

City of Mississauga

Corporate Report



Date: 2017/03/17

To: Chair and Members of Planning and Development Committee

From: Edward R. Sajecki, Commissioner of Planning and Building

Originator's files:
CD.04.COM

Meeting date:

April 10, 2017

Subject

REPORT ON COMMENTS (Wards 4 and 7)

Downtown Community Improvement Plan

File: CD.04.COM

Recommendation

1. That the Downtown Community Improvement Plan, proposed in the report titled "Downtown Community Improvement Plan" dated March 17, 2017 from the Commissioner of Planning and Building, be approved and that an implementing by-law be prepared
2. That a by-law delegating authority to the City Manager, to approve the Downtown Community Improvement Plan Development Processing Fees Grant and Tax Increment Equivalent Grant as proposed in the report titled "Downtown Community Improvement Plan" dated March 17, 2017 from the Commissioner of Planning and Building, be prepared
3. That the City Manager be authorized to sign Incentive Agreements that stipulate the terms and conditions for the granting of incentives under the Downtown Community Improvement Plan
4. That the Region of Peel be requested to develop a Regional Community Improvement Plan to support office development in Mississauga's Downtown

Report Highlights

- A public meeting was held to receive comments from the public and interested stakeholders on the draft Downtown Community Improvement Plan.
- The CIP is an enabling tool. This means should Council approve the CIP, there is no commitment of any financial loans or grants at this time. Rather, the CIP enables consideration of future granting and loan opportunities on a case-by-case basis.

- It is proposed to make the incentive programs time limited to five years. It is also proposed that a delegation by-law be prepared to authorize the City Manager to approve applications requesting the planning fees and/or Tax Increment Equivalent Grant incentive.
- The Region's portion of the tax dollar collected is greater than that of the City, as such, it is requested that the Region of Peel participate in Mississauga's Downtown CIP in order to make the incentives more meaningful.

Background

The Downtown Community Improvement Plan (CIP) is intended to enable the City to provide financial incentives, as permitted by the *Planning Act*, to landowners and tenants to offset the high costs of constructing parking for office development in the downtown. It has been over 20 years since the downtown has seen significant office development. New office development will create jobs, balance growth, and support planned infrastructure investment.

The proposed incentive programs are premised on the "but for" argument: but for the provision of incentives the development would not likely have occurred. Moreover, the potential tax revenues to the City and related social/economic benefits would also not materialize.

A public meeting was held on October 24, 2016 to allow the public and interested stakeholders the opportunity to provide comments on the draft Downtown CIP. Representatives of Oxford Properties and Morguard Investments Limited¹ made deputations and provided written comments (Appendix 1 and 2). Written comments were also submitted by Goodmans LLP, legal representatives of Oxford Properties (Appendix 3) and the Ministry of Municipal Affairs and Housing (Appendix 4). Two residents attended the public meeting providing verbal comments.

An overview of the primary comments received at the public meeting is briefly outlined below:

- Greater certainty on the granting of the Tax Increment Equivalent Grant (TIEG) specific to timing and possible delegation of authority to staff
- Greater clarity on the amount of incentive potentially available
- Concern that the Downtown CIP did not apply to existing office developments
- Question if financial incentives are still needed now that the City is planning the construction of the new light rail transit (LRT)

Comments

Following the public meeting, staff have reviewed and considered the input received. Detailed comments received and staff's responses can be found in Appendix 5. The final version of the

¹ Written submission provided by Wood Bull LLP on behalf of their client Morguard Investments Limited.

Downtown CIP is attached as Appendix 6. The following section provides staff's response to the primary issues raised.

Granting of TIEG Incentive

Staff are not recommending a change to the TIEG incentive. The amount that may be available would be determined after an application has been submitted and evaluated. It is recommended that the City Manager be given authority to approve office development requests for TIEGs and planning fees, provided they meet all the criteria, up to a maximum office gross floor area of 500,000 sq.ft. (46, 452 m²). Once the City Manager has approved applications up to this amount of office space, all other applications would require Council approval. Delegation will allow for a timely response to applications, however, the City Manager may still choose to have Council approve applications.

The 500,000 sq.ft. (46, 452 m²) will ensure the City remains competitive. Office development trends in other municipalities, in particular the City of Vaughan, show typical office projects (two buildings) approved through the use of a TIEG program equate to a total of 465,000 sq.ft. (43,000 m²). This amount is in keeping with projects within Mississauga that have recently chosen to locate along the LRT corridor rather than the downtown. Last year, Royal Sun Alliance (RSA) announced they will be constructing a 221,000 sq.ft.(20,531 m²) office development in the Gateway Corporate Centre.

Application of CIP

The Downtown CIP is intended to incentivize new office development; existing office development is not recommended for inclusion in this program.

Relationship to LRT

Staff have re-evaluated the "but-for" test in the downtown and it remains valid. The CIP is a five year pilot. Once the LRT is constructed the "but for" test will be reassessed to determine whether incentives are still required.

