a private sector role in development and revitalization through incentives for private investment. The financial incentives are intended to attract investment which would not otherwise be directed to the area in question, thereby leveraging public sector capital and creating an impact in terms of revitalization which is multiplied many times over the initial public investment.

Community improvement can happen at a variety of scales. Incentives need to be crafted to respond to the objectives of the CIP in question. They may promote the costly remediation of a brownfield site, the construction of a new building, or something as simple as making improvements to the façade of a small shop on a historic main street. In each case, the municipality provides financial incentives to the private sector to stimulate interest and involvement. The resulting improvement comes with both community and private benefits: the area/site has been enhanced, the private capital sees a return on investment, and the municipality has been able to move towards an expressed goal or objective.

The background report provides more extensive discussion on CIPs, including discussion of the experience of eleven Ontario municipalities. It directly focuses on financial tools, how various municipalities have use them, their successes and effects, and other issues. Financial incentives can take a number of forms; however, they are designed to perform the same function: offset a portion of the cost of an improvement through municipal financing. They fall roughly into the following categories:

Grants and Loans – In these programs, municipalities provide either a grant or an interest-free or low-interest loan to an applicant to help offset the cost of a project.

Fee Exemptions, Rebates and Credits – The main aim of these programs is to reduce the additional costs associated with the application process for a project. In these cases, fees and levies (e.g., building application fees, planning fees, development charges and parking requirements) may be suspended outright or refunded once the project is complete.

Tax Increment Based Grants – Property taxes often represent a substantial cost to a property owner, and improving property usually results in increased assessment and higher taxes. These programs, commonly referred to as tax increment equivalent financing (TIFs), are designed to reduce this disincentive for investment by rebating to the owner a percentage of the tax increase related to the improvement over set period of time.

Tax Reductions – These programs are usually associated with brownfield rehabilitation projects. Under these programs the cost associated with the project may be alleviated by reducing a percentage or cancelling the municipal taxes and/or educational taxes during the rehabilitation of a property.

Tax Relief Based on Occupancy – Under these programs, a grant is offered to the developer upon completion of a project to reduce the property tax for a fixed period. The major difference between this and programs that offer tax assistance is that these programs become active once a project is complete.

Brownfield Redevelopment Incentives – These programs work similarly to other incentives, but only target the cost and risk of rehabilitation associated with brownfields. The most common subsidies are targeted towards funding environmental site assessments.

The background report also provides a general discussion on CIPs, their purpose, the enabling and related provincial policies, their component pieces, the approval process, and Mississauga's experience with CIPs to date.

SECTION 37 BONUS ZONING

Bonus zoning (also known as density bonusing) is a planning tool, permitted by Section 37 of the Planning Act, which enables municipalities to allow increases to height and density over and above existing planning permissions in exchange for community benefits. Community benefits are defined by the local municipality and take the form of capital facilities or the cash equivalent. Examples of benefits gained through bonus zoning by Ontario municipalities include public facilities, public art, affordable housing and heritage conservation, among others.

The method for evaluating the amount of community benefit is normally not fixed by any formula, but is negotiated as a voluntary agreement between the local municipality and the developer. Bonus zoning allows the developer to gain additional value in the form of more height or density in exchange for providing the municipality additional value in the form of community benefits which would have otherwise not been included in the proposal.

In these negotiations, it important to note that “good planning” is a prerequisite for any proposed development, not a benefit to be gained through bonus zoning. Nor should bonus zoning be used as a substitute to gain benefits that can be achieved through other planning tools, such as development charges or parkland dedication. 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.

In addition to serving as the mechanism for enabling bonus zoning, Section 37 agreements can serve as a legal convenience for securing developer promises even in circumstances where no increases in height and density are being exchanged for community benefits. Section 37 agreements have been used in other jurisdictions to secure promises for the preservation of heritage features, the replacement of rental housing or other elements negotiated through the planning process. Section

37 agreements can secure these promises in a legally enforceable manner.

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, including schools, day cares, community centres, recreational facilities, parks, libraries, places of worship, seniors services, other human services, hospitals and, sometimes, emergency services. In some instances, CIIS 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. 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 individual development on the stock of community facilities and services.

Community Infrastructure Impact Studies generally follow a similar format. Existing conditions are established through a social and demographic analysis of the area in question and an inventory of existing services and facilities is drawn up. There may be some evaluation of the present and likely future trends impacting their use. Future demand is projected based on social and demographic change and changing trends of use. In the case where the study focuses on the impact of a particular development, a demographic breakdown of the development's users or residents will be estimated and their impact on existing services and facilities will be evaluated to identify any shortfall. In municipality-led studies, in cases where new services and facilities will be required, implementation issues will be addressed including the use of planning tools to contribute to increasing the local provision.

3

GENERAL
ISSUES

3 GENERAL ISSUES

The common link between the planning tools discussed in this report is that they offer mechanisms for a municipality to interact with the private sector in a manner that supports intensification objectives: CIP financial incentives aim to stimulate community vitality by attracting private investment; bonus zoning allows the municipality to capture some of the value of increased height and density of new development in a manner that benefits the community; CIIS can be used to assess whether the provision of public amenities is keeping pace with private development.

Because the use of these tools lies at the interface between the private and public spheres of city building, their successful use depends on both good public decision-making and understanding how the private sector makes decisions. The City of Mississauga should aim to achieve the following in the use of any planning tool:

Send clear signals to the development community

The planning tools examined as part of this study aim to influence private sector investment and development. Therefore they need to be developed with the realities of that community in mind. The development of any planning tool should be informed by a conception of how the tool will work in practice grounded in thorough market analysis. Once developed, all programs and planning tools should send clear signals to the development community. New requirements should above all be transparent and predictable.

Engage citizens and stakeholders

The need for a transparent process extends beyond interaction with the development community to interaction with the community-at-large. All stakeholders should understand how decisions will be made and goals realized. Engaging community members, including residents, BIAs and other stakeholders is essential to identifying local issues, establishing priorities and securing community buy-in. Attention should also be paid to communicate the potential of these planning tools, while at the same time helping communities have realistic expectations of the benefits. Stakeholders, such as BIAs, may have a role to play beyond ensuring the proposed program or tool is a good match for their area; they might also be involved in the promotion, marketing and administration of a program.

Make the business case

The use of planning tools that dedicate significant public resources to incentivize private sector activities is largely a new phenomenon for the City of Mississauga. Acceptance of a more activist approach to planning will likely be dependent on a sound business case demonstrating that the use of new planning tools gives tax payers and citizens good value for money. In considering new tools and programs, the scale and cost of intervention must be justified by the scale of the result and its impact on priority issues. Such a business case will be grounded in a cost/benefit analysis. The fundamental principles and approach of a cost-benefit analysis are included in the following section.

Monitor progress

The business case is the argument for municipal action and blueprint for program development and implementation. The only way to confirm the logic of the business case and the scale of the benefits gained is to monitor progress in a manner that takes account of both the quantitative and qualitative impacts of the planning tools being used. Such an evaluation will provide lessons on how the program might be altered to improve outcomes. It will also serve as an evidence base from which new programs can be developed. A monitoring and performance measurement system should be developed at the same time as the program or tool itself.

MAKING THE BUSINESS CASE: PRINCIPLES OF COST-BENEFIT ANALYSIS

The use of financial or any other resources to facilitate or encourage the achievement of community planning objectives requires thoughtful consideration. At some level, a business case must be developed that properly evaluates the total costs of any program against the total benefits received within the City. The first and major challenge is defining what is exactly meant by total costs and total benefits. What is included and what is not? Are the considerations strictly the financial costs expressed in terms of loans or grants or do they consider other factors such as staff time and other municipal resources? Likewise, does the benefit side assess factors such as assessment and property tax revenue or does it attempt to go further by projecting the impact on future employment or, even harder to quantify, factors such as community safety.

Under any approach, in the consideration of any program, the principle should be to develop an understanding of these definitions at the outset.

The benefits from Mississauga's perspective should then be split between financial and non-financial benefits, and should be tied directly to the specified objectives of each of the CIP programs. Two examples:

- I. If the objective is to increase the amount of office-related employment in certain areas of the City, the financial benefits will be a measure of the costs of providing and administering the program, compared to the value of construction, development fees, and/or increased property tax. Non-financial benefits will include such things as: the increased amount of office space, the associated employment, the improved live-work balance, potential decrease in automobile usage, etc.
- II. If the objective is to improve the street appearance and the viability of street retail in certain areas, then the financial benefits will also measure the cost of providing and administering the programs, compared to the total private sector investment amount, projected development fees and any increased property tax. Non-financial benefits would be increased pedestrian activity, reduced vacancies, improved area/civic pride, increased commercial activity and overall improved aesthetics.

Agreement on the appropriate technique to measure qualitative benefits is also necessary.

The design of any cost benefit analysis must then consider a technique to determine whether the planned or anticipated benefits would have occurred anyway, perhaps over a longer period of time. Also to what extent did the program result in attracting additional private investment and at what scale? The business case must ask whether the program has simply redirected activity or investment that might have happened elsewhere in the City without program support. For example, would a program that offered development charge relief at South Common Mall to encourage intensification simply redirect developer interest from other parts of the City? Following from this, the question must be asked is there a better benefit to the City from having this development occur in a designated intensification area rather than in a suburban area?

A determination of relative importance/ranking and priority of financial and non-financial benefits is for the City to ultimately determine against the overall objectives of the community. For example, the financial returns of attracting office development to the downtown may be viewed as less important than the qualitative benefits of stimulating the development of a complete community with a mix of uses and a good balance of jobs and residents. This aspect of the cost benefit study must be addressed as part of the CIP.

Understanding the above, the following broad methodology should be considered in assessing benefits associated with programs within a CIP.

- a) The analysis begins with a critical assessment and identification of the issues facing the target areas. This work is typically a component of any CIP planning process. Issues causing a lack of residential or retail development could include negative perceptions of the area, traffic/parking issues, lack of market demand, retail spaces that are inappropriate for market demands, competition from other areas, owner-occupied retail spaces, etc. From this analysis, a baseline assessment of the qualitative and quantitative issues impacting an area would be developed. CIP programs that are best suited to mitigate these issues can then be matched up and evaluated against the baseline condition.
- b) For each program, the appropriate definitions, base inputs and other assumptions are made. These would include: base loan/grant rates; loan/grant maximums, interest rates; loan terms; bonusing provisions; portions of taxes, rates and fees to be exempt; and, background assumptions used to assess employment rates, increased property taxes and/or measure other qualitative issues such as community safety issues.
- c) The annual cost of financing and administering each program should be estimated, as well as any other identified costs.
- d) Benefits will be estimated by applying the inputs identified in (b) against prototypical developments. The estimates of benefits and costs will be analyzed in a proforma model to provide an order of magnitude of the financial outcome of a program. In some cases, a clear analysis of this nature will not be possible. For programs that do not allow a direct financial analysis, a qualitative analysis based on agreed assumptions should be undertaken.
- e) The benefits of the program will be measured against the base scenario (i.e. do nothing/current trend) as well as against alternative CIP and non-CIP programs. Determining the base scenario will require analysis of recent development trends and impacts for each of the target areas, as well as assumptions for future development.
- f) Cost-benefit analysis should project on an annual basis for the planned program period. That is, the costs and benefits associated with each program over the course of a year should be assessed to provide the time sensitivity of the program. This approach ensures that information is available to impute the delivery or expected delivery of the anticipated benefits and provide another measure for evaluation.

4

RECOMMENDATIONS ON GENERAL USE

4 RECOMMENDATIONS

COMMUNITY IMPROVEMENT PLANS

Rationale

Community Improvement Plans are a useful tool, the applicability of which ranges widely and includes neighbourhood revitalization and supporting intensification in urban growth centres. Mississauga has made only very limited use of CIPs to date. There is significant scope to increase their use.

Many parts of Mississauga could benefit from a CIP to achieve different kinds of community-specific objectives. The main value of CIPs is the way they can help focus attention and resources on community improvement in a targeted manner. CIPs tie many strains of community improvement – land use planning, public spending on infrastructure, and financial incentives directly engaging the private sector – together and coordinate them to move a community in one common direction. When the CIP development process is paired with effective stakeholder and community involvement, they can also engage a full range of local actors in the improvement effort, including the municipality, the private sector, BIAs, citizens, and now in some cases, the Region.

The main limit on the extent to which CIPs are used is the availability of public resources. Improvements, such as investments in the public realm or new facilities, can be costly; and financial incentives require a commitment of funding and staff resources to administer and promote the programs. The inclusion of financial incentives in a CIP involves the commitment of public funds to achieve the objectives of the plan. It is, therefore, important to invest these resources wisely.

At the staff workshop, participants were interested in the use of CIPs in Mississauga, but pointed out a number of factors which might limit their use. The first is that Mississauga is already a successful place and has not had a difficult time attracting investment. In other municipalities where CIPs have been used, there has been a crisis, like a failing downtown, that makes CIPs and more aggressive measures like the use of financial incentives a necessity. Participants were uncertain if conditions in Mississauga merited a similar response. This point linked to a second, that City Council currently had a pay-your-own-way culture which was not amenable to providing subsidies to the private sector.

These are both important realities to acknowledge. However, the purpose of this study is to consider how Mississauga can use planning tools to effectively deal with a new planning reality: intensification. The old approach to city planning might have worked well in the context of greenfield development. Presently, Mississauga might need new tools to support its growth management-oriented agenda, especially to counter market forces and a development status quo which favours urban form that, in the long term, is unsustainable and characterized by an orientation toward the car, the separation of uses and low densities. The conclusion that we take from this discussion is that decision-makers will need to see a convincing business case indicating the anticipated impact of their investment if the use of CIPs is to take hold in Mississauga.

Recommendations

1. Revise Official Plan policies

The Mississauga Official Plan already has policies that enable Community Improvement Plans, identify nine CIP project areas, and establish what goals qualify as community improvement and what actions can be used. The new Draft Official Plan includes some changes to these policies:

- The Draft Official Plan no longer specifically identifies CIP areas, but designates all lands within the city as a Community Improvement Area, while enabling the City to identify new Community Improvement Project Areas by by-law.
- The list of matters which a CIP may consider is expanded to include the provision of affordable housing and cultural facilities, and the need to encourage energy improvements.

These changes are well supported. CIPs have been developed for only three of the nine areas identified in the Official Plan as Community Improvement Areas, and these expired in the early 1990s. It is unnecessary to include specific Community Improvement Areas in the Official Plan when this can be achieved through by-law, as and when a CIP will be developed. Designating the entire city indicates that any part of the city might be subject to a CIP and allows for the introduction of city-wide CIPs that could target matters such as brownfield remediation or the promotion of green building standards.

In terms of the matters which a CIP may consider, the list included in the Official Plan need not be comprehensive, as the wording “among other matters” allows for other matters to be introduced. However, the City might consider adding a further matter in Section 19.21.5 of the Draft Official Plan:

p. Opportunities to support the growth management objectives of this plan and encourage complete communities, transit-supportive communities and active transportation modes.

A further point, although sufficient to allow the use of CIPs, the Official Plan policy could be strengthened to more clearly include financial tools as among the methods by which a CIP can be implemented. Therefore we recommend that the following policy, similar to those included in the City of Toronto and City of Hamilton Official Plans, be added to Section 19.21.6 of the new Draft Official plan:

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

2. Approve a Statement of Good Practice for the Development of Community Improvement Plans

The background report presents our findings on the issues that are essential to consider when using CIPs as a planning tool. We recommend that these issues be summarized in a short Statement of Good Practice, as a Corporate Policy to be used as a reference by City staff when developing a CIP. The Statement would be best used in conjunction with the Community Improvement Planning Handbook 2008, produced by the Ontario Ministry of Municipal Affairs and Housing, which lays out the basic framework for developing a CIP. (The Handbook is included in Appendix H).

The Statement would address the elements of a CIP's success throughout its life cycle. A proposed Statement of Good Practice is included in Appendix B. The statement incorporates lessons that have emerged over the course of our research. Key lessons include:

Work with market forces not against them – Incentives included in CIPs cannot compensate for structural market influences. For example, if the office sector is in a slump, promoting office in a city core might prove expensive or ineffective. CIPs can, however, work with market forces to direct change and establish new patterns of development. Mississauga wants to promote employment uses in the Downtown area. But Downtown office space development is at a competitive disadvantage vis-a-vis greenfield campus-style office development due to the issue of parking and the cost of land, even though it is more accessible by transit. A CIP could prove a useful tool to address the parking issue and create an incentive program that diminishes the Downtown's disadvantages in a manner which attracts private-sector development, or at least serve as a catalyst for initial development.

Choose the scale of change – The case studies detailed in the background report demonstrate a great variety in the successful use of CIP financial incentives. Some of the programs have involved large uptake of small incentives, such as facade and business signage improvement programs. These kinds of programs have consistently been some of the most popular in Ontario municipalities that have used CIP financial incentives. They rely on many applicants for small grants to achieve a wider scale objective. Other CIP programs have relied on large incentives with a smaller number of applicants, but with each project resulting in significant change. Oshawa contributed \$1 million to assist the conversion of a downtown office building into a residential condominium. To attract new development to a downtown that was considered a high risk investment to developers, Brantford offered to provide 25% of the financing for new development in the area, regardless of how large the project. The result was \$4 million dollars spent toward 22 projects and the attraction of \$21 million of private sector investment. The program was costly but, in terms of an investment, produced a healthy multiplier for municipal funds and helped to redefine a struggling area.

Make the business case – Especially in a climate of limited resources and general institutional resistance to incentivizing private activities, it is important to clearly lay out the business case for a CIP. The business case should establish the motivations for the CIP and juxtapose the changes it hopes to stimulate against a do-nothing scenario representing the trajectory for the area in the absence of the CIP. It should describe the market failures the financial incentives aim to address and how they will do so. In addition to the direct costs of the CIP incentives, there are further costs that must be considered in the administration and marketing of the programs. A well drawn business case will also help with monitoring and evaluation later in the process.

Consider other options – Besides a do-nothing scenario, the business case might also consider the relative costs of other options. There may be other scenarios where incentives are provided without having to initiate a CIP, for example reductions in parking requirements, reduced development charges, or, as mentioned in our consultations with developers, fast-tracking applications that meet certain criteria.

Involve stakeholders in CIP development and implementation – 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.

Address staffing and marketing issues – 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. The most effective programs tend to be those where one individual is dedicated to the promotion, administration and assessment of the incentive programs. 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.

Monitor and evaluate the success of CIPs at regular intervals – 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 as 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. Many of the municipalities interviewed for the case studies did not have a strong system for evaluation in place, making assessments of the programs' successes largely anecdotal. Even though the task of evaluating the success of the incentives is not without its complications, uptake should be monitored and a methodology should be put in place to evaluate its impact.

3. Evaluate the use of a CIP for the Downtown Area

The City Centre is now a major focus of attention for Mississauga as it moves to implement its intensification agenda. The Downtown 21 initiative has put forward a new plan for the Downtown area that reinvents it as a mixed use, pedestrian-friendly hub of activity. A CIP would be a useful tool to outline an implementation plan for delivering on Downtown 21's vision, including the public investments to be made and enabling incentives for development.

Conversations with City staff and Downtown 21 stakeholders have indicated that one large challenge in implementing the Downtown 21 vision is attracting office and employment development to a high density part of the city, in the face of competition from lower density business park style development with extensive free surface parking. Two elements that might be included in a CIP hold promise to compensate for this competitive disadvantage: 1) addressing the issue of parking in the Downtown area through the creation of parking structures and increased municipal parking managed by a public Parking Authority; 2) financial incentives for office development. In this context, the use of a CIP for the Downtown area should be considered as a way of furthering Mississauga's goals for the Downtown.

4. Evaluate the use of CIPs in other areas of Mississauga

The proposal for a CIP for the Downtown area is toward the larger end of the scale for the use of this tool. CIPs offer the promise for presenting and advancing a revitalization agenda at a smaller scale as well. Mississauga is home to a number of neighbourhood-level communities centred around a main commercial street. CIPs have been used in similar circumstances in other Ontario municipalities to revitalize these areas through incentive programs aimed at facade improvement, preservation measures for heritage properties, improvements to signage and attracting new development. Mississauga should consider the applicability of CIPs in these areas should their revitalization be a priority issue. In these instances, the City might incorporate CIPs at the neighbourhood level with other planning processes, such as local area plan reviews.

SECTION 37 DENSITY BONUSING

Rationale

The City of Mississauga presently has enabling policies in its Official Plan which allow Section 37 bonus zoning. However, to date, bonus zoning has been used successfully on only one occasion – the F.S. Port Credit Limited Lands development at 15 Hurontario St. It is unclear to what extent opportunities to use bonus zoning will present themselves in the future. Over the past ten years, the City of Toronto has negotiated over 280 Section 37 agreements with developers to secure millions of dollars worth of community benefits. Toronto is the only municipality in the province to use Section 37 at this level of activity, which is almost certainly a product of its distinct features as a mature urban municipality with high development pressures.

A number of features would indicate that Mississauga's opportunities to use Section 37 are likely to be more limited. The first, and most important, is that a strategic priority for the City in recent years has been to attract higher density development to key areas such as the Downtown. The intensification policies introduced through OPA 58 and entrenched through OPA 95 and the current comprehensive review of the Official Plan are likely to strengthen this approach to growth management. In sum, the emphasis has been and will be attracting density, rather than extracting benefits from it.

Presently, no specific height restrictions are included in the Official Plan provisions and zoning by-laws covering the Downtown Core. If there are no limits on height and density, there is nothing for which to bonus. Other parts of the city do have height and density limits. In other areas, Plan policies indicate minimum height; maximum heights are included in District Policies and the zoning by-law. Outside the Downtown Core and Urban Growth Centre there is blanket height limitation of 4 storeys, except where permitted by District Policies and zoning.

In response to the question of where they thought bonus zoning could be achieved, most participants at a City staff workshop identified areas designated for intensification. This response presumed that realizing intensification objectives and making use of bonus zoning could be achieved in parallel. If there is heavy development pressure on these areas and a desire to exceed permitted heights and densities exists, this is a possibility that should be taken full advantage of. However, if development pressure is not strong, extra height and density may be required to attract the kind of development activity required to meet growth management objectives. If the City intends to make greater use of bonus zoning, it will have to find the right balance between attracting high density development to appropriate locations in the city with a desire to increase the cost of that density to developers by requiring it is accompanied by community benefits.

The case of the Downtown is unique. There are currently no limits on height and density. City staff indicated a desire to reinstate them, not as a means of downzoning to enable bonus zoning, but as a means to achieve a good public realm and built form.

Areas with a blanket height limitation of 4 storeys are more promising for bonus zoning. It makes sense that when an opportunity arises where a development with increased height and density can satisfy the "good planning" test, bonus zoning should be pursued to secure community benefits. Just as in the case of 15 Hurontario St., opportunities will arise to use Section 37 bonus zoning. The City should be ready for these opportunities by having clear policies in place and an established procedure for negotiating the agreement. Developers with experience negotiating Section 37 agreements indicated that they were a better way of using resources than trying to gain extra height and density through costly OMB hearings.

One further point, the Draft Official Plan includes an urban structure that promotes Mississauga's approach to growth management and includes heights and densities for a hierarchy of urban spaces. It is likely that not all zoning will be updated to match these new heights and densities. In some instances, the result will be heights and densities in the Zoning By-law which are lower than those included in the Official Plan. This inconsistency should not lead to any confusion. Concerning Section 37 bonus zoning, it is an application to change the zoning by-law which is the trigger for starting a discussion on bonus zoning. The Section 37 agreement is voluntary and negotiations between City planning staff and the developer will determine if it is suitable to use the zoning by-law heights and densities or if the planning objectives of the City are better served by using the Official Plan heights and densities, given the circumstances of the application.

As the application of Section 37 bonus zoning is at this point is somewhat unpredictable, it is unlikely to produce a significant quantity of community benefits. Therefore the City should be cautious about relying on Section 37 as a major source of funding for community facilities and improvements, both in the development of strategies for civic improvements – like Future Directions, the Higher Order Transit plan, or the Affordable Housing Action Plan – and in its dealings with the public, especially community groups. Bonus zoning should be considered just that, a bonus, an opportunity to provide something extra for the community, rather than as a means to deliver a basic level of infrastructure and amenity.

Recommendations

1. Fine tune Official Plan policy on bonus zoning

In order to use powers enabled in Section 37 in the Planning Act, a municipality must include provisions relating to the authorization of increases of height and density of development in its Official Plan. The Mississauga Plan includes such provisions, and the new draft Official Plan policies update them. However they could be more finely tuned to emphasize the following points:

Good planning – A number of municipalities have policies in their Official Plans stating that Section 37 developments need to conform to other Sections of the Official Plan, achieve good planning and neighbourhood compatibility. While this may seem self evident, it appears that many municipalities have concluded that it is prudent to clarify that achieving what is normally considered as “good planning” should be a pre-condition, and not the subject of negotiations regarding community benefits in return for Section 37 increases in development rights. To restate this point: the proposed development must meet the “good planning” test on its own; community benefits do not enter into this assessment and community benefits are not intended to mitigate elements that do not meet the “good planning” test. Nor does simply meeting the “good planning” test make a development eligible for a bonus.

Section 5.3.3.2(c) of the Mississauga Plan requires that, in the context of bonus zoning, the proposed development is compatible with the scale and character of the surrounding area and has little impact on neighbouring services. The new Draft Official Plan leaves these clauses intact. It would seem appropriate for Mississauga to add a clause to its Section 37 Official Plan statement that the enactment of by-laws to permit more height and/or density in return for community benefits is subject to achieving good planning objectives as well as conforming to other policies of the Official Plan, built form objectives and neighbourhood compatibility.

Therefore we recommend, that the italicized phrase be added to Section 19.7.1 of the Draft 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 specific amenities that benefit the city. These by-laws are intended to act as an incentive 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 objectives and policies of this Plan, and comply with all other City of Mississauga policies.*

Benefits over and above what can be achieved through other mechanisms – Most municipalities have not felt the need to clarify that Section 37 benefits are to be above and beyond what could otherwise be achieved under the Planning Act and the Development Charges Act. The City of Toronto makes this statement in its Official Plan, presumably to pre-empt any argument that, in future, Section 37 benefits could be discounted by the amount that is required through mechanisms such as Section 42 Parks dedications or development charges. A statement of this sort would reinforce that parkland dedication under Section 42 of the Planning Act, development charges, and conditions set under the site plan control process are not benefits that can be bonused for, rather they are requirements. Such a statement would, of course, not limit the opportunity to obtain benefits through Section 37 bonus-ing that are over and above what would normally be provided under Section 42 of the Planning Act or through Development Charges or the site control process.

Therefore we recommend, that the italicized phrase be added to Section 19.7.2 of the Draft 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 otherwise be provided under the provisions of the Planning Act, the Development Charges Act or other statute*, such as, but not limited to:...

Expand range of possible community benefits – Section 5.3.3.2(a) of the Mississauga Plan provides a list of possible community benefits that may be gained through the use of bonus zoning. The new Draft Official Plan updates this list. Although not exhaustive and allowing for other benefits to be achieved, the list might be further expanded. Examples might include: contributions to City-wide funds for public art or affordable housing, exceeding environmental performance development standards or LEED certification, or the inclusion of office space in high density areas to meet population-to-employment ratios.

A draft Official Plan policy amendment to replace the existing policy in the Mississauga Plan is included in the Appendix.

2. Establish corporate policies to provide further direction on the use of bonus zoning

Additionally, to provide further clarity on the use of Section 37 Bonus Zoning and the process by which an agreement is secured, it is our recommendation that the City pass corporate guidelines for the Implementation of Section 37 Agreements. These corporate policies will provide clarity to the development community on how the use of Section 37 will work in practice and establish a framework for City staff as they negotiate the agreement. Proposed corporate policies are included in Appendix C.

The creation of a Section 37 agreement is voluntary and based on negotiation, so criteria included in the guidelines should be general rather than specific. Guidelines should cover the following areas:

Basic principles – The guidelines will restate basic principles for the use of Section 37 bonus zoning and clarify the role of the guidelines, including:

Good planning – The guidelines will reinforce the basic principle of the use of Section 37 bonus zoning: that the proposed development represents good planning and that developers will not receive bonus height or density in order to meet basic requirements.

Reasonable planning relationship – The guidelines will clarify the relationship between the bonused development and the benefits provided. Priority will be given to benefits that are provided on-site or in the immediate vicinity.

Conflicts between policies and guidelines – The guidelines will include the proviso that they are meant to be read in conjunction with the policies of the Official Plan. If conflicts arise between the Official Plan provisions and the guidelines, the Official Plan policies will prevail.

Identifying triggers – Bonus zoning negotiations would be triggered by applications to amend the Zoning Bylaw. The approach to these applications should be to first assess the appropriateness of the application with respect to Official Plan objectives and then to determine if it meets the criteria for appropriate built form to ensure that the project will contribute positively to the growth of the City. The guidelines will include a threshold size below which Section 37 bonus zoning will not apply, to make it clear to the development industry that Mississauga does not intend to target smaller projects for achieving its community benefits. As a practical matter, there is also a likely threshold below which the administrative arrangements may be too onerous for both the developer and the City to justify the application of a Section 37 bonus policy. A further note, there may be instances in Mississauga where the Official Plan permits greater heights and density than the in-force zoning, however, it is the zoning by-law that is pertinent in this instance. In evaluating the proposal, it is at the discretion of the planning department as to whether Section 37 bonus zoning should be applied in these cases.

Process – The guidelines will establish a general process which will be followed once negotiations on bonus zoning are triggered. Elements include:

Planners to lead negotiations – It is important for the City to select one point of contact in the process of negotiating the Section 37 agreement. It makes sense that the planning staff who are responsible for making recommendations on development applications to Council, in accordance with the Planning Act and other Provincial policy, be the lead negotiators on developments that are the subject of Section 37 bonus discussions. It is also essential that planning staff coordinate input from other departments on the appropriate provision and costing of community benefits. The timing of negotiations is often quite sensitive, with the need to tie the approval of the development, including the increase in density, to a binding agreement to provide the services, facilities and matters. It is also important that the local Councillor be informed of these negotiations and that he or she have an opportunity to provide input into the nature of community benefits that might be appropriate in particular circumstances.

Method to evaluate Section 37 contributions – In negotiating Section 37 agreements, the City must determine what an equitable relationship would be between the value of the community benefit and the value of the increase in density. Other jurisdictions in Ontario have considered instituting a formula to assess the value of the benefit. However, based on legal advice, they concluded that providing a formula for this type of calculation might open it up to challenges that such a formula constitutes an illegal tax. Therefore a more flexible approach is recommended that assesses benefits on a case-by-case basis.

The Mississauga Plan provisions on bonus zoning require a special study 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.

It is recommended that Planning staff prepare a financial impact statement to be attached to the report recommending approval of the development, summarizing the community benefits that are to be secured, the value of increase in height and/or density, the value of the community benefits and the timing of the provision of the benefits. A typical protocol for assessing the value of the increase in height and /or density is to use City real estate appraisers to calculate the increase in the value of the land associated the increase and to use this valuation as the basis for calculating the value of the community benefit to be secured. Another approach is to either use outside appraisers to do this and charge the developer for the cost or require the developer to hire an independent appraiser to do the calculation and share the information with the municipality. The value of the community benefit would be based on an evaluation by staff in Departments responsible for capital facilities. As for the requirement for the developer to submit a special study, it is recommended that this requirement remain, but that the City verify its contents through its own financial impact statement.

To ensure transparency, Mississauga should adopt the protocol of including a financial summary as an appendix to its final reports dealing with Section 37 bonus developments, summarizing the value and timing of community benefits to be secured.

Benefits to be identified in site specific by-laws – The benefits to be secured through any particular bonusing application would need to be outlined in a site specific bylaw. Such a bylaw, in addition to containing all of the usual provisions that would govern development on the site, would include a section that requires the owner to enter into agreements under Section 37 to secure the facilities, services and matters outlined in the bylaw. This section of the bylaw could also include a specific list of benefits that would be provided to the Regional municipality, who would be responsible for delivering the service, such as transit or non profit housing, or possibly a non profit agency (e.g. daycare facilities).

Identification of benefits – The “reasonable planning relationship” between bonused development and community benefits discussed above is the first principle of determining bonus zoning benefits. Beyond this broad test, the prioritization of community benefits by Planning staff might involve the following steps:

Reference the Official Plan policies – The Mississauga Plan policies on bonus zoning include a list of potential benefits that reflect City priorities, while also indicating that other benefits not specifically named in the Plan may also be secured through use of Section 37. As mentioned above, these potential benefits need updating. They might provide a first indication of what benefits should be prioritized.

Consider developer's proposal – Some benefits may be more cost effective for the developer than others, allowing the City to get more value for the swap. A developer is likely to be willing to invest more money in a benefit that directly increases the value of their development as well as providing community amenity.

Reference community assessments and studies – District Plans, Community Infrastructure Impact Studies (CIISs), or the analysis of the Community Services Department in documents such as *Future Directions* may identify a prioritized list of community benefits.

In other jurisdictions, Section 37 has been used to secure benefits, such as affordable housing, that are provided at a city-wide scale rather than necessarily in proximity to the bonused development. These were deemed to represent a “reasonable planning relationship” because of the basic need for these benefits and the difficulty of providing them in the immediate vicinity.

Community consultation – Going to the community impacted by the new development early to discuss the possibilities for community benefits will provide further direction to Planners and add to the transparency of the process.

Other uses – Section 37 agreements, once enabled through Official Plan policy, have uses beyond securing community benefits for bonuses in height and density. Planning Act provisions on Section 37 give municipalities the ability to enter into a voluntary legally binding contract with a development proponent and register this agreement on title, even if no increases in height and density are being exchanged for community benefits. Development agreements also serve this function but within a narrower definition of what can be secured. Other municipalities have used Section 37 agreements as a mechanism to legally secure elements of a development that fall outside of what can be included in a development agreement (for example, replacement of rental housing, preservation of heritage features, public art). During the development approvals process, City planners should be aware of the possibility of using Section 37 agreements in this manner.

COMMUNITY INFRASTRUCTURE IMPACT STUDY

Rationale

The notion of examining community uses impacts as a result of intensification projects was first introduced through OPA 58. Provisions in OPA 95 and the Draft Mississauga Official Plan give the City the power to require the proponent of an intensification project to provide a Community Infrastructure Impact Study. These provisions are also included in the new draft Official Plan. A Community Infrastructure Impact Study will assess the adequacy of existing community infrastructure, human services and emergency services to meet the increased demand caused by proposed intensification. The policy also adds the element of appropriate phasing by stating that 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. The policy includes the requirement that the Community Infrastructure Impact Study be approved by the City and other approval agencies.

The exact definition Community Infrastructure has been slightly altered in the new Draft Official Plan. In OPA 95:

COMMUNITY INFRASTRUCTURE means lands, buildings, and structures that support the quality of life for people and communities by providing public services for health, education, recreation, socio-cultural activities, security and safety, and affordable housing.

In the Draft Official Plan:

COMMUNITY INFRASTRUCTURE means land, buildings, and structures that support the quality of life for people and communities by providing public schools, private schools, emergency services, private clubs, community facilities, daycare/day program and places of religious assembly.

and

COMMUNITY FACILITIES means a facility operated by or on behalf of a public authority for the provision of community activities such as, but not limited to, recreation, libraries, arts, crafts, museums, social and charitable activities. This includes pools, outdoor rinks and arenas. Private gyms, banquet halls/conference centres or convention centres are not considered community facilities.

The main difference between these definitions is the removal of affordable housing as an element of Community Infrastructure and the addition of some private facilities.

The key point to take from OPA 95 and the new Draft Official Plan is that the main driver for the creation of a CIIS, as a requirement to be considered in the planning process, is the context of intensification and a desire to manage growth and stage new development with the adequate provision of community infrastructure. This is affirmed in other parts of OPA 95 (see background report). Official Plan policies allow the City to require a CIIS be submitted by developers as part of the planning approvals process.

The foundation of our recommendations on the use of CIIS by the City of Mississauga is the judgement that the City needs to elaborate on its approach to community infrastructure, beyond that included in OPA 95, if it is to achieve its desired aims in the context of intensification. Some key points supporting this judgement:

- A developer-prepared CIIS, on its own and as described in OPA 95 and the new Official Plan, is an inadequate tool given the motivation to pace intensification to the provision of adequate community infrastructure. As detailed in the background report, experience in other municipalities indicates that developer-prepared CIIS are not particularly useful. Such a study analyzes the impact of one development, the impact of which is almost always negligible because it represents only one increment of change. The real impact will be felt through the accumulation of many incremental changes in demand for community services and facilities. The big picture is required, not the small one; and the developer is poorly positioned to evaluate the cumulative impact to which their development contributes. Also, as indicated in the background report, evaluating these reviews is time consuming and can require as much work by City staff to verify as producing the study internally.
- OPA 95 establishes the City's responsibility to phase development to match community infrastructure provision. The CIIS is intended to be a tool to evaluate if this is being achieved. The implication is that if intensification outpaces community infrastructure, that development might be slowed to allow the provision of community infrastructure to catch up. Looking at this responsibility from a different perspective, it would seem more appropriate for the City to phase the provision of community infrastructure to keep pace with intensification. Appropriate intensification should be encouraged whenever possible. It makes very poor sense to put a halt to intensification because the City cannot fulfill its responsibility to provide appropriate levels of community infrastructure through the mechanisms at its disposal. In cases where community infrastructure is provided by other levels of government or the private and non-profit sector it would still make best sense for the City to know these requirements well in advance and either advocate with service providers or work to create the conditions that would attract non-governmental providers in anticipation of growth. A system for planning community infrastructure is required that would allow the City to be proactive on this front and take full advantage of intensification opportunities. The City already does this for some aspects of community infrastructure through the preparation of the *Future Directions* reports by the Community Services Department.

Based on these observations, preliminary recommendations were developed on an approach to CIIS for Mississauga. It was felt that the City should take the lead and conduct CIIS for areas targeted for

intensification. The CIIS would analyse the current provision of community infrastructure, project future needs, set trigger points, address delivery, and establish a system for ongoing monitoring. Developer-prepared CIIS would still have a role in this process. Developers would submit CIIS with their development proposals based on terms of reference prepared by the City. These development-specific CIIS would be used to update the City-managed CIIS for the entire intensification area. These recommendations were tested at a workshop of City Staff in June 2009 (a summary of which is included in the Appendix).

Participants at the staff workshop agreed that requiring proponents of new development to submit a CIIS without a City-developed framework for understanding the current situation, or the cumulative impact of many developments, would not be particularly useful. In general, staff saw a use for a CIIS-type analysis covering all parts of the city and addressing a full range of services and facilities from daycare to methadone clinics, from affordable housing to seniors programming. They felt that much of the information that was needed to prepare a CIIS was already being collected by different City departments, therefore the CIIS would bring together existing data in one place for better analysis.

Based on this feedback, the consultant team interviewed representatives from a number of City and Regional departments and non-profit organizations to understand what information they collected, the spatial scale of this information, its suitability for being included in a CIIS and their willingness to participate in the creation of a CIIS. A table summarizing these interviews is included in the Appendix.

The principal finding to emerge from these interviews was that some elements of community infrastructure would be much easier to incorporate into a CIIS than others. Table 1 provides a summary of the possible elements to be included in a CIIS, indicates what kind of data groups or organizations currently collect, and evaluates the ease with which the data collected could be incorporated into a CIIS.

Table 1 – Potential CIIS Elements

Colour code: Green – Data is currently available and could be readily incorporated into a CIIS
 Amber – Some data is available but would require work to incorporate into a CIIS
 Red – Data is not available or not particularly suited to being incorporated into a CIIS

Element	Department/Organization	Ease of incorporation into a CIIS	
Libraries			
Community and Recreational Facilities	Community Services Department	Information is already collected and analysed in the preparation of the <i>Future Directions</i> reports	Green
Parks			
Schools	Peel District School Board and Dufferin-Peel Catholic School Board	School boards regularly assess the demand for local schools in consultation with the City	Green
Day cares	Child Services Operations, Region of Peel	Know the location of 24,000 licensed childcare spaces at 350 different sites across Peel (6000 of which are subsidized). Have postal codes for the 3,000 name long waiting list for subsidized spaces.	Amber
Health facilities	Mississauga-Halton Local Health Integration Network (MH LHIN)	Have a good idea of the extent of the health network that they fund – hospitals, mental health services, community services, community care, supportive housing. However, there are private providers that they might not be aware of. Do not do have a spatial analysis of these resources. Have limited data analysis resources.	Amber
Seniors Services	Community Services Department	The Older Adult Plan identifies facilities that are to become centres for seniors’ programming and services	Amber
Emergency Services	Fire and Emergency Services	Already works with Information Planning to plan future requirements	Green
	Emergency Medical Services	Location of stations less important than vehicle deployment which is determined through call analysis	Red
	Peel Regional Police	Emphasis is anticipated to be similar to that of Emergency Medical Services	Red
Social Services	United Way of Peel	Various organizations provide an analysis of the spatial distribution of human services. They might serve as models that can be expanded rather than act a source of analyzed data that is ready to be incorporated into a CIIS: <ul style="list-style-type: none"> • “Success by 6” - Mandate to increase services for young children and their families. Collect information on Service Delivery Areas (SDAs), which are geographies intended to support service planning and delivery by providing service providers with data that is relevant to the local geographies they serve. • United Way is partnering with the Region’s Human Services Dept to create neighbourhood profiles – social indicators, state of neighbourhood. They are using this information to direct investments. • Peel Poverty Reduction Steering Committee use indicators. 	Red
Services for Newcomers	Peel Newcomer Strategy Group	Have data at the Region of Peel level, rather than the neighbourhood level	Red
Affordable Housing	Affordable Housing Services, Region of Peel	Do not have data on the spatial distribution of the provision of or need for affordable housing	Red
General Data	Peel Data Centre	Collects planning related data and growth forecasting to be used by various departments and other service providers, such as NGOs. Example: developing a deprivation index to be used by service providers. Most of the data comes from Statscan or CMHC. Can provide data at any scale – standard census geographies or custom runs.	Amber

Table 1 indicates that there is a great deal of variation in the ease with which different elements of community infrastructure might be incorporated into a City-led CIIS. Generally it would seem that hard facilities would be easiest to include; much of the data already exists and would only need to be evaluated at the appropriate geographic scale. Other elements would be more difficult, such as day cares and health facilities, because although raw data is available it has not yet been processed in a way that makes analysis possible on a spatial scale. Therefore, if these elements were to be incorporated, resources would need to be dedicated to turn this raw data into something useful for a CIIS. Lastly, there are other elements, such as social services and affordable housing, which would be difficult and costly to incorporate into a CIIS because there may be very little data, or the data that is available has been analysed only at the Regional level. In the case of social services, comprehensively evaluating availability at the spatial scale of a CIIS would be a significant undertaking involving a diverse group of non-profit and public service providers.