Region of Peel Community Improvement Plan

Providing incentives at the Regional level would enhance proposed City programs. Today, the City receives one-fifth of every commercial/industrial tax dollar collected (20%).² The Region collects 27% of the commercial tax dollar, while the remaining 53% is directed to education. The Regional Official Plan policies enable the establishment of a Regional CIP. Consequently, the incentives provided in the Downtown CIP would be more attractive if they were combined with

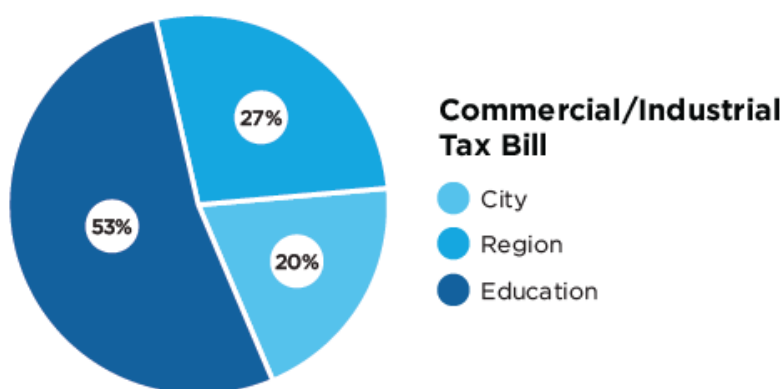


Figure 1: Distribution of the Commercial/Industrial Tax Dollar collected in Mississauga

financial incentives provided by the Region. It is recommended that Council request the Region to develop a Regional CIP that supports Mississauga's Downtown CIP.

Next Steps

A by-law will be prepared to implement the CIP. Once approved by Council, a notice will be issued and a 20 day appeal period will

commence. Appeals are resolved at the Ontario Municipal Board.

Strategic Plan

The vision for the downtown was first established through the Strategic Plan. The Strategic Plan identifies five strategic pillars for change, each one playing a critical role in shaping the future of the city. They are: Move, Belong, Connect, Prosper and Green. A strategic goal under the Connect pillar, which focuses on "completing neighbourhoods", is to create a vibrant downtown. A vibrant downtown is one that is the civic and cultural soul of the city, as well as a strong economic centre. The Prosper pillar aims to develop talent, attract innovative business and meet employment needs.

Financial Impact

The Downtown CIP will have financial impacts once an application is submitted and approvals granted. Applications will be reviewed on a case-by-case basis. Participation in the TIEG program would require that the applicant pay taxes each year. Once the development is completed and an assessment conducted for the new development, a grant will be provided to the developer based upon the agreed terms. Since construction of an office building would take several years, the budget process would allow sufficient lead time to anticipate the incentive. No budget is allotted for this CIP; as such, funding for the construction of possible municipal parking spaces or structures would need to be determined.

² <http://www.mississauga.ca/portal/cityhall/budgethighlights>

Conclusion

The Downtown CIP is an enabling tool that gives the City the ability to provide incentives to office development. The goal of the CIP is to draw more job opportunities to the downtown for the purposes of balancing growth and creating a healthy, complete community. Each application will be reviewed on a case-by-case basis and requires the approval of Council or the City Manager, where delegated. Staff have reviewed the comments received on the draft Downtown CIP and have proposed some changes. It is recommended that the Downtown CIP be adopted.

Attachments

- Appendix 1: Letter dated October 27, 2016 submitted by John Filipetti, Oxford Properties Group Inc.
- Appendix 2: Letter dated October 24, 2016 submitted by Johanna R. Shapira, Wood Bull LLP, on behalf of Morguard Investments Limited
- Appendix 3: Letter dated October 20, 2016 submitted by Mark Noskiewicz and Ian Andres, Goodmans LLP on behalf of Oxford Properties Group Inc.
- Appendix 4: Letter dated October 4, 2016 submitted by Kasper Koblauch, Ministry of Municipal Affairs and Housing
- Appendix 5: Draft Downtown Community Improvement Plan – Response to Comments Table
- Appendix 6: The Downtown Community Improvement Plan - April 2017



Edward R. Sajecki, Commissioner of Planning and Building

Prepared by: Shahada Khan, Planner



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October 27, 2016

**City of Mississauga
Planning & Development Committee**
300 City Centre Drive
Mississauga, ON
L5B 3C1

Dear Chair and Members of the Planning and Development Committee,

RE: Mississauga Downtown Community Improvement Plan (CIP)

We represent the ownership of Square One Shopping Centre. On behalf of OMERS and AIMco, Oxford Properties operates, leases, and develops Square One and the surrounding lands. Our land holdings include 130 acres in the heart of Downtown Mississauga, including Square One Shopping Centre as well as over 30 acres of land in the Downtown that has the potential to accommodate future office buildings and mixed-use development. These parcels are currently occupied by low density uses, but with the coming investment in the new LRT and the opening of the BRT, these locations will have increased appeal for the development of office and mixed use buildings.

Oxford and its co-owner are committed to developing economically viable office buildings at Square One. Oxford Properties began as developer of office buildings some 60 years ago, and office space continues to be a major focus of our business. Over the past six years, Oxford has developed six major office buildings comprising over 4.5 million square feet in downtown markets including Calgary, Toronto, Vancouver and London, UK.

As noted in the Corporate Report dated May 24, 2016, higher costs to build structured or underground parking in the Downtown compared to surface parking in other regional locations make the economics of new construction in the Downtown challenging. The incentives proposed in the CIP are a great step forward in addressing this challenge. In particular the TIEG is a concept which has been effective in other jurisdictions. We are very focused on initiating new office development in the Downtown, and we supportive of the intent of the draft CIP.

We have reviewed the draft CIP and we would like to highlight three concerns. The attached memo from Goodmans outlines our concerns in detail. A summary of our concerns is as follows:

The first is related to project eligibility criteria. Subsection 7.4(h) could be interpreted to mean that only projects that conform exactly to the applicable zoning by-law and do not require Minor Variances would be eligible for the incentives. Modifications or amendments to the planning documents by way of Minor Variance (with support of planning staff) are often required to enable development to proceed. It would seem counter-productive to prevent this normal planning process from proceeding, assuming it is supported by Staff.

The second concern is related to the administration and approval process. The draft indicates that the CIP will be administered according to the City's Corporate Policies and Procedures; however we suggest that important aspects of the financial incentive programs such as the availability, amount, and duration of Tax Increment Equivalency Grants, should be clearly set out in the CIP and not left for interpretation on a case-by-case basis. Our most important concern is that all incentive proposals are subject to individual Council approval. This creates significant uncertainty and time delay for applicants. The commercial leasing



environment is very competitive. Schedules are short and usually a tenant seeking new space will not be able to accommodate the time required for a proposed package of incentives to go to Council for approval. By comparison, the City of Toronto's successful Imagination, Innovation, Technology Financial Incentive Program (IMIT) only requires Council approval where the value exceeds preset levels. The majority of applications are delegated to staff for processing, and approval is assured if the eligibility criteria have been met. This allows building developers and office users to incorporate the grants into their financial proposals with confidence. As drafted, the CIP would allow Council to review applications on a case-by-case basis, which creates uncertainty for the applicants. This will undermine the ability of the CIP to achieve its objectives.

The third concern is the cost of structured or underground parking in the Downtown, compared to more economical surface parking available to other development sites in the region. Although municipally funded parking is one potential solution as outlined in the draft CIP, it would also be advantageous to include other methods of directly mitigating the higher cost of parking in the Downtown.

We would welcome the opportunity to discuss these concerns in detail with Staff to make the CIP as effective as possible. Thank you for the opportunity to comment on this draft CIP.

Sincerely,
OXFORD PROPERTIES GROUP INC

A blue ink signature of John Filipetti, written in a cursive, flowing style.

John Filipetti,
Vice President, Development

CC: Mary Ellen Bench, City of Mississauga
Andrew Whittemore, City of Mississauga
Ed Sajecki, City of Mississauga
Jeffrey Hess, Oxford Properties Group
Cory Estrela, Oxford Properties Group



MUNICIPAL, PLANNING & DEVELOPMENT LAW

24 October 2016

Delivered Orally and Copy Delivered

City Councillors and
Planning and Development Committee Members
300 City Centre Drive
Mississauga, ON L5B 3C1

Dear Councillors and Committee Members:

**Re: Proposed Downtown Community Improvement Plan
Downtown Core Character Area
Planning and Development Committee
Public Meeting**

We represent Morguard Investments Limited ("Morguard") on its own behalf and as representative of Workers Compensation Board, with whom Morguard jointly owns the properties municipally known as 33, 55, 77 and 201 City Centre Drive, located in the Downtown Core of the City of Mississauga (the "Morguard Lands").

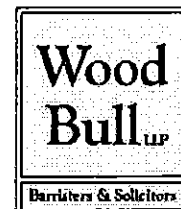
The Morguard Lands are presently developed with office buildings, which were constructed in the late 1960s and 1970s. As the City will know, since the acquisition of the buildings in 2000, the owners have invested significant capital to maintain these buildings as prestigious office locations, contributing to the strong economic centre of the Downtown Core. Office uses on these lands is consistent with planning vision established by the City's most recent planning vision for the Downtown Core, articulated in the Downtown 21 Master Plan and Official Plan Amendment No.8 ("MOPA 8").

We understand that, at its meeting this evening, the Planning and Development Committee is considering a draft community improvement plan for the Downtown Core Character Area Community Improvement Project Area, including the Morguard Lands (the "Draft CIP"). The stated purpose of the Draft CIP is to attract new office development to the Downtown Core.

Morguard applauds the City's efforts to transform the Downtown Core into a hallmark destination, and specifically, the City's efforts to stimulate the area as a strong and vibrant commercial centre. Morguard has been an active participant in stakeholder discussions about office development in the Downtown Core and ways to incentivize and support that development. In that context, Morguard has reviewed the staff reports respecting the Draft CIP that is before the Planning Committee this evening, as well as the draft plan itself, and offers the following comments for Council's consideration.

Johanna R. Shapira Direct: (416) 203-5631 jshapira@woodbull.ca

65 Queen Street West Suite 1400 Toronto Ontario M5H 2M5 T (416) 203-7160 F (416) 203-8324 www.woodbull.ca



24 October 2016

Comments

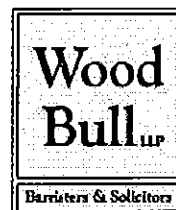
The Draft CIP does not adequately acknowledge and support existing office development in the Downtown Core. Although attracting new office space to the Downtown Core to “catalyze employment” is a laudable planning objective, it should not overshadow the importance of supporting the office building stock (and therefore current business community) present in the Downtown Core today.

In their 24 May 2016 report, staff identify sites at the north side of the Downtown Core as being the “most desirable for office building development”, and cite “other opportunities” for “future office buildings” around planned LRT stations. Notwithstanding that the Morguard Lands are located in close proximity to at least one of the newly proposed LRT stations, none of the existing office buildings located on the Morguard Lands are recognized in the report. The reference in the report that “some of the existing office buildings are reaching their end of life and are ripe for redevelopment” does not accurately describe the buildings located on the Morguard Lands, and respectfully, minimizes the importance of those buildings in generating employment for the Downtown Core in the decades to come (perhaps before any new office space materializes).

In planning to “catalyze employment” and create a complete community in the Downtown Core, Morguard respectfully submits that the existing office should be more properly acknowledged and supported. Adding explicit policy language and incentives around this objective to the Draft CIP would represent a positive move on that direction.

As noted in the staff reports, one of the major issues identified by stakeholders around office development in the Downtown Core is parking. This is not only a barrier for developers looking to build new office space, but a challenge for the landlords of existing buildings seeking to compete with other office locations in the GTA.