Regardless of the complexity of incorporating the elements addressed in Table 1 into a CIIS, all internal and external stakeholders consulted, indicated their willingness to be involved in an evaluation of community infrastructure. There is clearly large room for collaboration with the Region and non-profit groups in collecting and analyzing the kind of information that would be useful for a CIIS.

Establishing a Scope for a CIIS

Consultations with City staff and other stakeholders indicated that the potential scope of a CIIS could be very large, complex and require significant resources to accomplish. To come to our recommendations we have had to refocus on the main drivers for the use of this potential tool. The first issue of scope is geographic scale. The core purpose for developing a CIIS, as initially expressed in OPA 58 and OPA 95, is to ensure that the provision of community infrastructure keeps pace with intensification. Therefore it makes sense to target CIIS at areas likely to undergo the greatest degree of intensification: the Downtown and other nodes. It may be decided, once the usefulness of CIIS has been established in this context, that similar studies be conducted for more stable areas of the city to evaluate the current provision of community infrastructure and how the adequacy of this level of provision may change over time. In this case, the development of a CIIS might be incorporated into local planning processes.

Another major decision that needs to be made regarding the scope of a CIIS is which elements should be included. A CIIS should be a focussed document with clear triggers for the provision of additional community infrastructure. In determining the elements to be included we considered the following questions:

- What elements will be impacted by intensification?
- What elements of community infrastructure are best analyzed at the intensification area scale?
- What elements are feasible to include, given the availability of resources?

Based on these three questions, the most straightforward approach to CIIS is to concentrate on hard facilities and a limited range of services. Elements which could be included fairly easily include:

- Schools
- Libraries
- Recreation and other community facilities
- Parks
- Fire and Emergency Services

For these elements, some degree of spatial analysis is already available. The CIIS would simply gather this in one place, consider it specifically in the context of intensification and establish triggers for new community infrastructure. By focusing on hard facilities, consideration would therefore include spaces from which services could be delivered, even if the level of service provision is not explicitly included in the CIIS.

Cultural infrastructure is a challenge because of its variety, the difficulty is setting basic levels of provision - for these reasons, we think it is best left to a dedicated analysis and strategy for provision as is currently the case. On the second point, the whole point of our approach is the recognition that no development will ever be turned down because of lack of community infrastructure – it is therefore the responsibility of the City to take this issue in hand and ensure that an adequate provision exists

Other elements that should also be considered are day care spaces and health facilities. These elements might require slightly more work, as their provision has not been analyzed spatially. However, data does exist that would allow this analysis without a significant commitment of resources.

Elements such as social services and affordable housing are an essential part of planning for the future of Mississauga. However, when examined in the context of the questions above, a CIIS may not be the most efficient or effective method for analyzing suitable levels of provision. For one, these elements of community infrastructure would benefit from a whole city approach, rather than one targeted specifically at intensification areas. In the case of social services, a neighbourhood level approach might be beneficial as well in some instances. Adequate provision of social services and affordable housing are likely to be as much a problem in stable neighbourhoods and established parts of the city as they are in areas undergoing intensification. Dedicated studies and the development of strategies targeted at these aspects of community infrastructure would meet the intent of the Provincial Growth plan and likely achieve greater results than including them in a the development of a CIIS. The City of Toronto launched its Strong Neighbourhoods Strategy, which identified 13 neighbourhoods as priorities for investments in infrastructure and services. The Region of Peel is engaged with service providers on similar initiatives. The City of Mississauga is currently developing an Affordable Housing Strategy and Action Plan which will provide a more targeted and immediate response to this important aspect of community infrastructure. These initiatives are examples of resources better spent than incorporating these elements into a CIIS.

The definition of community infrastructure included in the new Draft Official Plan includes private schools, private clubs and places of religious assembly. These elements fall outside of public responsibility for community infrastructure. While they should be a consideration in the regulation of permitted uses in the zoning by-law, they need not be included in a CIIS.

Having detailed a justification for limiting the scope of CIIS by geographic area and elements to be included, the recommendations section focuses primarily on finalizing a terms of reference and determining the mechanics of producing CIIS.

Recommendations

1. Establish an interdepartmental scoping group to develop CIIS framework

In principle, it has been established through our consultation with City staff that a CIIS is a useful tool for better managing intensification. We have included above a discussion as to what might be an appropriate scope for such studies, and included a draft terms of reference for both City-led and developer-led CIIS in the Appendix. The challenge for the City of Mississauga will be to determine how the development of a CIIS will work in practice and how to get the most out of this work when it is completed.

Therefore, we recommend that the City strike an interdepartmental scoping group to finalize the City's approach to CIIS. The group's task would be to:

- Finalize the terms of reference for CIIS;
- Estimate the resources required to produce and maintain CIIS, and strategies for securing these resources;
- Determine the roles of participating departments, including who will lead in the creation of baseline CIIS and updating them based on development applications and new facilities;
- Identify outside stakeholders who should be involved in the development of a CIIS and how;
- Hold a session with all City departments and outside stakeholders, such as the Region and other groups, to confirm what data is available and how it will be incorporated into the CIIS

The scoping group would consist of a core group of departments likely to be most involved in the CIIS process: Planning and Building Department, (especially Policy Planning and Information Planning), Community Services, as well as Corporate Services to address any resource requirements.

The scoping group will also estimate costs in terms of staff resources and offer a reality check on current capacity to deliver CIIS. They will be responsible for making a case for further resources or upgraded capacity if necessary.

The scoping group should also consider if it is appropriate to determine a successor group which would implement the scoping group's approach and address issues such as the ongoing maintenance of the CIIS, how it will be updated, and annual reporting. Reporting might be identified as particularly important; reports could feed into other initiatives, such as the Future Direction reports or upcoming District Plan Reviews, and might identify infrastructure shortfalls and feed into funding decisions about where investments need to occur. These reports could also be used to keep other stakeholders informed about the demands of intensification and growth in Mississauga. Even community infrastructure providers for elements not included in the CIIS might find these reports useful.

2. Approve terms of reference for both levels of CIIS (developer-submitted and City-led)

As well as finalizing the scope of CIIS in terms of geography and the elements to be included, the terms of reference will clarify the roles of the City and the developer of an intensification project. Proposed terms of reference are included in Appendix D for the purpose of giving the Scoping Group a starting point for their deliberations. In these terms of reference, the City takes on the majority of the burden for developing an intensification-area-focused CIIS in anticipation of development activity. The developer will submit a development-proposal-specific CIIS that is succinct and provides the City with a projected demographic of residents and any public or private facilities that will be included in their development. The demographic analysis would include estimates of number of children using daycares and elementary and secondary schools. The City will use the analysis to update their own CIIS, establish if any triggers have been hit for new community infrastructure, and produce a response to the developer's CIIS that details the proposed development's impact on community infrastructure.

This approach to CIIS has cost implications for the City, mostly in the use of staff resources. The cost is not primarily in evaluating the individual developments, but in developing the baseline CIIS against which the developer's proposals will be evaluated. The City will have to determine if there a justification for incorporating this cost into the charges associated with reviewing development applications.

3. Consider whether the enabling policy in the Official Plan needs to change

OPA 95 and the new Draft Official Plan allow the City to require the proponent of an intensification project to submit a CIIS. The definition of what a CIIS does is much more involved than what the proposed terms of reference demand:

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.

The terms of reference now only ask the proponent of an intensification project to go half way. The proponent now must submit a demographic profile of the users or residents of the proposed development and any public or private facilities to be included. The City then takes care of the analysis portion of the CIIS in its response.

Because the demands of the terms of reference are only a portion of what is included in the OP policies, it is possible to let that policy stand. Another possibility would be to change the OP policy to better reflect what is now demanded of the proponent, and indicate that the City will be charging the developer to evaluate and complete the assessment of impact on community infrastructure.

5

EVALUATION OF PROPOSED APPROACHES

5 EVALUATION OF PROPOSED APPROACHES

The planning tools that are the subject of this study – Community Improvement Plans, Bonus Zoning and Community Infrastructure Impact Studies – have already been referenced in a number of reports, strategies and plans at both the City of Mississauga and Region of Peel level. The Appendix includes a matrix which documents these specific references and comments on the use of the planning tools in the manners proposed.

When the net sum of these proposed applications is totalled, it becomes apparent that the use of these planning tools has been overpromised. A survey of the planning tools shows their appeal, but also that their use, like any other public decision, is about choosing priorities:

Community Improvement Plans – Many areas in Mississauga could benefit from a CIP. A CIP focuses attention on a particular area, charts a path to improvement and dedicates resources for public investments and incentives for private investment. When applied on a city-wide scale, CIPs can be used to target public funds to large issues. The matrix indicates the City’s desire to use CIPs at many different scales – city-wide, the Downtown, Port Credit and Lakeview, and in designated cultural nodes – and to stimulate various improvements, including facade improvements, heritage preservation, energy efficiency features, green development, the promotion of office development, cultural spaces, adaptive reuse of buildings, brownfield programs, and general improved community features.

Financial incentives included in CIPs would seem a panacea for many different kinds of issues facing areas of Mississauga, and they may very well be. However, in a political environment which has not traditionally subsidized private investment, and acknowledging that finite resources are available, the City of Mississauga will have to make choices about priorities. In selecting a pilot CIP, a sound business case will have to be made to justify the investment of public resources.

Bonus Zoning – The allure of bonus zoning is also easy to understand: resources for community improvement are secured that would otherwise not be available due to negotiations with a developer permitting height and density over as-of-right levels. Bonus zoning appears frequently in the strategies, plans and programs listed in the Appendix. It is oversubscribed due to three realities:

- Opportunities to use bonus zoning are limited. Mississauga has used Section 37 Bonus Zoning only once in its history. Other opportunities will present themselves but not at a level that will be a major resource to pursue objectives such as the provision of higher order transit, general community facilities, or affordable housing.
- The use of bonus zoning may conflict with other objectives. Intensification areas are deemed to be a suitable place for the use of bonus zoning. In cases where high development pressure exists, it may be possible to secure both appropriate intensification and bonus zoning at the same time. Whether this situation is currently the case in Mississauga is not clear. It is more likely that the City will have to offer extra height and density to developers as-of-right to achieve its intensification targets. In this case the intensification agenda is likely to outweigh the use of bonus zoning to secure community benefits as a priority.
- Even in cases where bonus zoning does occur there will be many varieties of community benefits competing for limited Section 37 resources. The City may want to dedicate Section 37 for a particular benefit, in keeping with the plans, strategies and policies listed in the matrix, but

voices from the community may not agree and propose their own use of the funds.

The recommendations on bonus zoning included in this report will help the City to be prepared to handle opportunities for the use of Bonus Zoning. As mentioned above, while the city should be prepared to put these resources to best use, they should not count on them as a major source of funding.

Community Infrastructure Impact Studies – CIIS are the one tool which does not heavily feature in existing policy. The reason for this might be that it has only recently been enabled through OPA 95 (although with origins in OPA 58). Further the scope of such a study, as recommended here, sees the City take the lead on the preparation of CIIS for intensification areas, rather than requiring and analyzing CIIS submitted by developers. There are two relevant opportunities for the use of CIIS listed in the matrix, the first is to give the next iterations of the Future Directions reports a focus on intensification areas, the second is to assess the community infrastructure requirements of the Downtown. Both of these opportunities could be made possible by following the recommendations of this report.

Using the tools in combination

The recommendations included in this report have aimed to set out the general framework for the use of the proposed planning tools, without being too prescriptive about how they are integrated into established process. The City of Mississauga should use this report to begin a discussion about how the planning tools can be best integrated into existing processes and the use of existing tools, and how the tools might best be used together in particular instances. Some examples:

- Each community improvement planning process requires its own needs assessment. The assessment defines a range of issues, some of which can be met within the powers enabled by the CIP legislation, some of which may require other approaches. Where appropriate these assessments could be tied in with the Community Infrastructure Impact Study process.
- The development of a CIIS could be incorporated into the District Plan Review process, if it was determined that the Planning District was a useful scale at which to determine intensification related demands on community infrastructure.
- In its next installment, the Future Directions report development process could be reshaped to report specifically on intensification areas as well as the service areas which are currently used.
- Density bonusing, while not necessarily a tool to be included within a CIP, can be used to achieve certain CIP objectives, such as an improved public realm, parking or increased residential intensification.
- The creation of CIIS could provide a list of priority items to be sought should opportunities for bonus zoning arise.
- A city-wide CIP targeting affordable housing could provide tools, such as incentives, to be used in combination with other means of stimulating affordable housing provision.

6

WHERE TO START

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NEXT STEPS

6 WHERE TO START - NEXT STEPS

Acting on the recommendations of this report will allow the City of Mississauga to establish a framework for the consistent application of these planning tools. Some interdepartmental discussion is likely to be required to agree on and finalize the Guidelines for the Implementation of Section 37 Agreements, the Standards of Good Practice for the Development of Community Improvement Plans and Terms of Reference for Community Infrastructure Impact Studies. With these in place, the City will be ready to use these tools as opportunities arise to do so.

At the staff workshop, some participants put forward the idea that a small pilot project would be useful as the first application of these planning tools in order to provide evidence to Council of the legitimacy of these approaches. In our opinion, the City of Mississauga decided to look at these planning tools because they needed new approaches to deal with the intensification challenge, and they needed new approaches right now. Choosing a small pilot project will only delay the use of these tools in a manner that might have real impact on some of Mississauga's most pressing challenges.

Therefore, we recommend that a CIIS and CIP are developed for the Downtown as an initial use of these tools. The reasons to support this recommendation include:

- The Downtown is already the site of a major planning initiative in the form of Downtown 21. A CIP would provide the tools needed to aid implementation.
- A successful Downtown is the pivot of the City's growth management agenda and the shift from a suburban to urban city.
- The Downtown needs to be a complete community with an appropriate ratio of population to jobs and an adequate provision of community infrastructure.

In sum, in the Downtown, more than any other area, the difference between a more proactive approach and the status quo is relatively large. A significant challenge requires suitable tools. The tools studied in this report are the right ones for this task.

APPENDIX **A**

City of
Mississauga Policy and
Program Matrix

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
MUNICIPAL					
Moving Forward	(City of Mississauga Strategic Framework and Priorities) Not specifically mentioned but many of the tools could be used to assist with the achievement of certain strategic initiatives particularly when incentives or impact assessment may be relevant. Focus of this review is how they can specifically be used to plan and manage growth.	X	X	X	The recommendations made in this report address the general use of the planning tools to plan and manage growth.
Mississauga Plan	Enabling policies already exist in Mississauga Plan for Community Improvement and Bonus Zoning. Through OPAs 58 and 95 additional policies were added to enable the City to request Community Infrastructure Impact Studies from proponents of an intensification project. Nine community improvement areas have been conceptually identified in Mississauga Plan. These policies are currently under review.	√	√	√	Changes to the Official Plan policies are included in the general recommendations.
Strategic Plan	<p><u>Incentives</u> - The City of Mississauga can use many innovative tools to help finance actions contained in the Plan, such as Tax Increment Financing (TIF) and Development Grants (Tax Increment Equivalency Grants). In addition the municipality has the powers to use density bonusing and introduce special levies.</p> <p><u>Direct Growth Action 16</u> - Use development revenues from density bonusing to support higher order transit.</p> <p><u>Completing Our Neighbourhoods Action 15</u> - Use incentives to encourage work commutes by public transit.</p> <p><u>Completing Our Neighbourhoods Action 19</u> - Use incentives to recognize and/or revitalize lost historical villages .</p> <p><u>Completing Our Neighbourhoods Action 20</u> - Implement a cultural heritage façade improvement program.</p> <p><u>Living Green Action 7</u> Implement an incentive/loan program for energy improvements.</p>	√	√	√	<p><u>Direct Growth Action 16</u> - As discussed in the main body of the recommendations report, it is possible to use density bonusing to support some local capital facilities related to higher order transit. The City of Toronto includes “local improvements to transit facilities including rapid and surface transit and pedestrian connections to transit facilities” as a Section 37 benefit in its Official Plan. It is unclear at what scale bonus zoning opportunities will be available in Mississauga, or if it is desirable in this instance. In terms of higher order transit corridors, the main emphasis shaping policy will be the desire to encourage appropriate transit supportive densities, rather than trying to gain benefits from increased densities. It is possible that development demand for these areas will be high and some proposed developments will exceed allowed heights and densities. Bonus zoning should be pursued in these cases according to the guidelines included in this report. However, it would be unwise to anticipate that a major portion of the cost of higher order transit will be funded in this way. Additionally, there may be other community benefits that compete with higher order transit facilities for the resources secured through Section 37.</p> <p><u>Completing Our Neighbourhoods Action 15</u> – Not pertinent to the kinds of incentives discussed in this report</p> <p><u>Completing Our Neighbourhoods Action 19 &20</u> – Heritage and facade programs appear in many CIPs in Ontario municipalities and have been some of the most successful, with high levels of uptake. They would be a useful tool for the City to included in CIPs, where appropriate.</p> <p><u>Living Green Action 7</u> - The inclusion of energy efficiency incentives in CIPs is still relatively new and has been only initiated in a select few municipalities. They are a possibility for Mississauga as well, and largely dependent on available resources. Exceptional energy improvements above the norm might also be a benefit gained through bonus zoning. Worthy to note, there may be other ways of promoting these objectives, such as the promotion of federal or provincial programs that fund energy retrofits, Green Development Standards that have voluntary or mandatory levels of compliance accompanied by incentives, or fast-tracked development approvals for LEED certified buildings.</p>
Mississauga Growth	Consider how these tools can be used to incent development to achieve the density target	√	√	√	See comments on Office Strategy below.

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
Management Strategy	and population and employment ratios (density mix)				
Office Strategy	<p>The Mississauga Office Strategy Study reviewed several types of financial incentives intended to help offset the additional cost of office development. The investment/strategies are as follows:</p> <ul style="list-style-type: none"> • Create a Community Improvement Plan (CIP) for the City Centre; • Tax Increment Financing (TIF); • Tax Increment Equivalent Grant (TIEG); • Municipal investment in underground parking; • Relief from Development Charges and other fees; • Exemption from Peel Region and school board taxes; • Elimination of property tax payable on newly constructed vacant office space; and, • Creation of a new property tax class for office development in City Centre. <p>TIFs and TIEGs have only been used for pilot projects (West Don Lands and Toronto-York Subway Extension). There are no general guidelines in place regarding how to establish these in Ontario and it is unclear at this point how they would be administered by the Province. Provincial approval would be required and the City would need to bring forward a proposal for approval. It should be noted that the last three proposed incentives are not currently permitted under the legislative framework. Discussions with the Province and the Region would be required, if the decision was made to pursue some of these options.</p> <p>The most positive impact on a developer's return is exempting developers from Peel Region and School Board taxes. The TIF/TIEG option also boosts the developer's return. The municipal contribution/investment in a parking structure significantly benefits the developer and the City in that there is an eventual payback of the municipal investment and a future revenue stream.</p> <p>Promoting the rehabilitation of energy retrofits and conservation practices and a district energy system into a CIP would be beneficial.</p>	√			<p>A community improvement plan for the downtown area could be a useful framework to structure financial incentives aimed at attracting new office and employment opportunities. A CIP, approved by the Province, is a pre requisite for these programs. The CIP would also provide a criteria base by which funding and incentives can be evaluated.</p> <p>The construction of a parking garage that would offset development costs and incentivize developers does not need to be enabled by a community improvement plan. However, a CIP could provide a physical plan framework which could help direct and shape the planning of the structure.</p>
Employment Land Study	(In areas where the conversion of employment land will be permitted) more mixed uses require substantial public investment to upgrade streetscapes and community facilities to serve new residents. The City should ensure that the policy framework for conversions directs the use of Section 37 of the Planning Act, the aggressive implementation of urban design guidelines, and other methods to ensure that a high quality urban environment is provided	n/a	Bonus Zoning		Similar to the comments regarding bonus zoning to support higher order transit, bonus zoning secures a portion of the increased value of a developments due to increased height and density and dedicates it to community benefit. In cases where there is high development pressure, this is a possibility. However in the absence of high development pressure, opportunities for bonus zoning are likely to be rare and efforts will have to be made to incentivize mixed use development (like adding allowable height and density with no bonus zoning requirement), rather than pursuing bonus zoning.
Parking Strategy for the City Centre	<p>Recommends that the City partners with private developers in delivering municipal parking garages that will be used as a shared public resource either through the Payment in Lieu of Parking program or site specific joint ventures.</p> <p>The City should also consider the use of "green" building features in any new municipal garages.</p>	√			A CIP is not necessary to use this approach.
Draft Future Directions	Community Services Planning for Intensification Areas:	√	√	√	CIIS – The development of CIIS for intensification areas is largely a reinterpretation of Future Directions at a different scale and expanded to include a broad definition of

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
	<ul style="list-style-type: none"> • Intensifying areas should be examined for their ability to act as hubs of community activity while providing opportunities for passive and active recreation to serve a larger population using a greater focus on neighbourhood planning; • Appropriate municipal and non-municipal facilities (e.g. community centres, parks, libraries, elementary schools) should be strongly considered to deliver high quality and increasingly sophisticated recreational opportunities within walking distance of neighbourhoods; • Community centre and library development will be tied to population increases and may take the form of condominium ownership within either residential, office or mixed-use developments with locations that can be well-served by transit. ‘Urban’ format facilities could serve the surrounding community; • Consider preservation of open spaces to provide relief from intensification; • Consider the inclusion of public space in the downtown core and higher density areas to promote a range of leisure activities not part of the core mandate but in demand (such as off-leash dog parks, community gardens, special event facilities and informal sports facilities); • Replacing the small recreation facilities being developed in condominiums with an appropriately scaled larger municipal multipurpose community centre may also be an excellent partnership opportunity for developers (i.e. using cash-in-lieu receipts instead of their own investments in their developments). <p>The City should respond to requests for facilities presently not part of the core mandate on a case-by-case basis by evaluating the municipality’s role in providing the service in relation to quantified market demand and cost-effectiveness of such services, while also identifying potential strategies to address long-term need for such requests should a sufficient level of demand be expressed.</p> <p>If the “smart growth” principles of intensification along the Highway 5/10 corridor are achieved, the development of a community centre containing a gymnasium, fitness centre and an indoor pool is recommended (also see Library Study). ... Application of Section 37 of the Planning Act to encourage the non-duplication of facilities in abutting condominiums should also be applied at the time of development.</p>				<p>community infrastructure.</p> <p>Bonus Zoning – Bonus zoning could be used to supplement an area’s offer of community infrastructure as opportunities present themselves. The analysis presented in the Future Directions reports should be drawn on to help prioritize benefits.</p> <p>CIP – Community Improvement Plans are a useful way of planning for investment in community facilities for a targeted area. However, in this case the use of financial incentives does not apply.</p>
Hurontario Mainstreet LRT	<p>Draft report proposes community improvement plans as a tool to achieve the vision of the Hurontario Mainstreet Master Plan. In Phase One, three community improvement project areas are proposed in Mississauga – Port Credit, Cooksville, and the Downtown and two in Brampton – Downtown and at Hurontario/Steeles recognizing the need to address specific character areas.</p> <p><u>Recommended financial incentives programs include:</u></p> <ul style="list-style-type: none"> • tax increment-equivalent grant program • application and permit fee grant program • development charge rebate program • temporary exemption from Peel Region Taxes and Business Taxes • environmental and servicing study grant/loan program • heritage grant/loan program 	√			<p>CIPs would be a useful way of plotting a course of improvement for areas along the Hurontario Mainstreet Corridor in a manner that included public sector led improvements and incentives for private investment. The Downtown is a special case and would especially benefit from a CIP which would provide a series of tools to implement Downtown 21’s vision for the area. Since the scale of change desired in the Downtown, the resources included in the CIP would likely involve a commitment of public resources. The scale of change might be less for the Port Credit and Cooksville portions and therefore the tools presented in these CIPs more modest.</p>

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
Culture Master Plan	<p>Mississauga could use CIPs to guide the development of cultural nodes in Mississauga. CIPs could state the City’s intent to officially designate cultural nodes, and serve as the planning and implementation framework, from which a number of cultural initiatives can flow.</p> <p>Some of these initiatives would be municipally-driven while others would be incentive-based. <u>Incentive-based initiatives include providing incentive grants and loans to:</u></p> <ul style="list-style-type: none"> • Preserve and adaptively reuse heritage and industrial buildings • Initiate façade improvement programs for commercial buildings • Create an artful public realm • Convert spaces for commercial/cultural uses 	√	√		<p>As mentioned above, heritage and facade programs have generally been successful where implemented. The creation of an artful public realm might follow the same principles – small grants given to many applicants. The conversion of spaces for commercial/cultural uses would have to be more carefully shaped to understand the private investment decisions at play.</p>
Downtown21	<p>All moves in the Downtown should be aligned to support and catalyze office development. The Main Street is the first step to achieving this goal. (Preliminary)</p> <p>A variety of time-limited incentives could be considered to promote the development of the Mainstreet component of the Downtown21 Master Plan:</p> <ul style="list-style-type: none"> • reduction or elimination of regional and municipal development charges; • reduction or elimination of educational development charges; • a parking subsidization package to offset the difference between the costs of surface and underground parking; • the elimination of permit fees; • tax relief of between 12 to 15 years on the improved property to generate land values equivalent to those enjoyed at suburban locations. <p>Integrate/define community improvement plan (CIP) tools that can be utilized to implement the Main Street by focusing on new ways to fund and finance infrastructure investments tied to the development value they unlock, new street connections, parks and open spaces etc. .</p> <p>Identify future community needs: at minimum – affordable housing, education, emergency services, medical services, day care facilities and religious institutions.</p>	√		√	<p>A CIP for the City Centre could act as an implementation plan for the vision presented in Downtown 21, and combine the use of indirect (public sector investments in infrastructure, amenities and the public realm) and direct (financial to the private sector) incentives to stimulate growth and investment.</p> <p>A CIP would be a useful tool to guide future development, evaluate private sector initiatives, evaluate funding and incentive programs and consider community infrastructure investment as intensification proceeds.</p> <p>In our opinion, incentives enabled through the use of a CIP would be critical in attracting employment uses to the Downtown area and help address challenges related to parking.</p> <p>Our recommendation is that the Downtown would be a suitable pilot project for the use of CIPs in the City of Mississauga.</p>
Green Development Standards	<p>There are several planning tools that will allow Mississauga to provide incentives to achieve green development (such as the Community Improvement Program). Incentives to consider include:</p> <ul style="list-style-type: none"> • Speeding up the approval process; • Providing rebates on permit and planning fees; • Providing rebates on development charges; and • Providing grants to achieve various aspects of the Green Development Strategy (GDS). <p>Incentives can be provided to drive green development at different tiers: incorporation of specific technologies, minimum performance of particular metrics, or achievement of a standard comprising a set of performance metrics.</p> <p>Mississauga could investigate the potential for development within the Community</p>	√			<p>A city-wide CIP could be initiated to allow financial incentives at a large scale. Two main issues will influence this decision: the financial resources to be dedicated to the CIP; a cost-benefit analysis that compares the use of direct financial incentives with other possible approaches.</p>

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
	<p>Improvement Areas and meeting the Mississauga GDS to have access to grants or other funding through Section 28 of the Planning Act.</p> <p>Incentives for specific “green technologies” are not expected to be the most cost effective strategy for Mississauga. Incentives already exist for energy efficiency measures at the national and provincial level to support elements of the GDS.</p> <p>Incentives can also be in the form of marketing and recognition through annual awards or competitions. This may be an effective approach in Mississauga, based on the success of the recent Marilyn Monroe building. Awards may or may not include monetary incentives and could be facilitated through partnerships.</p>				
Cycling Master Plan	No specific incentives noted.	X	X	X	
Port Credit & Lakeview District Policy Reviews – Directions Report	<p>New development should incorporate requirements to help finance desired community features – waterfront civic space, upgraded streetscapes, facilities for youth and older adults, improved tree canopy and opportunities for public art.</p> <p>Following the preparation of OP District Polices, Zoning and Design Guidelines a Tertiary Plans for specific areas, a CIP should be prepared. Recommends a CIP study for industrial lands and the Former Lakeview Generating Site as well as a Community Services and Facilities Needs Assessment.</p> <p><u>Note:</u> Phase 2 of the Assessing Planning Tools Study is to prepare CIPs for the Lakeshore Road corridor in Port Credit and Lakeview).</p>	√	√	√	<p>Bonus zoning has been used in the past in Port Credit and could be used, as and when opportunities present themselves, in conformity with the <i>Guidelines for the Implementation of Section 37 Agreements</i> included in this report.</p> <p>Many areas of Mississauga would benefit from the targeted attention and financial resources enabled by a CIP, including Port Credit and Lakeview.</p>
REGIONAL					
Incentives to Intensification	<p><u>Hurontario High Order Transit Corridor</u> From a regional viewpoint, the possibility of a high order transit corridor on Hurontario would have a significant impact in terms of encouraging intensification in the identified nodes in proximity to Highway 10 and the Urban Growth Centres. Continued support of this initiative with a possible Community Improvement Plan to facilitate re-urbanization (to assemble parcels for transit hubs or redevelopment) at key areas should be considered.</p> <p><u>Incentives for High Density Residential Development</u> Given the current economic climate and other existing residential development and Hurontario Transit proposal direct financial incentives for residential development in the short term are not recommended. However, the PROPR process should allow for the use of tools of this nature by providing the policy framework in the Official Plan for use as the market stabilizes. The exception to this may be mid-rise housing developments that might be viewed as key development components in certain areas such as sensitive lower density communities.</p> <p><u>Consider Incentives for Employment Uses as Incentives for Residential</u> The need for financial incentives to attract employment uses to downtown areas is</p>	√			<p>Bill 51 provides specific legislation for the region to employ CIP legislation with respect to transit related developments. A CIP could be used to help facilitate and expedite development at future transit nodes. They could be especially helpful in areas where the historic land use pattern would not be conducive to redevelopment due to fragmentation. In these areas, the City and the Region could join forces through a joint CIP to help consolidate land through acquisitions, developing consistent planning policy and sharing financial incentives.</p> <p>In terms of high density residential the City may want to consider using CIP techniques in nodes designated for intensification to have the tools in place if required.</p>

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
	<p>currently far more pronounced than the need for residential orientated incentives. Incentives which might include; the construction of municipally owned parking facilities, and development charge or tax rebates could have many long term benefits including improving live/work relationships, supporting transit use, and increased long term tax assessment. If incentives could be designed to support employment based uses, such as media or technology based industries, demand from households seeking closer live-work relationships would be encouraged.</p> <p><u>Create Criteria for Application of Incentives</u> Under any circumstance, the application of specific criteria, ideally aligned with municipal programs, is necessary to ensure programs are targeted to the projects that yield the best benefits for public funds invested. Criteria for program acceptance would differ from program to program but could include matters such as project size, distance from transit, and project design features. To provide fiscal limits to any incentive program, annual funding caps should be applied for programs based on budget availability.</p> <p><u>Brownfield Programs for Port Credit</u> Through a community improvement plan process, Peel Region and the City of Mississauga could determine, in consultation with Imperial Oil, if any of the tools provided for in the Community Improvement Plan policies may be of assistance in returning these lands to active use.</p>				
<p>Growth Management Strategy (ROPA 24)</p>	<p>Require the area municipalities to develop intensification strategies that, among other things identify urban growth centres, intensification corridors, urban nodes, major transit station areas and other intensification areas to support the achievement of intensification objectives.</p> <p>Encourage area municipalities to establish official plan policies that promote the redevelopment and reuse of brownfield sites.</p> <p>Defines “strategic infrastructure study area” (SISA) as “an area under protection for long - term planning and infrastructure studies in advance of future development.” Currently applied to the GTA-West Future Transportation Corridor.</p>			<p align="center">√</p>	<p>The current development charge environment makes intensification challenging for developers. There may be unique situations where the City wants to encourage new investment. In these cases, incentives maybe required. Key nodes that City would like to see intensification occur sooner may be a logical application.</p> <p>CIP policies can provide useful incentives to encourage brownfield redevelopment, especially on smaller sites that have good infill potential</p>
<p>Housing Strategy (ROPA 23)</p>	<p>Explore in collaboration with the area municipalities, the feasibility of implementing incentives such as waivers, deferrals or grants in-lieu of <i>development</i> charges and other municipal planning and building charges, and property tax levy to promote the <i>development of affordable housing</i>.</p> <p>Work with the area municipalities to streamline planning and building permit approval processes for <i>affordable housing</i> projects.</p> <p>Encourage the area municipalities to add a <i>density bonusing</i> provision in their respective official plans and develop detailed implementation guidelines and protocols. “Density</p>	<p align="center">√</p>	<p align="center">√</p>	<p align="center">√</p>	<p>It is our recommendation that affordable housing not be included in the scope of a Community Infrastructure Impact Study, but that affordable housing is the focus of dedicated well-funded strategies at the Municipal and Regional</p> <p>CIP policies that provide incentives and funding such as loans for second storey conversions from office to residential in older retail areas can be helpful increasing affordable housing stock.</p> <p>The opportunities to use bonus zoning are likely to be limited in Mississauga and subject to fierce competition over how the funds are allocated and what community benefits are</p>

G Summary:
Community Infrastructure Stakeholder Interviews

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
	<p>bonusing”: a local municipality may, in a by-law authorize increases in the height and density of <i>development</i> in return for the provision of such facilities, services or matters as are set out in the by-law. Examples of provisions may include <i>affordable housing</i>, underground parking, parkland, daycare facilities, and more.”</p> <p>Promote and advocate for sustained Federal, Provincial, and Municipal incentives and programs that improve energy efficiency and design for housing to Peel residents.</p>				<p>prioritized. However the establishment of a city-wide fund for affordable housing could be set up to use funds secured through bonus zoning. Also, Section 37 could be used to secure on-site affordable housing.</p>
PROVINCIAL					
Places to Grow Growth Plan	<p>In addition to the achievement of specific density targets in appropriate built up areas the Growth Plan requires municipalities to plan for <i>community infrastructure</i> to support growth and to build compact, vibrant and <i>complete communities</i>.</p> <p>The Growth Plan guides infrastructure planning and strategic investment decisions particularly in the three areas of transportation, water and wastewater systems and <i>community infrastructure</i>. The Plan promotes:</p> <ul style="list-style-type: none"> • the co-ordination and consistency among land use and transportation planning and investment by all levels of government and other transportation stakeholders in the GGH; • improved maintenance and upgrading of water and wastewater infrastructure to support growth • keeping pace between growth and investments in community infrastructure to support complete communities particularly affordable housing. <p>The Growth Plan will be financially supported by multi-year funding strategies such as Move 2020 and ReNew Ontario.</p> <p>The Growth Plan also identifies the need for monitoring performance indicators to ensure progress on the achievement of intensification objectives.</p>	√		√	<p>Most of the initiatives and strategies above are a response to the Places to Grow Growth Plan, at least in some measure.</p>
Metrolinx Regional Transportation Plan	<p>(<u>Study Observation</u> - Incentives that assist with the planning and managing of growth to appropriate locations and in support of transit will assist with the implementation of the RTP)</p> <p>Metrolinx will participate in local, regional and provincial land use planning exercises, where necessary, to ensure that land use planning and transportation planning decisions are fully integrated. This includes reviewing key local land use and transportation planning proposals and decisions, as well as providing advice and guidance to provincial ministries to help them align their plans, priorities and programs with the RTP (for example, decisions related to the siting of major public facilities such as universities and hospitals).</p> <p>Sec 1.9 Provide municipalities with tools and best practices to leverage funding for local transit and active transportation from new development, such as ;... negotiating accelerated transit infrastructure investment in exchange for voluntary contributions from benefiting property owners. (Section 37?)</p>	√	√		<p>Section 37 agreements could be used to secure voluntary contributions toward improved transit infrastructure by developers. See above discussion on bonusing.</p>

ASSESSING PLANNING TOOLS STUDY : Community Improvement Plans (CIPs), Bonus Zoning and Community Infrastructure Impact Study (CIIS)

Strategic Initiative	Excerpts from Concurrent/Related Strategic Initiatives	CIPs	Bonus Zoning	CIIS	Evaluation of Appropriateness of Planning Tools to Achieve Desired Objectives
	Sec 2.10 Enabling Official Plan policies to support active transportation shall be adopted. Where appropriate the bonusing provisions under the Planning Act shall be used to require that any application for major commercial, employment or multiple residential development, particularly in a mobility hub, provides appropriate facilities for cyclists and pedestrians such as secure bike storage, showers and change rooms.				

K:\PLAN\POLICY\GROUP\2010 Special Projects\Assessing Planning Tools (CIP-CIP-DensityBonus)\Tables_Charts\Assessing Planning ToolsCrossRefMatrix2.doc

APPENDIX

B

Community
Improvement Plans:
Proposed Statement
of Good Practice

CIP Proposed 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 through 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 properties 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

C

Bonus Zoning:
Proposed
Corporate Policies for
Implementation of
Section 37 Agreements

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 by-laws 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 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 (53,820 sq ft) and where the proposed density will exceed 1,500 sq m (16,146 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 Plans 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 By-law, 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.

APPENDIX D

Community
Infrastructure Impact
Study:
Proposed Terms of
Reference

Community Infrastructure Impact Study Proposed Terms of Reference

The recommendations in the body of this report propose a proactive City-led approach to community infrastructure that in many ways is a departure from the approach to Community Infrastructure Impact Studies (CIIS) included in OPA 95. OPA 95 allows the City to require a CIIS be submitted by proponents of an intensification project in order to ensure that the provision of community infrastructure keeps pace with intensification. Our recommendations shift much of the onus of making this evaluation onto the City, which is better positioned to evaluate the impact of any one development in the context of broader intensification. Developer-submitted CIIS will still be required but focus on providing information on the development and its projected users rather than an analysis of their impact.

Because the recommendations envisage a larger role for the City than initially indicated, it is likely that the mechanics of how this responsibility will be addressed will be the subject of an interdepartmental discussion. To give this discussion a point of departure, these draft terms of reference provide a description of both City-led and developer-prepared CIIS.

City-led CIIS

City-led CIIS would be targeted at intensification areas such as the Downtown and other Urban Growth Centres. These will be prepared in anticipation of intensification and be the basis for evaluating developer-prepared CIIS. City-led CIIS will be updated based on developer applications.

The elements of community infrastructure to be included in a CIIS are:

- Schools
- Day care spaces
- Libraries
- Recreation and other community facilities
- Parks
- Fire and Emergency Services
- Health facilities

A City-led CIIS will:

- Identify the intensification area to be studied and consider its secondary area of impact;
- Provide a current social and demographic analysis of the area – population, age structure, income;
- Project population and demographic make-up of the area at five, ten and twenty year time periods – based on intensification opportunities, demographic trends, aging of the population, immigration;
- Document current provision of community infrastructure;
- Evaluate the present and likely future trends impacting the use community infrastructure;
- Identify present deficits in the provision of community infrastructure; and
- Create a priority list of new community infrastructure – with demographic triggers for its provision.

The CIIS may also address issues of establishing a system for ongoing monitoring based of developer-prepared CIIS. In cases where new services and facilities will be required, delivery strategies and implementation issues will be addressed including the use of planning tools to contribute to increasing the local provision.

Developer-prepared CIIS

The Official Plan allows the City to require proponents of intensification projects to provide a CIIS that supports their application. The developer-prepared CIIS will focus on providing information to be analysed by the City in the context of its intensification-area-scale CIIS.

A developer-prepared CIIS will include:

- Unit breakdown of the project: rental, condo, freehold, number of affordable units;
- Number of new residents;
- Demographic profile of residents based on unit mix and projected sale value;
- Breakdown along demographic categories especially pertinent to the evaluation of community infrastructure: children attending day care, elementary and secondary school; seniors; and
- Public and private facilities included in the development.

The terms of reference for the preparation of CIIS may provide ratios that will allow developers to calculate demographic categories based on unit type and count.

APPENDIX

E

Background Report

Assessing Planning Tools

Community Improvement Plans, Bonus Zoning, & Impact Studies

BACKGROUND REPORT FOR THE CITY OF MISSISSAUGA
PREPARED FOR PLANNING STAFF AND CITY COUNCIL
APRIL 17, 2009



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1.0 Introduction

The City of Mississauga has retained a consultant team comprised of GHK International (Canada) Ltd., N. Barry Lyons Consultants, and Sweeney Stirling Finlayson & Co Architects Inc. to provide information and formulate policy recommendations for the City-wide application of a number of planning tools in order to achieve strategic planning outcomes for Mississauga. The planning tools to be addressed are Community Improvement Plans, Bonus Zoning and Community Impact Studies.

The context for this work is the changing nature of Mississauga as an urban area. Over the past 25 years, the City of Mississauga has evolved from a suburb of Toronto to a city in its own right, the sixth largest in Canada. For most of this time, Mississauga developed along a suburban model, with Greenfield development as its predominant mode of growth and expansion. As remaining opportunities for new Greenfield development are built out, the City must now enter a new phase of development where growth is accommodated through intensification and the redevelopment of existing communities. This shift in orientation presents Mississauga with a new set of challenges. The City had developed and employed a set of mechanisms to provide infrastructure and resources for new Greenfield communities. It must now develop a new set of tools to evaluate the impact of intensification on existing communities, identify gaps in the amenities on offer and fill any gaps in services or facilities once identified.

This background report is the first step in developing and implementing this new set of tools. For each of the planning tools examined, Community Improvement Plans, Bonus Zoning and Community Impact Studies, the report aims to inform the deliberations on the use of these tools that will be a feature of later stages of this project by:

- Defining what they are and exploring their range of uses;
- Looking to other municipalities to understand how these tools have been used in practice and what lessons can be drawn from this experience; and
- Identifying considerations that the City should take into account when evaluating the suitability of their use in Mississauga.

This background report identifies and summarizes issues which will be used to frame subsequent discussions with members of City staff and stakeholders. These discussions will help adapt these tools to the Mississauga context and influence the consultant team's final recommendations to the Planning and Growth Committee.

2.0 Community Improvement Plans

2.1 What is a CIP?

A community improvement plan (CIP) is defined by Section 28 of the Planning Act, which sets out a series of policies that provide municipalities with the means to plan and finance activities related to development and redevelopment in order to achieve community improvement. When stipulated in a municipality's official plan, Section 28 allows for the creation of a CIP and the designation of community improvement project area (CIPA). CIPs are designed to focus on locations within municipalities where an opportunity to improve the quality of land use or current condition has been identified, e.g., brownfield sites, threatened historic main streets, etc. By developing a comprehensive plan associated with a set of financial tools, municipalities may be able to leverage private investment to promote broad community objectives in these areas.

Numerous municipalities in Ontario have initiated CIPs. There are many similarities between them, but each has unique components that address issues specific to the municipality in question. Not all CIPs will have a financial component. For the purposes of this report, however, the municipalities examined have implemented one or more financial incentive tools. In doing this, they have become active participants in the business of development, rejuvenation, rehabilitation, and other physical improvements within their jurisdiction.

This chapter is divided into two parts. The first part provides general background on CIPs, with a discussion of their purpose, the enabling and related provincial policies, their component pieces, the approval process, and Mississauga's experience to date. The second part is a discussion of the financial incentive tools that have been applied in certain municipalities across the province. This section offers an analysis of how various municipalities have used financial tools, their successes and effects, and issues arising from our research and interviews.

2.2 Purpose of a CIP

The primary purpose of a CIP is to couple the benefits of private sector investment with the interests of locally identified needs and opportunities for community improvement. Investment can happen at a variety of scales. It can involve the costly remediation of a brownfield site, the construction of a new building, or be as simple as making improvements to the façade of a small shop on a historic main street. In each case, the improvement results in a community benefit. The municipality often provides financial incentives to the private sector to stimulate interest and involvement. Together, there is an expected collective benefit: the area/site has been enhanced, the private investment sees a return on investment, and the municipality has been able to move towards an expressed goal or objective.

Municipalities across Ontario share common concerns. A study of various municipal CIPs reveals that a number of these concerns have been recognized and attempts are being made to resolve them through some form of municipal intervention. One of the most common concerns is the revitalization of once vibrant commercial areas, which have declined in physical condition and economic strength. The solutions proposed often work to make CIP areas more attractive places, so that they become appealing destinations for investment and consumers. Some contemporary CIPs go beyond improving the physical conditions of an area and seek to support other elements of community improvement, such as residential intensification, improving conditions for local businesses, and sustainable building methods and standards.

There are a number of potential benefits in using CIP legislation to achieve various municipal goals and objectives. However, there are cautions too. Of principle concern is that there is not enough information available regarding the actual impacts of CIPs, either at the level of benefit realized by a municipality, or in definitively establish causal links, i.e. whether the financial incentives were responsible for encouraging investment or whether there were other factors at play.

2.3 Policy Context

Along with the Planning Act, there are several key provincial policies and legislation that must be considered in the development of a Community Improvement Plan. These include the Municipal Act, Provincial Policy Statements (2005), and the Places to Grow Plan.

2.3.1 The Planning Act

The CIP legislation included in the Planning Act is designed to be flexible. Therefore, whether the needs are economic, social, or environmental, the Act allows for an approach to be comprehensive enough that local needs can be identified and targeted areas of improvement can be aligned with the municipality's priorities.

According to the Act, Community Improvement represents a strategic approach to the rehabilitation of a specific area. Once an area has been identified, it becomes known as the Community Improvement project area, of which the Community Improvement Plan becomes the guiding document to implement the goals for the area. This requires the approval of local council, and if there are financial incentives being offered, the approval of the Ministry of the Municipal Affairs and Housing.

The Planning and Conservation Land Statute Law Amendment Act, 2006, more commonly known as Bill 51, came into effect on January 1, 2007. The Act brought with it changes that expanded the powers provided under Section 28 for both lower/single-tier municipalities and changes which allow for regional governments to participate in CIPs. Included in those changes are broadening the definition of Community Improvement to include "construction and energy efficiency improvement" [s. 28 (1)]. Further, in an effort to support higher intensity development, grants and loans may now be issued for environmental site assessments and remediation, construction, and rehabilitation purposes, including those which promote energy efficiency uses [s. 28(7)]. Under s. 28 (11), grant and loan agreements may now be registered on a title of the subject lands under the CIP. This ability enables the municipality to provide financing on a project in a manner that is both up-front and transparent.

There are a variety of ways in which an upper-tier municipality may now be involved in developing CIPs at the regional scale. They may, for example, be involved in development along a transportation corridor, or to provide infrastructure, or affordable housing. Further, they may now voluntarily partner with lower-tier CIPs on the provisions of grants and loans. The same applies for lower-tier municipalities; they may now coordinate with their upper-tier partners on programs. However, under s. 28 (2), provisions must be made in the regional official plan for the upper-tier council to participate in CIPs. Currently, the Official Plan (2008) for Peel Region makes no provision for Community Improvement, although the Region is in the process of investigating adding such provisions to its official plan.

2.3.2 The Municipal Act, 2001

Section 106, subsections (1) and (2) of the Municipal Act prohibit municipalities from offering any direct or indirect financial bonuses to any private sector business including those involved in manufacturing, commercial, or an industrial enterprise. Under this section, the following restrictions apply: a municipality cannot give or lend municipal money or property, guarantee borrowing, lease or sell property under fair market value, or provide full or partial exemptions from municipal fees. However, the exception to these rules is provided for under Section 106 (3), which states that bonusing can occur when done so under Section 28 of the Planning Act, provided that a municipality's official plan allows for the creation of Community Improvement Plans.

2.3.3 Provincial Policy Statement (PPS), 2005

From time to time, the Province will issue Policy Statements which indicate the priorities of the Province of Ontario. Although the use of Community Improvement Plans are not directly mentioned, there are several key policies which must be considered when developing a CIP or designating a CIP area.

The PPS states that it is in the interest of the Province that future growth by municipalities shall occur in areas that are already built up. Section 1.1.2 of the PPS specifies that intensification and redevelopment shall be used to help provide an appropriate land supply over the next 20 years to accommodate a range of housing and employment opportunities. As CIPs are often directed towards urban neighbourhoods and sites that are in need of improvement, new investment shall consider the coupling of goals for increasing intensity and mix of land uses.

CIPs are often directed towards the rejuvenation of downtown areas, and the redevelopment of brownfield sites. These goals are shared with Section 1.7.1 of the PPS, which states that future economic growth should be encouraged with the continued and furthering vitality of downtowns and mainstreets, and where possible, supporting the redevelopment of brownfield sites.

2.3.4 Places to Grow Plan, 2006

Central to the Places Grow Plan is the development of Complete Communities: places where people can enjoy a high quality of life throughout their lifecycle; with non-motorized access to amenities such as shops, open spaces, a mix of jobs, recreation, and public services. Section 2.2.2 of the Plan speaks to these goals by encouraging intensification be directed towards intensification areas, while reducing dependence on the automobile through the development of mixed-use and pedestrian friendly places.

2.3.5 The Mississauga Planning Context

The City of Mississauga is currently undertaking an Official Plan review in order to meet the requirements of Provincial legislation. In order to compliment the plan review, the City has further initiated a number of other planning studies. These include a Community Uses Study, Employment Lands Study, Growth Forecast, Growth Management Study, an Office Strategy, and Parking Strategy.

The current Official Plan does make provisions for CIPs, under section 5.8. There are currently nine community improvement plan areas in the City. All of these represent retail commercial districts within the City.

2.4 CIPs in Mississauga

As required by the Planning Act, Mississauga currently has provisions for community improvement within its Official Plan. There are nine project areas within the City. They are all primarily commercial nodes. However, only three of the designated project areas have had CIPs developed for them: Clarkson Village, Port Credit, and Streetsville. Under the Official Plan, the General Policies guide how the decision to designate, implement, or change a project area should be undertaken. The most recent amendment to the Plan for Community Improvement came in the form of adding “identification of the need to encourage office employment opportunities” under General Policies. Along with this amendment came the expansion of the project area along Hurontario Street from the Queen Elizabeth Way freeway to the south of Matheson Boulevard East. Prior to the expansion of this area, it was focused around the Dundas Street West intersection.

Overall, the General Policies identify the circumstances under which either an existing or potential project area would receive attention. Apart from addressing the physical efficiency and adequacy of how land is being used or the condition it is in, there is a unique qualifier which addresses stakeholders. Under this provision, there is a recommendation that the current or potential existence of Business Improvement Area be identified with the area. This is unique because the most common approach with regards to developing CIPs is to see BIAs as one of many stakeholders in addressing issues rather than singling out BIAs for special treatment.

The historic centres of Clarkson, Port Credit and Streetsville have all had CIPs developed and implemented in mid 1980s, expiring in the early 1990s. The thrust of these CIPs is much the same as many CIPs today in other municipalities in that they identify a series of local issues which require attention and a comprehensive plan that will allow them to be addressed.

In 1984, the Council of Mississauga decided to participate in the Provincial Commercial Area Improvement Program. This program was designed as a financial collaboration between the Province and municipalities to cost share the costs of improving historical commercial areas which had a registered Business Improvement Areas (BIA) aligned to them. The three communities had all established BIAs in the late 1970s making them eligible for the program. Today, the Province no longer provides funding for CIPs, and the cost associated with improvements are now shared entirely between the municipality and the proponent of a project, with the exception in some cases of studies related to brownfield remediation.

The focus of these CIPs were to add historical looking public benches and street lamps to enhance the historic streetscape of an area. These improvements while important, remain cosmetic, and fail to address other issues of why many historical commercial centres have entered periods of decline. As a result, many more recent CIPs have now evolved to address a range of issues surrounding not only design features, but also promoting the intensification and affordability of housing, heritage preservation, façade improvement, sustainability, economic development, adhering to building and safety codes, and brownfield development, among others.

2.5 The Component Pieces

The format of a Community Improvement Plan is not formalized and varies from municipality to municipality, but the components that make up a CIP will typically fall under one of three parts. The first part is composed of the background information, including the purpose/intention of the CIP, information on the project area, any coinciding studies and policies related to the area, a rationale related to the intended public benefits, and information regarding the public consultation process. This section provides an overview of why the plan has been undertaken, and what the expected benefits will be.

The second part is generally comprised of the core components of the CIP. It is where information regarding the goals and objectives will be found, along with background on the enabling legislation. Most importantly, however, it will provide the description of the financial programs available and how they will operate. Further, policies related to assessment and monitoring of the program are mentioned.

Appendices provide the final part of the Plan. Such supporting information provides much of the technical details with regards to the policies. For example, often longer explanations are found to provide clarity on how the financial tools will operate.

2.6 Developing a CIP

There are four stages in the creation of a CIP: the initiation of a CIP, developing the plan, implementation, and monitoring the plan.

Initiating the creation of CIP can occur from a variety of interested parties, although the vast majority of CIPs are driven by a municipality's planning or economic development staff. Another less common approach is to see local Business Improvement Associations or rate-payer groups approach a municipality to create a CIP. In both cases, the benefits of a CIP have often been witnessed in other areas or municipalities, thus stimulating ideas on the potential opportunities.

The early stages begin with the recognition of the current constraints and opportunities within an area. There are many examples of this, e.g., a historical downtown with period architecture, a pedestrian scale of development, with existing infrastructure in place, but with a declining economic base. Another common challenge faced throughout communities is how to remediate brownfield sites. Recent approaches include how to address Provincial policies related to housing affordability and employment intensification within existing urban boundaries has also emerged as another impetus for CIP development. Regardless of the issue identified, CIPs are seen by their stakeholders as providing a positive and cost-effective framework in which to stimulate investment.

After initiating a CIP, the creation of the plan continues with guidance from municipal staff and is focused on analysis and consultation. The process has two aspects, the formal process required by section 17 of the *Planning Act*, and an informal process by which the plan is created through stakeholder consultations. The type of area and the challenges it faces will determine what kind of consultation will be required.

An early consultation process will help inform the content of the CIP and help motivate its implementation by ensuring that not only the challenges are identified, but feasible solutions are discussed. This is particularly important because it is essential that the financial incentive programs that are created will be used, unlike in some municipalities where programs have been created but not taken advantage of. Feedback from various municipal staff suggests that programs need to be both accessible to potential applicants as well as aligned concretely with the goals of the CIP.

The development of the CIP is complemented by having a strategic plan based research and analysis that incorporates other legislation as appropriate. For example, if a historic district is under consideration, then the Heritage Act may apply. Similarly, if stimulating new development has been defined as a goal, exemptions from the Development Charges Act may be considered. After research and analysis, the constraints and opportunities will be clearer.

It is at this stage that attention must be directed towards how the CIP will be implemented. To do this, an action plan is often created. This plan will address how the program will operate and what funding will be required, if any. Marketing will need to be targeted towards potential applicants. This has been done in a variety of ways. Often it is from direct communication between municipal staff and the applicant, via a website, etc. The implementation will usually address the lifespan of the program, and how applications will receive approval.

Setting out a framework for monitoring the programs under the CIP is about finding measures that will allow an assessment of progress towards the goals and objectives of the plan to be made. Currently, there is no standard approach to understanding the relative successes of CIPs. However, CIPs which have been implemented over an extended period of time have usually receive continued support when

municipal staff are able to show to their councils a correlation between investment in a project area and an increase in a measure such as property taxes assessment, or an increase in residential units. Of course, measures need to be closely linked to the goals of the program.

Monitoring generally involves keeping accurate records on spending and other measures. Spending must be considered both in terms of how much the municipality contributes to projects, but also how much private sector investment is occurring. Continuous monitoring should provide an indication of whether the program is being successfully implemented.

The formal process required by the Planning Act in order to pass a CIP has one variation depending on whether there are financial tools involved with the CIP. The formality of the process happens with holding a public meeting, where the public has a minimum of twenty days to review the draft CIP. After the public meeting, the council must decide it wants to pass the CIP. At this stage, if there are financial tools involved, the CIP must be approved by Ministry of Municipal Affairs and Housing. Appeals to the CIP are heard by the Ontario Municipal Board.

2.7 Financial Incentive Programs

In looking at the range of possibilities for CIPs, a survey was conducted of existing CIPs across Ontario. CIP programs in Brampton, Brantford, Guelph, Hamilton, Kitchener, London, Newmarket, Niagara Falls, Oshawa, St. Catharines, and Toronto were covered. A description of the financial programs associated with each CIP is available in the Appendix.

Throughout Ontario, many communities have implemented CIPs to encourage new or additional investment in specific areas or sites. It has given them a chance to complete a comprehensive inventory of needs, and focus attention on unfavourable conditions.

Not all municipalities have incorporated financial incentives as a part of these plans. Instead, some municipalities have chosen to use these plans simply to establish where municipal spending should take place through capital budgets. However, most do incorporate some financial incentives tools, as it is perceived that greater overall investment will occur within the CIPA. This leads to a potentially two-pronged approach. The first is for the municipality and the proponent to become partners on a project. The second is for the municipality to then dovetail municipal spending with projects being undertaken within the project area (e.g., incorporating streetscape improvements on adjacent roads). This section discusses the breadth of the various financial incentive programs found throughout the Province.

There are three ways in which a municipality can offer financial assistance to a proponent of a project: grants, loans, or cancellation of fees. These are generally organized under one of six categories: grants and loans; fee exemptions, rebates and credits; tax increment based grants; tax assistance; tax relief; and brownfield redevelopment. There are a lot of similar approaches and types of incentives across municipalities, and sometimes within one jurisdiction. Although, each type of program has been classified, it must be remembered that they are often used in conjunction with one another, i.e., a grant program may be simultaneously offered with a cancellation of fees on the same project. The benefit offered by this approach is that programs can be easily matched with the goals of the CIP. The disadvantage is that it can be cumbersome for an applicant to have to go through separate processes which eventually lead to the same result: receiving financial assistance to make a project more feasible. The City of Toronto has taken a unique approach with a city-wide CIP. For this reason, it is discussed with the other programs.

2.7.1 Grants and Loans

In these programs, municipalities provide either a grant or an interest-free or low-interest loan to an applicant to help offset the cost of a project, such as an improvement to a facade. Like all the programs, these are designed to offset a portion of the cost of an improvement through municipal financing. Total funding for this purpose is usually allocated when the CIP is established, thereby limiting the number of applications which can be considered. Interviews with staff from municipalities indicated that the amount of funding set aside to finance programs was never exhausted in a programs early life, but in some cases had been expanded as the popularity of these programs increased. Most often, an applicant will be allowed a percentage of the total cost up to a predetermined amount. For example, an applicant who applies for a façade improvement program may receive up to fifty percent of the cost on a project to a maximum of \$5,000.

Façade improvements are by far the most common of grants and loans, particularly in attempts to revitalize historic downtowns and traditional main streets. However, other grants and loans have been made available for the adaptive reuse of buildings, residential intensification, and building renovations.

These programs are often quite popular and the results are readily noticeable. Amounts of grants or loans for aesthetic improvements range from \$2,500 to a maximum of \$20,000. Grants never amount to more than fifty percent of the total cost of the project. Loans are typically given for a ten year life span. The City of Oshawa, under their Façade Improvement Loan Program, will forgive 25 percent of a loan if it is paid back within the first three years.

A further unique approach used by Oshawa is that they offer performance based grants. The Places to Grow Grant Program seeks to couple the goals of the Places to Grow Plan by offering a grant that increases as targets are met for new residential construction. Targets include: minimum height of four stories, minimum of fifty units, fifty percent parking below grade, etc. There are six identified targets in total. If a development achieves one, it will receive fifteen percent of the grant, thirty percent for achieving two, and achieving all six will mean a development will receive 100 percent of the grant.

The range of grants and loans that are made available throughout the province cover aesthetic and functional issues, depending on the particular CIP goals being addressed. For example, one CIP offers a tax grant to land owners to rent out vacant storefronts to targeted occupiers as opposed to leaving storefronts vacant. Another program which targets residential conversion will provide the loan to a land owner to renovate second storey units on main streets. There is an immense amount of creative potential available in these programs, addressing various issues.

Most grant and loan programs have been used for smaller budget items, such as façade improvements, but grants and loans also have been provided for larger initiatives. In some cases, a municipality may choose to cover a percentage (e.g., one quarter) of the total cost on a project, or loan upwards of \$15,000 per residential unit created through an intensification program.

2.7.2 Fee Exemptions, Rebates and Credits

These programs are similar to providing allowances and subsidies to an applicant, but the main aim is at reducing the additional cost associated with the application process for a project. In these cases, fees and levies (e.g., building application fees, planning fees, development charges and parking requirements) may be suspended outright or refunded once the project is complete. These programs most often target areas where development and new investment is seen as a catalyst for stimulating revitalization efforts where there is existing infrastructure, and no need to have additional charges levied against development.

2.7.3 Tax Increment Based Grants

These programs are commonly referred to as tax increment equivalent financing (TIFs). Throughout Ontario, these programs are designed to stimulate investment on land by rebating to the proponent a percentage of the tax increase related to the development or improvement over set period of time. Property taxes often represent a substantial cost to a property owner, and improving property usually results in increased assessment against the property and higher taxes. In order to mitigate the negative impact, the municipality agrees to provide a rebate equal to a portion of the incremental tax increase. The proportion which is shared works on a scaled system over a set period of time. This means that in the first year of reassessment, the property owner will receive 100 percent of the tax increase, 90 percent in the second year, 80 percent in the third year, etc. The life of these programs is usually no more than ten years. During the extended life of this program, the property owner must still pay the full time tax amount, after which they are rebated the appropriate increment.

These programs are widely used throughout the Province to stimulate investment on land that maybe deemed underutilized, or to attract a specific land use or to provide relief for heritage properties that

are upgraded. Often, it is the goal of these programs to attract employment land uses. Under a new scheme in Hamilton, there is a push to use incremental tax financing to support sustainable development by offsetting the costs associated with industrial buildings that either build new or are retrofitted to comply with LEED (Leadership in Energy and Environmental Design) certification.

2.7.4 Tax Reductions

These programs are usually associated with brownfield rehabilitation projects. Under these programs the cost associated with the project may be alleviated by reducing a percentage or cancelling the municipal taxes and/or educational taxes during the rehabilitation of a property. One of the discouraging features about redeveloping brownfield sites is the extra costs involved that do not occur with greenfield site, such as environmental site assessments and remediation. The premise of the program is that by reducing or cancelling municipal property taxes these projects will be made more cost effective to proponents. The same applies for educational taxes, but those are applied for separately to the Province. The tax reduction offered under these programs is terminated with the completion of construction.

Programs of this nature are often targeted towards a particular property. More often however, a municipality will have a blanket CIP covering all classified brownfield sites.

2.7.5 Tax Relief Based on Occupancy

Under this program, a grant is offered to the developer upon completion of a project to reduce the property tax for a fixed period. The major difference between this and programs that offer tax assistance is that these programs become active once a project is complete. The motivation to use this type of program is to ensure that construction occurs in a timely manner. Programs of this type are not common, but Kitchener has used this program to success through their EDGE (Encouraging Development for Growth Efficiency) Program. Under the umbrella of this program, Kitchener has adopted an optional property class called Multi-Residential Property Class, which offers a lower tax on new buildings which fit into this class. The goal behind developing this program is to promote the development of rental housing units where there has been a shortage. For illustrative purposes, a property under this class will receive a tax ratio of 1.000 for 35 years, whereas an existing property in this class is charged 2.5250. Over the term, this represents an approximate savings on taxes of roughly 54 percent.

2.7.6 Brownfield Redevelopment Incentives

These programs work similarly to other incentives, but only target the cost and risk of rehabilitation associated with brownfields. The most common subsidies are targeted towards environmental site assessments. The actual costs of clean up can be compensated for through rebates of development charges, but direct funding is not available. The grants associated with these programs may be held by the municipality until the project is complete, or provided up front. Further, they are limited to a percentage of the cost of a program up to a certain amount (e.g., fifty percent up to \$20,000).

Although they work similarly to other programs, they remain categorized separately because municipalities most often have separate CIPs for brownfield rehabilitation. A further distinction that brownfield CIPs will sometimes have is a program that will allow the municipality to take control of the land if there are unpaid taxes on that property. By doing this, the municipality can take a more active role in ensuring that the property is redeveloped, at the risk of assuming its contingent liabilities.

The assumption of liability for a contaminated site is the most significant barrier to taking control of properties. However, where it can be show, typically through a risk assessment, that the site does not

present any human or ecological health risks for the proposed development, or that contamination is moving off site, municipalities have taken over properties to facilitate new development. This usually occurs through a long term lease that allows the liability to remain with the municipality but allows development to move forward. This strategy however is only suited to industrial and commercial developments.

2.7.7 The Toronto CIP for Brownfield Remediation and Development Prescribed for Employment Uses

This CIP encompasses the entire City with the exception of the Waterfront and the southern part of the Eastern Employment District, both of which are currently undergoing separate planning studies. In addition to the city-wide financial incentive tools within the CIP, there are four Focus Areas, which have additional polices to help maximize their unique opportunities.

The overall goal of the CIP is to promote the remediation and rehabilitation of land to encourage targeted employment uses, e.g., biomedical, creative industries, corporate offices, among others. The rationale for the policy is to address the overall decline of development on employment lands since the early 1990s. Concurrently over this same period of time, manufacturing and commercial industries have tended to locate within the surrounding region because of the availability of land, affordability of rents and taxes, and other cost associated with choosing a location.

The financial incentives available from the City include a Brownfield Remediation Tax Assistance program which offers tax assistance on lands which go through environmental remediation. The second is the Development Grants program which provides owners with a rebate of up to 60 percent of the cumulative municipal tax increment increase over a ten-year period. Both programs are only available for developments that target specified employment uses. Proposals which qualify for both programs may receive up to 12 years of assistance.

2.7.7 Energy Efficiency and CIPs

Bill 51 amended the Planning Act to include energy efficiency under the definition of Community Improvement. The broadening of the definition means that municipalities may now provide financial incentives to property owners who wish to construct or improve a building to an energy performance level above the current standard. However, the Act does not go so far as to provide a definition for energy efficiency. In terms of CIPs, energy efficiency is best understood through other provincial legislation and case studies.

Energy efficiency is never clearly defined by Provincial planning legislation, but is referred to in Section 1.8.1 of the Provincial Policy Statement, 2005. It states that:

“Planning authorities shall support energy efficiency and improved air quality through land use development patterns which:

- a. promote compact form and a structure of nodes and corridors;
- b. promote the use of public transit and other alternative transportation modes in and between residential, employment (including commercial, industrial and institutional uses) where these exist or are to be developed;
- c. focus major employment, commercial and other travel-intensive land uses on sites which are well served by public transit where this exist or is to be developed, or designing these to facilitate the establishment of public transit in the future;

- d. improve the mix of employment and housing uses to shorten commute journeys and decrease transportation congestion; and
- e. promote design and orientation which maximize the use of alternative or renewable energy , such as solar and wind energy, and the mitigating effects of vegetation. “

This policy addresses energy efficiency in terms of new development and how future development should occur. However, the reference here falls short in addressing the areas within municipalities which are most often the focus of CIPs, i.e., historic downtowns, employment lands, and brownfields. The lack of strict definition of how energy efficiency may be understood allows municipalities to provide their own terms of reference.

The expanded definition of Community Improvement to include energy efficiency has been incorporated by very few municipalities. While not with a CIP, The Town of Caledon has a “Green Development Program” that provides municipal development charge discounts for industrial commercial development that have LEED Certification by the Canada Green Building Council. The discount ranges from 20% to 27.5%. The City of Hamilton initiated a program to promote energy efficiency in industrial land uses. The City offers a tax increment grant program for buildings which are either developed new or retrofitted to become LEED (Leadership in Energy and Environmental Design) certified. The Town of Timmins has included an Energy Efficiency matching grant program in its Downtown CIP which will provide up to \$15,000 to owners who retrofit their buildings to reduce the use of energy. Qualified applicants may receive grants for:

- Window and Door Improvements
- Insulation
- Energy Efficient lighting
- Heating and Ventilation and Air Conditioning Improvements

These programs are both new, and because of their recent implementation, completing even a basic evaluation is not yet possible. However, they provide an indication of how energy efficiency may be interpreted and incorporated into a CIP.

2.7.9 The Use of Expropriation – Case Study: Yonge Dundas Square CIP

In 1998, the former City of Toronto, in an effort to revitalize Yonge Street, incorporated the Yonge Dundas Regeneration Plan into their already existing CIP. The existing CIP was limited in scope and mainly promoted façade improvements. The new plan used the Section 28 power to expropriate lands at the corner of Yonge St. and Dundas St. in order to develop a public square and underground parking with space for 270 vehicles, improve access to the TTC subway system, build a 30 screen cinema on the north east corner, and develop the adjacent lands at Victoria St. and Dundas St. The \$100 million project was the result of a collaborative effort of the local BIA, the City of Toronto and private development community.

The motivation for the CIP was to improve the retail strip and promote tourism. The conditions previous on the expropriated lands saw a large number of discount operators and a high turnover of shops. Eaton Centre which runs along Yonge St. from Dundas St. to Queen St. was internalized and had little relationship to the street, creating an unanimated wall. It was noted that the physical design of the area and lack of retail stability contributed to local crime.

The CIP and accompanying Official Plan Amendment was appealed by the local land owners who argued that while the area was rundown, it did not meet the definition of Section 28 (1). The owners argued that, after suffering through a long recession, the market was finally beginning to return, only to have their lands expropriated and handed over to another developer to benefit from the improving economy. The OMB agreed that the area did not meet the criteria of “*age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings*” reference in the act but was convinced that the CIP would assist in meeting the objective of “*social or community economic development reason*” also referenced in the section.

The OMB approved the OPA and CIP. The CIP for Dundas Square then became the “scheme” that formed the basis of the follow lengthy and complex expropriations.

Yonge Dundas Square is the centre piece for this regeneration project. The Square, which was the result of a design competition, now operates as a semi-public space with private programming throughout the year. The project was supported and developed along with the local Business Improvement Area group, nearby Ryerson University, local councilor Kyle Rae, City staff, and Mel Lastman, the mayor at the time. Although appealed at the Ontario Municipal Board, the decision was that the Plan represented good planning, and would improve the social and economic conditions for the area. Approval at the Board was subject certain conditions, including guaranteeing the lease for the cinema project and the approval by City Council of the funding for the expropriation.

The net impact extends beyond the properties expropriated for the project. Renovations to the Eaton Centre reestablished the link between retail stores, which now ‘pop-out’ of the building, and the street. The Bay Atrium building on the north west of Dundas St. and Yonge St. has also been retrofitted at grade level to help its retail space offer greater visual interest to shoppers and tourists.

The regeneration project is considered a success because of the collaboration with the City, local BIA, and private development community.

2.8 Impacts and Successes

Interviews with municipal staff across the province involved with administering CIPs has revealed that there are a number of challenges when measuring the relative and actual successes of these financial incentive tools. An important dimension of assessing this success is to determine if the applicants would have undertaken an investment with no programs that provided grants, loans, or cancellation of fees. Further, it is difficult to measure what impact the health of the overall economy and market forces have at any particular point in time in stimulating investment in project areas. Another consideration for municipalities in Ontario is the role of provincial legislation on directing investment into built up areas with the introduction of the Growth Plan for the Greater Golden Horseshoe. The relationship between these forces and CIPs is difficult to establish, so we cannot fully know if the municipalities that have undertaken CIPs have truly benefitted over and above what would have happened otherwise. That being said, there are some indicators which have been highlighted through our interviews as measurable successes.

Success can only be measured against the goals of each CIP. Therefore, there is no yard-stick used from one municipality to the next. With no standard in place, and unanswered questions about the motivations of the private sector, there are still a number of measures that are worth pursuing. These include questions relating to: 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; whether there is a residential intensification mandate and, if so, how many new units were created. Having said this, there exist a number of challenges to collecting this information since not all municipalities keep records, or have implemented their financial programs, or were willing to share information.

In terms of applicants, the most popular programs tend to be façade improvement programs, and other least costly undertakings. Newmarket, for example, reports that their façade and business sign programs account for over sixty percent of applicants. Also, municipalities like St. Catharines, Newmarket, Hamilton, and Niagara Falls report that the number of applicants has risen from year to year as the programs become better known.

The City of Oshawa exploited their façade improvement program in a unique way by directing almost \$1.0 M to assist in the conversion of a downtown office building into residential condominium. The funding made the project at 40 Bond Street feasible and successful, thereby satisfying an important objective of the City.

The relationship between the amount of money invested by a municipality and the amount invested by the private sector serves as an indicator that the CIP may be having some effect, but, as mentioned previously, it is not clear if that money would have been invested regardless of financial incentives. Overall reports from various municipalities show that in some cases applicants will often invest two to three times the amount of the financial incentive. The example of Brantford is a strong case. In an attempt to attract new development in their downtown, they offered to cover twenty-five percent of the total construction value of a project. The projects were both commercial and residential. Intended to be a simplified approach, the municipality has contributed \$4.0 million, where the private sector has provided nearly \$21 million in project costs spread over 22 projects. The individual project costs ranged from between \$8,000 dollars to \$1.4 million.

The assumption underlying measuring increases in assessment is that improvements will be reflected in higher tax revenues. Although it is not possible for our purposes to isolate other variables, the Town of Newmarket has made some value comparisons. An analysis of the BIA area of the Downtown CIP, which receives around 90 percent of the incentive program applications, indicates that this area's assessment grew by approximately 47 percent, whereas the overall Town's assessment grew about 20 percent.

Not all CIPs encourage residential intensification through program initiatives, but for those who do, success of the program is measured by analyzing development activity. As an example of this, Brampton has implemented the waiving of developments charges in its CIP to stimulate development. It has been reported by city staff that all new developments within their CIP are the result of having those fees waived. In St. Catharines, between 2005 – 2008, 155 residential units have been created through a variety of other incentive programs that did not include waiving development charges.

2.9 Framing the Financial Issues

Municipalities and the private sector each have their own priorities when participating in financial incentive programs. For the municipality, the objective is to be fiscally responsible while improving the qualitative and quantifiable measures addressed in the CIP. Private sector investment is predicated on the notion that financial risks become worthwhile after calculating the variance provided by the financial incentives. Therefore, any CIP should balance the interests of both. The following analysis provides considerations from the perspective of the private sector and a municipality.

2.9.1 Municipal Cost-Benefit Considerations

The following is a summary of cost-benefit issues municipalities must consider when developing CIP programs. The issues have been separated into those related to the assessment of cost and those related to the assessment of benefits.

CIP programs have two different costs:

- Financing Costs involve the actual provision of incentives, such as grants, and/or the cost of providing the incentives, such as the interest lost on loans and the loss of tax, development charge or fee revenue. This must also take into account the potential for default of any repayment.
- Administrative Costs 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.

From a municipal perspective, it is also worth considering the opportunity cost of a CIP program, that is, what the funds involved in the financing and administrative costs of a CIP could be put towards instead of a CIP, e.g., community centre, added services, debt servicing, etc.

In terms of measuring the costs of programs prior to implementation, determining appropriate base inputs/assumptions is critical. These would include: base loan/grant rates, loan/grant maximums, interest rates, loan terms, bonusing provisions, portions of taxes, rates and fees to be exempt, and, background assumptions used to calculate increased property taxes. This also involves estimating the annual utility of each program (number of applications and average grant/loan amount).

On the benefits side, benefits are likely to extend beyond measurable financial impacts. Benefits might be measured by looking at a range of indicators, including measures of employment, density, and intensification. Worthy to note, many CIP programs may also have non-financial benefits that are difficult to measure quantifiably, such as aesthetic improvements, creating a sense of place, increased levels of activity, etc. Placing a value on these benefits relative to costs is purely a judgment to be made by the administering municipality.

The balance and relative importance of financial and non-financial benefits is for the administering municipality to ultimately determine against the overall objectives of the community. For example, financial returns in terms of increased assessment may be viewed as less important than an improved downtown core.

Two of the biggest issues related to both the measurement of costs and benefits include:

- Linking the CIP program to perceived benefits. It is very difficult to determine the effectiveness of CIP programs: would the benefits have occurred anyway, would they have happened more

quickly, did they merely displace an activity from one area to another, and, did they increase/decrease the scale of activity?

- While it is impossible to have certainty in the answers to these questions, it is possible to gain insight, through an understanding of the market dynamics in an area as well as diligent and detailed measurement of benefits (increased property tax, value of total investment, etc.) and the utility of the programs.

There is generally no clear, acceptable or desirable cost-benefit ratio. Costs and benefits in the case of CIPs are often only considered separately, mainly because once the cost and/or benefit of a program or application are assessed, there is usually no defined method to determine whether the costs warrant the benefits. Does \$5,000 towards a new commercial store sign, and the improved street aesthetic, warrant the cost? Is the loss of \$2.5 million in development charge revenue worth the additional 250 units in the downtown?

2.9.2 Private Sector Considerations

For every class of development, industrial, office, commercial and residential, there are distinct and separate economic models developers use to determine viability. Each model, in turn, is influenced by different market drivers.

2.9.2.1 Industrial

Industrial developers rank long-term operating costs, including business and property taxes, access to skilled labour and transportation access, very high in terms of locational criteria. Land and development costs, while important, play less of a role as these costs can be capitalized over the duration of the operation. Industrial operators are more concerned about the long-term fixed costs (property and business taxes in particular) that they have less control over. These types of developers typically would prefer to tie up capital in their operations as opposed to investment in land/development.

2.9.2.2 Office

Office developers are interested in attracting tenants to support a long term cash flow. Owners of these buildings look to the investment as a form of annuity that will generate income over an extended period of time. These developers are seeking locations that will attract rents that will support their capital investment. This typically requires locations that are high profile, offering exposure and access to employees and clients alike. The lack of demand for office space in established Mississauga communities, including the City Centre, can almost entirely be attributed to the less costly alternatives of areas like Meadowvale and Heartland and other fringe industrial areas, which offer large, undeveloped sites and the availability of surface parking.

Further, it must be recognized that the demand for and, as a result, supply of office space is finite. There is already a high level of competition among established office districts, such as downtown Toronto, the Airport Corporate Centre and the Highway 7 corridor in Markham/Richmond Hill. These areas attract office tenants/development because developers can charge rates supportive of capital costs and cash flow. This is due to factors like access to transportation, exposure, the presence of clusters of similar industries, the availability of supportive services, etc. Office development also takes place on suburban Greenfield industrial land (QEW corridor). Office development in built-up urban areas, that are not established office nodes, is very difficult.

2.9.2.3 Commercial

Commercial development comes in a variety of forms. New formats of retail development typically require floorplates of at least 5,000 s.f., and up to 100,000 s.f., as well as large areas of surface parking. These features are rarely available in established areas that might be suitable for a CIP.

The role of local serving retail has been diminished by the market strength and attraction of these large commercial centres. Street retail, therefore, is forced into serving specialized needs including personal services and food and beverage. However, this type of retail requires:

- A walkable community;
- Higher density population;
- A large percentage of high income earners;
- Some supply of parking or access to good transit; and
- Appropriate urban fabric (i.e. wider sidewalks, no six lane streets, appropriate buildings, etc).

2.9.2.4 Residential

Medium and high density residential developers interested in developing in established communities want to ensure planning permission can be achieved and lands of sufficient size can be acquired and/or assembled at a reasonable cost.

Due to the short term nature of residential development in comparison to the other three land uses discussed, land values and development costs are extremely important to developers and have a significant bearing on the viability of a project.

The ability to bear extraordinary costs such as Section 37 costs, site remediation, servicing costs, and planning fees is a function of the revenue that can be achieved for the development. That is, higher risk areas often do not offer the flexibility in terms of achievable revenue to pursue development. Furthermore, it should be noted that in high value areas, such as most of the City of Toronto, Downtown Oakville, Port Credit and the Yonge Corridor in York Region, building heights of about 5 to 6 stories are required to make a project feasible, due to development costs and achievable revenues.

2.10 Issues

The following sections summarize the issues that have stood out in the development, implementation, and monitoring of CIPs and their financial tools based upon the case studies and follow up interviews conducted with a number of municipalities. More detail on the case studies is provided in the appendix. The three main stages in the CIP are covered below. The **development** of the CIP speaks to issues regarding stakeholder engagement, understanding the limitations of CIPs, working with other policy and planning tools, and developing an action plan. The section on **implementation** speaks to issues about staffing, marketing, evaluating applications for financial programs, and continued use of stakeholders. The **monitoring** aspect of the CIP remains the most neglected across the case studies we looked at. However, it is as significant as the development and implementation phases. This section will discuss establishing benchmarks, developing indicators, reviewing the CIP, and the need for flexibility.

2.10.1 Development

- Programs that are provided for under CIP legislation cannot compensate for structural market influences. The absence of market demand for a particular retail service cannot be aided by CIP policies. Where market demand is present however, CIP policies can help compensate for issues such as soil contamination that are barriers to market based development. CIP programs cannot have a significant impact during weak economic periods. However, even during weak economic periods, market opportunities exist for certain forms of development that may benefit from programs contained in a CIP.
- It is important when developing CIP programs to incorporate input from core stakeholders, not just municipal staff and residents, but most importantly those that may utilize the CIP programs, such as land owners, developers, business owners, and BIAs. CIP programs should be tailored to overcome principle barriers to (re)development as identified by these stakeholders.
- The stakeholders, especially BIAs and Business Associations, should also be involved once the program has been approved and is in place. They should be engaged in the administration of the programs (screening, assessing qualifications), as well as marketing and promotion.
- Small businesses are less likely to take advantage of CIP programs, and are also considered to represent a higher risk from a City perspective. That is, while these businesses are often the best suited to take advantage of certain programs (façade improvements,), they are frequently unaware or hesitant to access the programs, and are also viewed as high risk by financial institutions in terms of loan repayments and proper utilization of grants/loans.
- Some of the financial tools available through CIPs are not necessarily the strongest or most suitable methods to spur investment. All evidence points to reduction or elimination of fees and development charges as the most efficient means to increase investment. Other effective measures include loosening of zoning requirements (height, density and parking requirements), parkland dedication requirements, and requirements under the Heritage Preservation Act.

- Efforts should be made to align CIP programs with incentive tools enabled in other legislation (Development Charge Act, Heritage Act, and Planning Act). Programs should not compete with one another and should be able to be used together.