Regrettably, the Draft CIP does not acknowledge or address the parking challenge facing existing office landlords. Section 7.1 of the Draft CIP speaks to enabling “a “toolbox” of incentives” that can be used to “attract office development by providing incentives to offset the high cost of parking” but makes no reference to existing office. Furthermore, the “municipally-funded parking program” incentive (Section 7.2.3) contemplates that the City will build a municipal stand-alone parking facility, or co-locate a portion of municipally-owned parking within a private office building development. However, the Draft CIP does not address the very important issue of where such parking would be located. As noted above, it is important in planning for office development in the Downtown Core that preference is not given to new locations, to the detriment of already existing office buildings. Where a municipally funded parking solution is contemplated, a balanced and fair consideration of location that takes into account the needs of existing office development should be made.



24 October 2016

It is also notable that in the General Eligibility Criteria section of the Draft CIP (Section 7.4), there is no specific reference to existing office buildings other than "the adaptive reuse of existing office buildings". A specific reference to existing office buildings should be added.

Finally, we note that no party who has an outstanding appeal of MOPA 8 or the implementing zoning by-law amendments are eligible for receipt of the incentives. Morguard commenced discussions with staff about its appeals earlier this year, however, no has had no response to date about the matter. It is Morguard's anticipation that these matters can be resolved expeditiously.

Request

Morguard requests that the City modify the Draft CIP to address the concerns raised above, and bring those modifications forward to the various stakeholders in this process for further review and discussion.

Request for Notice

We hereby request notice of any future staff report, Planning and Development Committee, or Council meeting on this matter, as well as any municipal decision. Notice should be sent to the attention of the undersigned and to:

Margaret Knowles
Senior Vice President
Morguard Investments Limited
55 City Centre Drive, Suite 800
Mississauga, ON L5B 1M3

Email: mknowles@morguard.com

Yours very truly,

Wood Bull LLP

A handwritten signature in black ink, appearing to read "Jshapira", is written over a horizontal line.

Johanna R. Shapira

JRS/jrs

c. M. Knowles, Morguard Investments Limited



Memorandum

TO: John Filipetti October 20, 2016

CC: Cory Estrela **FILE NO:** 133038

FROM: Mark Noskiewicz / Ian Andres

SUBJECT: City of Mississauga - Proposed Downtown Community Improvement Plan ("CIP")

The purpose of this memorandum is to provide some preliminary comments with respect to the draft Downtown Community Improvement Plan dated May 2016 (the "Draft CIP"), which will be considered by the Planning and Development Committee on October 24, 2016.

We understand that the Square One owners are supportive of the City's CIP initiative, as they share the City's objective of providing incentives for Downtown office development. There are, however, some concerns with respect to the manner in which the Draft CIP is proposed to be implemented, as set forth below.

In order for the CIP initiative to be successful and to achieve its stated objective of stimulating investment in new office development, it must be more than just an "enabling tool". The City will have to demonstrate a willingness to actually deliver the financial incentives contemplated by the CIP, particularly the Tax Increment Equivalent Grants ("TIEGs"), and sufficient certainty should be provided within the CIP itself to enable landowners to rely on the availability of the TIEGs when creating and marketing their development proposals.

Eligibility Criteria

Section 7.4 of the Draft CIP provides certain eligibility criteria including the following:

- g. applicants with outstanding appeals to Mississauga Official Plan policies or amendments to the Downtown Core, Zoning By-law #0225-2007 and/or Interim Control By-laws # 0046-2011/0036-2012; or Downtown Core Built Form Standards, for the subject property, are ineligible; and
- h. only projects which conform to the policies under regulations referenced above in "g" are eligible.

All projects which comply with the policies of the Mississauga Official Plan and the applicable zoning by-laws, as may be amended or varied from time to time, should be eligible under the CIP. In our opinion, it would be inappropriate for a CIP enacted pursuant to Section 28 of the *Planning Act* to effectively limit landowners' statutory rights under other sections of the *Planning Act* to appeal municipally-initiated official plan and zoning by-law amendments, or to apply for rezoning or minor variances.

However, Subsection 7.4(h) could be interpreted to mean that projects would need to conform to the planning instruments as adopted by Council. The recently constructed expansions to the Square One Shopping Centre both required minor variances (with the support of planning staff), and in the case of the southwest expansion, Council-endorsed modifications to Mississauga Official Plan Amendment No. 8 (“MOPA 8”) and Zoning By-law Amendment 0050-2013. This potential interpretation of 7.4(h) would preclude the approach taken for the expansions, and would also preclude the possibility of future rezoning or official plan amendment applications.

Further, the Downtown Core Built Form Standards were implemented by way of By-law 0051-2013, which amends the City of Mississauga Site Plan Control By-law 0293-2006. As you know, this by-law cannot be appealed, notwithstanding the concerns with the Built Form Standards which have been raised by the Square One owners and the other appellants to the other Downtown Core planning instruments. Moreover, some of the stringent urban design requirements in the Downtown Core planning instruments are contradictory to the requirements of potential office tenants and the market reality. While financial incentives may offset initial development costs, they will not offset the long-term costs associated with maintaining and leasing under-performing or poorly located office and retail spaces.

For all of these reasons, it seems unfair and counter-productive to make eligibility for the CIP contingent upon compliance with planning documents which may contain disincentives to office development, and for which there is no statutory ability to appeal or seek amendments. Modifications or amendments to the planning documents may be necessary to enable development to proceed in a viable and sustainable manner, which is a shared objective of the landowners and the City, and the CIP should not prevent this from occurring.

In any event, even if the above-noted concerns can be resolved by way of revision to the CIP, it seems fundamentally unnecessary to include any eligibility criteria requiring compliance with applicable planning regulations and policies, as this is of course a pre-condition for approval of any site plan or the issuance of a building permit. For all of these reasons, we would recommend that subsections 7.4(g) and (h) be deleted from the CIP.