2.10.2 Implementation

- Effective programs tend to have one individual who is dedicated to the promotion, administration and assessment of the municipal CIP(s).
- The use of incentives within CIPs seems to be well received, improving effectiveness, and adding to the program attractiveness from the development/business community.
- The process used by Brampton, where applicants are awarded more money/relief based on a scoring process related to how well the project meets city objectives, goals and policies, seems effective. In Oshawa, a portion of a grant is forgiven if repayments are made by a certain date.
- Most municipalities cite a lack of marketing or potential to generate applicant awareness as major hindrances to CIP success. This suggests that funds to continually promote the CIP are necessary.
- In terms of encouraging growth, CIP programs cannot compensate for the lack of market demand. Implementation of CIP programs should be undertaken with the understanding that they are part of a broader strategy that requires private investment. This should be kept in mind when considering the impacts of economic cycles on the usage of CIP programs.
- The greater impact of Toronto's CIP program is not yet known. However, this unique city-wide approach does offer potential benefits. Special interest areas with additional policies have been identified through the Focus Areas without the need for individual CIPs. Further, the addition of having a clear and substantive goal of increasing employment will allow the City to monitor their goals clearly, while addressing priorities found in the Provincial legislation, Official Plan and supporting planning studies.
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2.10.3 Monitoring

- Indicators or measures of program success are often not done on an annual basis (or at all) and sometimes use measures which are difficult to directly connect to the CIP program. Assessing success of CIP program should be done annually, and be based on both quantitative and qualitative measures that directly link CIP programs to specific targets. While measuring increased investment (units created, building permits, tax assessment) is good, there must also be measures that provide certainty that such increases investment are linked in some manner to the CIP programs.
- CIP programs must be flexible. They must cover broad geographies, entail a number of different programs, target a variety of businesses, building types and uses, and also be able to be adjusted or tailored to specific needs and changing circumstances. For example, rather than providing loan/grant limits by dollar value, this should, in some cases, be done on a percentage of total construction/remediation costs so as to ensure that they are attractive to larger investors.

3.0 Bonus Zoning

3.1 Context

3.1.1 What is Bonus Zoning?

Bonus zoning (also known as density bonusing) is a planning tool, permitted by Section 37 of the Planning Act, which enables municipalities to allow increases to height and density over and above existing planning permissions in exchange for community benefits. Community benefits are defined by the local municipality and take the form of capital facilities or the cash equivalent. Examples of benefits gained through bonus zoning by Ontario municipalities include public facilities, public art, affordable housing and heritage conservation, among others.

The method for evaluating the amount of community benefit is normally not fixed by any formula, but is negotiated as a voluntary agreement between the local municipality and the developer. In these negotiations, it is important to note that “good planning” is a prerequisite for any proposed development, not a benefit to be gained through bonus zoning. Nor should bonus zoning be used as a substitute to gain benefits that can be achieved through other planning tools, such as development charges. Bonus zoning allows the developer to gain additional value in the form of more height or density in exchange for providing the municipality additional value in the form of community benefits which would have otherwise not been included in the proposal.

Bonus zoning and the conditions for its use are detailed in Section 37 of the Planning Act as follows:

37. (1) The Council of a local municipality may, in a by-law passed under section 34, authorize increases in height or density of development otherwise permitted by the by-law that will be permitted in return for the provision of such facilities, services or matters as are set out in the by-law.
- (2) A by-law shall not contain the provisions mentioned in subsection (1) unless there is an official plan in effect in the local municipality that contains provisions relating to the authorization of increases of height and density of development.
- (3) Where an owner of land elects to provide facilities, services or matters in return for an increase in the height or density of development, the municipality may require the owner to enter into one or more agreements with the municipality dealing with the facilities, services or matters.
- (3) Any agreement entered into under subsection (3) may be registered against the land to which it applies and the municipality is entitled to enforce the provisions thereof against the owner, and subject to the provisions of the *Registry Act* and the *Land Titles Act*, any and all subsequent owners of the land.

3.1.2 Mississauga Context

3.1.2.1 Enabling Policy

Mississauga Plan (2009) is the City’s Official Plan and contains a policy on bonus zoning in section 5.3.3.2. This section states that Council may pass by-laws permitting increases to height and/or density

for development permitted under the Official Plan or Zoning By-law, in order to secure amenities such as, but not limited to:

- Protection of significant views or vistas of Lake Ontario;
- Provision of parkland;
- Preservation of the Natural Areas System;
- Provision of additional road or servicing requirements;
- Provision of a wide range of housing types including affordable, assisted and special needs housing;
- Preservation of heritage resources.

In all cases, the increase in height and density will be subject to a site specific review, which evaluates the development proposal using a number of criteria:

- the proposed development is compatible with the scale and character of the surrounding area and has little impact on neighbouring uses;
- there are adequate engineering services and community services;
- the transportation system can accommodate the increase in density; a traffic impact study will generally be required;
- the site is suitable in terms of size and shape, to accommodate the necessary on site functions, parking, landscaping, and recreational facilities;
- 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.

The Plan stipulates that when applying these benefits off-site, they are to address issues in the areas experiencing the change. The resulting by-law is to specify the amount of increase to the height and/or density of the development and contain the detailed development standards that would lessen the impact to the surrounding area. The policy also permits the development of bonusing policies in specific areas of the City.

3.1.2.2 Mississauga's Experience to Date

Mississauga has had limited experience in applying its policies on Section 37 benefits. Amongst 905 municipalities, Mississauga has led the trend towards a shift in orientation from Greenfield suburban development to intensification and urbanization, with its emphasis on high density development. Mississauga has succeeded in attracting high density development to its City Centre, but in a context where there are no height or density limitations on this area.

The City is well practiced and effective at gaining community benefits from developers in the Greenfield suburban development context. The shift to intensification and infill-oriented approaches to city building requires a new way of thinking about community benefits and the tools required to secure them. To date the focus of efforts has been on attracting high density development rather than considering what portion of higher density might represent a "bonus" that should be mitigated through the provision of community benefits, or what kind of community benefits a dense urban environment requires. In this way, Mississauga is catching up to urban areas with a longer history of dense urban growth. The benefit of this situation is that Mississauga can draw on the experience of cities such as

Toronto in developing an approach to Section 37 bonus zoning. However, it will require a reconsideration of the way height and density are treated in municipal policy and zoning.

Since bonus zoning provisions were added to Mississauga's Official Plan, successful bonus zoning has occurred on only one occasion. In this instance in 2005, F.S. Port Credit Limited Lands submitted an application, covering 15 Hurontario St., for a mixed use development comprising condominium and seniors' apartment buildings with street level commercial retail and a privately-operated multi-use community space. The application proposed a public benefits contribution under Section 37 valued at \$3.57 million which included the relocation, restoration and adaptive reuse of a heritage building, a new Port Credit Branch library and other upgraded facilities at an adjacent park. The proposal required a significant increase in building height and density over existing zoning. Based on concerns raised by City staff and community concerns with the Section 37 benefits, the proposed design was remedied to minimize negative impact on the surrounding area. These revisions included a smaller floor plate for a 22 condominium tower and a reduction in height for a seniors' apartment building from 16 to 7 storeys. A revised public benefits proposal comprised a \$1 million cash contribution towards improvements in an adjacent park. The developer submitted a community benefits study and land appraisal to demonstrate a fair relationship between the value of the increased height and density and the proposed community benefits. This report was reviewed by staff from the City's Planning and Building Department, Realty Services Division, Community Services Department and Legal Services Division and found to be in an acceptable range. The park improvements were deemed an appropriate community benefit as they increased the recreational facilities in the area immediately affected by the development.

This example represents the exception rather than the norm in terms of linking higher density developments to Section 37 benefits. Provisions of the Mississauga Plan currently limit the scope for the wide use of bonus zoning in Mississauga. No specific height restrictions are included in the Plan provisions and zoning by-laws covering the City Centre, one of the primary targets for intensification. No height or density restrictions eliminate the potential for using bonus zoning. In other parts of the Urban Growth Centre, Plan policies indicate minimum height, maximum heights are included in District Policies and the zoning by-law. In areas outside of the Urban Growth Centre there is a blanket maximum height limit of 4 storeys, except where permitted by District Policies and zoning. In its recently completed Growth Management Strategy, the City establishes a hierarchy of intensified spaces meant to absorb new growth, and for all but the Urban Growth Centre establish desired height ranges. If Mississauga intends to make greater use of bonus zoning, they will have to find the right balance between attracting high density development to appropriate locations in the city with a desire to increase the cost of that density to developers by requiring it is accompanied by community benefits.

3.3 Experience in Other Municipalities

3.3.1 City of Toronto

The City of Toronto has the most extensive experience with the implementation of development bonusing in Ontario. To add further clarity to the bonus zoning process, the *Section 37 Implementation Guidelines* were adopted by City Council in November of 2007 along with a protocol that addresses the process by which community benefits are negotiated by planning staff with the involvement of the community.

Bonus zoning negotiations are triggered by applications to amend the Zoning Bylaw. The approach to these applications has been to first assess the appropriateness of the application with respect to Official Plan objectives and then to determine if it meets the criteria for appropriate built form to ensure that the project will contribute positively to the growth of the City. The Section 37 benefits are negotiated with the applicant based the City's Official Plan policies regarding bonusing as well as a set of implementation guidelines approved by Toronto City Council.

The City's Official Plan bonusing policy applies to development (excepting non profit development) with over 10,000 square metres of gross floor area (GFA), with the Zoning Bylaw amendment representing an increase of at least 1,500 square metres in GFA. The size of height increases is not specified. The benefits identified in the Plan include:

- The conservation of heritage resources;
- Public art;
- Other non-profit, cultural, community or institutional facilities;
- Parkland and/or park improvement;
- Public access to ravines and valleys;
- Streetscape improvements on public boulevards not abutting the site;
- Rental housing to replace demolished rental housing;
- Purpose built rental housing with mid range or affordable rents, land for affordable housing or cash in lieu of land for affordable housing;
- Local improvements to transit facilities including pedestrian connections to transit facilities;
- Land for municipal purposes;
- Substantial contributions to the urban forest on public lands; and
- Other local improvements identified in Community Improvement Plans, Secondary Plans or other studies.

The Guidelines are intended to assist in the implementation of the Official Plan policies regarding bonusing. The Official Plan policies are quite general and the Guidelines provide a greater level of specificity regarding their implementation. The key principles that are included in the Guidelines to be followed in the implementation of Section 37 are as follows:

- The development represents good planning;
- The community benefits and the increase in height and/or density must be set out in the Zoning By-law (usually a site specific zoning by-law which contains a section that states that the owner shall enter into one or more agreements pursuant to Section 37 of the Planning Act to secure facilities, services and matters which are then specified in a subsequent section of the bylaw);

Assessing Planning Tools: Community Improvement Plans, Bonus Zoning, & Impact Studies

- The community benefits must be capital facilities which are either specifically identified or represent cash contributions to achieve specific capital facilities, including in some instances contributions to City-wide funds such as the Revolving Fund for Affordable Housing or Public Art Trust Fund (in other words, the benefits are not intended to cover operating costs); Note— Council amended this principle to add Heritage Conservation District Studies to the list of eligible “facilities, services or matters” despite planning staff recommending against this;
- There should be a reasonable planning relationship between the community benefits and the increase in height and/or density, most often reflecting a geographic proximity (i.e. on site or in the local area);
- Good architecture and good design are expected in all developments and are not eligible as Section 37 benefits;
- Section 37 benefits are not intended to replace services provided through Development Charges, but could include upgrades to services not included as part of the Development Charges calculation;
- Section 37 is seen as an important tool to implement Council’s housing and heritage objectives (in other words these are seen as priorities);
- The Ward Councillor is to be consulted in the negotiation of Section 37 benefits;
- There is no City-wide formula for determining the value of benefits under Section 37, although the Official Plan includes the option of defining a formula in Secondary Plans for sub areas of the City based on estimated costs of the community benefits to be secured within the area;
- The list of community benefits listed in the Official Plan is not exhaustive;
- Section 37 agreements can be used to secure a number of other matters that are appropriate to support a development; and
- Planning staff shall always be involved in discussing and negotiating section 37 benefits.

Negotiating the value of benefits in relation to the increase in height and/or density usually entails an appraisal by the City’s Real Estate staff to determine the additional land value of the increase in height/density. Staff then determine, through negotiation, what the appropriate contribution might be worth, with the rule of thumb that it should range between ten and thirty percent of the increase in land value to the development, depending on location and other circumstances.

Over the past 10 years, the City of Toronto has successfully negotiated Section 37 Agreements with over 280 developers who contributed cash, as well as a range of services and facilities including such things as affordable housing, public art, daycare facilities, community service facilities, improvements to park and recreational facilities and a range of other matters. Although not required by the legislation, the Guidelines are intended to clarify the City’s approach to these negotiations and to establish a set of more consistent parameters for conducting negotiations. The development of the Guidelines were informed by previous experience and assessment of issues raised through discussions with Councillors, communities and developers.

An exception worth noting to the general approach used by the City of Toronto for Section 37 is the North York Centre Secondary Plan. The Secondary Plan details a unique treatment of Section 37, which allows for density incentives and density transfers. Density incentives exempt GFA dedicated to community benefits such as the provision of bicycle storage, transit terminals and street-related retail from being included in the calculation of the total GFA of the development for density limit purposes. In the case of some benefits, such as social facilities, four times the GFA of the facility is exempted. Density transfers allow the transfer of density from one parcel of land to another in the case where

private lands are provided for public purposes, such as parks or roads, or the creation of places of worship, public recreational facilities or social facilities leave allowed density unused.

3.3.2 City of Ottawa

Although the City of Ottawa has never applied Section 37, recent experience with a development application that proposed to incorporate a Portrait Gallery which was not secured as part of a Section 37 Agreement, resulting in the loss of the benefit, has generated considerable interest in adopting a set of guidelines to apply to future negotiations regarding increases in density. Like many municipalities, Ottawa has had bonusing policies in its Official Plan for some time. Its policy includes the following:

“Increase in Height and Density By-law

Pursuant to Section 37 of the *Planning Act*, the City may authorize increases in the height and density of development above the levels otherwise permitted by the zoning by-law. Public consultation will be included in the development and approval of such a by-law. Limited increases will be permitted in return for the provision of such facilities, services or matters as are set out in the by-law. Such provisions that may be authorized include, but are not limited to:

- a. Public cultural facilities;
- b. Building design and public art;
- c. Conservation of heritage resources;
- d. Conservation/replacement of rental housing;
- e. Provision of new affordable housing units; land for affordable housing, or, at the discretion of the owner, cash-in-lieu of affordable housing units or land;
- f. Child care facilities;
- g. Improvements to rapid-transit stations;
- h. Other local improvements identified in community design plans, community improvement plans, capital budgets, or other implementation plans or studies;
- i. Artist live-work studios.”

Staff have drafted a set of guidelines for negotiating Section 37 agreements which will be submitted to Council. The guidelines are not as extensive as Toronto’s, but contain a number of elements that may be worth considering for Mississauga. The following are the main points contained in the guidelines:

- Incentives will be focused mostly in intensification areas;
- Density incentives to be applied to projects which are larger than 2,500 sq. m. and where the proposed density will exceed 25% of the allowable height (staff are currently considering exempting all developments that are under 8 storeys in height);
- Density incentives will be considered where a Council Approved Community Design Plan exists and where the Official Plan supports high density development;
- Development must represent good planning;
- Design quality must not be compromised;
- Density increase 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;
- There should be a reasonable relationship between the community benefits and the proposed development;

- Negotiated benefits are to be over and above the facilities and services that would be otherwise required as part of the City's standard development process;
- The value of the benefit will be negotiated with the developer based on a reasonable relationship between the increase in land value accruing to the developer and the value of the benefits to be provided;
- Payment shall be secured prior to the issuance of a building permit; and
- Density incentives for non profit housing will not require the provision of benefits.

3.3.3 Other Municipalities

A number of other municipalities have limited experience with negotiating Section 37 benefits with developers. These include Burlington, London, and Cambridge. The range of facilities and services that were secured through the Section 37 Agreements in these municipalities include: affordable housing, retention of rental housing, public art, streetscape improvements, urban design and contributions towards community facilities.

In the 905 area, some municipalities have moved to enable Section 37 bonus zoning through changes to planning documents. In its recently completed Official Plan, Newmarket identifies Section 37 benefits as a means to realize affordable housing, preservation of historical areas, community facilities, streetscape improvements, and other improvements that contribute to achieving the building, landscape, and urban design objectives of Council. In the Thornhill Secondary Plan, Markham permits an increase of height limit subject to several criteria, including compatibility with adjacent land uses, consistency with urban design policies, provision of park space, public realm improvements, underground parking, and the inclusion of a Farmer's Market on one particular property. York Region, as an upper tier municipality, does not have the jurisdiction to manage zoning or directly implement Section 37, however, the Regional Official Plan includes a policy (section 5.3.12) that encourages municipalities to provide for the use of Section 37 to achieve net community benefits which are supportive of compact community form. Section 37 benefits are encouraged primarily along Yonge Street as a focus for transit-oriented investment.

3.3.4 Recent OMB Decisions

It is the mandate of the Ontario Municipal Board ('OMB' or 'the Board') to settle land use related disputes, including the financial issues related to Section 37. Cases in recent years have focused on whether developers should be exempt from Section 37 contributions, and establishing the link between the proposed increase in height or density and the public benefit.

The catalyst for this discussion is the *Minto BYG* (2001) case. Minto applied to the City of Toronto (the 'City') for a zoning amendment to allow an increase in height and density. The question before the Board regarding Section 37 in this case was whether or not bonusing should form a part of that amendment. The developer argued that no benefit should be required apart from those that were incorporated into the proposal, or as part of the site plan approval process. The City's case was that without a Section 37 agreement, the application would fail to meet the test of good planning, as it did not comply with the Official Plan.

Prior to the Minto case, agreements around Section 37 had been negotiated on a case-by-case basis between the City and developers. However, with this appeal, the Board reviewed the City's in-force Official Plan, relating to the Pre amalgamation Official Plan of the old City of Toronto, and Section 37 of the Planning Act. Consequently, they developed two tests to apply when determining a bonusing

agreement. The first test is to ensure that “increases in height and density are defensible on good planning grounds”, and “contributions requested (by a municipality) must be within the clear limits of established policy” (OMB Decision No. 1102, 2001).

In its ruling the Board determined that the City failed to meet the second test, and the OMB ruled in favour of Minto. The Board’s ruling meant that policies related to Section 37 of an Official Plan must be clear and precise so an applicant has a reasonable expectation of what contributions will be required when applying for a zoning amendment to increase height and density. The Board also ruled that it is the responsibility of the City to establish a link between the proposal and the contributions.

Since the Minto case ruling, the principle behind the decision by the Board about policies in an Official Plan has been echoed in subsequent rulings. In the *Sunny Hill Gardens* (2001) case, the Board ruled that the use of Section 37 policies must be transparent, fair, and predictable. Again, in the *M5V Condominium* case, (1640830 Ontario Inc. vs. the City of Toronto, 2007), the Board ruled that the in-force Official Plan of the pre amalgamation City of Toronto failed to address the requested benefits sought by the City. The pattern of these decisions suggests that Official Plan and related policies must provide clear guidelines and expectations as to Section 37 agreements.

The decision in the *1430 Yonge Street* (2003) case challenged the notion that there must be a site specific link between the benefits provided by Section 37 and the proposal. In that case, the developer agreed that there should be Section 37 benefits provided, but argued that the contribution should be specifically related to the application site. Whereas, the City argued that a public benefit should occur in exchange for the increased land value provided by the additional height and density and need not be limited specifically to the site. The City was seeking provisions to upgrade a nearby public park. The developer argued that the park improvements should not be rewarded because the benefit was unrelated to the development. The OMB agreed with the City, and ruled that the intention of Section 37 was to provide the public with a tangible benefit for the increased land value provided by the rezoning.

In the *Irber Holdings Limited* (2005) case, the OMB had the opportunity to review both the Minto and the 1430 Yonge Street cases. In *Irber*, the Board agreed with the reasoning of the Minto decision, that there must be a verifiable connection between the Section 37 benefits and the proposed development. It is this ruling which has been most consistently applied since, but the OMB is not bound by precedent, and each case is assessed independently.

These cases indicate that when developing a planning framework to implement Section 37 agreements, the municipality should ensure that it has clearly stated policies represented in its Official Plan. Those policies must clearly state the municipality’s objectives for achieving Section 37 contributions, including the relationship between the benefit and the development site, as well as meeting municipality-wide objectives.

3.4 Considerations for Mississauga

The City of Mississauga is transitioning from a suburban community to an urban one. This transition will bring with it a greater scale of high density development. Section 37 provides the City with a tool to ensure that increased densities and intensification are supported through the provision of community facilities and infrastructure provided at least partially by the developers of that density. This section lays out the issues that need to be addressed by the City of Mississauga in shaping their use of Section 37 bonus zoning to best effect.

These issues might be addressed in changes to Official Plan policies on Section 37 bonus zoning, or in a framework for dealing with Section 37 benefits that could be laid out in guidelines to bring clarity and consistency to bonus zoning negotiations.

3.4.2 Conformity with Other Policies of the Official Plan (Good Planning)

A number of municipalities have policies in their Official Plan statements restricting the use of Section 37 to developments that conform to other Sections of the Official Plan, achieving good planning and neighbourhood compatibility. While this may seem self evident, it appears that many municipalities have concluded that it is prudent to clarify that achieving what is normally considered as “good planning” should be a pre-condition, and not the subject of negotiations regarding community benefits in return for Section 37 increases in development rights.

Toronto’s policy statement in this regard is succinct. It states that “development must constitute good planning, be consistent with the objectives and policies of the Official Plan, and comply with relevant built form policies and neighbourhood protection policies”.

Section 5.3.3.2(c) of the Mississauga Plan requires that, in the context of bonus zoning, the proposed development is compatible with the scale and character of the surrounding area and has little impact on neighbouring services. It would seem appropriate for Mississauga to add a clause to its Section 37 Official Plan statement that the enactment of by-laws to permit more height and/or density in return for community benefits is subject to achieving good planning objectives as well as conforming to other policies of the Official Plan, built form objectives and neighbourhood compatibility.

On the other hand, while not constituting the basis for an increase in height and/or density, it may nevertheless be advantageous to secure some aspects of a development which may be considered as good planning (for example heritage conservation) through a Section 37 Agreement. This proviso need not be stated in the Official Plan, but could constitute part of the guideline for addressing Section 37 negotiations and agreements within the City.

3.4.3 Benefits Over and Above What Can Be Achieved Through Other Mechanisms

Most municipalities have not felt the need to clarify that Section 37 benefits are to be above and beyond what could otherwise be achieved under the Planning Act and the Development Charges Act. The City of Toronto makes this statement in its Official Plan, presumably to preempt any argument that, in future, Section 37 benefits could be discounted by the amount that is required through mechanisms such as Section 42 Parks dedications or development charges. While not absolutely necessary, it would seem prudent for the City of Mississauga to add this clarification to its Official Plan, to avoid any possible future misinterpretation. Such a statement would, of course, not limit the opportunity to obtain benefits through Section 37 bonusing that are over and above what would normally be provided under Section 42 of the Planning Act or through Development Charges.

3.4.1 Variety of Community Benefits

The range of benefits identified in the Mississauga Plan under provisions of Section 37 relate to environmental concerns, housing, heritage and road and infrastructure servicing. Although the Plan states that bonus zoning is not limited to facilities, services or matters related to these benefits, in updating the policy on Section 37, the opportunity exists to expand the range of benefits directly listed in the Plan.

One limitation to consider is that Section 37 benefits can only apply to capital facilities and not to ongoing maintenance costs. This has been confirmed through discussions with staff at the Ministry of Municipal Affairs and Housing, staff in other municipalities familiar with the implementation of Section 37 and through a review of policies and guidelines in other municipalities.

With this limitation in mind and drawing on other examples from across the province, an expanded range of benefits could include:

- **Environmental performance** – The City of Mississauga is currently preparing background material that will assist in developing Green Development Standards. Bonus zoning could be used to reward development that goes above and beyond standard building practice and exceeds requirements as laid out in Mississauga’s Green Development Standards, such as for example achieving LEED Platinum.
- **Arts and culture facilities** – Mississauga is currently developing its first Arts and Culture Master Plan. Bonus zoning is one tool which could be used to expand Mississauga’s stock of arts and culture facilities.
- **Other public facilities** – Similarly, bonus zoning could be used to create other public facilities, such as libraries, community centres, day cares, and sports and recreation facilities. Other municipalities have stipulated that these facilities be either handed over to the municipality or have a non-profit management structure.
- **Public art** – The draft Arts and Culture Master Plan calls for the establishment of a Public Art Program. The City of Toronto has had significant success in establishing art as an important part of the public realm through bonus zoning.
- **Rental housing** – The stipulations in the Mississauga Plan on bonus zoning already make reference to the provision of a wide range of housing types including affordable, assisted and special needs housing. In addition to the provision of new affordable housing, both the City of Toronto and the City of Ottawa make direct reference to the conservation or replacement of rental housing as a benefit to be gained through bonus zoning.
- **Transportation and transit** – Transit oriented development is now well established in Provincial and municipal policy as an organizing principle for cities, and in so doing has linked together considerations of desirable urban form and levels of transit provision. While transit-supportive development is now expected as minimum requirement for new development generally, bonus zoning can be used to enhance the connection between new build and transit by gaining benefits such as improved connections to transit facilities, or local improvements to transit facilities themselves. In addition, some municipalities have included public parking as a community benefit, which may be relevant to Mississauga in certain areas adjacent to rapid transit or in the City Centre.

- **Other benefits:** Other local improvements identified in Council-initiated studies might be an appropriate benefit to be realized through bonus zoning and can be evaluated as they come forward.

3.4.4 Geographic Areas that Apply to Section 37

A number of municipalities limit the application of Section 37 benefits to particular areas within the municipality, for example intensification areas. Some municipalities leave the application of Section 37 benefits open to all areas within the municipality, but also specify particular areas for the application of these policies. For example, Burlington has a section in its Official Plan dealing with Waterfront development that explicitly states that Section 37 bonus zoning may be used in this area to achieve a number of objectives.

The Mississauga Plan and supporting zoning by-laws will shape the application of bonus zoning in Mississauga. Currently, no height or density restrictions are included in the Mississauga Plan for the City Centre. In areas outside the Urban Growth Centre, heights are limited to four storeys by Section 3.2.4.3 of the Mississauga Plan, subject to site specific exceptions in District Policies and the zoning by-law. *Sustainable Living: A Growth Management Strategy for Mississauga* outlines a hierarchy of urban spaces and includes intensification targets and appropriate height ranges. Given this planning framework, there are parts of Mississauga where bonus zoning could be used to positive effect. However the lack of height restrictions in the City Centre would seem to limit its use in this area, unless new restrictions were put into place.

In the application of bonus zoning, Mississauga has several options: 1) allow the application of bonus zoning to apply to all areas of the municipality; 2) limit the application of bonus zoning to areas targeted to absorb intensification and higher density uses, such as the Urban Growth Centre, Nodes, Intensification Corridors or around Bus Rapid Transit and Commuter Rail Stations; 3) specify areas of special consideration for bonus zoning, while leaving its application open to the entire municipality.

For Mississauga, it would seem appropriate not to restrict the application of Section 37 to particular geographic areas, but to leave it open to all parts of the City, with applicability to be determined on a case by case basis. Should the City wish, it could also specify in its policies dealing with particular areas that Section 37 bonus policies could be used to achieve specific objectives. Otherwise the issue of geographic applicability can be addressed through guidelines.

3.4.5 Prescribing the Amount of Bonus Density

An important issue that many municipalities have grappled with regarding bonus zoning is whether it makes sense to cap the amount of bonus density that might be considered. All municipalities that have considered this issue have concluded that it does not make sense to incorporate a maximum limit for bonus zoning.

There are two related dimensions of this issue: one is whether to address density limits in the official plan and the other is how to address density in the zoning bylaw. Other municipalities address this issue in different ways. Unlike most other municipalities, the City of Toronto does not include any density or height limits in its Official Plan. Instead in its official plan it describes the type, intensity and quality of development that is expected in various sub districts of the City using words rather than numbers. In Toronto therefore, density is only referred to in the zoning bylaw and any application to amend the zoning bylaw in respect of density or height for a particular site is potentially subject to the bonus zoning policies. This represents one way of proceeding.

Most other municipalities do have density restrictions in their official plans as well as their zoning bylaws. In some cases these limits are the same, while in others they are different, with the official plan limits sometimes higher than the limits in the zoning bylaws. In these cases any application to amend the zoning bylaw, whether or not it triggers an amendment to the official plan as well, could be subject to bonus zoning policies.

3.4.6 Threshold Size

Both Toronto and Ottawa make reference to development size thresholds beyond which Section 37 bonus zoning policies would apply. Toronto's policy applies to developments over 10,000 sq. m. in size, with an increase in density of at least 1,500 sq. m. over what otherwise would be permitted as of right. In Ottawa, the size threshold is not embedded in its Official Plan statement, but will be included in its guidelines which are now under preparation. A threshold for a project of more than 2,500 sq. m. is under consideration with density increases amounting to more than 25% of a project's gross floor area. Other municipalities do not include a threshold size above which Section 37 would apply.

Mississauga may wish to include a threshold size below which Section 37 bonus zoning would not apply, to make it clear to the development industry that Mississauga does not intend to target smaller projects for achieving its community benefits. As a practical matter, there is also a likely threshold below which the administrative arrangements may be too onerous for both the developer and the City to justify the application of a Section 37 bonus policy. This threshold need not be included in the Official Plan statement, but could be incorporated into a set of Council approved guidelines.

3.4.7 Method to Assess the Value of Section 37 Contributions

No municipality has included a formula for calculating what the value of the community benefit should be in relation to the value of the increase in density. The City of Toronto has done a considerable amount of work in this area and in the end, concluded, based on legal advice, that providing a formula for this type of calculation might open it up to challenges that this would, in effect, constitute an illegal tax. Toronto has instead opted for a flexible approach that requires that benefits be calculated on a case by case basis with the value of the community benefit in relation to the value of the increase in height and/or density to vary from project to project depending on the circumstances. Ottawa at one point did consider including the formula in its guidelines, but has backed away from this approach based on advice from staff at the City of Toronto.

In its Section 37 guidelines, Toronto proposes that a financial impact statement 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.

A typical protocol for assessing the value of the increase in height and/or density in Toronto is to use City real estate appraisers to calculate the increase in the value of the land associated with the increase and to use this valuation as the basis for calculating the value of the community benefit to be secured. Other municipalities either use outside appraisers to do this and charge the developer for the cost, or require the developer to hire an independent appraiser to do the calculation and to share the information with the municipality.

Mississauga Plan provisions on bonus zoning require a special study 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. In the case of the development at 15 Hurontario St., the developer submitted a community benefits study and land

appraisal. This report was reviewed by staff from the City's Planning and Building Department, Realty Services Division, Community Services Department and Legal Services Division. The relationship between the value of the increased height and density and the proposed community benefits was found to be in an acceptable range, based on examples from other jurisdictions, notably Toronto.

As a matter of course, and to ensure transparency, Mississauga should adopt the protocol of including a financial summary as an appendix to its final reports dealing with Section 37 bonus developments, summarizing the value and timing of community benefits to be secured.

3.4.8 On or Off-Site Provision

All municipalities state in their Official Plan policies that there should be a reasonable planning relationship between the community benefits and the proposed development that is the recipient of an increase in height and/or density. A number of municipalities also state that there should be a reasonable geographic relationship between the off site provision of community benefits and the development site.

Mississauga Plan provisions on bonus zoning state that 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.

Toronto also includes this approach in its guidelines, but acknowledges that there may be instances where a City-wide fund exists (for example, a revolving fund for affordable housing or a public art fund), which, while not explicitly meeting the geographic proximity test, may nevertheless meet the reasonable planning relationship test. Toronto thus makes provision for contributions from developments subject to Section 37 negotiations to be provided towards City-wide objectives which may not be able to be achieved on site.

The City of Mississauga may also choose to clarify in its guidelines that in most instances a reasonable planning relationship between the community benefits secured and the proposed development will mean that there is a close geographic proximity between the community benefit and the site, but where a City-wide fund exists for a particular type of facility, a contribution to this fund may constitute a reasonable planning relationship.

3.4.9 Prioritization of Potential Benefits

The issues raised above provide some principles by which to prioritize potential Section 37 benefits, for instance that the benefits realized should be in proximity to the development, or at the very least provide benefits to those most directly impacted by the increases of height and density. There are a number of steps that are possible in considering which kinds of benefits should be pursued. The first is the list of benefits included in Official Plan policies. Toronto, Ottawa and Mississauga include a list of benefits in their Official Plan provisions on bonus zoning, while also indicating that other benefits not specifically named in the Official Plan may also be secured through use of Section 37. The second would be to consider what is offered by the developer. Some benefits may be more cost effective for the developer than others, allowing the City to get more value for the swap. A developer is likely to be willing to invest more money in a benefit that directly increases the value of their development as well as providing community amenity. The third step would be to take these offers of benefit to the community in consultations. Mississauga's experience with the 15 Hurontario St. development is a case in point. The developer originally offered a \$3.57 million benefit in the form of heritage preservation, a new public library and improvements to a public park. The community was not receptive to the heritage

preservation measures or new public library. A new deal was finalized that saw \$1 million contribution to park improvements.

Another possible approach is for the City to be prepared with a list of prioritized community benefits in anticipation of bonus zoning negotiations. In the City of Toronto, Councillor Adam Vaughan held community consultations to give him a better idea of the priorities of his constituents so that he might be better prepared to provide input when bonus zoning opportunities arose. OPA 95 to the Mississauga Plan states that intensification should be phased in a manner that allows community infrastructure to keep pace with new development. To facilitate this twinning, developers may be required to submit a Community Infrastructure Impact Study to evaluate the impact their development will have on community infrastructure. Possible approaches to evaluating the community infrastructure requirements of new development are discussed in more depth in the following chapter.

A final approach to deciding which benefits should be pursued, in some cases there may be City-wide priorities that gain precedence over local benefits. In the City of Toronto, there are a number of City-wide funds to which developers contribute cash in lieu of directly providing benefits. Affordable housing is one of them, as is public art. Section 37 benefits are directed to these funds in certain cases.

3.4.10 Planning Staff to Take the Lead in Negotiations

It is essential that planning staff who are responsible for making recommendations on development applications to Council, in accordance with the Planning Act and other Provincial policy, be the lead negotiators with developments that are the subject of Section 37 bonus discussions. It is also essential that planning staff coordinate input from other departments on the appropriate provision and costing of community benefits. The timing of negotiations is often quite sensitive with the need to tie the approval of the development, including the increase in density, to a binding agreement to provide of the services, facilities and matters.

It is also important that the local Councillor be informed of these negotiations and that he or she have an opportunity to provide input into the nature of community benefits that might be appropriate in particular circumstances.

Ideally, there would be studies conducted ahead of time to identify community needs, based on community input and an assessment of opportunities by City staff. These would then form the basis for negotiating community benefits in a transparent way that clarifies expectations ahead of time. However, in reality this is very difficult to achieve and to keep this type of information up to date for the City as a whole, particularly given the likely continued dynamic evolution of the City in the future. In the absence of such comprehensive studies, guidelines could be developed to provide for a clear protocol and to avoid confusion about who should take lead responsibility in negotiations.

3.4.11 Benefits to Be Identified in Site Specific Bylaws

The benefits to be secured through any particular bonusing application would need to be outlined in a site specific bylaw. Such a bylaw, in addition to containing all of the usual provisions that would govern development on the site, would include a section that requires the owner to enter into agreements under Section 37 to secure the facilities, services and matters outlined in the bylaw. This section of the bylaw could also include a specific list of benefits that would be provided to the Regional municipality, who would be responsible for delivering the service, such as transit or non profit housing, or possibly a non profit agency (e.g. daycare facilities).

In these instances the bylaw would state what the applicant is responsible for: either providing a certain amount of land for non profit housing, and/or funding for non profit housing, and/or the provision of a certain number of affordable housing units to be secured at affordable rents over a specified period of time, and/or funding for transit improvements and/or provision of space for daycare that meets Provincial requirements. Although the subsequent Section 37 agreement would be entered into with the City it would specify that the land, funding or improved space would be provided to the Region or other organization as required.

3.4.12 Section 37 to Secure Other Matters

As already mentioned in section 3.4.2 above, Section 37 Agreements may be convenient mechanisms to secure a number of other provisions that are not the subject of additional density or height, but may be over and above what can be secured in other sections of the Planning Act. In Toronto these types of provisions usually refer to retention or replacement of rental housing, securing re-housing agreements for displaced tenants, or securing heritage resources that may be difficult to achieve under the Heritage Act. These types of opportunities need not be addressed in the Official Plan Statement, but may be acknowledged in the guidelines for the City of Mississauga.

3.4.13 Clarity for Developers

An important issue to consider when requiring Section 37 based contributions is the impact of these charges on developer's proformas from the perspective of both financial viability and certainty. While these charges are typically related to additional density, this density cannot always be directly related to additional profit. This is especially true when considering smaller projects where density increases allow the addition of two to five storeys. The density increase may be necessary to make the project viable. For developers, the unknown of what impact a Section 37 contribution may have make planning difficult and uncertain. Guidelines for the use of Section 37 should therefore provide sufficient clarity so as not to deter developer interest.

4.0 Community Impact Studies

4.1 Context

4.1.1 What is a Community Impact Study?

Community Impact Studies assess the impact of new development on community services and facilities. There is a great deal of variety among municipalities in how the implications of development are assessed and addressed. In name alone, Community Impact Studies are referred to as Community Uses Impact Studies and Community Infrastructure Impact Studies in Mississauga, officially as Community Services Strategies in Toronto, but Community Services and Facilities Needs Assessments or Reviews in practice. The studies consider a range of community services and facilities, possibly including schools, day cares, community centres, recreational facilities, parks, libraries, places of worship, seniors services, other human services, hospitals and, sometimes, emergency services. They are often conducted by municipalities, but are also produced by developers to support their applications when requested by the municipality.

Community Impact Studies generally follow a similar format. Existing conditions are established through a social and demographic analysis of the area in question and an inventory of existing services and facilities is drawn up. There may be some evaluation of the present and likely future trends impacting their use. Future demand is projected based on social and demographic change and changing trends of use. In the case where the study focuses on the impact of a particular development, a demographic breakdown of the development's users or residents will be estimated and their impact on existing services and facilities will be evaluated to identify any shortfall. In municipality-led studies, in cases where new services and facilities will be required, implementation issues will be addressed including the use of planning tools to contribute to increasing the local provision.

4.1.2 Mississauga Context

4.1.2.1 Existing Policy

In its general policies on residential intensification, the Mississauga Plan (2009) states that the proponent of an intensification project may be required to provide a Community Uses Impact Study. The study will assess the proximity and adequacy of existing community uses, human services and emergency services to meet increased demand caused by the proposed intensification (Sec. 3.2.4.4).

Community uses are defined in the glossary of the Plan to mean public and private services and facilities such as schools, emergency services, libraries, cultural activities, day care centres, and places of religious assembly. It makes the distinction that community uses do not include residential dwellings or special housing.

Worthy of note, in section 3.19 on community uses, the Plan recognizes that many community uses fall under the jurisdictions of other levels of government, for example Federal, Provincial and Regional government for services and facilities addressing health and welfare, and Regional Government for police and ambulance services. In other cases private agencies will be the main providers, such as in the case of private schools or places of religious assembly. Although Mississauga is only directly responsible for fire protection services, community centres and libraries, it recognizes that it has an important role to play in identifying locations for other facilities through the planning process.

4.1.2.2 Official Plan Amendment 95 (OPA 95)

OPA 95 is currently being considered by the City of Mississauga's Planning and Growth Committee. The purpose of the amendment is to bring the Mississauga Plan into conformity with provincial planning policy, including Places to Grow: Growth Plan for the Greater Golden Horseshoe (2006). As such, the amendment deals extensively with intensification and takes steps to ensure that it is pursued in a manner which benefits rather than overburdens existing communities and their resources.

Policies on intensification state that development within intensification areas will be phased in accordance with the provision of community infrastructure and other infrastructure (3.13.6.8). Proposed development will take into account the availability and location of existing and planned community infrastructure so that community infrastructure can be provided efficiently and effectively and tailored to meet the needs of the population in each community (3.13.6.11).

Section 3.13.6.12 of the Plan gives the City the power to require the proponent of an intensification project to provide a Community Infrastructure Impact Study. Similar to the description of a Community Uses Impact Study included in the current Plan, a Community Infrastructure Impact Study will assess the adequacy of existing community infrastructure, human services and emergency services to meet increased demand caused by proposed intensification. The policy adds, however, the element of appropriate phasing by stating that 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. Also it adds the requirement that Community Infrastructure Impact Study be approved by the City and other approval agencies.

To better enable the phasing of development to match the pace of community infrastructure provision, Section 5.3.3.1b of the Plan expands the use of holding zones as a tool for staging development and specific requirements to include the adequacy of community infrastructure.

It should also be emphasized that the definition of community infrastructure incorporates elements that are not included in the definition of community uses in the existing plan. Community infrastructure means lands, buildings, and structures that support the quality of life for people and communities by providing public services for health, education, recreation, socio-cultural activities, security and safety, and affordable housing.

4.1.2.3 Mississauga's Practical Experience

The City of Mississauga currently takes a comprehensive approach to evaluating the provision of certain varieties of community infrastructure. Every 5 years, the City updates *Future Directions*, the Library, Recreation and Parks and Natural Areas Master Plans. The latest *Future Directions* plans were produced in 2004. The City is in the process of completing new master plans for 2009. This update is carried out by the planning section of the Community Services Department.

Future Directions takes both a short and long term view to planning for parks, recreational facilities and libraries. It lays out improvements to be made on a 5- to 10-year time horizon, while also taking the long view and assessing trends within a 25-year time frame. For these purposes it divides the city into 6 service areas. The goal of the documents is to ensure that the facilities and services Mississauga provides reflect the demands of a changing city, changing both in term of demographics and trends in the use of public facilities. The desire to meet these needs in a timely and cost-effective manner is another driver. *Future Directions* set priorities for public spending and, importantly, earmarks development charge monies to implement the short term recommendations laid out in the plans.

The *Future Directions* process begins with a demographic assessment examining the status of and trends present in Mississauga's population as well as current and emerging trends in their use of parks, recreational facilities and libraries. The demographic analysis includes a growth forecast and an indication of changes to the city's age profile. This research and analysis is used to inform discussions within the municipality and in consultations with stakeholders and the public. Workshop sessions with staff and stakeholders, a household survey, public meetings, and focus group sessions feed into the broader deliberations that are reflected in the final document.

The *Future Directions* documents provide a sound base against which the implications of new development on some kinds of community facilities can be assessed. Planners consult the Community Services department on all planning applications. The Community Services department gives their recommendations based on background documents like the *Future Directions* plans. Planners also consult with other community infrastructure providers, such as School Boards and the Region.

This said, generally, the established way of planning for community infrastructure was developed in the context of Greenfield development. During a plan of subdivision, planners would consult with the School Boards, who would do an assessment of new demand for schools. Based on these findings a land parcel dedicated to these uses would be set aside. Similarly for parkland dedications accompanying Greenfield development, land or funds would be provided by the developer to contribute an adequate level of amenity to the new community. These ways of working have delivered the desired results in the past. However, intensification is a relatively new phenomenon in Mississauga and requires looking at these issues in new ways, namely the evaluation of the current supply and finding room for new capacity within an existing built up area. The services and facilities that an intensified urban area requires might also be different from that required by Greenfield development. The City may also be proactive in expanding the range of community services and facilities it feels it needs to consider to include items such as day care or the availability of affordable housing.

Some tools to make the transition from Greenfield to intensification-related assessment of community services and facilities have been enabled, such as Community Uses Impact Studies and, now with OPA 95, Community Infrastructure Impact Studies. Although Community Uses Impact Studies can be made a requirement for proposed development, this dimension of the Mississauga Plan has not been implemented. There are no terms of reference for what a Community Uses Impact Study should entail.

4.2 Experience from Other Municipalities

4.2.1 City of Toronto

4.2.1.1 City-led Assessments

In its Official Plan, the City of Toronto lays out conditions for conducting Community Services Strategies (Section 3.2.2). Generally, Community Services Strategies will be developed in instances where large scale development or major changes in land use are being considered, or in response to significant demographic or social change within an identified area. The Plan further refines this policy by stating that developing a strategy and a set of implementation mechanisms are a *requirement* for the development of residential or mixed use sites larger than 5 hectares or the creation of all new neighbourhoods.

Examples of community service facilities referred to in the Plan are community and recreation centres, arenas, community health clinics, community gardens and publicly funded schools and libraries. The Official Plan emphasizes that the needs of children and youth should receive special attention in the development of all community services strategies. Strategies are to be developed in consultation with local residents, service providers and other stakeholders.

The contents of a Community Services Strategy are to include:

- A demographic profile of area residents;
- An inventory of existing services within the area, or readily accessible to area residents;
- Identification of existing capacity and service gaps in local facilities;
- Identification of local priorities;
- Recommended range of services and co-location opportunities; and
- Identification of funding strategies including, but not limited to, funds secured through the development approval process, the City's capital and operating budgets and public/private partnerships.

In practice the preparation of Community Services and Facilities Needs Assessments falls to the Planning Department. These are conducted as required, usually during the development of a Secondary Plan, an Avenues Study or an area specific study, or triggered by the development of a large site.

There is no city-wide community services assessment to draw on, so in preparing a needs assessment the Planning Department consults with other municipal departments and human services providers on a case by case basis: Parks and Recreation on parks and community recreational facilities, Children's Services on day care spots and waiting lists, school boards on the capacity of local schools, Community and Neighbourhood Services on public libraries and services for seniors, and non-profit social services providers to determine capacity of resources such as youth employment centres, ESL and settlement services, and storefront legal aid offices.

The needs assessment begins with an inventory of services and facilities present in the community, and determines current demand, especially demand not presently met. A profile of the community is created, including a population profile, a housing profile and an employment profile. These profiles are used to understand the current situation and likely future trends. These are combined with an examination of projected development to come to an assessment of future needs. Finally the needs

assessment provides recommendations on how to fill existing gaps and meet new demands, identifies triggers for when new services and facilities will be required, and considers the tools that could be used to enable provision, such as Development Charges, Section 37 bonus zoning, and the City's capital budget.

In the City of Toronto, directing the use of Section 37 bonus zoning is one of the major outcomes of Community Services and Facilities Needs Assessments. By way of example, in the development of the York University Secondary Plan, a needs assessment identified daycare and community centre facilities as shortfalls that will emerge as the area is developed. The City costed out the required facilities and suggested a levy to be assessed on a per unit basis on new development to address this gap. The levy would be secured through Section 37 agreements, and would secure funding for these community benefits over and above what Development Charges would cover. Even in instances where a less comprehensive approach to securing community benefits from new development is taken, community planners draw heavily on needs assessments when considering how Section 37 should be used in any particular case.

It is worthy to note, that once completed there is no formal mechanism for monitoring progress based on the findings of a Community Facilities and Services Needs Assessments, due to a lack of resources. Informal monitoring does take place, however, and includes feedback from other departments, such as Parks and Recreation and Children's Services, and ongoing communication with local Councillors.

4.2.1.2 Developer-led Assessments

In certain instances, the City will require developers to prepare a Community Services and Facilities Review in support of proposed developments. The exact criteria triggering a review is unclear, usually it is a requirement for large developments or developments where the planning staff have highlighted community services and facilities as a concern in light of other activities in the area.

The quality and comprehensiveness of these reviews varies greatly. Generally, they follow a similar format to the needs assessments discussed above; they provide a demographic analysis of the area and an inventory of current community services and facilities (schools, public libraries, daycare centres and nursery schools, recreation, community and social service facilities, places of worship, seniors and disability services, health centres, and sometimes proximity to emergency services as well). They also include a discussion of the proposed development and any impacts on services and facilities that will be its result. A breakdown of the development by unit type allows the developer to provide a demographic picture of likely residents, and therefore the number of people using services. For instance, the assessment will generate a number of school-age children, which can be compared to the capacity of local schools. However, because the change in demand associated with the proposed development is usually relatively small, the studies almost always conclude that the development does not represent a burden on existing community services and facilities.

Developer-led Community Services and Facilities Reviews are probably most useful in assessing the requirements of brand new neighbourhoods, as is currently happening in Toronto concerning new communities on the waterfront. In this case, the City has provided very specific guidelines on requirements for community services and facilities through the Central Waterfront Secondary Plan to shape precinct plans developed by Waterfront Toronto. The summary table for the guidelines is included in the Appendix. It lists the kinds of facilities the community will require, the requirements of these facilities in terms of land area, locational criteria, guidelines, and projected need based on community size.

In evaluating developer-led reviews, the planners dealing with the area are cognizant of existing studies and reviews, and will integrate them into their recommendations on the development. One interviewee suggested that, in general, the Planning Department is understaffed to carry out the tasks of preparing City-led assessments and evaluating developer submitted reviews. Evaluating the reviews from the developer is often quite time consuming, sometimes requiring more work to verify the review than it would have taken for the City to do it themselves. The interviewee suggested that it might be more effective for the developer to provide funds to the City to carry out the review rather than submitting an evaluation as one of their supporting studies.

4.2.2 City of Vancouver

The City of Vancouver has a number of ways of considering and providing for the increased demands on community infrastructure related to new development. Most pertinent to the Mississauga case is the creation of Public Benefits Strategies. Public Benefits Strategies have been developed for areas identified as likely to undergo significant development, in order to ensure that new development pays an appropriate portion of the new public amenities that will be required to support the accompanying increase in population. These areas have included Downtown neighbourhoods such as Triangle West, as well as neighbourhoods more suburban in orientation, like Oakridge/Langara. The borders of these areas are carefully drawn since the purpose of the Public Benefits Strategies is to fund community amenities within the designated areas affected by development, rather than city-wide facilities or basic services such as water, sewers or transportation.

The point of departure for the creation of a Public Benefits Strategy is an estimate of the unbuilt capacity of the neighbourhood. The forecast is for a period of 20-25 years and generates a quantity of Gross Floor Area (GFA) and a number of new residents. An inventory of existing community infrastructure is taken, which includes daycare facilities, park space, community centre space, affordable housing likely to be eliminated through redevelopment, and public infrastructure such as greenways, bikeways, and walkways. The Strategy evaluates the existing provision of community infrastructure against the current population using city wide standards (such as number of ha of park space per person, day care spots per number of residents, etc.). It then estimates future need based on forecasted numbers of new residents to come up with hard figures of new community infrastructure required. This is supplemented through consultation with the public and reference to Community Visions, where they exist, to generate a community infrastructure requirement for the area in question.

In delivering the identified community infrastructure requirement, Public Benefits Strategies integrate a number of approaches to improve community infrastructure: in-kind provision of amenities by developers, Community Amenity Contributions (CACs), area-wide Development Charge Levies (DCLs) and future Capital Plan contributions. One of the stronger tools is the DCL. Once a Development Charge Levy District is established, a DCL can be charged on all new development at a fixed rate. The rate is set by the Public Benefits Strategy and is determined by deciding what portion of the community infrastructure is to be covered by the redevelopment of the area (a rough rule of thumb is that 80% of community infrastructure should be covered by the developer, and 20% by the City) and dividing the estimated costs of this portion by the forecasted quantity of new development to come up with a DCL to applied to every square metre of new development. The total DCL is then sub-divided and dedicated to specific community infrastructure improvements. In the case of the Oakridge/Langara Public Benefits Strategy, the DCL was set at \$34.98 per square metre, 63% of which was dedicated for parks acquisition development, 30% for replacement housing (new affordable housing where the new development would be unaffordable to displaced tenants), and 7% for street (walking) improvements. An additional \$5.49 per square metre was dedicated to the provision of daycare facilities. These monies are collected

as development proceeds and spent as opportunities arise. Worthy of note, these amounts must be spent within the boundaries set by the Public Benefits Strategy and toward their designated aim. The rate of the DCLs may vary within the area depending on the proposed use or density of new development.

Public Benefits Strategies also address other components of community infrastructure sometimes not eligible to be funded by DCLs, such as public art, heritage, sports and recreational facilities, and school space. In the case of school space the Strategies usually present the impact of new development on a the availability of spaces at local schools, and pledge to continue working with school boards, while recognizing that the funding of schools is a provincial jurisdiction. For some of the other components they discuss the use of other planning tools, such as Community Amenity Contributions (CACs). Whereas DCLs apply to all redevelopment, CACs apply only to rezoning. A CAC is somewhat akin to Section 37 bonus zoning. It is a “freely offered gift” made by developers in the process of negotiating with the City for additional density. The City of Vancouver has a policy that has set the rate of a CAC at approximately \$32.00 per square metre for GFA increases allowed by rezoning.

The process of developing a Public Benefits Strategy is a cross-departmental effort, involving representatives from the local planning area, City-wide and Regional Planning, Engineering Services, Parks, Child Care, etc. The public is also consulted in the development of the Strategy, usually incorporated through workshops, open houses and notification letters to all property owners and business operators. Community Visions, which are done at a neighbourhood level and subject to significant public involvement, are drawn on heavily in the creation of Public Benefits Strategies.

4.3 Considerations for Mississauga

Although this chapter of the report focuses on the possibilities of Community Impact Studies as a planning tool, a bigger question lies behind this assessment: How will Mississauga ensure that intensification is supported by an appropriate level of community infrastructure? As mentioned above the issue driving this question is a shift in emphasis from suburban Greenfield development as the predominant mode of growth, to intensification following an urban model as the way growth will be absorbed in the future. Community infrastructure will continue to be an important component of healthy neighbourhoods and renovated urban communities. The challenge will be to take successful established ways of working and adapt them to new challenges, and to develop new tools where old ones fail to deliver the desired results. This section lays out considerations for Mississauga in making this transition.

4.3.1 Components of Community Infrastructure

The City of Mississauga currently takes a comprehensive approach to planning for components of community infrastructure that are its direct responsibility, such as libraries, community centres, recreational facilities and parks. These have traditionally been at least partially provided for through development charges and parkland dedications. The link between development applications (and plans of subdivision) and the consideration of these varieties of community infrastructure has been supported through collaborative working relationships between the Planning Department and the Community Services Department.

Many of the components of community infrastructure included in the new definition in OPA 95 fall outside of the City's direct jurisdiction and are not covered by the *Future Directions* master plans. The definition is:

COMMUNITY INFRASTRUCTURE means lands, buildings and structures that support the quality of life for people and communities by providing public services for health, education, recreation, socio-cultural activities, security and safety and affordable housing.

This definition suggests that, in addition to the libraries, community centres, recreational facilities, and parks included in *Future Directions*, other components must be considered under the heading of community infrastructure, including schools, daycare facilities, hospitals and other health facilities, arts and cultural facilities and affordable housing.

Also, Section 3.13.6.12 of proposed OPA 95 sets out the scope of Community Infrastructure Impact Studies. Besides community infrastructure, the policy also directs the studies to consider both human services and emergency services. In this way the policy requires Community Infrastructure Impact Studies to go beyond bricks and mortar issues and also address levels of service. In the case of emergency services these would include police, fire, and ambulance services. The implications of examining human services could be much broader and incorporate seniors' services, services and resources for new Canadians and an array of services often provided by non-profit organizations.

Given the breadth possible elements, setting the boundaries of what kinds of facilities and services to include in a Community Infrastructure Impact Study is an essential first step in considering their use.

4.3.2 Situating the Use of Community Infrastructure Impact Studies within a Broader Approach

Community Infrastructure Impact Studies are a tool created by OPA 95 to allow the City of Mississauga to better understand the impacts of intensification on community infrastructure. The City will use this

information to phase new development in intensification areas to ensure that the provision of community infrastructure keeps pace. New development will likely occur incrementally. Any one development, representing only an incremental increase on the demand for community services and facilities in a particular area, is unlikely to trigger a call for more facilities. It is the cumulative impacts that must be considered. There must be a way of assessing the long term impacts of incremental change. Knowing what is happening to an intensification area, in a big picture sense, is a responsibility only the municipality can bear. This is implied in the other OPA 95 policies on intensification. The responsibility of phasing development assumes a capacity to keep track of and assess new requirements for community infrastructure.

Consideration of the role of Community Infrastructure Impact Studies requires the City to define its own in role assessing community infrastructure requirements in the context of intensification and the role of the developer. The experience of other municipalities has shown that a community infrastructure assessment conducted by the proponent of a new development in isolation from other developments occurring in the area is of marginal use at best. It is only one piece of a cumulative trend toward intensification. For this reason these studies usually conclude that new developments will not have a significant impact on local community infrastructure. Overall, it is not a very effective way of assessing the implications of intensification.

Mississauga needs to create a system that works to: 1) allow the municipality to keep track of the cumulative impacts of intensification, 2) understand the implications of any one development proposal in this context, and 3) secure from the developer appropriate support for the development of new required community infrastructure. The City of Vancouver has established a very precise method for meeting these objectives. Public Benefits Strategies develop formulas that directly translate new GFA into a cash contribution dedicated to specific public amenities. It is true that Vancouver is also armed with some very powerful tools to secure these contributions, such as Development Charge Levies and Community Amenity Contributions, and functions in a real estate and development climate so profitable for developers that these contributions can be made without fundamentally undermining the viability of a project. Therefore, Vancouver's approach cannot be replicated in its entirety by the City of Mississauga. However, it does suggest some possible directions. Mississauga could develop Community Infrastructure Strategies for intensification areas that draw on but also enlarge the scope of work of the *Future Directions* plans. These strategies could project the likely level of development to occur in an area, assess the current provision of community amenities, identify gaps that need to be addressed, and lay out a strategy for how they will be filled drawing on the tools at its disposal, such as Section 37 bonus zoning, Capital Budget spending and resources from other tiers of government. These strategies could draw on the resident and job targets established for different kinds of intensification in the Growth Management Strategy. They could be tied into other strategies and plans, such as *Future Directions* and District Policy Reviews. In this context, it is worthy to note that the City of Mississauga is currently undertaking a Development Charges review. The new requirements posed by intensification should be considered in this review.

OPA 95 establishes the City's responsibility to phase development to match community infrastructure provision. Looking at this responsibility from a different perspective, it would seem more appropriate for the City to phase the provision of community infrastructure to keep pace with intensification. Appropriate intensification should be encouraged whenever possible. It makes very poor sense to put a halt to intensification because the City cannot fulfill its responsibility to provide appropriate levels of community infrastructure through the mechanisms at its disposal. A system for planning community infrastructure such as the one outlined above would allow the City to be proactive on this front and take full advantage of intensification opportunities.

4.3.3 Role of the Developer

The general approach to evaluating community infrastructure described above puts the onus largely on the City for this task. However, the developer of a proposed intensification project still has a role to play. Inputs could still be required from developers, but these would be best evaluated in a much broader framework. The question that needs to be addressed is: What information is required from a developer and how can this information be used to best effect by the City?

One possibility is that the developer detail the nature of their development and its likely impact on services. This could include the number of new residents and their demographic breakdown translated into demand for community facilities. The effect of any community facilities incorporated directly into the development could be discussed. A rationale could be provided for any Section 37 benefits that might be provided.

Such a study could meet the requirements of a Community Infrastructure Impact Study as detailed in OPA 95. To ensure a level of consistency and to ensure that the information is useful to the City, a guide to creating a Community Infrastructure Impact Study could be prepared. It could include a terms of reference for the study as well as formulas for assessing impact that could allow the developer to convert numbers of new residents or jobs into community infrastructure requirements. These could be used by the City to evaluate whether thresholds had been crossed requiring the provision of new amenities.

5.0 Next Steps

The preparation of this background report is the first step towards tailoring the planning tools examined – Community Improvement Plans, Bonus Zoning and Community Impact Studies – to Mississauga’s needs and goals. It is hoped that the report will go some way towards meeting the objective of educating staff, senior management, City Council/Committee and stakeholders on the possibilities each one holds and the main issues that need to be addressed in determining an approach to their use.

The contents of the background report will form the basis of staff workshops to discuss these issues in greater depth, and benefit the consultant team’s work through exposure of the issues raised in the report to the knowledge and experience of those who understand the conditions present in Mississauga best. The outcomes of the staff workshop will be presented in a Directions Report. In turn the content of this report will be the subject of consultations with members of the public and other stakeholders. Based on these deliberations, the consultant team will finalize its recommendations to be presented to the Planning and Growth Committee on the use of these tools, including where necessary recommended Official Plan Policies, terms of reference, and suggested guidelines.

6.0 Appendices

Appendix 1: CIP Case Studies

6.1.1 City of Brampton

The current CIP for the Central Area of Brampton is relatively new, having come into effect as of January 2008. This area incorporates the downtown core along the Queen Street corridor, extending outwards roughly covering the centre of the City. The goal for the CIP is to create a vibrant, people-oriented, mixed-use area that acts as the core of the City.

In order to accommodate these goals, the City has developed eight financial incentive programs. To encourage applicants to align with the City's goals and objectives for development, there is a scoring process for the CIP; the more aligned a project is to City's policies related to design, size, etc., the more funds are available. The financial incentives programs are:

- a. **Development Charges Incentive Grant Program.** This program provides either a partial or full grant for development charges levied against a development.
- b. **Façade Improvement Program.** This program provides a loan, a grant or both to assist with façade maintenance or improvements for commercial and mixed-use buildings.
- c. **Feasibility Study Grant Program.** This program assists applicants with the cost of evaluating a potential rehabilitation project by providing a grant for the studies associated with the project.
- d. **Development (Planning and Building) Application Fee Rebates/Equivalent Grant Program.** The rebate program will either reduce or eliminate the fees associated with permits.
- e. **Tax Increment Based Grant Program.** In this program, the applicant receives a grant covering a portion of the increase in tax property tax due to improvements.
- f. **Building Improvement Loan/Grant Program.** This program applies to both interior and exterior improvements to commercial or mixed-use buildings and properties by offering an interest-free or low interest loan covering a percentage of cost.
- g. **Direct Investment/Development Partnerships.** In this program, the City takes a more active role in the development of a project either through partnerships, land acquisition, or private-public partnerships on key municipal properties.
- h. **Remediation Tax Increment Base Grant Program.** Similar to the tax increment programs, but directly targeted at the cost of remediation.

The financial incentives programs have only been partially initiated to date. Currently, the only available program available is the Development Charges Incentive Grant Program. City staff note that in the previous 20 years leading up to the Development Charge Program, there has been virtually no development activity in the downtown area. However, since its implementation, they have seen the development of 2,000 units. It is reported that development community claims that the projects would not have gone ahead without the Development Charges Program. Currently, there are five residential apartment projects being undertaken within the area. Given the relative recentness of the CIP, it is believed by city staff that it is too soon to fully measure the impacts of the program. However, it is estimated that value of construction has reached nearly a half billion dollars within the CIP area.

6.1.2 City of Guelph

Brownfield Redevelopment Community Improvement Plan

This CIP, initiated in 2004, was developed as part of the City's strategy for brownfields. It incorporates a variety of financial tools, one meant to augment the others, in order to address the diversity of requirements present in brownfield remediation and redevelopment.

- a. **Tax Increment-Based (or Equivalent) Grant Program.** Similar to other increment based programs, the program rebates a portion of the tax increase due to the rise in assessed value for property tax purposes on a sliding scale that decreases the percentage of the rebate over time.
- b. **Tax Arrears Cancellation.** This program is targeted towards brownfields where taxes on that property have failed to be paid. Under the Brownfield Act, the City has one year to decide if it wants to take control of the property. Upon assuming ownership of the property, the municipality is able to write off those taxes, and subsequently determine the value of the property minus the cost of remediation and unpaid taxes. If a sale is made of this property, then the overdue balance would be written off.
- c. **Taxation Assistance during Rehabilitation.** This program allows the municipality to freeze the education and municipal portions of property taxes due on a site during the time of its remediation and redevelopment.
- d. **Development Charges Related Incentives.** Under the Development Charges Act, the municipality may pass a by-law that provides a development charge credit equivalent to the assessment and clean up cost of a property.
- e. **Environmental Study Grant.** This program provides a grant to pay up to half of a Phase 2 environmental work assessment or remedial work plan.

The Brownfield CIP program was started in 2004 and updated in mid-2008, on which to measure success. While the City has not conducted a detailed review of the program it is generally agreed that the program has been of little success. The limited success of the program was the main impetus for the update of the CIP in 2008. Since 2004 the City has had only 10 successful applicants under the CIP. The majority of applications have been for environmental assessment grants, none of which have resulted in the redevelopment of a brownfield site. The City has seen no increase in brownfield development since 2004.

It should be noted that the City has provided for several tax-increment grants, jointly financed under the Heritage Preservation Program (not a CIP) and the Brownfield CIP. Both sites were converted from industrial buildings to residential developments, greatly increasing the assessed property values. The City contributed over \$100,000 to these two developments.

6.1.3 City of Hamilton

The City of Hamilton has developed three CIPs: the Downtown Hamilton Community Improvement Plan, the ERASE Plan, and a new LEED (Leadership in Energy and Environmental Design) CIP. The Downtown CIP has six specific programs attached to it, while the ERASE Plan is city-wide and targets brownfield areas. The LEED CIP is aimed at promoting sustainable development in industrial and business park

areas. Further, there is also the Commercial Property Improvement Grant Program which targets Hamilton's eleven BIAs.

The Downtown Hamilton CIP

- a. **The Enterprise Zone** (Municipal Realty Tax Incentive Grant Program). This program is targeted towards property improvements for buildings that are 50% vacant. Each applicant under this grant will receive a grant not exceeding 100% of the total tax increment on a completed project for a five year term. The initial 100% will decrease by 20% each year over the term of the project.
- b. **Downtown Property Investment Program.** This is a new program, whereby the City will cover 25 percent of the cost of construction on a new project.
- c. **Hamilton Downtown Residential Loan Program.** This program has been developed to stimulate residential downtown development. It provides financial assistance in the form of loans for the conversion of commercial properties into residential units, or the cost of building new residential units. Loans provided under this scheme are 0% interest for a term of 5 years. Payments of 10% of the principle are collected one year after completion of the project with the remainder being paid at the end of term.
- d. **Downtown Hamilton Heritage Property Tax Grant Program.** Properties that qualify for this grant seek to make structural improvements in order to preserve and enhance heritage features. In addition to being located in the Downtown Hamilton Community Improvement Project Area, properties must also qualify under the Ontario Heritage Act, Parts IV or V. The grant is based on 25 percent of restoration cost to a maximum of \$150,000.
- e. **Commercial Property Improvement Grant Program.** This program is aimed at façade improvements to commercial buildings within BIAs. It is a matching grant program available up to \$7,500.
- f. **Main Street Housing Loan and Grant Program.** The purpose of this program is to stimulate residential development in existing established business areas by converting commercial properties into residential units, or by providing funding for new development on vacant land. It is a combination between a grant and a loan program. The grant portion is worth \$5,000, payable for profession fees associated with the cost of the development. Loans will be provided at a rate of \$10,000 per unit, to a maximum of \$200,000 for the property. The loan is repayable within 5 years and 6 months.

ERASE: Environmental Remediation and Site Enhancement CIP.

Although this CIP covers the entire municipality, there are separate classifications with different allowances for each: Area 2 (programs covering remediation, demolition and infrastructure), Area 3 (same programs as Area 2, with grants to support relocation within City), and Area 1 (the rest of area, covering only remediation costs).

- a. **Study Grant Program.** This grant covers 50% of Phase II Environmental Site Assessments, up \$20,000 per property.
- b. **Redevelopment Grant Program.** Increment based tax program granting property owners 80 percent of the tax increase on a property over 10 years.
- c. **Tax Assistance Program.** A tax freeze or cancellation of part or all of the municipal and education taxes levied against the property during the process of remediating the site.

- d. **Municipal Acquisition and Partnership Program.** This program allows the City to acquire strategic lands and redevelop them in a public/private partnership.
- e. **Marketing and Opportunities Program.** This program is established to advertise and sell opportunities for redevelopment to the real estate and development communities.

The Hamilton Downtown CIP and ERASE (brownfield) programs are considered to be two of the most successful examples of CIP programs in Ontario. The success of the Downtown CIP is measured each year against numerous bench marks and targets, with the City reportedly being successful in meeting the majority of these targets/benchmarks each year.

There have been a number of measurable successes due the ERASE Program, usually beginning with environmental study grants and then, depending on the study findings, proceeding to redevelopment grants. To date there have been 6 redevelopment grants provided by the City, totaling \$2.5 million. The projects have resulted in: over \$63 million in construction activity, the redevelopment of 22 acres of land, 300,000 sf. of industrial/commercial/residential space, 95 residential units, over 100 jobs, and an increase of well over \$1,000,000 in annual property tax revenue. However, the most telling indicator of success for the ERASE program is the fact that the ERASE 2001 CIP was replaced by the 2005 CIP so to include all lands within the City.

6.1.4 City of Kitchener

The City of Kitchener has also made its downtown a priority through a CIP and a program they have branded as EDGE (Encouraging Development for Growth Efficiency). Along with more common CIP tools, such as grant and incentive programs, they have prioritized heritage preservation, adaptive reuse of buildings, and the development of new multi-unit residential buildings.

- a. **The Heritage Tax Refund Program.** Eligible applicants for this program must either fall under Part IV of the Ontario Heritage Act or be located within a Heritage Conservation District. Successful applicants will receive a refund of a maximum of 40% of the taxes levied for education and municipal purposes. Eligible properties assessed as multi-residential, commercial or industrial may receive a maximum of ten refunds.
- b. **Adaptive Reuse Community Improvement Plan.** This program is geared at converting historical manufacturing and industrial buildings into residential units. This is a Tax Increment Based grant which covers an estimated 20-40 properties. In this agreement, the applicant will receive 100% of the tax increment, which continues for a maximum of ten years, or until \$10,000 per unit is reached.
- c. **Property Class for New Multi-Residential Development.** In order to encourage the development of multi-residential rental units, Kitchener has adopted a new property class. Developers who build within this class can apply for a lower tax ratio of 1.000. At the time of the program's creation, the current tax on similar properties was 2.5250. The lower tax would apply for 35 years, and represents a 54% savings.

6.1.5 City of London

The City of London has developed three CIPs, two encompass the Downtown and the Old East Village. Each of these CIPs is covered by 10 programs, of which a number are related. For both the Downtown

and the Old East Village there is an extensive list of targeted and non-targeted land uses. The majority of targeted land uses are commercial in nature.

All programs are comprised of loans or grants, which are paid out through a reserve fund maintained by the City, except for the Tax Holiday Grant Program and the Downtown Rehabilitation and Redevelopment Grant Fund, both of which are financed through property tax revenues.

The Downtown and Old East Village CIPs

- a. **Façade Improvement Loan Program.** The program consists of an interest free loan, amortized over 10 years. The loan covers 50% of cost of eligible works to a maximum of \$25,000 (an additional \$5,000 is available if the building in question has heritage status).
- b. **Forgivable Façade Improvement Loan Program.** This program is virtually the same as Façade Improvement loan, with the primary differences being that structure must be occupied and only street front improvement are eligible. However, the main difference is that, subject to eligibility criteria, up to half of the loan could be forgivable and granted back to applicant.
- c. **Non-Street Front Façade Improvement Loan Program.** The structure must be located on an eligible lot, with the improvement open and visible to public. An eligible lot is considered a building where proposed improvements would flank an interior side yard, exterior side yard or rear yard abutting an alleyway, easement or road allowance. The loan is interest free, amortized over 10 years. The loan covers 50% of eligible costs up to a maximum of \$25,000.
- d. **Awning, Signage, and Decorative Lighting Grant.** Intended to assist in street front exterior building improvement, the program involves a one-time grant, covering 50% of the eligible cost up to a maximum of \$3,000 per building. Any building on a single lot is eligible.
- e. **Upgrade to Building Loan Program.** This program targets older buildings, with the intent that they are upgraded to comply with current Building Code Requirements. The costs associated with these improvements often pose a major issue for building owners who want to upgrade their properties. The program consists of an interest free loan, amortized over 10 years. It covers 50% of the eligible costs to a maximum of \$50,000.
- f. **Forgivable Upgrade to Building Loan Program.** This program is the same as the Upgrade to Building Loan Program, except that in the Downtown only those properties within the Target Incentive Zone are eligible, whereas for the other only those properties outside of this zone are eligible. Furthermore only structures that are occupied are eligible. Up to 50% of municipal loan is forgivable, based on detailed eligibility criteria.
- g. **Heritage Building Assessment Condition Grant Program.** The program is intended to help owners of heritage buildings to assess the existing condition of the structure with respect to the conservation/restoration of the heritage feature. The Grant will cover a portion of the costs associated with: Heritage Impact Statements, Building Assessment Studies and Restoration Studies. It consists of a one-time grant of 50% of consulting fees, up to \$5,000.
- h. **Heritage Building Improvement Grant Program.** This program is intended to assist in the costs associated with the maintenance and/or restoration of heritage buildings. It consists of a one-time grant of 50% of consulting fees, up to \$5,000.
- i. **Tax Holiday Grant Program.** The purpose of this program is to provide incentives to property owners to lease ground floor space to targeted users, rather than maintaining

vacant store fronts or occupying them with uses not deemed desirable. The City will provide a grant for a portion of the Municipal Property Tax paid by the property owner. The value of the grant is calculated as a percentage of the total building area actively occupied by a ground level targeted use. The grant is provided on an annual basis for a maximum of 5 years.

- j. **Downtown Rehabilitation and Redevelopment Grant Program.** The purpose is to encourage rehabilitation and redevelopment of residential and commercial properties in the Downtown Core. The grant is based on the increase in the municipal portion of property taxes that is directly related to the rehabilitation or redevelopment of the building. The program consists of an annual grant, declining over the 10 year period. While not a tax rebate program, it is structured in the same way. The program applies to three main building types: heritage buildings, rehabilitation/renovations, and redevelopments of vacant or cleared land.

The third CIP in London is the Brownfield Incentives CIP approved in November 2006. This is comprised of five main programs and relates to all sites with the City boundaries where there exists environmental contamination from past uses and activity. The programs are:

- a. **Contamination Assessment Study Grant.** Grants will be provided for owners to undertake Phase II Environmental Sites Assessments, Remedial Action Plans and or Risk Assessments. Grant will be 50% of the cost of study up to a maximum of \$10,000 per property.
- b. **Property Tax Assistance Program.** City can freeze or cancel 25% of the municipal property tax. Province may do the same for education portion of the tax. Properties are only eligible while rehabilitation and development is taking place for a maximum of 3 years.
- c. **Development Charge Rebate Program.** This program provides a grant back to the owner for up to 50% of the normal development charge to cover remediation costs.
- d. **Tax Increment Equivalent Grant Program.** City will provide grant equal to the amount of the Municipal property tax increase as a result of rehabilitation and development for up to 3 years.
- e. **Green Municipal Fund Program.** Financing for municipal environmental projects, that are funded by the Canadian Government and managed by the Federation of Canadian Municipalities. The program supports a variety of projects, related to energy, waste, water, transportation, planning and brownfields. It includes grants to conduct site investigations and feasibility studies, and low interest loans for remediation projects. The program is generally oriented to funding larger projects.

6.1.6 City of Niagara Falls

Niagara Falls has created three CIPs. Two are aimed at improving historic areas within the town, a third focuses on Brownfields. The kinds of programs included in Downtown CIP and the Drummondville CIP overlap to a certain degree. The Drummondville CIP incorporates two additional financial incentive tools.

- a. **Residential Loan Program.** This program offers a loan of \$20 per sq.ft of residential space created to a maximum of \$20,000 per unit. The loan is repayable over five years at 0% interest.
- b. **Commercial Building Loan and Façade Grant Program.** This program offers a 0% interest loan that covers the cost of building repairs to a maximum of either 50% of the cost or \$15,000. The amount of the loan can increase if the building is a heritage property under the Heritage Act. Façade treatments are eligible up to 50% of the cost, to a maximum of \$10,000.
- c. **Revitalization Grant Program.** This is an increment-based taxed based program targeted towards renovations, additions and new constructions. Successful applicants will receive 80 percent of the increment tax back for the first five years, 60% in years 6 and 7, 40% in year 8, and 20% in years 9 and 10, after which the program terminates.
- d. **Peer-Robinson Residential Rehabilitation Grant Program.** (Drummondville only). This grant program is aimed at exterior repairs for residential buildings. It is a 50% matching grant program from a minimum of \$2,000 to a maximum of \$10,000.
- e. **Development Charge Exemption Program.** (Drummondville only). The program provides an exemption of 75% of development charges with the creation of additional residential, mixed-use or commercial space.

Niagara Falls is in the third year of implementing the financial incentive programs. The Downtown CIP has been running for three years, and the Drummondville and Brownfield CIPs for two. The number of applications has steadily risen year after year, most notably in the Downtown area. This pattern is expected to continue.

For the two commercial area CIPs, the façade improvement grants remain the most popular element, with 25 applications approved in 2008. The City has approved slightly over \$470,000 in grants and loans towards these programs. The gross value of the work to be undertaken has topped \$3.1 million as a result. The other incentive programs have yet to be taken advantage of to the same extent. The revitalization grant and loan programs approved five applications in the same year, equaling a total project value of over \$2.5 million.

Niagara Falls has further initiated a Development Charges Exemption Program, where all applications approved within the CIP areas will receive a 75-100% exemption. The City is not expected to implement additional CIPs because of budgeting limitations.

6.1.7 City of Oshawa

The City of Oshawa has four CIPs. They include the Central Business District Renaissance, the Downtown Shoulder Area Renaissance, the Simcoe Street South Renaissance Community Improvement and a Brownfield Renaissance Plan. Each of the designated areas has its own set of financial tools which have been made available to assist with meeting the outlined goals and objectives of each CIP.

Simcoe Street South Renaissance Community Improvement Plan

Simcoe Street is primarily a commercial street with retail, office, services, and institutional uses. Although there is also some residential, it is primarily an extension of the Central Business District. There is one financial tool available to this area.

- a. **Façade Improvement Loan Program.** This program will see the applicant receive a maximum of a \$15,000 in an interest-free loan, which must be paid back in a ten year period. However, if the loan is paid back within three years, 25 percent is forgiven.

Central Business District CIP

The CBD features the City's main concentration of retail and commercial uses. In an effort to increase the residential units available within the area, a series of financial loan and grant programs are available to the private sector. When initially conceived, there was Residential Development Charge Program Grant and a Parkland Dedication Fee Grant Program, which are both no longer applicable because the CBD is exempt from both these charges.

- a. **Increased Assessment Grant Program.** This grant is provided on a sliding scale either in part or whole for the increases in taxes attributed to the improvement to a property.
- b. **Building Permit Fee Grant Program.** A grant equaling the amount of paid for a building permit may be issued for development occurring within the CBD.
- c. **Façade Improvement Loan Program.** This loan program is available for up to \$15,000 subject to the same terms applied under the Simcoe Street CIP: it is an interest free loan for ten years, with 25% forgiven if paid back within the first three years.
- d. **Upper Storey Conversion to Residential Loan Program.** This program provides grants that allow for the conversion of spaces to residential units, so long as they meet the requirements of building and safety codes. With this loan, a maximum of \$25,000 is available per building, ten years interest free, 25% forgiven if repaid in the first three years.
- e. **Upgrade to Building Code Loan Program.** This loan program is similar to the Conversion to Residential program, but is applicable to all properties buildings within the CIP area. The maximum is \$25,000, ten years interest free, 25% forgivable if paid back within the first three years. Participation in this program does not exclude a property from being eligible for others.

The Downtown Shoulder Area

Perhaps the most unique of the CIPs is the Downtown Shoulder Area because it offers performance-based grant programs.

- a. **City of Oshawa Development Charge Grant Program.** This grant program has established six criteria to promote intensification and redevelopment. The successful applicant will receive a percentage of the development charge grant depending on the criteria met. (1. Achieve four stories; 2. minimum of 50 units; 3. minimum density of 60 units per hectare; 4. 50% parking below grade; 5. Involve the redevelopment of contaminated site; and 6. Quality design). For example, if one criterion is met, an applicant will 15% of the grant, if two are met, they will receive 30%. Meeting all six criteria secures 100% of the available grant.
- b. **Places to Grow Grant Program.** In this program, grants are rewarded for similar criteria as the Development Charge Grant Program and involvement in either does not preclude the applicant from participating in both.

- c. **City of Oshawa Building Permit Fee Program.** This grant provides the applicant with a rebate of 50% of the building permit fee up to \$50,000 per property.

Brownfields Renaissance CIP

- a. **Brownfield Study Grant Program.** This grant is intended to subsidize feasibility testing of the remediation of a brownfield site. The maximum amount available is \$10,000 per grant, or 50% of the cost. Further, each property may receive a maximum of two environmental study grants.
- b. **Brownfield Property Tax Cancellation Program.** This program will provide property tax relief to property owners who undertake remediation of contaminated sites.
- c. **Redevelopment Grant Program.** This grant will see the property owner receive 80 percent of the property tax increment returned for up to a ten year period, or until the grants equal one-third of cost associated with eligible works.
- d. **Brownfield Investment Program.** On properties that have accumulated unpaid taxes, the City may formally take control of the lands, rehabilitate and market/dispose of the land. This is a means by which the City can take a more active role in the development of the land.

To date, the extensive Oshawa CIP program is considered only a partial success. While a few specific programs have been well utilized and the City has seen an increased amount of investment in the target areas (primarily downtown) since the inception of the CIP programs, it is believed that the majority of higher valued investment in the downtown has been the result of the recent exemption of Development Charges and parkland dedication in the Central Business District (2004), neither of which are part of the CIP programs.

The façade improvement program has been by far the most successful of the CIP programs, with roughly 30-35 individual loans granted since the inception in 2001. In the past few years there has also been increased interest in the Brownfield CIP. The first application under the Brownfield CIP was received in late 2008, for the redevelopment of a contaminated site along Simcoe Street North for use as a mixed-use apartment (student housing) building. The application was applied for under the Redevelopment Grant Program. Once complete, the annual property tax assessment is expected to rise from \$14,000 (2008) to \$514,000 as a result of the development.

6.1.8 City of St. Catharines

The City approved their most recent CIP in 2004 as a pilot project, with an initial five year lifespan. Although the City has been involved in CIPs since the 1970s, they did little to promote investment from the private sector. The most recent programs have been well received, prompting the council to extend the life of the CIP for an additional five years until 2014. The extension of the time line also incorporated changes in Provincial policy, and sees the creation of an additional designated area and two additional financial programs.

St. Catharines is the only municipality within the Region of Niagara that has an Urban Growth Centre under the Provincial Places to Grow Plan. In recognizing the priorities of the Growth Plan, the City has modified their financial incentives to further promote Provincial interest. Regarding the financial

incentive programs, they have been amended to support intensification in the Downtown area which corresponds to the Urban Growth Centre.

One CIP covers several parts of the City, each with its distinct priorities. The areas covered by the CIP are:

The Downtown

The central issue to the Downtown CIP is expanding the residential population in order to create a more vibrant place to live and work.

The Queenston Neighbourhood

In the Queenston Neighbourhood, improvements to be sought are aesthetic and functional. The goal of this CIP is to encourage reinvestment by local property owners in order to improve the pedestrian experience. One means for achieving this is to create a more vibrant neighbourhood through residential redevelopment on vacant lots and other land that is currently underutilized.

The Hartzel Road – Merritton Area

As a low order commercial corridor, there is a desire that the area refocus by becoming a higher density residential area. New investment should be directed to improving public spaces, streetscaping, and nodal improvements.