Administration and Approvals Process

The administration process set out in section 8.2 of the Draft CIP states that the CIP will be administered according to the details outlined in the City's Corporate Policies and Procedures, as approved by Council. While it is not entirely clear what this statement means, we believe that the program parameters and application requirements should be included in the CIP itself, as is common practice in other municipalities. Important aspects of the financial incentive programs, such as the availability, amount and duration of TIEGs, should be clearly set out in the CIP and not left for determination through agreements with individual owners.

The City is relying on section 28 of the *Planning Act* for the authority to provide development incentives to individual owners as an exception to the general anti-bonusing rule in section 106 of the *Municipal Act, 2001*. Accordingly, it is incumbent on the City to be transparent about the extent of the financial incentives to be provided, and to disclose sufficient information now to

allow stakeholders to understand exactly how the CIP will be interpreted and applied, so they can make an informed decision regarding the CIP and its operation.

In our opinion, it is also problematic that all proposals are subject to Council approval, as this creates significant uncertainty for applicants and potential applicants. The commercial leasing environment is highly competitive, and certainty regarding the availability of a TIEG would be a significant factor for tenants deciding whether to locate in downtown Mississauga or another municipality.

By comparison, the City of Toronto's Imagination, Manufacturing, Innovation, Technology (IMIT) Financial Incentive Program only requires Council approval where the construction value of the project exceeds \$150 million or where the applicant is claiming eligibility as a 'transformative project'. The majority of applications are delegated to staff for processing, and approval is automatic if all of the eligibility criteria and conditions set out in the Toronto CIP have been met. The Toronto CIP also provides detailed rules as to how the TIEGs will be calculated and the term over which they will be paid out. This approach allows developers to market their proposals and to offer rent inducements to potential office tenants with a reasonable degree of certainty.

In Mississauga's Draft CIP, however, Council would reserve the right to assess applications on a case-by-case basis, and to cancel any of the incentive programs in the future without going through the *Planning Act* process to formally amend the CIP (section 8.3). Leaving aside the questionable legality of cancelling incentive programs without a public process, the more important point is that developers will not be able to rely on the availability of the grants and incentives, which will undermine the ability of the CIP to achieve its stated objectives.

For all of these reasons, we would recommend that the CIP be modified to include detailed criteria as to how the financial incentives (particularly the TIEGs) will be calculated and applied, and to authorize staff to approve applications and to enter into funding agreements with applicants (subject to compliance with the program requirements) so as to avoid the uncertainty of obtaining Council approval on each application.

Region of Peel Participation

Finally, as noted on page 7 of the May 24, 2016 staff recommendation report, without an equivalent program in place for the Region of Peel, the amount of the TIEGs available through the City's CIP will likely not be sufficient to achieve the desired result, as they would be limited to some percentage of the lower-tier municipal portion of the tax increment.

Accordingly, we agree with recommendation #4 of the staff report, which requests that the Region of Peel work with City staff to explore the development of a complementary community improvement plan for Mississauga's downtown.

**Ministry of
Municipal Affairs**

**Ministère des
Affaires municipales**

Ministry of Housing

Ministère du Logement



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October 04, 2016

Via Email Only

Ms. Shahada Khan, M.A, MCIP, RPP
Planner, City-Wide Planning
Planning and Building Department, Policy Planning Division
City of Mississauga
300 City Centre Drive
Mississauga, Ontario
L5B 3C1

Dear Ms. Khan:

**RE: Draft Downtown Community Improvement Plan
City of Mississauga
MMAH File No. 21-CP-168346**

Thank you for providing Ministry of Municipal Affairs staff with the opportunity to review the City of Mississauga (City) draft Downtown Community Improvement Plan (CIP).

The draft CIP contains financial incentive programs specifically designed to address the City's community improvement goal of establishing new downtown office development. This appears to align with the vision of the City's Downtown 21 Master Plan while contributing to a more complete, mixed-use, and transit-supportive downtown core. The draft CIP also proposes to expand the present community improvement project area, as originally designated by Council, to include the entire downtown core character area.

In general, Ministry of Municipal Affairs staff are supportive of the direction and programs proposed in the draft CIP. However, it is recommended that the CIP include additional detail respecting the implementation of financial incentive programs, such as the tax increment equivalent grant (TIEG).

The CIP should clarify how TIEG grants are intended to be calculated, rather than deferring such considerations to a future 'formal program agreement.' For example, the intended program duration, intended (or maximum) percentage of tax increment to be returned as a grant, and any conditions or limitations, should be specified in the CIP.

The CIP's Development Processing Fees Rebate Program, and Municipally Funded Parking Program, could equally benefit from greater detail respecting implementation.

While there is merit in maintaining some flexibility in the implementation of these programs, the CIP should provide the public and potential participants with some sense of the planned implementation. Such details will also help to ensure accountability and transparency respecting the financial incentives being proposed.

In addition to the above, the following comments on the draft CIP are offered for your consideration:

3.0 Vision (page 1 and 2)

- The reference to the 'Municipal Act' should be replaced with the 'Planning Act.'
- While the fifth paragraph states that the CIP is consistent with the City's Official Plan, the City may wish to elaborate on this point, for example by making reference to policies that support using a CIP to encourage office development opportunities.

3.0 Vision – Regional Government Participation (page 2)

- It is recommended that some additional details respecting upper-tier CIPs be included in this paragraph. It should be clarified that *prescribed* regional governments (such as the Region of Peel) are permitted to create community improvement plans. It may also be informative to note that upper-tier CIPs can only deal with prescribed matters, including land and buildings within and adjacent to existing or planned transit corridors that have the potential to provide a focus for higher density mixed-use development and redevelopment.