583 Welland Avenue

At the time of the CIP on July 19th, 2004, this site was a vacant 10 acre former scrap yard. The intention behind this CIP area is to remediate and redevelop the site into a residential community.

Oakdale Moffat

This area is situated between the Downtown and the Hartzel Road – Merritton Areas. It has not yet been subject to any applications, and is not eligible for the Residential Conversion and Intensification Grant Program.

The financial incentive grant programs included in the CIP are:

- a. **Residential Conversion and Intensification Grant Program.** These grants are available to conversion units at a rate of 15% of the cost to a maximum of \$15,000 per unit. The goal of this project has been to convert older historical buildings that no longer feature their original use. Costs associated with construction are eligible for the grant. The new amendment sees a reduction of the amount available to a total \$5,000. In this case, 50% will be covered by the municipality and 50% by the Region.
- b. **Residential Construction Grant Program.** Similar to the conversion program, new units are covered under this grant at the cost of 15% of the cost to a maximum of \$15,000 per unit. The highest priority has been reserved for the construction of residential units. Recent changes will mean that a maximum of \$12,500 will be available per unit. This grant will be shared by the City providing \$7,500 and the Region providing \$5,000. An additional qualifier for this grant means that a minimum of 5 units must be constructed.

- c. **Façade Improvement Grant Program.** Under this program, building owners can apply for 50% of the cost of improvements to the exterior of their buildings to a maximum of \$5,000. Under this scheme, each owner is required to submit before and after photography to show where improvements have taken place.
- d. **Tax Increment-Based Grant Program.** Applicants who undertake rehabilitation projects that increase property taxes will receive a grant covering a portion of the resulting tax increase for a maximum of 10 years. In the first year, the property owner will receive a 90% refund which will decrease by 10% each subsequent year.
- e. **Municipal Application and Permit Fees Refund Program.** This program is intended to be added on to the other programs by omitting fees associated with the cost of development.
- f. **Brownfield Tax Assistance Program** (new program). This program allows for a cancellation of municipal taxes for a maximum of 3 years during site remediation. The owner is further allowed to apply to the Province for rebates on the portion of taxes related to education.
- g. **Brownfield Tax Increment Based Grant Program** (new program). This program will replace the Tax Increment program. The distinction to be drawn between the programs is that property owner will receive 80% of the tax increment for a ten year period.

The Community Improvement Plan for St. Catharines has been considered successful by city staff. The City Council voted to extend the life of the financial incentive tools for an additional five years. From 2005 – 2008, there were 29 approved grant applications and two in the refund/deferral programs. The result has been the creation of 155 additional residential units throughout the various project areas. Most of the successful applicants participated in two or more of the programs, with only one grant recipient participating in a single program.

The most popular project area has been the Downtown, with fifteen successful applicants. Queenstown and Hartzel/Maerritton shared the remaining twelve equally. The most successful grant program has been Façade Improvement with 12 applicants. However, there have been seven Residential Conversion and eleven Residential Unit Construction grants. In total, the City has issued \$921,513.88 in grants.

There have been two properties apply for the tax increment based programs. This includes the brownfield site project area of 593 Welland Street. The other is 170 Ontario Street. These developments will create approximately 159 townhouse units. Together with the grant programs, approved applicants will help create 314 new residential units. More applicants are expected when the Oakdale Moffat area is incorporated into the CIP.

In total, it is estimated that the CIP has triggered \$14.8 million in construction, not including the 40 units being developed at the 583 Wellington site, which are worth an estimated \$15 million in construction costs.

6.1.9 City of Toronto

The City of Toronto CIP is a city-wide initiative. The overall goal of the CIP is to promote the remediation and rehabilitation of land for targeted employment uses. This is largely because the development of employment land has largely declined since the early 1990s. Concurrently, manufacturing and

commercial industries have tended to locate within the surrounding region because of the availability of land, and affordability in rents, taxes, and other cost associated with choosing a location.

Given the current planning legislative context of both the Province and the City, directing employment growth within existing urban environments is now a priority. The City of Toronto and the Province have specific employment targets for the Toronto area. This further provides an opportunity to jointly pursue the objectives of intensification and brownfield remediation.

Two areas of Toronto are not covered by the city-wide CIP. The Waterfront and the southern part of the Eastern Employment District are currently undergoing comprehensive planning exercises, and each has their own CIPs. They were adopted by council in late May 2008. In addition to the city-wide tools available under the CIP, there are four Focus Areas, which have their own unique polices to help maximize the opportunities presented within each.

Four Focus Areas

The focus areas are covered by two categories. Etobicoke, North York, and Scarborough have identified Centres, which have been targeted as areas where office development is encouraged. Applications in these areas for larger office buildings may receive a development charge grant in addition to the other incentives allowed by the CIP. These grants are to compensate for the fact that in the current development environment, office construction in these areas will not receive the same return on investment as residential development. These Centres are envisioned as transit supportive, high density employment areas, so special incentives for office development are required.

The second category covers the Wallace-Junction area. This area was once home to high levels employment, but has seen decline in recent years. In the absence of occupiers, the remaining buildings are unique as well preserved historical manufacturing venues. The City sees this as an appropriate location for the film industry, which could develop into a cluster in the City. For this reason, should a large film studio choose to locate here, they may receive development grants targeted towards them.

City-Wide CIP

- **Brownfield Remediation Tax Assistance.** Toronto offers municipal tax relief when employment uses are being constructed as part of a remediation. Eligibility factors remain similar to those of other municipalities. For example, environmental site assessments qualify for benefits provided they are in phases II or III and the cost associated with remediation is also allowed.
- **Development Grants.** This is a tax-increment financing program targeted towards the reuse of existing urban lands for the development of a prescribed industry. Generally, eligible enterprises include: biomedical, computer systems design and services, creative industries, food and beverage wholesaling, information and communications technology and services, manufacturing, scientific research and development, software development, and tourism. An industry not included is retail.

This city-wide approach offer some potential benefits. Areas of special interest have been identified through the Focus Centres. This allows for a system whereby location specific considerations can be taken into account without the need for a separate CIP. Further, the addition of having a clear and substantive goal of increasing employment will allow the City to monitor their goals clearly, while

addressing priorities found in the provincial legislation, and the local Official Plan and supporting planning studies.

6.1.10 Town of Brantford

The Town of Brantford initiated their CIP as the Downtown Business Assistance Program. The goal of this program was to directly improve the value of and demand for individual properties, while having an indirect positive impact on the surrounding area. At time the CIP was developed, the downtown area was seen as high risk for investment. This program aimed to attract low risk investors into the area by providing grants for improvements to property, ranging from renovation to new build. Small and large commercial projects were eligible, as were multi-unit residential projects. Regardless of the cost, successful applicants could receive up to 25 percent of the financing for the project from the Town in the form of a grant. The applicants went through a screening process with Town staff, and Council made the final decision on whether to give approval to a project.

The program was initiated in 2002, running for three years before taking a hiatus due to shifting political context. In recent years the program has been revived and there have been several successful applicants.

Last updated in February 2009, Town files show that there have been 22 projects funded through the Downtown Business Assistance Program. The Town has provided grants for as little as \$771.00 for small businesses to \$1.3 million for large scale commercial projects. In total, the Town has provided slightly over \$4.0 million, and the value of improvements made to date have reached nearly \$21 million.

6.1.11 Town of Newmarket

The Town of Newmarket adopted their Community Improvement Plan in February of 2003, and in July of that year amended the plan to include a set of financial incentive tools to stimulate investment. The main street in Newmarket is the focus of the Downtown CIP. As the historic centre of the Town, it has been subject to many of the challenges faced by the original commercial strips found throughout Ontario municipalities as they have grown to accommodate the changing landscape brought on with the mass use of the automobile. In an effort to take advantage of the charm that the original downtown offers, Newmarket operates nine financial tools to motivate reinvestment in the historical character of the area.

The Downtown CIP

- a. **Project Feasibility Study Program.** This program provides funds toward the study of the feasibility of investing in the adaptive reuse of buildings. The maximum benefit an applicant can receive is \$10,000, or 50% of the total cost.
- b. **Façade Improvement & Restoration Program.** This improvement scheme offers two grants, one for the frontages of commercial or mixed-use buildings (eligible to receive a maximum of \$15,000) and one for buildings occupying corner lots (eligible to receive a maximum of \$20,000). In both cases the grant may cover up to 50% of the total cost.
- c. **Interior Renovation & Improvement Program.** This program is targeted towards structural improvements to buildings, or ensuring that current codes are being met.

A building must be commercial, office, or mixed-use. Residential buildings do not qualify. In order to apply for this program, an applicant must show a building, plumbing, or related permit. The successful applicant can receive 50% of their costs up to a maximum of \$15,000.

- d. **Business Sign Program.** To help create a unified presence within the CIP, this program is targeted towards business owners, encouraging them to make their business signage consistent with the rest of the neighbourhood. Property owners or tenants may receive 50% of their costs, to a maximum of \$2,500.
- e. **Redevelopment & Rehabilitation Tax Incentive Program.** This program is targeted towards large scale developments within the CIP, whereby the recipient would receive a rebate of a percentage of the incremental tax increase due to redevelopment or rehabilitation, decreasing from 90% in year one to 10% of the increase in year nine, with the program expiring in year ten.
- f. **Development Charges Rebate/Credit Program.** This program has a two pronged purpose. The first part of the program is to promote construction, either new or the preservation and restoration of heritage buildings. The other intention is to promote residential intensification. Development charges will be rebated either partially or in full, assessed on a project by project basis.
- g. **Planning and Building Fees Equivalent Rebate/Credit Program.** This is complimentary program to be aligned with other incentives in order to further create interest in timely development or redevelopment of a property.
- h. **Parking Requirement Program.** This program will either relieve or reduce the standard parking requirements.
- i. **Parkland Dedication Exemption Program.** In order to encourage development, this program consists of either a partial or full waiver of required parkland dedication.

The Downtown CIP is seen as a catalyst for stimulating economic growth. For this reason, the life of CIP has been extended from the expected expiry date at the end of 2008, and will continue subject to funding. Indicators show that the Downtown Area has strengthened economically, and that this is at least partly attributed to the use of financial programs. The first is that overall property tax assessment in the Town has increased by 20 percent, 47 percent within the Business Improvement Area, and 57 percent in the Downtown Area in the 2005-2008 period. The second indicator shows that for every dollar provided by the Town under the financial incentive program, there has been \$3.24 invested by the private sector.

Appendix 2: Central Waterfront Secondary Plan: Requirements for Community Services and Facilities

FACILITY	FACILITY/SITE REQUIREMENT	LOCATION CRITERIA	GUIDELINES	Required for Lower Don Precinct at full build-out
Elementary School	<ul style="list-style-type: none"> • 1.2 ha if a single elementary school is located next to a park • 1.82 ha if a joint TDSB /TCDSB facility is located next to a park 	<ul style="list-style-type: none"> • Pupils should travel no more than 1.6 km to school • Minimize children crossing arterial roads 	<ul style="list-style-type: none"> • Accommodate 400-500 students 	2-3 schools; 3 potential school locations are shown on the plan: one at the parliament Street Slip (to share space with a daycare centre); one at the south end of Munitions Street adjacent to the newly relocated Don estuary (to share space with a community centre and daycare); and one at Cherry Street just south of the newly created Don estuary (to share space with a potential recreation centre and daycare).
Secondary School	<ul style="list-style-type: none"> • 4 ha required for stand-alone • 2 ha if located adjacent a public park with adult-sized ball field and soccer pitch 	Locations on arterial roads with direct transit access are preferable	<ul style="list-style-type: none"> • Facility size determined by pupil generation rates within the Waterfront • Pupil generation rates should be monitored in coordination with both the TDSB and TCDSB 	
Local Parkland	<ul style="list-style-type: none"> • Neighbourhood-oriented passive and active recreational opportunities • Size and shape will vary depending on community size and facility requirements • Each residential community shall contain at least one local park a minimum of 2 ha in size 	<ul style="list-style-type: none"> • Intended to serve communities within a reasonable walking distance • Where appropriate, regional parkland can also meet local parkland needs • Barrier-free, grade-related and good visibility from streets 	<ul style="list-style-type: none"> • Distribution, size and facility mix should be relative to population distribution and demographics • Capacity to adapt to changing needs of the community over time 	Range of parks and open spaces that include public gardens, event space, playgrounds, wooded lots, and multiuse recreation areas. Many park spaces are located adjacent to the newly created wetlands

Assessing Planning Tools: Community Improvement Plans, Bonus Zoning, & Impact Studies

<p>Daycare Centres</p>	<p>Licensed capacities of 72 children each, with 735 m² of interior space and 401 m² if contiguous outdoor space</p>	<ul style="list-style-type: none"> • Grade location is preferable • Compliance with appropriate provincial regulations and city policies • Sun, air and noise studies must be completed prior to final site selection 	<p>Daycare demand will be assessed as follows:</p> <ul style="list-style-type: none"> • # children (up to 4 years of age) multiplied by the labour participation rate for women aged 20-45 years, reduced to 50-70% to reflect patterns of parental choice with respect to licensed childcare. 	<p>5 daycare facilities are shown on the plan; three to be co-located with schools; one north of the Keating Channel, east of Cherry Street and one in the Filmport neighbourhood.</p>
<p>Libraries</p>	<p>650 m² to 1,115 m² preferably located at grade</p>	<ul style="list-style-type: none"> • Good pedestrian and public transit access • Highly visible from the street 	<ul style="list-style-type: none"> • One library for every community with a population of at least 25,000 residents or a comparable combined residential and worker population • Residents should have access to a library within 1.6 km 	<p>1 library is shown on the plan near the intersection of Cherry Street and Villiers Street adjacent to the Escrow Silos.</p>
<p>Recreation Centres</p>	<p>Size is dependent on demand</p>	<ul style="list-style-type: none"> • Good pedestrian and public transit access • Highly visible from the street • Ready access to outdoor playing fields and playgrounds (preferably a public park) 	<p>One recreation centre for every 21,000 residents or a comparable combined residential and office worker population</p>	<p>One facility is shown on the plan co-located with a school facility south of the new Don estuary</p>
<p>Community Services/Human Services Space</p>	<p>929 m² to 1,858 m² of space</p>	<ul style="list-style-type: none"> • Good pedestrian and public transit access • Highly visible from the street 	<p>One facility for each community</p>	<p>Community centres are shown located adjacent to school facilities.</p>

APPENDIX

F

Emerging Directions
Report

Assessing Planning Tools for the Mississauga Context

Staff Workshop Summary + Directions Report



Prepared by:

GHK International (Canada) Ltd.

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July 2009

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1 Introduction

GHK International (Canada) Ltd., N. Barry Lyon Consultants and Sweeny Stirling Finlayson & Co. have been retained by the City of Mississauga to complete a two phase project. The first phase is to examine the use of several planning tools in the Mississauga context and make recommendations on their use. The tools being examined are Community Improvement Plans (CIP), Bonus Zoning, and Community Impact Studies (CIS). In the second phase of work, these recommendations will be incorporated into the formation of CIPs for the Lakeview and Port Credit planning areas.

The first phase of this work is now half finished. Work completed to date includes a background report, providing an overview of the scope of each tool and the lessons learned by their use in other municipalities, and a workshop where the findings of the background report were discussed by a cross section of City of Mississauga staff.

The consultant team has prepared this Report with the aim of documenting the output of the staff workshop and presenting our preliminary thinking regarding the use of these tools in Mississauga. The Report is organized into the following sections:

- Summary of the Staff Workshop – This section explains the workshop’s format and summarizes the discussions held over the course of the day-long deliberation.
- Emerging Directions – As we begin to formulate our recommendations, we include here some early thoughts on the most appropriate use of these planning tools in Mississauga.
- Next Steps – We conclude the Report with a discussion of the other elements of this phase of work.

The Report and feedback received on it will form the basis for completing the first phase of work. The directions it sketches out will be the focus of stakeholder consultations held throughout the Summer and help to inform recommendations to be made in the early Fall.

2 Staff Workshop Summary

Purpose and Format

On Monday June 22, 2009, the City of Mississauga Planning and Development Department hosted a one day staff workshop, **Assessing Planning Tools for the Mississauga Context**. The purpose of the workshop was to:

- Introduce the Study process and team;
- Present the scope and challenges associated with each of the planning tools;
- Invite participants to share their ideas and knowledge of the City;
- Discuss how the various tools might best be incorporated into planning policy to address Mississauga's goals and objectives.

Over thirty staff members participated over the course of the day-long workshop, including participants representing the Policy Planning, Development and Design, Finance, Legal Services, Economic Development, Community Services, Transportation and Works and the City Manager's Office. Representatives from the Region of Peel were also in attendance.

The workshop was led by the consultant team of GHK International (Canada) Ltd. and N. Barry Lyons Consultants. After an introduction to the overall study process, the consultant team walked participants through three modules, each addressing one of the planning tools under consideration: Community Impact Studies, Bonus Zoning (Section 37) and Community Improvement Plans (Section 28). Each module began with a presentation summarizing the findings of the background report concerning the tool under consideration. Opportunities for a Q & A followed each presentation to clarify any issues. Participants then conducted a small roundtable discussion (of approximately 10 participants per group) organized around a list of questions pertaining to the particular tool being discussed. The questions were designed to help staff consider the challenges and opportunities associated with each tool in the Mississauga context. Members of the consultant team were on hand to answer questions and participate in the discussions. Each module was brought to a close through the presentation of a summary of the groups' deliberations to the larger plenary. To complete the day, a plenary session was moderated by the consultant team to consider how the three distinct tools might work in concert with one another and to raise any outstanding points.

Summary of the Roundtable Discussions

This section summarizes the response and insights offered by City staff as discussed at the small roundtables after each presentation. The main points are organized here by the questions that guided each discussion. Summaries drawing out the big issues and themes identified from the discussions are also provided.

Community Impact Studies

1. How can Mississauga's current approach to community services and facilities be altered to assess new needs that result from the intensification of built up areas? What role can Community Infrastructure Impact Studies play?

- a. Comprehensive Approach – Ideally, all kinds of community facilities and services should be included in the assessment (e.g., English as a second language courses, affordable housing, shelters, etc.) at a city-wide scale, while also focusing on specific sub areas.
- b. Expand Future Directions – It was noted that Future Directions reports take a city-wide approach to assessing the provision of particular kinds of community facilities. This model might be expanded to cover other kinds of community facilities and services.
- c. Incorporate with District Plans – Strategies for community services could be developed in concert with district planning processes. This would allow for an opportunity to gain community input and coordinate with other planning initiatives.
- d. Coordination and Collaboration between Departments, Agencies, and Other Levels of Government – Involving the Region was seen as very important, as was working with all the departments within the City. A pilot project was suggested, possibly for the Downtown, to test how the City and Region could work together.
- e. Involve Developers – Most participants viewed it as the City's responsibility to develop a baseline assessment of current community facilities and services, which could be updated by developers whose projects might alter the local requirements.
- f. Business Employment Areas – Community services and facilities need to be considered in business areas as well. Amenities, such as park space or the availability of daycare, have a role in attracting new employers to well serviced parts of the city.

2. Is it feasible or desirable to incorporate Community Infrastructure Impact Studies into a more comprehensive and pre-emptive approach, such as the development of Community Infrastructure Strategies?

- a. Other Planning Tools – Master planning, zoning bylaw amendments, and District Plan process were suggested as possible ways to dovetail other planning initiatives with community infrastructure impact studies. For example, it was suggested that a Community Infrastructure Plan be developed for Downtown 21.
- b. Region’s Involvement – Bring Peel into the process as a way of coupling regional objectives with Mississauga’s.
- c. Establish Baselines – Each particular area (e.g., Planning District, Employment Areas) could have its own baseline or set of parameters to be measured against.
- d. Developer Involvement – Terms of reference for any developer-led assessment of the impact of new development should be clear and easily understood. It was suggested that info gathered with each proposal could feed into a greater city-wide assessment. The approach needs to be clear about what size of development would trigger the need for the submission of a Community Impact Study by a developer.

3. Does the City have the capacity/resources to take this comprehensive approach? If yes, how might this work in practice? If no, what other approaches might be taken to address the same issue?

- a. Political Will – The availability of resources and capacity is an important question. Ultimately one for politicians to address when choosing priorities.
- b. Data Collection – Staff were unsure on where data could be collected from, e.g., census, other sources? A Community Infrastructure Strategy could provide a framework for coordinating and evaluating current data and service assessments that are already being collected, but presently not assessed to consider the big picture as regards to community infrastructure.
- c. Other Models – It was suggested that other service delivery models, such as that for emergency services, could provide examples on how to administer a community infrastructure program. Possibilities include working through the City Manager’s Office or Corporate Services.
- d. Resources – Suggestions included using Section 37 fees to fund studies and reassigning staff within the City to work closely with other service providers.
- e. Target Specific Areas – It was suggested that it would be more useful to target specific areas most in need or undergoing intensification, for example Malton, Cooksville, and Downtown, among others.

4. Under what conditions would developer-led community impact studies be useful to the City? How?

- a. Committee Evaluations – Establish a committee to process applications as they are submitted with a supplemented process that would establish priorities.
- b. Hire Consultants – Keep on retainer to evaluate site-specific Community Impact Studies – would allow for a consistent approach.
- c. City and Developer Approach – City to do pre-work to establish baseline. The developer would update based their proposals.
- d. Coordinated Efforts on Specific Issues – e.g., affordable housing.

Summary of Discussion on Community Impact Studies

Not surprisingly, when given the choice between a comprehensive and proactive approach to addressing issues of community infrastructure vs. a reactive and piecemeal approach, staff indicated a preference for the former. Worthy to note, the consultant team raised the issue in the context of change in intensification areas. In their response, however, staff expressed a desire for a more city-wide application of community infrastructure study concept, targeting different kinds of areas in particular: communities with special needs such as Malton and Cooksville, Business Employment Areas and the Downtown.

In considering how Community Infrastructure Impact Studies could be used to best effect, several issues emerged:

Is it a practical approach given available resources/capacity? Staff identified political will as the main determinant in developing a more comprehensive and costly approach to this issue. They also raised important issues about what level of assessment of community infrastructure was necessary, whether the costs of a comprehensive approach would merit the benefits, and to what extent existing processes could be retooled to meet these new requirements.

What should the scope of a CIS be? Issues of scope centre primary on two aspects: geographic scale and the breadth of the definition of community infrastructure. The definition of community infrastructure in OPA 95 is quite broad. Participants showed some interest in carrying out a comprehensive assessment of community infrastructure, including a range of human services and affordable housing, and services local communities might not be keen to promote; the examples of women's shelters and methadone clinics were raised as examples. A follow-up question also emerged: once assessed, how would the City prioritize and deliver new community facilities and services?

How to use work presently done on this issue to best effect? There was a general feeling that, on the City's side, they already have much of the information necessary to complete a Community Impact Study. What was required, therefore, was a framework for bringing current data and service assessments together. Future Directions takes a city-wide approach to assessing and planning for a number of aspects of community infrastructure. It establishes trends on a city-wide scale and then focuses on different sub-areas. Staff were interested in expanding the Future Directions approach to cover

off all areas of community infrastructure. A preliminary step would be to conduct an assessment to determine what base info the City had and what was missing.

What is the role of the developer vs. the role of the city? Among participants there was a general consensus that asking a developer to submit a Community Impact Study without a framework for understanding its relevance would only be marginally useful. Staff felt it was the responsibility of the City to establish a comprehensive plan which would be used to evaluate CISs as submitted by developers. Clear terms of reference for the CIS would be required; the trigger for the requirement of a CIS would have to be clearly established. Some participants felt that the role of the developer-submitted CIS would be to update the larger plan, or “fine tune” it. It was suggested that it would be ideal if the developer could fund a study conducted by the City or by an independent consultant.

How this might all work in practice? In principle at the very least, staff favoured a comprehensive approach to community infrastructure. Many of the points raised in response to the questions above deal with the many different ways this could be formulated in practice.

Bonus Zoning (Section 37)

1. How can Mississauga reconcile density and height that is considered good planning with bonus density and height?

- a. Transparency – Clearly show/detail the potential impact v. the benefit to be received, while keeping an eye to the end objective: creating a more livable environment.
- b. Good planning as a precondition – The City should only consider applications that qualify as good planning for bonusing. The initial step would be to evaluate whether a development proposal is supportable/good planning. If yes, then staff can proceed with negotiations. The next step would be to determine the value of the bonus using in-house capacity or by hiring an outside appraiser.
- c. Establish criteria – The city could develop a list of criteria that establishes the basic minimum requirements that are considered ‘good planning’; it could then elaborate further criteria that could be met by developers to qualify for a bonus. Meeting some of the second tier of criteria would allow the developer to qualify for a percentage of the maximum potential bonus. Meeting all the criteria would qualify them for the entire maximum bonus.

2. Where would you see bonus zoning used to best effect?

- a. Urban Growth Centres and Nodes
- b. Four Storey Areas (e.g., Port Credit) – Section 37 should not be limited to intensification areas. Staff felt that if it was it might have the perverse effect of pushing density out of those areas and into others where bonus zoning does not apply.

- c. City Centre – If height and density limits were reestablished in the City Centre, bonus zoning would become a possibility.
- d. Corridors – Benefits could include streetscape improvements. Hurontario and other transit priority corridors should be considered.

3. Should the planning approach to the City Centre be changed to allow some scope for bonus zoning? Other areas?

- a. Separate Issue – Many staff felt that height and density restrictions should be created downtown. The primary aim of the limits would be to forward principles of good planning rather than using downzoning to enable bonusing in the City Centre.
- b. Promoting People per Job (PPJ) Ratio – Staff indicated that Mississauga is more concerned about promoting the designated PPJ ratio in the downtown area than density and height. Can bonus zoning be used to ensure mixed use? Could extra density be used to secure benefits that would attract office development (parking structures for example)? Could bonus GFAs be required to be used for office and other commercial uses?

4. How should potential Section 37 benefits be prioritized?

- a. Draw on Community Impact Study – Combining the use of tools, Community Infrastructure Impact Studies could be drawn on to identify gaps in local community facilities and services. These elements could be prioritized in negotiations with developers.
- b. Wish List – Possibly connected to the development of a CIS, create a shopping list based on staff and community input, and the opinions of the City Committee. Generally staff felt that benefits should be kept local, however in some instances city-wide funds could be used, such as the 1% for public art fund used in other jurisdictions.
- c. The City should create two lists, one would be the minimum requirements that qualify as good planning, the second would be a wish list of things to be bonused for.

5. How should Section 37 fees be negotiated, monitored and implemented?

- a. Determining if Section 37 is Necessary – Some confusion as to why development agreements were not good enough to secure benefits, why Section 37 was a better tool? It was noted the City already has agreements with developers for bonusing without the use of Section 37. A representative from Legal Services clarified that Provincial legislation is quite clear on what can be achieved through a development agreement, and that the legality of including bonusing items in a traditional development agreement would not likely hold up to a legal challenge, meaning that the developer could walk away from those commitments without legal recourse on the City's behalf.
- b. Establishing the Practice – The idea was raised that if Section 37 is to be effectively administered, it would need to become a common procedure.

- c. Transparency and Accountability – Staff emphasized the importance of the bonusing process being an open and public process in determining the nature of the benefits to be realized.

Summary of Discussion on Bonus Zoning

The discussion about Section 37 bonus zoning indicated that, for the City of Mississauga, there are many planning objectives that outweigh the desire to achieve benefits through Section 37, including: the desire to encourage appropriate intensification, the achievement of PPJ ratios by attracting office development especially to the downtown core, and the promotion of mixed use. The City Centre deserves special mention, where reestablishing height and density limits has more to do with gaining greater control of the kind of development being done and promoting characteristics that are currently missing – i.e., a walkable mixed-use area with a balance of jobs and residents – than seeking a bonus. Given the current priorities in Mississauga, it remains unclear where the use of Section 37 would be best applied. It is unlikely that Mississauga will be able to secure benefits at the same level as in bigger cities such as Toronto or Vancouver. However, staff thought it made sense to have an established method for doing Section 37 bonus zoning to smooth the process of securing benefits when the opportunities arise. Guidelines could be prepared that would standardize bonus zoning procedures so that both City staff and developers would understand how the process works and hopefully minimize the cost in time to establish the bonus/benefit ratio. Staff emphasized that the process by which benefits are determined should be an open and transparent one.

Community Improvement Plans

1. What part of the City do you think will benefit from CIPs and Why?

- a. Specific Areas
 - Areas undergoing intensification – City Centre, transit corridors and other intensification areas
 - Existing areas in need of improvement – Malton, Cooksville
 - Lakeshore Corridor – Clarkson, Port Credit, etc.
 - Brownfield Sites – e.g., Imperial Oil lands
 - Airport lands (to promote an eco-industrial park)
 - Other identified intensification nodes that have limited market appeal
- b. City-Wide – City-wide approaches were considered the most appropriate way to address particular issues, such as affordable housing and brownfield redevelopment.

2. What specific issue(s) do you believe can or should be addressed with the use of Community Improvement Plans (CIPs)?

- a. Façade Improvements □ Initiated for small business along corridors and at nodes.
- b. Parking – Opportunities to create structured parking.
- c. Generate Development – It was thought that CIPs could promote office development in the City Core or medium density office and residential along corridors.
- d. Public Realm Improvements– Lighting, streetscaping, public squares (e.g., Westwood Mall) etc.
- e. Brownfield Redevelopment – To be focused on areas such as OPG and Imperial Oil.
- f. Tower Renewal Projects

3. What specific CIP program(s) do you see as being the most effective in addressing this issue and Why?

- a. Expropriation – The tool of expropriation is seen as a method for achieving goals and objectives in the City Centre, particularly in establishing a block structure and land assembly. Participants were interested in how CIPs can strengthen powers of expropriation.
- b. Tax Increment Financing (TIF) – Seen as a way to encourage revitalization of currently rundown areas. Securing the Regional and Education portion of the tax would provide a greater incentive. It was explained to participants that due to the nature of TIFs, they cannot be used for condominium apartment developments, but rather are better suited towards brownfield redevelopment, as well as existing and new office, industrial and purpose-built rental developments.
- c. Loans and Grants – These programs could help support energy efficiency in developing or retrofitting buildings to be more sustainable, e.g., LEED certification.
- d. Capital Spending – Mississauga’s particular circumstances might mean that there is limited scope for programs aimed at stimulating private sector investment. However, CIPs can also be used to provide a plan for community improvement through public investments such as streetscape improvements and other investments in the public realm.
- e. Development Charge Relief or Cancellation – Participants were interested in how this can potentially have the greatest impact on encouraging development compared to most other development tools, but likely at the greatest financial loss to the City. Reduction of Regional Development Charges would provide an even greater incentive.

4. Is Mississauga prepared to forego revenue to achieve community benefits?

- a. Unwilling – There was a feeling that the City would not be willing to forego revenue to achieve benefits gained through a CIP. One potential solution put forward was to begin with a small program (e.g., façade improvements) that

could go grow as benefits become apparent.

- b. Lack of Necessity – Mississauga is a successful place. Development and investment is already attracted to the City. There is no crisis situation in which the risks associated with private land investment need to be mitigated.

5. What do you perceive to be the constraints associated with this program(s)? i.e. financing, administrating, lack of interest, impact not significant enough to make real change, etc.?

- a. Lack of Political Will – It was felt that City staff would be more interested in these programs, but Council would be unwilling to support these programs.
- b. Establishing Priorities – Because of the local ward system, there is competition for money within the City which has lead to a surplus of priorities without a clear order of importance.
- c. Divided Attention – The City currently has many initiatives underway and it was felt that the addition of new programs would not receive adequate attention to be effective.
- d. Lack of Money – Because there is a lack of cost/benefit information available, it was felt that it would be difficult to gain the financial support from Council.
- e. No Development Corporation

6. How best do you think these constraints could be overcome?

- a. Start Small – Programs should begin with goals that are achievable and could show results. Potentially begin with a pilot project.
- b. Education – Have politicians and staff from other municipalities come to Mississauga and speak to Council about their own positive experiences with CIPs.
- c. Public Buy-in – Involve the local BIAs and other stakeholders in the process to develop wide local support.
- d. Monitoring – For continued support of a CIP, it was seen that monitoring would be vital to provide evidence of positive changes.

7. What do you perceive to be the role of the Region in the use of CIPs?

- a. Identifying Needs – Help to identify which social services are needed.
- b. Partnering – It was felt the Region had limited ability to initiate programs, but would be a successful financial partner on particular issues, such as affordable housing and infrastructure. The Region’s portion of property tax could be used to strengthen TIF as a CIP tool.
- c. Leadership role in CIPs targeting affordable housing and public infrastructure.

8. What do you think would be the best measure of success or impact?

- a. Quantifiable Measures – Tax revenue, residential units created, employment, number of approved recipients of incentives, and property values/tax assessment.

- b. Qualitative Measures – Conduct Interviews (e.g., developers), before and after photos, and survey community members.

Summary of Discussion on Community Improvement Plans

As emphasized by one participant, Mississauga is a successful place. The City has not needed to offer costly subsidies to get development, even on Brownfield sites. In other communities where CIPs are used, there is usually a crisis which calls for more aggressive measures and generates the political will to invest scarce resources to stimulate private investment. In Mississauga there is no crisis, so it would be difficult to make the business case to Council. Further, Mississauga City Council currently has a pay-your-own-way culture which is not amenable to providing subsidies to the private sector.

However, participants seemed to think there might be some application of CIP tools to address specific problems in areas on a case by case basis, such as the example of façade improvements. For CIP programs staff recommend to Council, participants felt that keys to success would be to:

- Go slowly and establish a pattern of demonstrable success;
- Establish under which conditions CIPs might be considered;
- Include a cost/benefit rationale incorporating qualitative and quantitative elements, that includes operational costs; and
- Establish a protocol for monitoring.

Otherwise, the primary role of CIPs in Mississauga will likely be to establish a direction of improvement for an area that will be mostly achieved through capital spending rather than stimulating private investment through programs and subsidies.

Plenary

To draw the workshop to a close a discussion was held in plenary to consider how the tools discussed over the day could be used together in the Mississauga context, and to make any final points. Several issues were raised during this discussion that echoed points raised throughout the day.

What are specific objectives and are these useful tools?

It was felt by some of the participants that the City of Mississauga now has a profusion of goals and priorities, some of which run in opposite directions. Staff need to be strategic about what they go after in the context of limited resources (ex. office in the downtown, affordable housing, green development, community services). The planning tools discussed at the workshop need to be considered in this context. Top priority issues need to be identified and a strategy involving a number of planning tools must be elaborated. The planning tools presented have potential for Mississauga; careful thought must be given to how they can best work in concert.

What resources are available to implement and monitor these tools?

Along with the financial cost associated with implementing these tools, there was concern about having the staff necessary to monitor these tools. For example, it was noted that in other municipalities, Community Improvement Plans often have an assigned staff member dedicated to their implementation, monitoring, and evaluation. Some of the tools, like Community Impact Studies, require cross-departmental collaboration. There were some questions about how this might best occur and who would lead.

Which areas within the City should be the focused on?

Although the Downtown was brought up most often throughout the day, it was felt that tools could also be used in other areas of the city. Cooksville and Malton were both mentioned as being priority areas. However, it was noted that other places and corridors within the City could benefit as well, e.g., Port Credit, Clarkson, Hurontario Rd., and Dundas Rd.

What is the role of Peel Region?

It was expressed throughout the day that the Region has a vital role in many aspects of issues the tools were intended to address. Collaborating efforts between the City and Region was understood to be a necessity to make the most of the tools. The Region is currently reviewing its Official Plan and the use of new CIP tools provided in the Planning Act. These tools could help create joint funding opportunities as well as co-ordinate public investments. For example, planned regional infrastructure improvement requiring new roadwork could be co-ordinated with a streetscaping program.

3 Emerging Directions

At this stage in the study, after having completed extensive background research and discussed the potential use of these planning tools at the staff workshop and in client meetings, it is appropriate for the consultant team to formulate a preliminary set of ideas regarding the tools' applicability in the City of Mississauga. This section will highlight our thoughts on these issues to date, in order to provide a point of departure for interviews with stakeholders and further conversations to be had with the client over the summer in preparation for the development of recommendations in the early fall.

In formulating our final recommendations, the consultant team's response will be broad enough to consider two questions pertaining to the planning tools assessed: 1) Could they be used in Mississauga?; and 2) Should they be used? The answer to the first question is the more straight forward: are there opportunities to use the tool, and how can it be used to best effect? The second question is more complicated because the question can only be answered by raising new ones: What are Mississauga's priorities, and what resources are the City willing to dedicate to their achievement? Considering both the desirability and feasibility of the use of planning tools is essential in making responsible recommendations. However some questions can only be answered by the City itself. For example: a comprehensive City-wide evaluation of community infrastructure might be highly desirable, but available resources (in terms of time and money) might dictate an approach that focuses on areas likely to undergo rapid redevelopment; attracting a volume of intensification to appropriate locations in Mississauga may be more important than securing community benefits from developers through Section 37 bonus zoning; the City may want to attract office development to the City Core through a TIF or grant program, but the cost of such a subsidy may greatly outweigh the perceived benefits. Our recommendations will take a firm stand on the applicability of the planning tools where clear signals are present from the client on the City's priorities. When the priorities are less clear, we will provide a discussion about how the tools can be used at different levels of intervention with different implications for cost and use of resources.

To further preface our evaluation of the planning tools on a tool-by-tool basis, there are a number of principles that we feel should define the use of any planning tool:

Send clear signals to the development community

The planning tools examined as part of this study aim to influence private sector investment and development. Therefore they need to be developed with the realities of that community in mind. The development of any planning tool should be informed by a conception of how the tool will work in practice grounded in thorough market analysis. Once developed, all programs and planning tools should send clear signals to the development community. New requirements should above all be transparent and predictable.

Citizen and stakeholder engagement

The need for a transparent process extends beyond interaction with the development community to interaction with the community-at-large. All stakeholders should understand how decisions will be made and goals realized. Local buy in from the community members, including residents, BIAs and other stakeholders is essential to identifying local issues and establishing priorities.

Cost/Benefit analysis

Municipalities have a fiduciary responsibility to give tax payers and citizens good value for money. In considering new planning tools and programs, the scale and cost of intervention must be justified by the scale of the result and its impact on priority issues. In doing this calculation, the City must take into account the direct costs of the using a planning tool and program as well as the organizational costs associated with its management and administration. Further, a clear framing of the costs and benefits of any given planning tool or program will be essential in securing political and organizational support for the initiative.

Effective monitoring

The only way to confirm the scale of the benefits gained is to monitor progress in a manner that takes account of both the quantitative and qualitative impacts of the planning tools being used.

With these requirements for success established, we now examine the potential of each planning tool in turn.

Community Impact Studies

Participants at the staff workshop agreed that requiring proponents of new development to submit a Community Infrastructure Impact Study without a City-developed framework for understanding the current situation, or the cumulative impact of many developments, would not be particularly useful. There was broad support among participants for the City to carry out a community infrastructure assessment that covered the entire city and addressed the full range of facilities and services, from daycare to methadone clinics, from affordable housing to seniors programming. This assessment would establish a baseline, project future requirements and help establish priorities. Community Infrastructure Impact Studies submitted by the intensification proponent would be evaluated in that context.

This conception of Community Impact Studies goes beyond the intensification agenda which was the original impetus for the tool, to a desire for a more comprehensive analysis of community infrastructure in general. It was felt that a lot of the information needed to create a comprehensive analysis was already present, but just needed to be consolidated. Cross departmental collaboration would be required to assemble all the necessary pieces of the assessment, as would the involvement of the Region and School Boards.

While a comprehensive approach to community infrastructure, in terms of scope and geographical scale, might be the best way to approach the issue, it is worth recognizing that the organizational resources to carry this out may not be available. Therefore less comprehensive approaches might be worthwhile. Efforts could be targeted at areas predicted to undergo a significant level of intensification. The City could develop Community Infrastructure Plans for these areas in conjunction with other planning activities, such as the development of District Plans or Master Planning activities, or in processes entirely of their own. The Planning Department could coordinate the gathering of pertinent information from other departments based on the key elements of community infrastructure to be considered. Within these plans, trigger points for new community infrastructure could be identified and developer-conducted Community Infrastructure Impact Studies could be evaluated in this context. Terms of reference for developer-conducted studies would be carefully elaborated to ensure they would fit into the larger city assessment in a useful way.

In sum, in developing recommendations on the use of this tool, decisions will have to be made on the following issues:

Geographical scale

Will the assessment be city-wide or focused in particular areas? Our recommendation would be to focus on areas that are likely to undergo intensification and develop Community Infrastructure Plans that identify triggers for the provision of new community infrastructure.

Scope

What is to be included in the definition of community infrastructure? Community Infrastructure Plans would gather in one package information that has already been compiled and analyzed at the Municipal level (the Future Directions Reports and other assessments) as well as at the Regional and School Board level for their areas of responsibility.

Motivation

Is the purpose of the tool to focus on the impacts of intensification, or to take a more comprehensive approach to community infrastructure? The approach suggested here focuses on intensification, since that is the nature of our brief, however a comprehensive approach to community infrastructure also has applicability for areas targeted for revitalization.

Implications

If development is outpacing the provision of community infrastructure, will development be put on hold until the latter catches up? The completion of a Community Infrastructure Plan will signal to the municipality far in advance the requirement for new community facilities and services, enabling them to be proactive in keeping pace with intensification.

Organization

Who will be involved? Who will lead? What level of resources will be dedicated to this task? The development of the Community Infrastructure Plan will initially be a collaboration between the Planning Department, Community Services, the Region, the School Boards and any other interested departments. Once completed the Planning Department will update it based on Community Infrastructure Impact Studies submitted by developers.

Section 37 Bonus Zoning

In Mississauga, bonus zoning is unlikely to be a source of community benefits to the same level as experienced in other urban municipalities such as Vancouver and Toronto. In response to the question of where they thought bonus zoning could be achieved, most participants at the staff workshop identified areas designated for intensification. If there is heavy development pressure on these areas and a desire to exceed permitted heights and densities exists, this is a possibility that should be taken full advantage of. However, experience to date in Mississauga would indicate that outside of the Downtown, development generally does not exceed allowed density and height and therefore the opportunities for bonusing are limited.

The case of the Downtown is a separate one. There are currently no limits on heights and limits. Participants expressed a desire to reinstate them, not as a means of down-zoning to enable bonusing, but as a means to increase City control over new development in the Core, specifically to achieve a good public realm and built form.

Although the use of bonus zoning is not likely to be a regular occurrence, opportunities will emerge to use Section 37 agreements, in some cases to secure community benefits, in others because it serves as a useful legal tool for securing developer promises. We suggest that bonus zoning policies in the Official Plan be supported by guidelines that will provide transparency for the developer so they will understand what the process is, and provide protocols of good practice for the Planning department when going through the negotiation process. The protocols could include guidance on how potential benefits should be prioritized. The creation of a Section 37 agreement is voluntary and based on negotiation, so criteria included in the guidelines should be general rather than specific.

Community Improvement Plans

Community Improvement Plans have proven to be useful tools across Ontario to provide focus to unique communities with a view to identifying the barriers blocking investment as well as social and community development objectives. Through these detailed studies, municipalities become better equipped to identify key issues and establish tactical approaches to their resolution, including municipal funding programs that leverage private sector investment.

Community Improvement Planning processes can act as the first point of community engagement that brings together the interests of both business and residents around very specific issues in a defined geographic area.

Community nodes identified in the Official Plan are all worthy of consideration for Community Improvement Plans. A screening process might be considered that prioritizes the need for each area. Traditionally Community Improvement Plans have been established in areas that are in need of revitalization. In Mississauga, historic communities such as Streetsville, Lakeview, Port Credit, Clarkson might all benefit from the analysis a CIP study would offer. Programs that help support small business such as façade improvement grants or streetscape upgrades could prove valuable. Other areas, might also benefit, such as Mississauga City Centre, Cooksville, and Malton. A key issue in the development of the downtown is how to attract employment uses towards a more vibrant city core, when land economics still favour business park locations. In this context, a CIP that provides the framework to access funding tools that could help encourage new office development through programs such as tax increment grants and municipally funded parking strategies.

The use of financial tools available through the CIP process, especially those that offer direct incentives to developers would be a new practice in the City. Mississauga has experienced very strong growth and it likely to continue to attract new employment and residential development. However, CIPs might be a useful way to direct and shape this demand to the areas that can have the best potential for compact communities. By doing so, the City would benefit from better opportunities for social, cultural, environment and economic development that are tied to these areas.

The City of Mississauga has already identified 9 project areas and has provisions for Community Improvement within its Official Plan. This study includes the development of Community Improvement Plans for Lakeview and Port Credit. These plans will be useful exercises allowing the City to become comfortable with the process of CIP planning and the application of available tools. These studies should be conducted in partnership with Regional staff as they are also considering the use of new CIP tools recently introduced into the Planning Act. Depending on the issues, it may be in the interest of the Region to provide parallel funding for certain programs or co-ordinate improvements through planned investments.

Opportunities for Using Tools together

The planning tools examined as part of this study have overlapping areas of influence. Therefore it is possible that they might be used to best effect in conjunction with each other. Summarized below is how that might work in practice.

- Each community improvement planning process requires its own needs assessment. The assessment defines a range of issues, some of which can be met within the powers enabled by the CIP legislation, some of which may require other approaches. Where appropriate these assessments could be tied in with the Community Infrastructure Planning process discussed above.
- Specific developer-conducted Community Impact Studies could address the issues raised in the CIP and serve as a means to monitor the success of certain CIP goals and objectives.
- Density bonusing, while not necessarily a tool to be included within a CIP, can be used to achieve certain CIP objectives, such as an improved public realm, parking or increased residential intensification.
- The creation of Community Infrastructure Plans could provide a list of priority items to be sought should opportunities for bonus zoning arise.

4 Next Steps

To date the consultant team has established a baseline of knowledge on each of the planning tools under consideration and received a great deal of feedback on how they might apply in the Mississauga case from City staff. Based on this work, we have formulated some preliminary thoughts on the directions of our recommendations.

The next step is to consult with stakeholders to further test these ideas, as well as gather more information about their appropriateness and applicability. Staff workshop participants were asked who should be consulted in this next stage of work. Suggestions included:

- BIAs
- MMAH
- Developers
- Board of Education
- Region – Peel Health, Planning, Public Works
- Ratepayer Groups
- United Way
- BILD
- Local Area Health Networks

The format of these consultations will be tailored to suit the target group. It is likely that a combination of workshops and one-on-one interviews will be required. The results of the stakeholder consultations, as well as further discussions with the client, will help shape the recommendations the consultant team will deliver in the fall and present to the Planning and Growth Committee.

APPENDIX

G

Summary: Community
Infrastructure
Stakeholders Interviews

Summary: Community Infrastructure Stakeholder Interviews

Organization	Data collected - Scale	Potential Partner	Contact
School Boards			
Peel District School Board	<ul style="list-style-type: none"> Forecast projections based on building type and density – sample buildings An analysis of students who live in any area based on address - profile of an area based on housing type and density Make projections based on analysis of live births Use long term population forecasts done by the municipality Have neighbourhood boundaries for families of schools 	<ul style="list-style-type: none"> Yes Existing mechanisms for collaboration with the City – the City circulates development proposals and applications. Also have input and access to the Official Plan and Secondary Plans. Would be useful for the Board to be aware of and involved with the City on this issue – particularly around demographic forecasting. 	Steve Hare Manager of Planning and Enrollment (905) 890-1010 steve.hare@peelsb.com
Dufferin Peel Catholic School Board	<ul style="list-style-type: none"> Do an analysis by student address – so far very little impact from intensification They use a student projection system which shows them where their students are coming from. They receive new development applications from the city and evaluate them based on number of units and housing type. They are closing and consolidating schools. They are really not thinking new development. 	<ul style="list-style-type: none"> Yes Current relationship with City – Development applications are circulated to the School Board. Do not meet with them as much as they once did because there are much fewer new schools to plan. It is useful for them to be kept in the loop on new developments and general trends toward higher densities. 	Joanne Rogers Planner (905) 890-1221, ext. 24299
Region			
Emergency Medical Services Region of Peel	<ul style="list-style-type: none"> In determining their level of service they do projections based on call volumes, population and demographics. 	<ul style="list-style-type: none"> Maybe not necessary Vehicle deployment rather than 	Peter Dundas Director

	<ul style="list-style-type: none"> • Vehicle placement is determined through a call analysis. Do this on a Region of Peel level, rather than breaking Mississauga off as a sub-area. 	location of EMS stations – mean that service is flexible to new demands	(formal requests should go through Peter - Mary Ellen Duff, Manager, Planning and Performance was interviewed)
Human Services Region of Peel	<ul style="list-style-type: none"> • Working on two projects that have applicability to Community Infrastructure Studies: <ul style="list-style-type: none"> ○ Project on urban form and the delivery of community services – being done by Ryerson, expect to have it in 4-6 weeks. ○ Project on quality of life indicators for 3 different areas of different socio-economic status 	<ul style="list-style-type: none"> • May not have data ready for input but would be more than willing to support and review studies 	Geoff McIlroy Policy Analyst Human Services Department Region of Peel (905) 791-7800, extension 3562 (Geoff can be contact person and clear things with managers)
Affordable Housing Services Region of Peel	<ul style="list-style-type: none"> • Don't have a lot of data on the spatial distribution/need for affordable housing – some analysis of social housing waiting list gives some indication of where people are and what their housing needs are – however not everyone with housing needs shows up on that list • Where they build is often down to where they can find available and affordable land. Also look at intensification opportunities for their own land. 	<ul style="list-style-type: none"> • Would like to be involved in the conversation on community infrastructure. Drew can be first point of contact, might involve director as well. • 	Drew Gourcey Manager, Policy Initiatives
Children Services Operations, Region of Peel	<ul style="list-style-type: none"> • Across Peel there are 24,000 licensed childcare spaces at 350 different sites – 6,000 of these are subsidized spaces • There is a 3,000 name long waiting list for subsidized spaces. This list can be sorted by postal code to give the geographic distribution. There are definitely pockets that are underserved. But the issue is with subsidized spaces available rather than spaces in general. • Province is moving toward full day junior and senior kindergarten – will impact day care providers 	<ul style="list-style-type: none"> • Would be a good idea to involve the Region, organizations (Success by 6), and the big child care providers in both setting an approach to community infrastructure and developing the CIIS themselves. 	Sonia Pace Director

Others			
Mississauga-Halton Local Health Integration Network (LHIN)	<ul style="list-style-type: none"> • Have information on the health services they fund - hospitals, long term care facilities, mental health services, community services, community care, supportive housing, etc. • Have limited data analysis resources 	<ul style="list-style-type: none"> • More than willing to be consulted during the formation of a Community Infrastructure Study 	Bill MacLeod CEO (formal requests should go through Bill – Don May and Bill Campbell were interviewed)
Peel Newcomer Strategy Group	<ul style="list-style-type: none"> • PNSG is developing a co-ordinated and collaborative strategy for the successful integration of newcomers in the economy and community of Peel. • They have a list of available resources in Peel. • Collect data on a Region of Peel level, rather than a neighbourhood level (although they have drilled down to the neighbourhood level in some circumstances. • Have done a report profiling immigrant community in Peel 	<ul style="list-style-type: none"> • Willing to be consulted 	Evelyn Myrie Director
United Way of Peel	<ul style="list-style-type: none"> • There are examples of organizations that provide an analysis of the spatial distribution of human services: <ul style="list-style-type: none"> ○ “Success by 6” - Mandate to increase services for young children and their families. Collect information on Service Delivery Areas (SDAs), which are geographies intended to support service planning and delivery by providing service providers with data that is relevant to the local geographies they serve. ○ United Way is partnering with the Region’s Human Services Dept to create neighbourhood profiles – social indicators, state of neighbourhood. They are using this information to direct investments. ○ Peel Poverty Reduction Steering Committee – use indicators • Analysis on the neighbourhood level like this is important. Many communities that are underserved and do not have not access to services, and might have no space to house services (Rosecourt example). 	<ul style="list-style-type: none"> • Groups who might be consulted in the development of an approach to Community Infrastructure: <ul style="list-style-type: none"> ○ United Way (Anita Stellinga or Shelley White, CEO) ○ Region of Peel ○ Local groups providing services in the community (Boys and Girls Clubs, for example) ○ Community Development Steering Group ○ Peel Newcomers Group ○ Success by 6 ○ Poverty Committee ○ Social Planning Council 	Anita Stellinga Director of Community Investment

City of Mississauga			
Information Planning City of Mississauga	<ul style="list-style-type: none"> • Already do forecasts for other departments (fire department, community services for Future Directions) – planning department also works with school boards and hospitals. Forecasts (to 2041) project housing, people and employment. Can do at a city-wide level or smaller geographic areas. Use Mississauga Projection Zones (300 zones for the city as a whole). Also feeds into Community Planning where they can provide data at community scale. 	<ul style="list-style-type: none"> • Could easily be the centre point for this effort • Capacity Issues <ul style="list-style-type: none"> ○ To determine capacity issues, would need to see a sample of what would be required and how many would be required a year ○ Limited by technology – do not currently have GIS – this would be a huge time saver for geographical analysis ○ Connect with user groups – how would the community infrastructure analysis align with the budget cycle 	Steve Czajka Supervisor, Information Planning
Culture Division	<ul style="list-style-type: none"> • The creation of the Cultural Resource Database was part of the development of the Culture Master Plan. It is the basis for the Cultural Mapping Project which will be hopefully be available on-line as a resource to City staff and the public. • Not currently being used to identify deficits at the present – more a framework for collecting data from different sources • Could be the basis for working with the planning department, identifying gaps as part of a Cultural Infrastructure and Facilities Strategy 	<ul style="list-style-type: none"> • An interdepartmental team or working group would be a good way to tackle the problem – Culture should be represented 	Bonnie Dowhaniuk Project Manager Culture Division
Community Services Department	<ul style="list-style-type: none"> • They use service areas for Future Directions, but are able to do a finer analysis. Consultants preparing master plan have looked at intensification nodes and targeted service area 5 as an area that needs particular attention (Dundas and Hurontario). • CIIS will be informed by work, such as Future Directions and Planning District Policy Reviews, but will also feed into them • Intensification will have an impact on the need for new facilities, but will also have an impact on the operational costs of facilities as they 	<ul style="list-style-type: none"> • Coordination could be done under the mandate of Community Services. Better to strike a working group to assess where the effort is best housed, the terms of reference and who will create and use the CIIS. Have a discussion about the role of each department. 	Ruth Marland Team Leader, Long Term Planning Planning and Heritage Section

	become more used		
	<ul style="list-style-type: none">• What tools can be used to pay for community infrastructure – other than DCs, things like parkland dedication, Section 37.		

APPENDIX

H

Community
Improvement
Planning Handbook

COMMUNITY IMPROVEMENT PLANNING HANDBOOK 2008

Ministry of Municipal Affairs and Housing



Important Note to User:

The Ministry of Municipal Affairs and Housing has developed this handbook to help municipalities with their community improvement policies and plans. It is intended for use as a guide. Municipalities are responsible for making local decisions, including compliance with any applicable statutes or regulations. For these reasons, the information in this handbook should not be relied upon as a substitute for specialized legal or professional advice in connection with any particular matter. We recommend that municipalities obtain independent legal or professional advice when they develop or evaluate their own planning or incentive-based programs. While every effort has been made to ensure the accuracy of the information in this handbook, the ministry does not accept legal responsibility for the contents of the handbook or for any consequences, including direct or indirect liability, arising from its use.

The user is responsible for any use or application of information contained in this handbook.

Produced by the Ministry of Municipal Affairs and Housing
Provincial Planning Policy Branch
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www.ontario.ca/mah

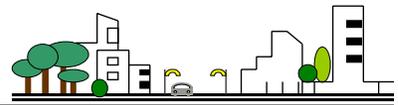
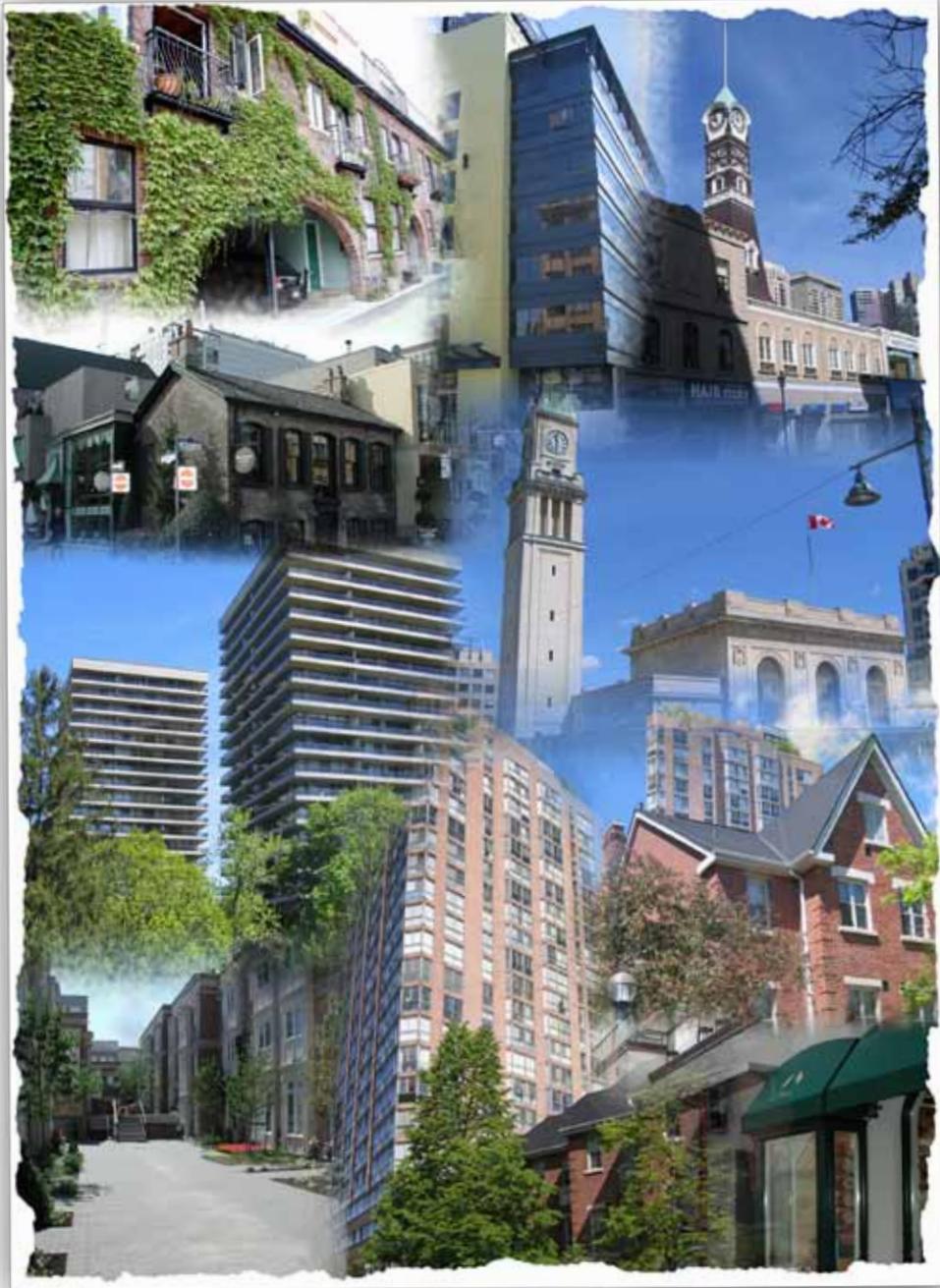


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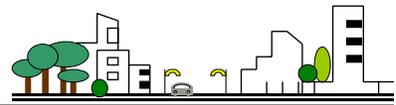
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“Repair and rejuvenation of existing places is the highest form of sprawl containment.”

Cities Back From The Edge.
R. Gratz and Norman Mintz.
Preservation Press, 1998, p. 109



Liveable Communities



Introduction

Ontario's economy continues to be shaped by global economic, environmental and social trends, including: shifts from traditional manufacturing to knowledge and service-based creative economies; climate change and natural resource challenges; and increased cultural diversity at home and with trading partners. Fiscal, economic, demographic and environmental pressures differ from south to north, region to region and municipality to municipality. Common to all Ontario municipalities is the need to build, reinforce or reshape themselves to meet global challenges and residents' future needs in a sustainable community that delivers a high quality of life.

Community improvement planning, one of the many sustainable community planning tools found in the Planning Act, can help municipalities address some of these challenges as it provides a means of planning and financing development activities that effectively use, reuse and restore lands, buildings and infrastructure.

Community improvement planning was popular in the 1970s and 1980s as a means to support and encourage neighbourhood renewal and commercial area improvement. It had become an almost forgotten revitalization tool until growth pressures of the late 1990s led to interest in the development potential of brownfield sites. Publications such as the *2000 Brownfields Showcase I* and *Municipal Readiness for Economic Development* helped increase awareness of how community improvement plans provide for the clean up of former industrial and commercial lands. A companion guide, *Municipal Financial Tools for Planning and Development* profiled a range of financing tools including an explanation of how community improvement plans could use tax-increment-equivalent financing to help developers remediate contaminated properties. The value of community improvement plans was further promoted by the Brownfields Statute Law Amendment Act, 2001, which made changes to various legislation including the Planning Act and Municipal Act, 2001, and by the publication of the *Brownfields Showcase II*.

Municipalities are now using community improvement plans in more innovative ways. Community improvement plans are being developed to address growth management challenges, intensification, energy efficiency, mixed-use and transit/bicycle oriented development, accessibility, and the emerging needs of an aging baby-boom generation. Some municipalities are using community improvement plans as an incentive for encouraging development that meets recognized environmental standards, such as LEED[®], while others use them to attract certain kinds of employment uses. Regional community improvement plans can facilitate the development of regional infrastructure, including transportation corridors and affordable housing.

From its original use as a process required for provincial downtown revitalization grants, community improvement planning has become a flexible yet powerful tool for significant rehabilitation, development and land-use change.

Chapter 1 - A Community Improvement Plan - The Basics

This handbook, originally published in 2006, is intended to inform and assist municipalities and others interested in community improvement planning under section 28 of the Planning Act. It reflects the legislative changes to land use planning that came into effect in January 2007.

Chapter 1 sets out the reasons why municipalities may wish to use the community improvement planning approach and the many ways in which current plans are being applied. Chapter 2 provides the legislative basis for community improvement planning and identifies various tools that can be used in conjunction with community improvement plans. Chapters 3 and 4 contain a basic approach to developing and structuring a community improvement plan.

Community Improvement Plan Objectives

Community improvement planning activities are shaped by local needs, priorities and circumstances. Through community improvement plans, municipalities can:

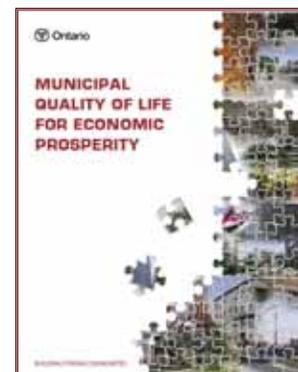
- focus public attention on local priorities and municipal initiatives
- target areas in transition or in need of repair, rehabilitation and redevelopment
- facilitate and encourage community change in a co-ordinated manner
- stimulate private sector investment through municipal incentive-based programs.

A community improvement approach is a flexible, comprehensive, coordinated and strategic framework for dealing with lands and buildings, which can address many physical, social, economic or environmental matters.

Over the years, community improvement plans have been used for a broad array of priorities aimed at rehabilitating and revitalizing targeted areas. Project areas may range from specific properties and employment areas to streets, neighbourhoods and entire communities, while program coverage can span a wide spectrum of municipal objectives including, but not limited to:

Municipally-Driven Programs

- infrastructure works
- municipal property acquisition, land assembly and sale of lands
- municipal facilities construction and rehabilitation
- public space, parks and recreation works
- signage, streetscape and landscaping improvements.



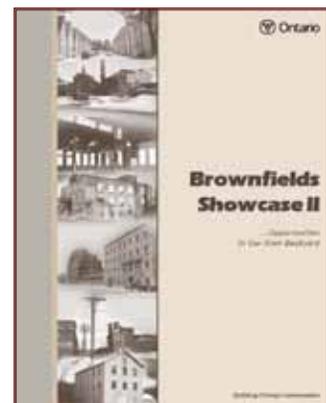


Incentive-Based Programs (grant, loan and property tax assistance)

- brownfields environmental assessment, remediation and redevelopment
- commercial building façade improvements
- downtown/core area and waterfront revitalization
- preservation and adaptive reuse of heritage and industrial buildings
- provision of affordable housing
- property tax assistance for remediation purposes
- project feasibility studies
- space conversion for residential and commercial uses
- structural improvements to buildings (e.g., Building Code upgrades)
- improvement of community energy efficiency
- accessibility enhancements.

Many of these programs support sustainable planning principles relating to more compact land uses, intensification, mixed uses, proximity of residential uses to employment areas, restoration and reuse of vacant or underused buildings, reclamation of contaminated lands, and strategies that integrate and link built form with open spaces.

Common to all these programs is the alteration of the physical landscape of communities so that, in the medium and long term, public benefits can be achieved that result in more socially cohesive, environmentally friendly and economically sound communities. In short, municipalities are finding ways to become more sustainable through the use of community improvement plans.



To direct and stimulate private sector investment, incentive-based programs can involve:

- **grants, loans and land** under section 28 of the Planning Act, and
- **tax assistance** under section 365.1 of the Municipal Act, 2001 and section 333 of the City of Toronto Act, 2006.

Who Can Develop Community Improvement Plans?

Single and lower-tier municipalities can designate community improvement project areas by bylaw and develop and adopt community improvement plans, provided their official plans contain provisions relating to community improvement.

Recent changes to the Planning Act now allow **upper-tier municipalities** to develop community improvement plans for prescribed matters (see chapter 2 for further details) as long as those municipalities are prescribed through regulation. As this is an

optional planning tool, in order to utilize the benefits of the community improvement provisions, an upper-tier municipality should send a council request to the Minister of Municipal Affairs and Housing, asking to be prescribed for community improvement planning purposes.

Who Approves Community Improvement Plans?

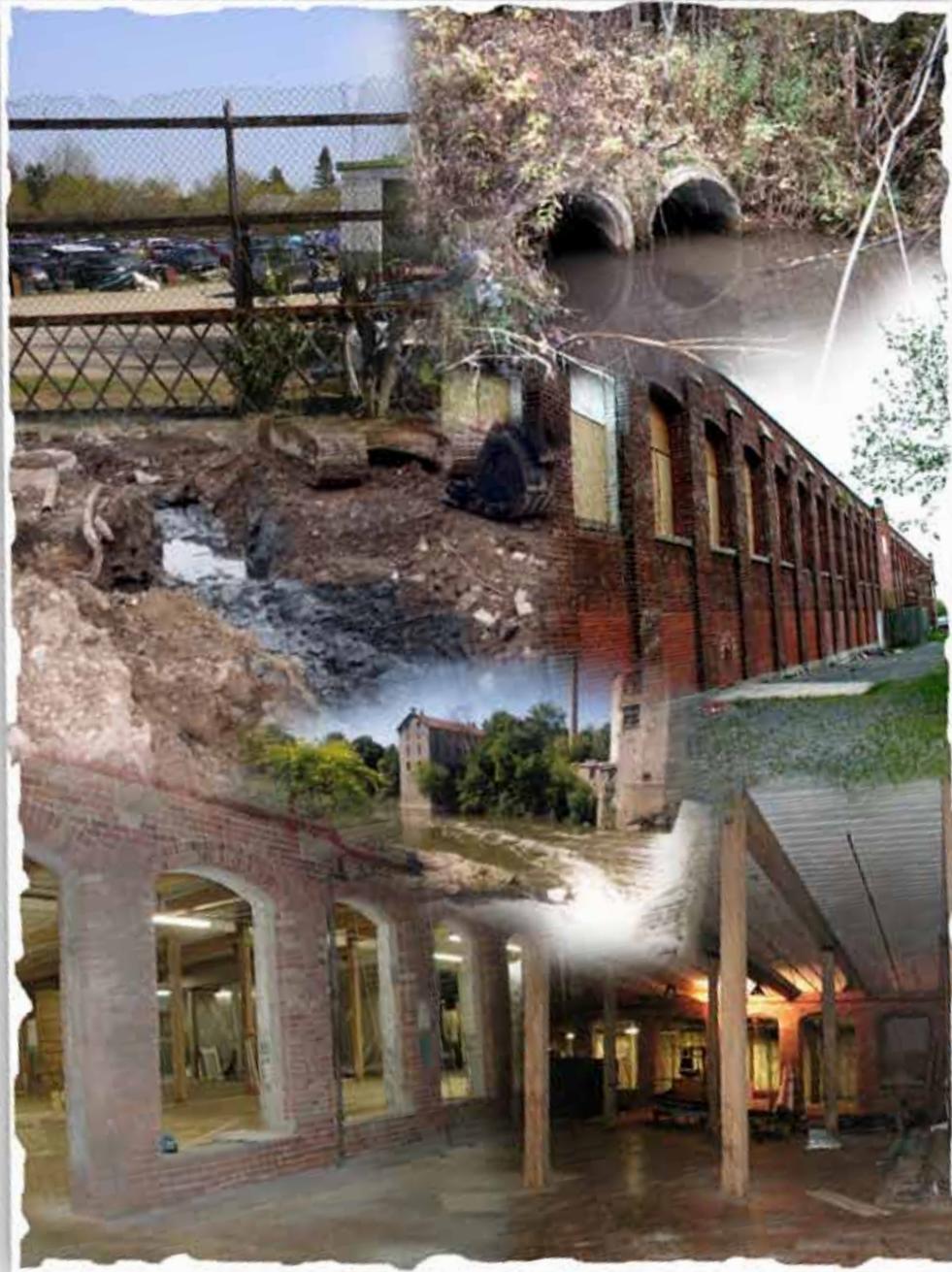
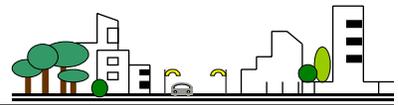
Prior to January 1, 2007, the Minister of Municipal Affairs and Housing was responsible for the approval of community improvement plans containing financial assistance and/or land related programs. Municipal councils can now adopt all of their community improvement plans without the need for formal approval of the minister. Once a municipal council adopts its community improvement plan, notice of its decision must be provided in accordance with the requirements of the Planning Act (including notice to the ministry) and a 20-day appeal period commences. At the end of the appeal period, if there is no appeal to the Ontario Municipal Board, the community improvement plan comes into effect.

The Planning Act still requires that a municipality consult with the ministry on the preparation of a community improvement plan (s. 28(5.1)). It is important to contact your local Ministry of Municipal Affairs and Housing Municipal Services Office early in your community improvement plan process to obtain a staff contact, early advice and information, and guidance on municipal best practices. Ministry contact information can be found at the end of this handbook. Further details on the process can be found in Chapter 3 and Appendix A.

The Importance of Public Involvement

The Planning Act requires that public meetings be held before a community improvement plan can be considered by council for adoption. Public involvement can help build consensus and community support. By involving the public and key participants at the start of a community improvement initiative, problems and conflicts can be more effectively addressed and solutions can be incorporated that reflect different concerns. In addition to the public meetings required under the Planning Act, municipalities often choose to hold additional public forums to ensure that proposed actions reflect community goals.

Public engagement can ensure “buy-in” of strategies to change physical characteristics and land use patterns through more intensified land uses, increased building densities, redevelopment and infill. Public engagement can be particularly significant as an accountability mechanism, ensuring public knowledge of the policy rationale for offering municipal financial assistance or incentives to private land-owners. The public must be aware that rehabilitation or redevelopment would not occur without the financial assistance, and the community would not gain the social, economic and environmental benefits. Public engagement and transparency is a cornerstone of a successful community improvement plan.



Reclaiming Lands and Buildings

Chapter 2 - The Legislative Context

Community improvement activities are intended to address municipal or regional planning objectives in a certain defined area through municipally-driven and/or incentive-based programs. Section 28 of the Planning Act, sections 106 and 365.1 of the Municipal Act, 2001 and sections 82 and 333 of the City of Toronto Act, 2006 provide the primary legislative framework for community improvement planning.

Changes to the Planning Act, effective January 1st, 2007, provided Ontario's municipalities with additional planning tools and clearer rules to better manage growth and development in their communities. A summary of the powers available to municipalities and highlights of the key changes as they relate to community improvement plans are provided in the following sections.

Tip:

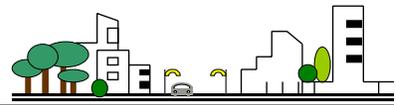
To access Ontario legislation and regulations, go to the Government of Ontario e-laws web site at

www.e-laws.gov.on.ca

Section 28 of the Planning Act – Community Improvement Planning

Powers available to municipalities for community improvement purposes include:

- Designating by bylaw a specific property, area or entire community as a community improvement project area where the municipality's official plan contains community improvement provisions (s. 28(2)).
- Acquiring, holding, clearing, grading or otherwise preparing land for community improvement (s. 28(3)).
- Constructing, repairing, rehabilitating or improving buildings on municipal land (s. 28(6)(a)).
- Selling, leasing or otherwise disposing of municipal land (s. (28(6)(b)).
- Providing grants or loans to owners, tenants and their assignees within the community improvement area to pay the whole or any part of identified eligible costs (ss. 28(7) and (7.1)).
- Providing property tax assistance for environmental remediation purposes (s. 28(7.3) by reference to s. 365.1 of the Municipal Act, 2001 and s. 333 of the City of Toronto Act, 2006).



Highlights of Changes to the Planning Act, effective January 2007, include:

- Clarifying that the definition of ‘community improvement’ includes “construction” (s. 28(1)).
- Expanding the definition of ‘community improvement’ to include improvement of energy efficiency (s. 28(1)).
- Clarifying that the definition of ‘community improvement’ includes the provision of “affordable housing” (s. 28(1.1)).
- Identifying the scope of eligible costs for which municipalities can provide community improvement grants and loans (formerly known as rehabilitation costs) to include:
 - » environmental site assessment
 - » environmental remediation
 - » development, redevelopment, construction and reconstruction of lands and building for rehabilitative purposes
 - » the provision of energy efficient uses, buildings, structures, works and improvements or facilities (s. 28(7.1)).
- Registering related grant or loan agreements on the title of the subject land (s. 28(11)).
- Providing for municipally adopted community improvement plans to come into effect once notice has been given and the 20 day appeal period has passed with no appeals (s. 28(5)).
- Requiring municipalities to preconsult with the Minister of Municipal Affairs and Housing as the approval authority (ss. 17(15)(a) and 28(5)).
- Allowing prescribed upper-tier municipalities to prepare community improvement plans to deal with one or more of the following matters (ss. 28(2), 28(4.0.1) and Ontario Regulation 550/06):
 - » ***infrastructure*** that is within the upper-tier municipality’s jurisdiction



**Infrastructure as defined by
O. Reg. 550/06
Prescribed Matters — Upper-Tier
Community Improvement Plans**

Physical structures and associated facilities that form the foundation of development, including:

- communications systems
- electric power systems, oil and gas pipelines, alternative energy systems and renewable energy systems
- transportation corridors and facilities
- waste management systems, and
- water works, wastewater works, stormwater works and associated facilities.

-
- » land and buildings within and adjacent to existing or planned transportation corridors that have the potential to provide a focus for higher density, mixed-use development and redevelopment
 - » affordable housing.
- Providing upper and lower-tier municipalities with the ability to participate in each other's grants or loan programs provided there are related official plan policies in the municipality making the grants or loans (s. 28(7.2)).

Section 106 of the Municipal Act, 2001 and Section 82 of the City of Toronto Act, 2006 – Rule Against Bonusing

The municipal practice of providing financial or other similar assistance to businesses is often called bonusing. Under the rule against bonusing, with certain exceptions, municipalities are prohibited from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprises through the granting of certain financial incentives. Prohibited actions include:

- giving or lending money, or municipal property
- leasing or selling any municipal property at below fair market value
- guaranteeing borrowing
- giving a total or partial exemption from any levy, charge or fee.

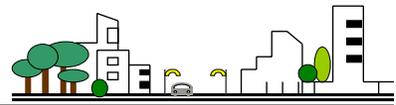
There are exceptions to the rule against bonusing. For example, to carry out a community improvement plan, municipalities, despite the general prohibition against bonusing, can consider assistance to businesses in the form of:

- making improvements to buildings on municipal land and selling or leasing the land to businesses (see s. 28(6) of the Planning Act)
- leasing or selling municipal land to businesses (also see s. 28(6) of the Planning Act)
- making grants or loans to businesses (see ss. 28(7) to (7.3) of the Planning Act)
- providing property tax cancellations to businesses (see s. 365.1 of the Municipal Act, 2001 and s. 333 of the City of Toronto Act, 2006).

Tax increment equivalent financing is one example of a financial incentive now being utilized by municipalities based on the grants and loans provisions under s. 28 of the Planning Act. By calculating a grant or loan on the higher property tax that is generated from development (the tax increment), municipalities

What is a Tax Increment Equivalent Grant (TIEG)?

A TIEG is a grant equal to the full amount, or a portion of the amount of the estimated property tax increase after the property is redeveloped. The increase in taxes, or the tax increment may be, for example, calculated by subtracting the municipal portion of the property taxes prior to reassessment from the municipal portion of the property taxes after reassessment.



may offer eligible developers financing incentives with the aim of putting lands and buildings, which might not otherwise be developed, back into productive use. Limits may apply to tax increment equivalent financing. For example, the amount of community improvement plan related grants and loans generally could not exceed the relevant rehabilitation costs for lands and buildings (see s. 28(7.3) of the Planning Act).

Other Development-Related Programs

Brownfields Financial Tax Incentive Program

For more information

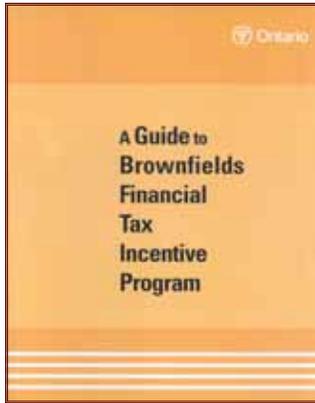
on brownfields-related land use, environmental protection and financing, access the government of Ontario's one-window Brownfields web site at: www.ontario.ca/brownfields

Through a community improvement plan, municipalities can offer financial incentives within a designated community improvement area to encourage revitalization. Specifically, these incentives can be an effective tool to promote the environmental cleanup and rehabilitation of vacant or underused lands, usually referred to as brownfields, which may be contaminated from their former use. Incentives may also contribute to economic prosperity by serving as a catalyst for community revitalization, stimulating private sector investment, increasing property values and supporting industry and jobs.

The **Brownfields Financial Tax Incentive Program** (BFTIP) is a financing tool established under section 365.1 of the Municipal Act, 2001 and section 333 of the City of Toronto Act, 2006 that allows municipalities to provide municipal property tax assistance to landowners working to bring brownfields back into productive use. In addition, municipalities offering property tax assistance can apply to the province for the matching education property tax assistance to increase the amount of assistance available. To access the program, municipalities submit, on behalf of a property owner, a site specific BFTIP application proposing to take advantage of matching educational property tax assistance for provincial approval.

How does the program work?

The BFTIP can be a revenue-neutral incentive tool. For example, a municipality receiving no taxes on an abandoned site may choose to cancel 100% of the municipal portion of the property taxes due on the property for a period of time after it is rehabilitated and applying for 100% matching education property tax under the BFTIP. Alternatively, if clean-up of an industrial property is expected to lead to higher land values (such as through residential or mixed land developments), a municipality may consider cancelling 80% of the taxes for a period of time and applying under BFTIP for the matching 80% of the education property tax. Also, municipalities have a choice to defer or cancel future taxes (the program does not provide direct payments) for a redeveloped property.



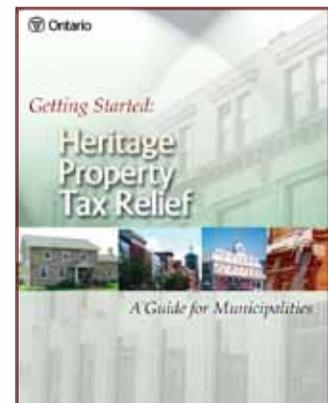
Eligible costs under the BFTIP are those related to the remediation of a site. Moreover, to be eligible for BFTIP, a property must be within a community improvement project area and there must be a need for remediation, as demonstrated in a Phase Two environmental site assessment.

BFTIP is a program of the Ministry of Finance, administered by the Ministry of Municipal Affairs and Housing. To learn more about BFTIP or to submit an application, contact your nearest Municipal Services Office.

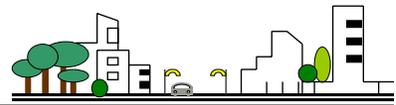
Heritage Property Tax Relief

Section 365.2 of the Municipal Act, 2001 and Section 334 of the City of Toronto Act, 2006

The **Heritage Property Tax Relief** (HPTR) program, which is often used in conjunction with community improvement plans, is established under section 365.2 of the Municipal Act, 2001, and section 334 of the City of Toronto Act, 2006. The program may encourage good stewardship, maintenance and conservation of locally designated heritage properties. Municipalities may pass a bylaw to establish a local HPTR program to provide tax relief (10 to 40 per cent) to owners of eligible heritage properties, subject to agreement to protect the heritage features of their property. The Province shares in the cost of the program by funding the education portion of the property tax relief. Municipalities that adopt the HPTR program contribute to it by funding their portion of the tax relief.



For further information, please refer to *Getting Started: Heritage Property Tax Relief - A Guide for Municipalities* which can be accessed on the Ministry of Culture's website at www.ontario.ca/culture.



Other Land Use Planning Tools

In addition to the changes made to the community improvement planning provisions in the Planning Act, a number of other changes were made to the Act (effective January 2007) to support the redevelopment of more compact, well-designed and energy efficient communities. In conjunction with community improvement planning, these tools can be used to facilitate sustainable development goals and further support successful revitalization in a community improvement area. The new and expanded planning tools include municipal authority to:

Zoning

- Establish minimum and maximum height and density standards in their zoning bylaws in order to ensure that land and infrastructure is used more effectively (s. 34(3)).
- Establish official plan policies and zoning bylaw provisions that permit second suites in detached, semi-detached and row houses as-of-right in residential areas. Second unit official plan policies cannot be appealed to the Ontario Municipal Board, except if the policies are adopted as part of a municipal 5-year official plan review process (ss. 17(24.1), 17(36.1), and 34(19.1)).

Site Plan Control

- Consider the external design of buildings, including character, scale, appearance and design features, including sustainable design features, provided there are official plan and bylaw policies in effect. This means that the quality and characteristics of a proposed development can be taken into consideration to ensure positive contributions are made to the external physical appearance of buildings and their surrounding areas (s. 41(4)2(d)).
- Secure off-site sustainable streetscape improvements such as landscaping, permeable paving materials, street furniture, curb ramps and bicycle parking facilities (s. 41(4)2(e)).
- Secure facilities designed to have regard for accessibility to support and promote universal access for persons with disabilities (s. 41(4)2(f)).