7.2.2 Development Processing Fees Rebate (page 5)

- It is recommended that the term 'rebate' be replaced with 'grant,' which aligns with the language of the Planning Act, and is the term used in Section 8.3 of the CIP.

7.2.4 Municipal Property Acquisition (page 6)

- The first sentence in the final paragraph notes that the CIP strategies are for private sector development. We recommend re-considering the requirement that development be 'private sector,' in the event that a public agency or level of government wishes to participate.

7.4 General Eligibility Criteria (page 6 and 7)

- Paragraph f. references Transportation Demand Management (TDM) measures. The CIP could refer to the official plan for further guidance with respect to such TDM measures and components of a TDM plan.
- The City should consider requiring applicants to not be in tax arrears in order to be eligible for CIP incentives.

- The City should consider specifying whether or not applicants could 'stack' incentives by taking advantage of multiple programs.

8.3 Amending Policies (page 7)

- It is recommended to replace the word 'discontinuation' with the word 'deletion' respecting those CIP changes that do not require an amendment.
- While this section includes a stipulation about 'other major revisions,' it may be helpful to list some examples of such revisions, for example, 'changes in eligibility criteria.'

Figure 1 (page 3)

- A higher-quality map with identifiable street names would help ensure the CIP's user-friendliness and clarify CIP boundary lines.
- The boundary of the CIP should follow property lines in order to aid in interpreting areas applicable to the CIP.

Formatting and Typographical Errors

- Introduction - page 1: The word 'remerging' may be intended to be 're-emerging' in the final paragraph.
- Vision – page 2: The word 'Peel' should be inserted before the words 'Regional Official Plan' in the fifth paragraph.
- Regional Government Participation – page 2: The acronym TIEG should be spelled out in the second sentence as this is the first instance of the term.

Thank you again for the opportunity to review and provide comments on this draft CIP. If you have any questions please do not hesitate to contact me at 416-585-6062 or by email at Kasper.O.Koblauch@ontario.ca

Yours truly,



Kasper Koblauch
Planner, Community Planning and Development (West)
Municipal Services Office – Central Ontario

Draft Downtown Community Improvement Plan – Response to Comments Table

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
	PROVISION OF INCENTIVES			
1	Are incentives needed now that LRT will be built?	Planning and Development Committee	<p>The residential market in the downtown is strong and viable. Opportunity for office has presented itself along the LRT corridor (e.g. within the Gateway Corporate Centre) where office tenants have the benefit of transit and surface parking. Currently, the office market still demands parking at a rate that is higher than the zoning by-law standard. In the downtown, the high cost of building parking, particularly underground parking, results in rents that become less attractive and competitive to other cities.</p> <p>A five year timeframe will be added to each program to align with the expected completion of the LRT at which time the incentive programs will be re-evaluated to determine if the CIP is still needed.</p>	<p>That a five year expiration from the date of Council adoption be added to each of the incentives in Section 7.2 Financial Incentive Programs.</p> <p>Section 8.5 Monitoring is amended by adding a paragraph that speaks to auditing by a third party to examine the need for incentives.</p>
2	Preference for the purchasing of land and development of city-owned parking structures.	Planning and Development Committee	Comment received and noted.	No change.
3	Details of the provision and eligibility of the TIEGs should be set out in the CIP. The requirement for Council approval would result in	Oxford Properties Group	The CIP is intended to be an enabling tool to allow the City to consider applications requesting incentives. The TIEG is structured to give flexibility depending on the type of development being proposed. Each proposal needs to be evaluated on a case-by-case basis. The needs of one proposal may be	<p>No change to the TIEG incentive.</p> <p>Staff recommend that a by-law be drafted for Council approval that delegates approval authority to the City Manager for the Development Processing Fees Grant and TIEGs up to 500,000 sq.ft.</p>

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
	significant uncertainty and time delays for applicants.		<p>different for another depending on the type of development proposed. Staff recommend that no changes be made to the TIEG.</p> <p>Staff have evaluated a number of options that would give the City Manager delegated authority to approve a TIEG incentive. Staff recommend that the City Manager be given the authority to approve application requests, provided they meet all the criteria and municipal goals and objectives, for the Development Processing Fees Grant and TIEGs for office development up to 500,000 sq.ft. (46,452 m²). Any application in excess of this amount would require Council approval, or once approved applications have reached the 500,000 sq.ft. (46,452 m²) approval threshold. The delegated authority does not preclude the City Manager from deferring approval to Council. Council approval would still be required for requests to the Municipally Funded Parking Program and Municipal Property Acquisition and Disposition.</p>	(46,452 m ²) of office development.
4	<p>The CIP should clarify how TIEG grants are intended to be calculated.</p> <p>Development Processing Fees Rebate Program and Municipally Funded</p>	Ministry of Municipal Affairs	<p>As noted above the intent of the TIEG grant is to provide flexibility to the City in terms of the value of incentive that could be granted.</p> <p>Reports to Council on all applications will be presented with a staff recommendation. For approvals that can be made through delegated authority, staff will prepare information reports to Council to report on</p>	No change to the TIEG incentive, however, a new paragraph is added to the "Implementation" section to speak to the valuation of the grant reflecting the assessment value conducted by MPAC and indicating that the grant reflect this amount in corresponding taxes.

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
	Parking Program could benefit from greater detail.		the application and grant requests.	
5	The wording “affordable price” under the Municipal Property Acquisition and Disposition section is unclear.	Staff	The intent for the Municipal Property Acquisition and Disposition incentive is revised to remove the reference to “affordable price” to reflect a price driven by the market.	Delete reference to “affordable price” and replace with “market or below market value”.
PROJECT ELIGIBILITY CRITERIA				
6	Projects requiring a minor variance would not qualify. Recommend 7.4 g and h be deleted dealing with criteria to conform to MOPA 8 and related zoning	Oxford Properties Group/Goodmans LLP.	These criteria are removed. All applications will be measured and evaluated against the planning policies in effect at the time of application.	7.4. g and h to be deleted.
7	Additional terms and conditions should be added to make clear the expectations of an applicant.	Staff	The terms and conditions of applicants granted incentives through the CIP may be different. A sample list of terms and conditions should be added as an appendix to the CIP for information only.	CIP amended to include an Appendix with terms and conditions that may apply to successful applicants.
OTHER MECHANISMS TO MINIMIZE COST OF CONSTRUCTING PARKING				
8	It would be advantageous to include other methods of directly mitigating the higher cost of parking in the Downtown.	Oxford Properties Group	<p>The intent of the CIP is to bridge the gap related to the cost of building parking so that rents can be more affordable for prospective tenants. The timing of the CIP is in-line with the completion of the LRT construction.</p> <p>New office in the downtown will benefit from the use of transit and access to the LRT and BRT, which in the long-term may reduce the</p>	No change.

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
			demand for parking. The City is also undertaking a Parking Master Plan so that future municipal lots are well planned and in appropriate locations. These strategies and improvements will help mitigate the high cost of constructing private parking spaces in the future.	
	CIP DOES NOT RECOGNIZE EXISTING OFFICE DEVELOPMENT			
9	The Draft Downtown CIP does not adequately acknowledge and support existing office development in the Downtown Core.	Morguard Investments Limited	<p>Existing office plays a critical role in the City's downtown economy and it is imperative to retain existing office. This CIP is intended to be a pilot. It has been many years since the City has considered the use of incentives. The City's objective is to attract new employment to the downtown, which the CIP aims to accomplish. This does not preclude future changes to the CIP that may add incentives directly targeted to existing office developments in the downtown.</p> <p>Other tools have been explored to assist the Morguard site at 200 City Centre Dr. to deal with parking constraints on their site. The City will continue to work with Morguard and other existing offices in the downtown to accommodate their parking needs if possible.</p>	No change.
	EXPECTATION FOR FUTURE OFFICE			
10	With technology, what is the expectation for office in the future? Additional parking may cause additional gridlock in the	June Samaras, Resident	Parking is still an influencing factor for tenants seeking an office location, although preference is given to locations with both parking and transit access. Office users also look for locations close to amenities. The LRT will influence changes in behaviour overtime,	No change.

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
	downtown		however, the provision of parking is still a requirement for office sites.	
	Consideration given to types of office in the downtown including creative industry or shared space for entrepreneurs.	Alex Lach, Resident	Creative industries are permitted in office buildings in the downtown, and are encouraged to located in the downtown especially for the purposes of creating networking hubs, synergy and innovation. These industries add to the vibrancy to the downtown and attract a young workforce.	Section 3.0 Vision of the CIP is amended to acknowledge that Creative Industry would be desired in the downtown.
Points of Clarification				
11	References to “major office” exclude opportunities for secondary or “boutique” style office	Staff	References to “major” have been removed to allow for opportunities for secondary or “boutique” style office. The eligibility criteria identifies a minimum office gfa of 5,000 m ² , which is considered secondary office in Mississauga Official Plan.	Remove references to “major” office.
12	The Development Processing Fees Rebate indicates in the Funding section that the rebate is prorated to only apply to the office portion of the development. Should this specification be added to TIEGs and Municipally Funded Parking Program?	Staff	Since the CIP incentives only apply to the office, if a mixed used development is proposed with an office component, only the office portion would qualify for incentives. The TIEG incentive should be amended to indicate that the tax grant would be prorated to only apply to the office portion of a mixed development.	Section 7.2.1 Tax Increment Equivalent Grant (TIEG) – Funding, has been revised to indicate that the grant would be prorated to only apply to the office portion of a mixed use development.
13	3.0 Vision – reference to “Municipal Act” should be replaced with “Planning Act”	Ministry of Municipal Affairs	Agree.	Reference to “ <i>Municipal Act</i> ” to be changed to “ <i>Planning Act</i> ”.

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
	Elaborate on point of CIP being consistent with Official Plan, reference to policies that support using a CIP to encourage office development opportunities		Agree.	Paragraph added to reference Mississauga Official Plan (Downtown Local Area Plan) policies that support CIP for office.
14	3.0 Vision – Regional participation – required added details regarding Region’s ability to have a CIP	Ministry of Municipal Affairs	Agree.	Sentence added to reflect Regional responsibility over prescribed matters.
15	3.0 Vision – Speak to public meeting to obtain comments from the public and interested stakeholders	Staff	Agree.	Reference to the public meeting held is added along with a brief description of the comments provided and how these comments have been addressed in the revised CIP.
16	4.0 Community Improvement Project Area – include wording to speak to the Council approved by-law to expand the boundaries.	Staff	Agree.	Wording added to reflect Council approved boundary change.
17	7.2.2 Development Processing Fees Rebate – term “rebate” should be replaced with “grant”	Ministry of Municipal Affairs	Agree.	The reference to the development fees incentive to be changed to “Development Processing Fees Grant” Other references to “rebates” have been replaced with “grants”.