Parkland Dedication

- Decrease the amount of cash-in-lieu for park purposes in redevelopment scenarios, where no land is available to be conveyed, if sustainable design elements are incorporated into a development proposal (e.g., water conserving landscaping and permeable surfaces). To utilize this tool, municipal official plans are required to

contain policies related to the sustainable criteria to be met and the reduction of payments (ss. 42(6.2) and (6.3)).

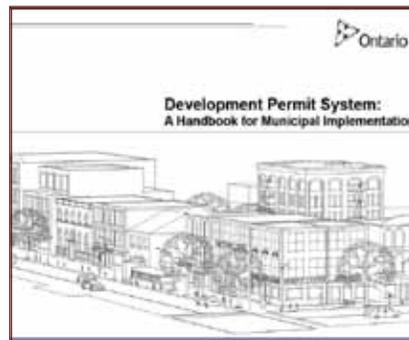
Land Division

- Consider the extent to which a subdivision proposal encourages the supply, efficiency and conservation of energy and promotes a layout that facilitates the production and supply of alternative energy systems (such as district heating/cooling systems) (ss. 51(24)(l) and 53(12)).
- Require the inclusion of pedestrian and bicycle pathways and public transit ways in subdivision proposals to promote connectivity and encourage more sustainable forms of transportation (ss. 51(25)(b) and 53(12)).

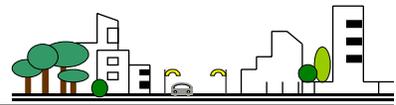
Development Permit System (DPS) – Ontario Regulation 608/06

- Establish a development permit system.

The DPS is a flexible land use planning system that combines the zoning, site plan and minor variance processes into one application and approval process. This optional system promotes development by providing for faster timelines, eliminating potential duplication, incorporating flexibility for uses and development standards, and providing a “one-stop” planning service. Through the ability to impose conditions for issuing a development permit, the DPS also provides a mechanism for municipalities to enhance environmental protection, ensure that negative impacts of development are mitigated, and facilitate community building, brownfields redevelopment and sustainable development. Ontario Regulation 608/06 establishes the scope and sets minimum requirements for use of the DPS. For more information on the DPS, please refer to the *Development Permit System: A Handbook for Municipal Implementation* which can be accessed on the Ministry of Municipal Affairs and Housing website.



Although community improvement planning and the development permit system can be used independently of each other, local municipalities may choose to utilize the benefits of both for the same area. Both tools together can facilitate or help achieve similar goals of rehabilitating and revitalizing targeted areas.



Chapter 3 - A Community Improvement Plan Process

Each municipality has different policies and programs that relate to their history, size, location, population characteristics, financial resources and economic base. Within the context of diverse local needs and opportunities, there are some basic steps that can be followed when developing community improvement plans.

When developing your community improvement plan, a municipality should consider how the plan is to be structured. Chapter 4 - A Community Improvement Plan Structure - addresses this component because a well organized and clearly written plan facilitates:

- internal and external understanding and support for community improvement activities and programs
- private sector understanding and participation in incentive-based programs
- program implementation, marketing and monitoring.

Understanding, support, participation and sound implementation of programs can, in turn, positively affect the public benefit goals articulated in a community improvement plan.



Reuse, Restore, Rebuild

A Three Stage Process:

The following three stage process is a guide which reflects common municipal practices in developing a community improvement plan. Municipalities are responsible for their decisions about community improvement plans, and the steps within each stage should be adjusted to suit municipal goals and needs. In some instances, a municipality may decide to combine or modify steps. In other instances, such as public consultation and reporting, steps may be repeated as work progresses and builds upon information previously collected.

Stage 1

Building Your Plan's Foundation ...

- 1a. Identify community needs** based on the Planning Act definition of “community improvement” and “community improvement project area”.

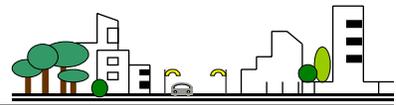
Call your local Ministry of Municipal Affairs and Housing Municipal Services Office for a staff contact and for advice and assistance.

- 1b. Build community support** through stakeholder input and feedback. A typical strategy includes:

- identifying matters for consideration
- determining input and feedback methods (e.g., workshops, open houses, design charettes, community meetings, steering committees, task forces, etc.)
- identifying stakeholders to engage in the process (e.g., ratepayers, community and business groups, municipal staff, political representatives, consultants, business representatives, financial institutions, etc.).

- 1c. Report to council** for authorization and direction to prepare a community improvement plan. Basic information includes:

- identified problems
- the reasons why the problems need resolving
- outcomes (public benefits) sought based on the resolution of problems
- a description of the community improvement plan study process
- the proposed boundary of the community improvement project area
- criteria used for project area selection
- the proposed approach (whether work is to be done by municipal staff or by consultants)
- the proposed administration of the study, including departments responsible for preparing the community improvement plan
- a request for authorization to proceed with a Request for Proposal if a consultant is proposed
- project timelines, resources needed and financial/budget implications.



Stage 2

Preparing Your Plan ...

2a. Analyse and gather data on the physical, economic, social and environmental characteristics of the study area to:

- identify key opportunities and challenges
- consider how these opportunities and challenges can be addressed
- assess the appropriate timing for creating a community improvement plan (e.g., What is the state of the marketplace? How does community improvement planning fit into it?).

2b. Conduct background analysis of planning, land use and other policies and strategies applicable to the study area. This may include a review of relevant documents such as:

- provincial plan policies
- official plan policies
- secondary plans
- zoning bylaws
- community improvement plans in effect
- contaminated lands (brownfields) redevelopment strategies
- environmental studies
- sustainable development strategies (e.g. water conservation)
- façade and design studies
- downtown market analysis studies
- downtown revitalization action plans
- accessibility plans
- heritage conservation district studies and plans
- industrial, commercial and heritage property inventories
- industrial/employment strategies
- master plans for wastewater / stormwater servicing
- environmental assessment reports
- neighbourhood revitalization strategies
- servicing strategies
- transportation strategies
- community energy plans
- affordable housing strategies.

Review your official plan to:

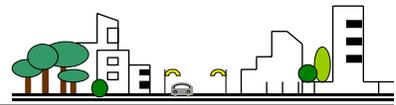
- determine if it contains necessary or appropriate provisions, such as:
 - » reference to the legislative authority for community improvement planning and programs (note: the scope of matters for which upper-tier municipalities may establish community improvement plans is prescribed by O. Reg. 550/06 - refer to Chapter 2 for further details)
 - » guiding principles for goals to be achieved (e.g., promoting sustainability, improving the physical appearance and environmental condition of the community, fostering community pride, attracting business investment and residents, ensuring the efficient use of resources and increasing public transit usage)

-
- » specific goals (updated infrastructure, streetscape and open space improvements, contaminated properties clean up and redevelopment, and increasing the affordable housing stock)
 - » enabling policies and criteria for the identification and designation of community improvement project areas
 - » policies and criteria for determining individual property eligibility within a project area
 - » actions that could be taken to implement the community improvement policies in the official plan. For example:
 - land acquisition and assembly, site plan control that helps ensure quality and compatibility of development and financial assistance to stimulate development
 - » policies that allow financial participation in grant and/or loan programs between upper and lower-tier municipalities, where participation is contemplated
- determine if official plan policies need updating or if new policy direction is needed. Policies should be detailed enough to provide direction yet flexible enough to allow municipalities to broadly plan for community improvement in ways that meet their stated needs. These policies should be in place prior to designating a community improvement project area through a bylaw and adopting a community improvement plan.

2c. Report back to council with recommendations for designating a community improvement project area based on findings. If supported, council may direct staff to prepare a bylaw. Note: Council must pass the bylaw designating the community improvement project area prior to adopting the community improvement plan.

2d. Draft municipal actions, programs and implementation policies that address identified problems and goals. Using the information gathered from previous steps, develop:

- the rationale for needs
- the goals of the community improvement plan
- a description of project area characteristics
- a description of planning policies applicable to the project area
- a description of community improvement strategies and actions, including:
 - » incentive-based programs
 - » marketing strategies
 - » monitoring policies.



2e. Develop detailed implementation policies for each incentive-based program. Building on information gathered, program details may include:

- program goals
- program duration
- eligibility criteria
- terms of incentive
- application requirements
- compliance requirements
- written agreement requirements
- program administration information.

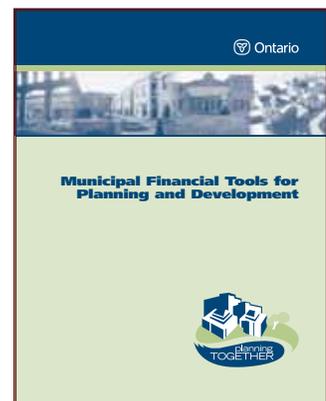
Tailor eligibility criteria for each program. Despite program differences, there are common criteria that municipalities incorporate into their programs that include, but are not limited to:

- who may apply for an incentive
- the number of applications permitted (i.e., per year, per property)
- business plan requirements
- eligible rehabilitation costs
- the maximum amount of financial assistance to be made available
- a municipal option for the independent audit of submitted costs at the applicant's expense
- a requirement that property taxes are in good standing
- requirements for supporting documentation (e.g., work plan, budget for remediation or copy of a filed Record of Site Condition acknowledged by the Ministry of the Environment)
- municipal recourse where the terms of the incentive are not met
- conformity requirements with relevant legislation, policies, regulations and any outstanding work orders
- grant or loan agreement requirements.

Other Incentive-Based Programs

In addition to programs dealing with lands, grants, loans and property tax assistance, municipalities may offer other incentive-based programs such as:

- reducing or cancelling fees for planning applications under the Planning Act;
- Brownfields Financial Tax Incentive Program under the Municipal Act, 2001, or the City of Toronto Act, 2006;
- tax increment equivalent financing;
- heritage grants under the Ontario Heritage Act;



-
- Heritage Property Tax Relief (HPTR) under the Municipal Act, 2001, or the City of Toronto Act, 2006 and/or
 - exempting all or part of a development charge under the Development Charges Act, 1997.

If these programs are included in community improvement plans, they should be set out as a separate policy section with the following suggested wording added:

These programs are not section 28 Planning Act programs but are intended to augment and support the programs contained in this community improvement plan. The legislative authority for these programs is based on....

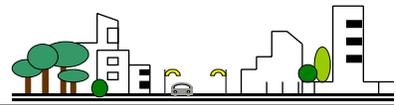
2f. Develop marketing policies to promote the uptake of your programs. Political leadership and municipal staff expertise and support are key components for the promotion and success of these programs. Methods vary, but some frequently used approaches include:

- website information
- brochures/pamphlets
- information dissemination at conferences and workshops
- real estate marketing forums
- advertising in trade magazines and local newspapers
- updated land inventory information
- partnerships with community groups, local business associations and other levels of government
- a community liaison to raise public awareness.

2g. Develop criteria to measure and monitor the effectiveness of your land or financial assistance programs. Measurable criteria relating to program goals may involve increases or decreases. For example:

Increases In:

- employment (full and part time)
- heritage property conservation
- housing units (including affordable housing) in transit-served areas
- property tax revenues through land use intensification
- parks and other community facilities
- resource efficient development (including energy, land water)
- retail uses in core areas
- public transit accessibility and ridership
- contaminated land clean up
- air and water quality
- mixed use (re)development
- properties accessible to people with disabilities.



Decreases In:

- neighbourhood crime rate
- commercial and industrial vacancy rates
- retail and commercial bankruptcies
- municipal costs for extension of water, sewer and road services
- number of people on affordable housing waiting lists
- youth out-migration from northern communities
- unemployment within targeted groups (e.g., skilled immigrants and youth)
- daily car trips to meet basic needs
- water and energy consumption.

2h. Further stakeholder input may be desirable at this point. In addition, the Planning Act requires that the Ministry of Municipal Affairs and Housing be consulted in the preparation of the plan in advance of the public meeting (ss. 17(15)(a) and 28(5)), even though community improvement plans no longer require the approval of the Minister of Municipal Affairs and Housing.

2i. Develop an Action Plan for the allocation of resources and development of administrative practices and procedures necessary to implement your programs. This detailed workplan should show a breakdown of tasks that includes:

- researching other municipalities for best operational practices
- required staff resources and department responsibilities
- requirements for communicating goals and objectives to assigned staff
- staff training requirements
- resources needed to develop program guidance/procedural material including:
 - » creation of forms (e.g., program applications) and agreements
 - » screening, reviewing and approval of applications
 - » system for issuing financial assistance payments
 - » marketing approaches
 - » program monitoring procedures
 - » system for regular assessment of service delivery
 - » internal reporting requirements
- requirements for legal advice
- cost estimates for establishing each program
- timing for each task.

Report your Action Plan to council, including any funding requirements. Identify resource or operational constraints that might inhibit the effective establishment of your programs.

-
- 2j. Finalize the draft community improvement plan and circulate** it to the appropriate Ministry of Municipal Affairs and Housing Municipal Services Office, and any other interested persons or organizations. Once comments are received from the circulation process, revise the draft plan where appropriate.
- 2k. Schedule and hold a formal public meeting** no earlier than 20 days after the requirements for giving public notice have been completed. As part of the notice requirements for a public meeting on a community improvement plan, a municipality is required to include statements on who may appeal (s. 17(24) of the Planning Act) and any restrictions on who may be added as a party to an appeal before the Ontario Municipal Board (s.17(44.1)).
- 2l. Finalize the community improvement plan and forward it to council for adoption** by bylaw, after making any necessary revisions based on public input.

Specify funding requirements for council’s consideration. Provide all necessary information such as program amount, duration, purpose, etc., and request funding commitment for each program. Include any funding requirements associated with the Action Plan in Step 2i.

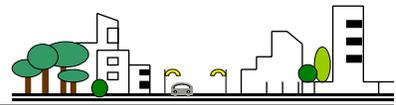
Ideally, funding commitments should be made at the same time or immediately after adoption of the community improvement plan.

- 2m. Finalization of Plan.** Once a decision is made and notice is given (in accordance with the requirements under the Planning Act), and if there are no appeals within 20 days, the decision is final.

Stage 3

Implementing Your Plan ...

- 3a. Put your Action Plan** into place including:
- **establishing marketing programs** to raise interest in and stimulate uptake of each program. This is an opportunity for municipal councillors and staff to:
 - » create partnerships within the community, including the business and development sectors
 - » network through workshops and conferences
 - » be an “ambassador” for your community improvement programs
 - » raise community awareness for municipal improvement priorities
 - » identify community-based “champion(s)” to support and promote your programs.



- **conducting ongoing screening, reviewing and approval** of applications for financial assistance based on detailed eligibility criteria established in Step 2e. Enter into agreements where required.
- **administering agreements and issuing** financial assistance payments.

Note: If your plan uses the BFTIP, the Province needs to approve the BFTIP bylaw. These should be sent to your local Ministry of Municipal Affairs and Housing Municipal Services Office.

3b. Periodically monitor each program based on established performance criteria to determine, among other things:

- whether established targets for program uptake are being met
- if desired outcomes for the community are being achieved
- if program participants are completing their commitments
- the full benefits and costs of each program.

3c. Periodically monitor service delivery of each program to determine, among other things, if:

- service delivery is satisfactory
- delivery methods need adjustment
- further staff training is required
- other municipal best practices can be adopted.

3d. Make adjustments based on information gained through monitoring. Changes may relate to policies, programs, administration or funding.

At a Glance...



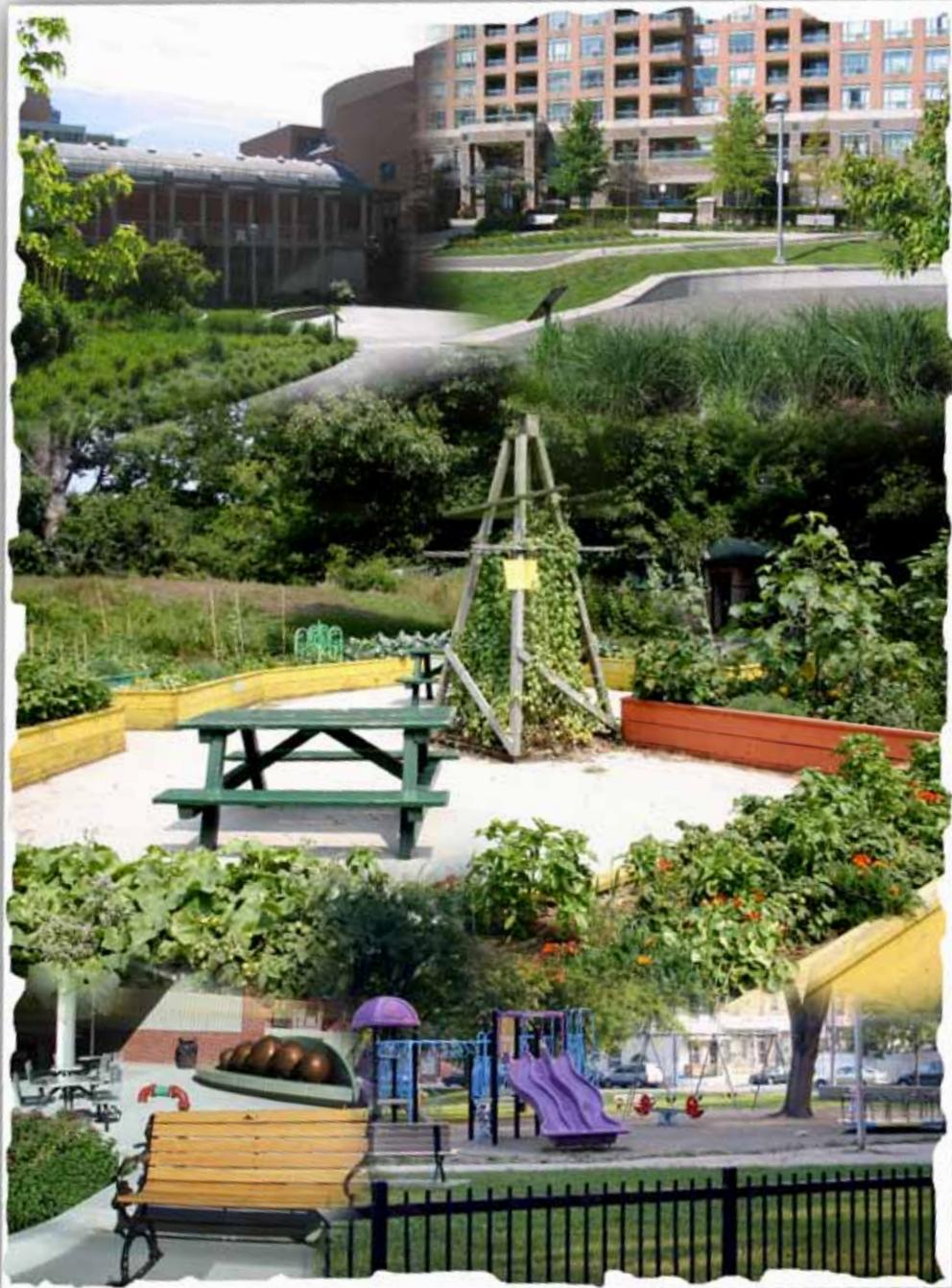
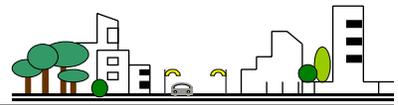
A Municipal Checklist

A checklist may help determine whether key elements in a community improvement planning process have been considered. Each item relates to an important aspect of a community improvement program.

Municipalities may wish to develop their own checklist to reflect areas that they consider to be the most important.

Checklist

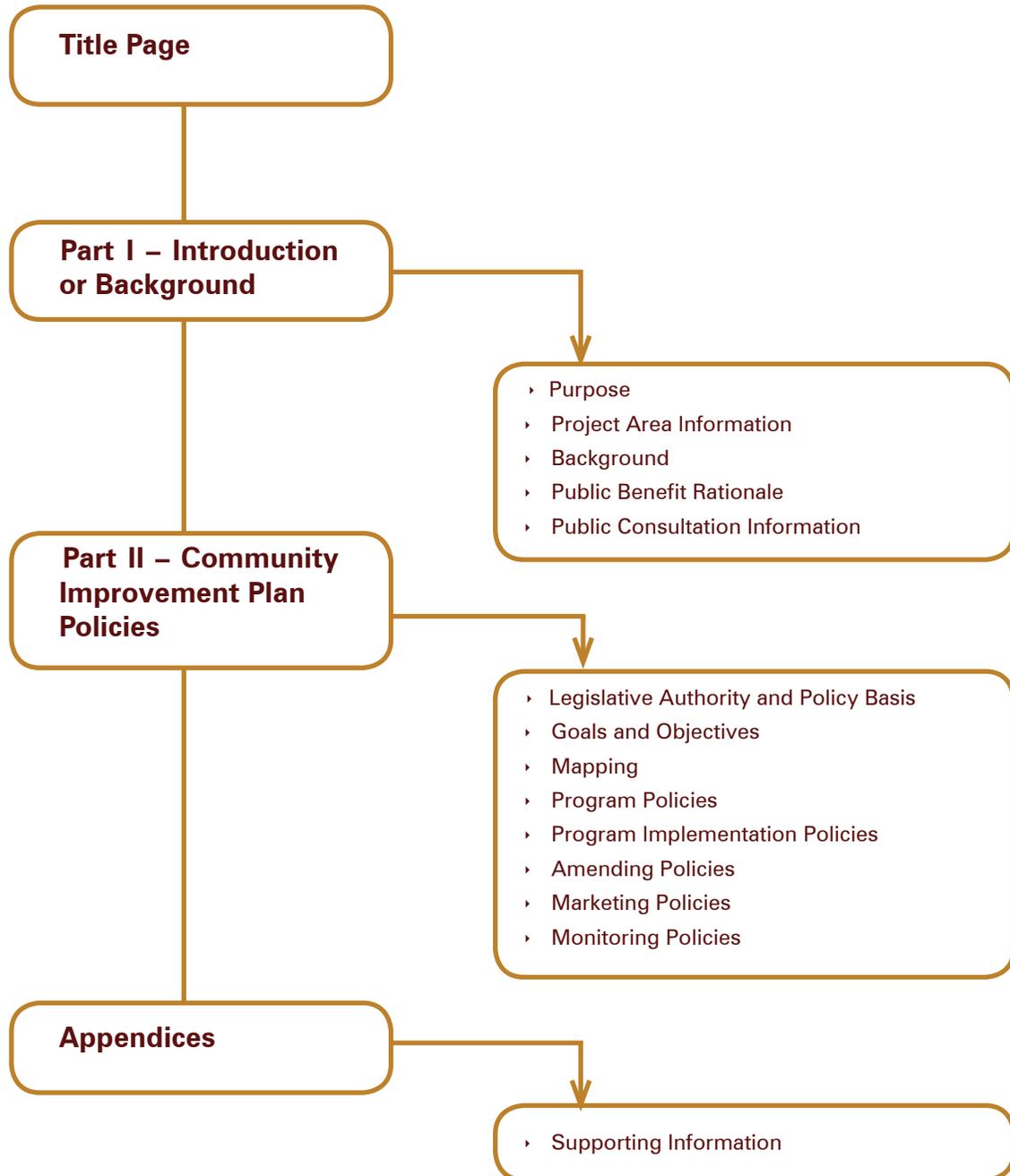
		Yes	No	Take Action
1	Do you have internal and external support for community improvement planning?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Is your needs analysis sufficient to determine your community opportunities, challenges and priorities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Have you developed a comprehensive and inclusive consultation strategy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Are your programs adequately informed by the needs analysis and citizen/stakeholder input?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Have you addressed any resource or operational constraints that would inhibit the effective establishment and delivery of each program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Have there been discussions between upper and lower-tier municipalities regarding the participation in each other's programs to facilitate achievement of common goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Do you have a municipal "ambassador" or community-based "champion" to support and market your programs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Are you monitoring your programs to ensure that community benefit goals are being met and that the benefits outweigh the costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Are changes needed to the policies, programs, administrative practices or funding commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

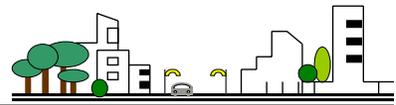


Greening Your Communities

Chapter 4 - A Community Improvement Plan Structure

The following is basic layout used by some municipalities for their community improvement plans. Municipalities should consider adjustments to accommodate and reflect local priorities.





Title Page

For information purposes and easy reference, title page information may include:

- the community improvement plan title
- a description of the community improvement plan (e.g., Core Area Revitalization Strategy)
- the name of the municipality
- the date of the community improvement plan
- the enacted bylaw number, including date passed.



Part I - Introduction or Background

Set the stage for the policies set out in Part II by addressing the **what, where** and **why** of a proposed community improvement plan. Basic information may include:

- the purpose for community improvement planning (community vision)
- a description of the community improvement project area, reasons for choosing the area or boundary and designating bylaw information
- a description of relevant official plan policies
- an identification of needs (social, environmental, economic, physical) linked to community improvement goals
- the public benefit rationale
- a description of previous community improvement initiatives where relevant
- a summary of the public/stakeholder input process.

Part II - Community Improvement Plan Policies

These policies direct, co-ordinate and manage future improvement activities to be encouraged or undertaken within the identified community improvement project area. Basic information may include:

Planning Act Matters and Related Information

Provide information relating to community improvement plans that may be necessary or desirable under the Planning Act, such as:

- the community improvement plan process
- reasons for community improvement actions in relation to s. 28(1)
- the powers that a municipality can exercise (Note: upper-tier matters are prescribed in O. Reg. 550/06)
- a summary of approved official plan policies related to community improvement planning (a copy of the policies may be included as an appendix).

Where other non-community improvement-based programs are to be included, statutory references for the programs may be identified and summarized in this part of the community improvement plan.

Goals and Objectives

Community goals and objectives guide improvement activities. Generally, the goals connect to your overall community improvement vision, while the objectives clarify how the goals will be achieved. For example:

Goal: Improve the physical environment of the downtown core

Objectives:

- Focus redevelopment, infill and mixed use opportunities in the core area.
- Maintain and improve public space and pedestrian linkages.
- Traffic calming through alternative design standards for roads.
- Increase affordable housing opportunities through grant or loan programs.
- Improve the appearance of historic commercial buildings through façade improvement loan programs.
- Stimulate private sector clean up and redevelopment of contaminated lands through grant programs.
- Enhance energy supply and conservation through grant or loan programs.
- Promote streetscape improvements such as benches and bicycle parking facilities.
- Require built form that is accessible to everyone including senior citizens and persons with disabilities.
- Improve efficiency and sustainability of regional wastewater works/ stormwater works through the area.
- Facilitate or encourage the redevelopment of lands and buildings to achieve densities that support transit use through grant or loan programs.



Mapping and/or Description

The structure of the community improvement plan determines the appropriate place for mapping and/or descriptions of the community improvement project area. Some municipalities provide this information in Part I, some in Part II and some in the Appendices. Where relevant, other mapping/location data may be included for public information, such as:



- existing official plan land use designations
- existing land uses
- existing land use designations
- zoning bylaw map excerpts
- land ownership
- previous / existing community improvement initiatives
- environmentally sensitive areas.

Program Policies

Program policies reflect the vision, goals and objectives of the community improvement plan. Whether programs relate to municipal improvement activities or incentive-based programs, a clear connection to the plan's vision, goals and objectives is important. Minimum information includes:

- program context
- program parameters.

Well written program policies help potential applicants understand municipal requirements which, in turn, can support the uptake of available programs.

Program Implementation Policies

Implementation policies such as screening and evaluating applications and grant or loan agreement requirements may be combined with program policies or addressed separately.

Clarity of rules and procedures will make the programs more accessible to potential program applicants, and facilitate effective program delivery by municipal staff. Clarity is also important for grants and loan programs between upper and lower-tier municipalities.

Amending Policies

A community improvement plan may reference the fact that amendments may be needed in the future, common reasons being boundary adjustments, criteria changes, incentive increases or new funding programs. Amendments are subject to the provisions of the Planning Act with respect to notice and public involvement. Also, community improvement plans often contain an interpretation section to provide direction on where certain matters such as numerical figures may be interpreted as approximate rather than definitive.

Marketing Policies

The uptake of programs depends on using a variety of methods to raise awareness among your target audiences. An effective marketing strategy that includes ambassadors or champions can help municipalities realize their community goals.

Potential leaders and partners could include:

Municipal “Ambassadors”

- municipal councillors
- appointed staff members

Community “Champions”

- business organizations
- development sector representatives
- community groups
- non-profit organizations.

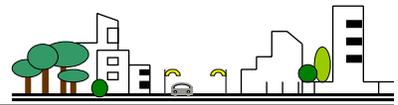
Monitoring of Programs

Determining whether program outcomes meet expectations is critical for the fiscal and economic well being of municipalities. Clearly specified measures (e.g., increase in municipal property tax revenues from intensification) may be easier to gauge than general goals (e.g., economic development of the community).

Appendices

Relevant supporting information is usually attached as appendices. Examples include:

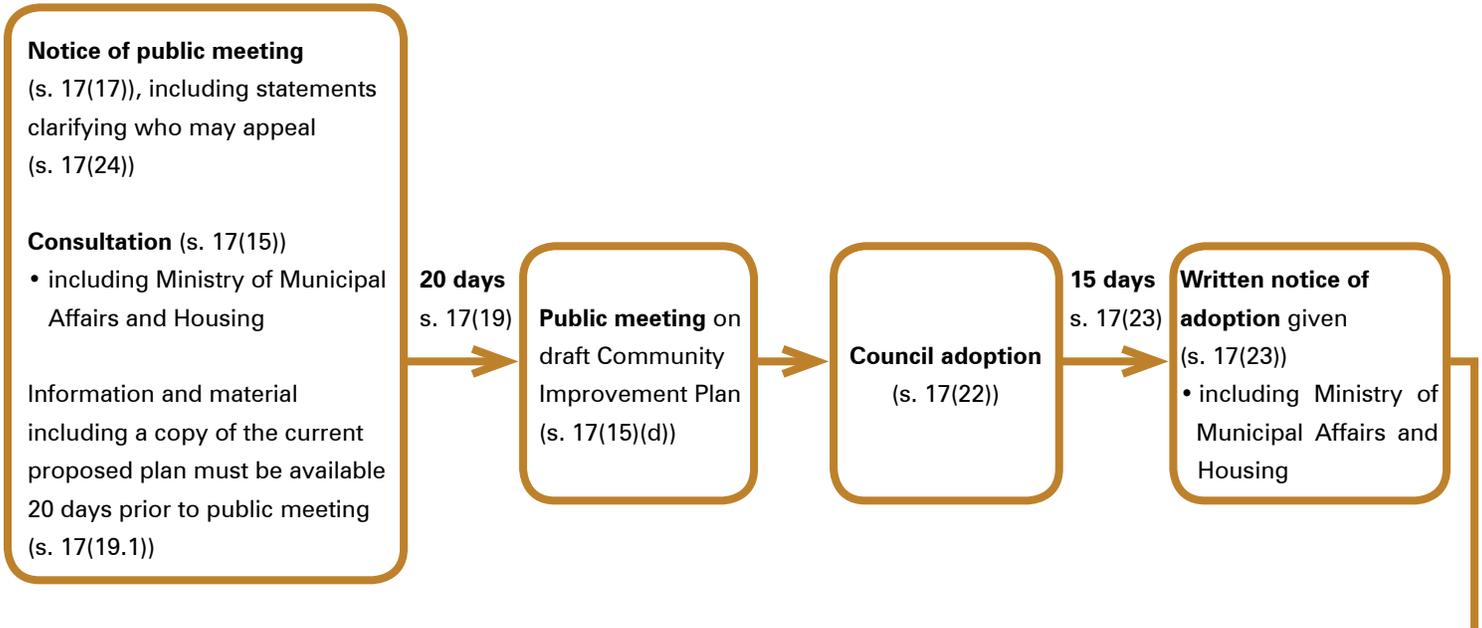
- background studies and analysis
- relevant staff reports
- information on previous or overlapping plans in the project area
- a record of stakeholder involvement
- excerpts of municipal policies, official plans, bylaws and any other relevant documentation
- mapping and/or descriptions of the community improvement project area.



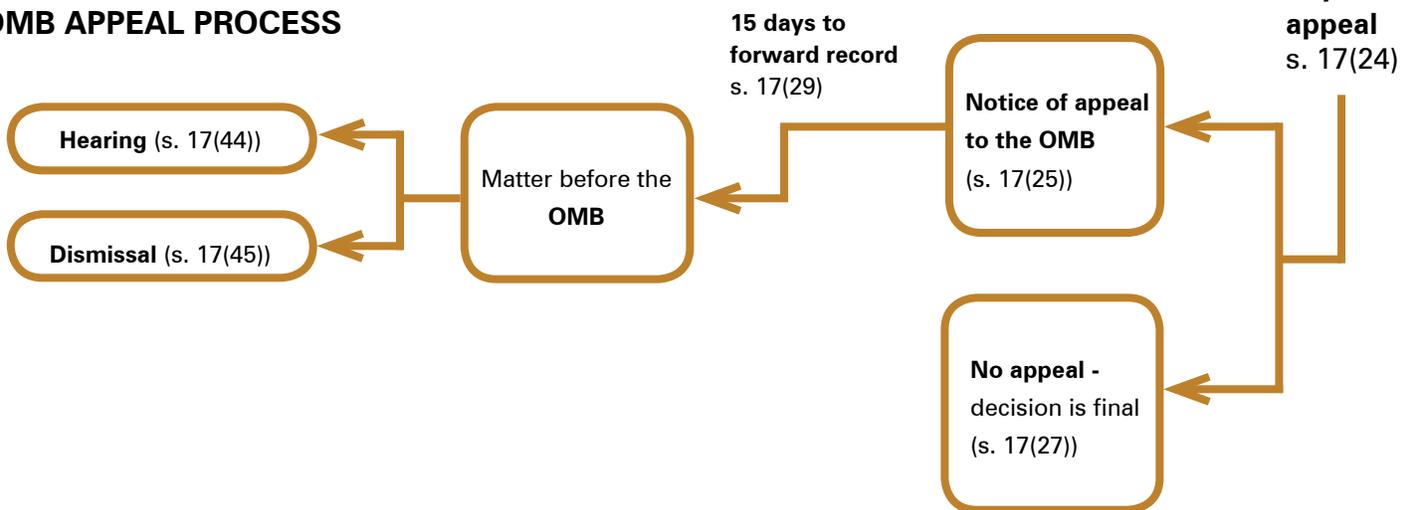
Appendix A

Public Notice Process

MUNICIPAL PROCESS



OMB APPEAL PROCESS



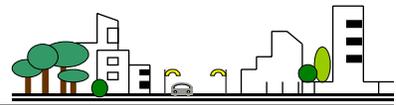
Appendix B

Grant or Loan Agreement Provisions

The following lists provide some information on the basic kinds of grant or loan agreement terms or provisions that may be used by municipalities. Municipalities are responsible for their decisions about their agreements. The provisions used and their content may vary according to local factors. The development and evaluation of agreements is an example of a matter, like others in the handbook, for which municipalities often seek independent legal advice.

Note: An agreement concerning a grant or loan program may be registered against the land to which it applies (s. 28(11) of the Planning Act).

- Property information, including:
 - municipal address
 - assessment roll number
 - legal description
 - name of registered owner
- Owner/Applicant information, including:
 - name
 - mailing address
 - telephone number
 - facsimile number
 - e-mail address
- Project compliance requirements with the community improvement plan, section 365.1 of the Municipal Act, 2001, section 28 of the Planning Act and any other requirements specified in the agreement (e.g., work orders, building permits, orders to comply)
- Where the owner/applicant is a corporation, supporting documentation that the corporation:
 - is incorporated and in good standing
 - has the authority to enter into an agreement
 - is not subject to any action, suit or claim affecting its financial capacity
- Eligible costs covered by the relevant grant or loan program
- Exclusion of costs covered by other funding sources, where applicable



- Estimated amount of grant or loan
- Timing and duration of financial assistance payments
- Interest rate of loan and repayment schedule
- Documentation requirements from owner/applicant relating to:
 - eligible cost estimates
 - studies (e.g., design studies, environmental studies)
 - business planning
 - any other required documentation
- Independent third party review and audit of all estimated and actual costs, where required
- Non-retroactivity provision, where applicable (i.e., financial assistance begins with municipal approval and execution of an agreement)
- Construction covenants, including (re)development commencement and completion dates and penalty for non-fulfillment of obligations
- Maintenance requirements for buildings and improvements that are subject to a grant or loan (e.g., cancellation or reduction of assistance)
- Requirement for proof of actual costs on completion of eligible works, and municipal discretion to lower or increase coverage based on actual costs
- Payment options where there is a change in ownership (e.g., original owner/applicant retains the financial assistance or may assign it to the new owner)
- Protocol governing communications between the owner/applicant and the municipality, including notification procedures where there is a change in ownership of the subject property
- Municipal inspection requirements to ensure activities subject to the grant or loan are in conformity with municipal approvals and terms of the agreement
- Specification of conditions of default, including:
 - use of grant or loan for non-permitted uses or ineligible costs
 - failure to pay taxes
 - non-compliance with bylaws or any other requirement of the agreement
 - corporate bankruptcy
- Municipal recourse in the event of default

For More Information

Ministry of Municipal Affairs and Housing

Website: www.ontario.ca/mah

Municipal Services Offices

For information and assistance, contact one of the Ministry of Municipal Affairs and Housing's five Municipal Services Offices or visit the Ontario Regional Area Municipal Portal: www.mah.gov.on.ca/OnRamp

Central (Toronto)

777 Bay Street, 2nd Floor
Toronto, ON M5G 2E5
(416) 585-6226 or Toll Free: 1-800-668-0230

Western (London)

659 Exeter Road, 2nd floor
London, ON N6E 1L3
(519) 873-4020 or Toll Free: 1-800-265-4736

East (Kingston)

8 Estate Lane, Rockwood House
Kingston, ON K7M 9A8
(613) 545-2100 or Toll Free: 1-800-267-9438

Northeast (Sudbury)

159 Cedar Street, Suite 401
Sudbury, ON P3E 6A5
(705) 564-0120 or Toll Free: 1-800-461-1193

Northwest (Thunder Bay)

435 James Street South, Suite 223
Thunder Bay, ON P7E 6S7
(807) 475-1651 or Toll Free: 1-800-465-5027

Ministry of the Environment

Website: www.ontario.ca/moe

For clean up of contaminated site information and assistance, contact your local regional office:

Air, Pesticides, Environmental Assessment and Planning Section Supervisor

Technical Support Section

Central (Toronto)

(416) 326-6700 or
Toll free: 1-800-810-8048

Southwestern (London)

(519) 873-5000 or
Toll free: 1-800-265-7672

Eastern (Kingston)

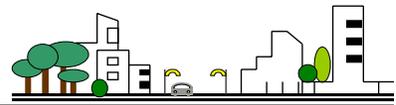
(613) 549-4000 or
Toll free: 1-800-267-0974

West Central (Hamilton)

(905) 521-7640 or
Toll free: 1-800-668-4557

Northern (Thunder Bay)

(807) 475-1205 or
Toll free: 1-800-875-7772
(807 and 705 area codes)



Ministry of Culture

Website: www.ontario.ca/culture

For information on Heritage Property Tax Relief, Ontario Heritage Tool Kit, heritage grants, heritage property inventories and heritage conservation districts, contact one of the following:

General Inquiry: 1-866-454-0049 or
(416) 212-0644

E-mail: General_Info@mcl.gov.on.ca

Central (Toronto)

180 Dundas Street West, Suite 502
Toronto, ON M7A 2R9
Phone: (416) 314-6044
Fax: (416) 314-2024
Toll free: 1-877-395-4105

West (Kitchener)

30 Duke Street West, 4th Floor, Suite 405
Kitchener, ON N2H 3W5
Phone: (519) 578-3600
Fax: (519) 578-1632
Toll free: 1-800-265-2189

East (Ottawa)

347 Preston Street, 4th Floor
Ottawa, ON K1S 3J4
Phone: (613) 742-3360
Fax: (613) 742-5300
Toll free: 1-800-267-9340

North (Thunder Bay)

435 James Street South, Suite 334
Thunder Bay, ON P7E 6S7
Phone: (807) 475-1683
Fax: (807) 475-1297
Toll free: 1-800-465-6861

Ministry of Agriculture, Food and Rural Affairs

Website: www.ontario.ca/omafra

For rural economic development information, contact the local office of the Rural Community Development Branch of the Economic Development Division:

WEST REGION

Economic Development Teams

Guelph

1 Stone Road West
Guelph, ON N1G 4Y2
Phone: (519) 826-4042
Fax: (519) 826-4336

Blenheim

245 Marlborough St. North
Blenheim, ON N0P 1A0
Phone: (519) 676-9850
Fax: (519) 676-9732

Owen Sound

173 8th Street East
Owen Sound, ON N4K 1K9
Phone: (519) 371-4717
Fax: (519) 371-1373

Woodstock

Unit B, 401 Lakeview Drive
Woodstock, ON N4T 1W2
Phone: (519) 537-2656
Fax: (519) 539-5351

Continued on the next page

**Ministry of Agriculture, Food and
Rural Affairs**

Website: www.ontario.ca/omafra

EAST REGION

Economic Development Teams

Belleville

284B Wallbridge Loyalist Rd.

P.O. Box 610

Belleville, ON K8N 5B3

Phone: (613) 962-2655

Fax: (613) 961-7998

Maxville

72 Mechanic Street West

P.O. Box 410

Maxville, ON K0C 1T0

Phone: (613) 527-2290

Fax: (613) 527-2569

Lindsay

322 Kent St. West

Lindsay, ON K9V 4T7

Phone: (705) 324-5715

Fax: (705) 324-1638

Smiths Falls

91 Cornelia Street West

Smiths Falls, ON K7A 5L3

Phone: (613) 283-7002 ext. 112

Fax: (613) 283-7005

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