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
18	7.2.4 Municipal Property Acquisition – first sentence, final paragraph references that strategies are for private sector development. Consider changing to allow for participation of public agency or level of government	Ministry of Municipal Affairs	Agree.	7.2.4 second section under Description add the following sentence: “Prospective public agencies or governments wishing to build office buildings may also apply to this program.”
19	7.4 General Eligibility Criteria – paragraph f. CIP could reference the official plan for policies on Transportation Demand Management (TDM) measures City should consider requiring applicants to not be in tax arrears in order to be eligible for CIP incentives CIP should indicate if programs could be “stacked”/combination of programs	Ministry of Municipal Affairs	Agree. A Transportation Demand Management Master Plan is currently underway and will inform official plan policies. Mississauga Official Plan has existing policies on TDM which would apply. Agree. Agree.	Reference to Section 8.5 Transportation Demand Management of Mississauga Official Plan has been added to the criterial eligibility item on TDM. Additional criteria to be added to restrict sites that are in tax arrears from being eligible to participate in the CIP programs. Wording to be added to clarify that applicants may apply for a combination of programs.

	COMMENT	RESPONDENT	STAFF RESPONSE	RECOMMENDED CHANGE
20	8.2 Administrative Process – delete reference to corporate policies and include wording to speak to information and application forms that can be found on the Planning and Building website.	Staff	Agree.	Wording added to reference additional information and application forms located on the Planning and Building website.
21	8.3 Amending Policies Provide examples of “other major revisions”	Ministry of Municipal Affairs	Agree.	“other major revisions” is amended by added the following as examples: program time frames, eligibility criteria.
22	Figure 1 – higher quality map required The boundary should follow property lines	Ministry of Municipal Affairs	Agree. The Community Improvement Project Area boundary has been approved by Council and follows the lines of the character area boundaries in the Official Plan.	The map will be replaced to provide better clarity. No change.

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the **downtown** community improvement plan

April 2017



TABLE OF CONTENTS

1.0 INTRODUCTION	1
2.0 PURPOSE OF THE CIP	1
3.0 VISION	1
4.0 COMMUNITY IMPROVEMENT PROJECT AREA	3
5.0 LEGISLATIVE AUTHORITY	3
5.1 <i>Municipal Act</i>	3
5.2 <i>Planning Act</i>	4
6.0 THE DOWNTOWN COMMUNITY IMPROVEMENT PLAN	5
6.1 Goals	5
6.2 Objective	5
7.0 INCENTIVE PROGRAMS/TOOLBOX	5
7.1 The “Toolbox” Approach	5
7.2 Financial Incentive Programs	5
7.3 Guiding CIP Principles	7
7.4 General Eligibility Criteria	8
8.0 IMPLEMENTATION	8
8.1 Activation	8
8.2 Administration Process	8
8.3 Amending Policies	8
8.4 Marketing the CIP	9
8.5 Monitoring the Plan	9
Appendix 1: Terms and Conditions for the Use of Incentives	10

1.0 INTRODUCTION

The Downtown Core Character Area (referred to as the downtown) is currently home to approximately 34,000 residents and 22,650 jobs. The downtown has been successful in attracting high density residential uses. However, no significant new office development has been constructed in the downtown in over 20 years.

In 1992, Mississauga's downtown was the most successful office location within the city, with approximately 3 million sq. ft. (279,000 m²) of prestige office space.¹ However, since then most office development has relocated to the business parks. Two of the major impediments to office development not occurring in the downtown are the cost of land and the cost of constructing underground parking.

Given vacancy rates are rising in the Greater Toronto and Hamilton Area (GTHA), there is significant competition for office.

Office development is cyclical in nature and the interest in downtowns is re-emerging. Businesses are interested in urban areas that are walkable and in close proximity to amenities and transit stations. The downtown has these, as well as, a strong residential base to support future office buildings. Although there appears to be growing interest in locating in the downtown, it is important to narrow the competitive gap between the downtown and other municipalities. New office development will support key transit infrastructure investments and the existing residential base.

¹ Mississauga Office Strategy Study, Final Report, 2008

2.0 PURPOSE OF THE CIP

The Downtown Community Improvement Plan (CIP) is a strategic tool intended to stimulate investment in office development.

This CIP is an enabling tool available to the City should a landowner or tenant be interested in participating in one or a combination of programs. The proposal must meet the criteria outlined in this CIP and advance the City's strategic priorities. All proposals are subject to City Council approval or that of its delegate.

3.0 VISION

Downtown 21 Master Plan

One of the strategic goals for the City is to create a vibrant downtown that will be the civic and cultural hub of the city, as well as a strong economic centre. The Downtown 21 Master Plan articulates the vision for the downtown and defines six guiding principles to achieve the plan's goals. They are:

1. Catalyze Employment
2. Build Multi Modal
3. Create an Urban Place
4. Living Green
5. Establish a Focus
6. Create a Development Framework with Predictability

The Downtown Core is to achieve a 1:1 population to employment ratio with a total population of 70,000 people and 70,000 jobs.

Mississauga Official Plan

Mississauga Official Plan Amendment 8 (MOPA 8) implements the vision of the Downtown 21 Master Plan. Mississauga

Official Plan (MOP) includes policies, as required by the *Planning Act*, that allow the City to designate community improvement project areas and prepare and adopt community improvement plans. The policies list the types of matters that a CIP may address, one of which is the identification of the need to encourage office and other employment opportunities.

The Downtown Local Area Plan (DLAP) includes various policies to support the provision of a community improvement plan for office in Mississauga's downtown. Attracting new jobs, particularly in the office sector to balance population and employment (Policy 4.1.c of DLAP) is identified as a guiding principle. Consideration of community improvement plans and other planning tools are identified as strategies to encourage, incent and support employment uses in the DLAP as well (Policy 5.1.3).

Type of Office in the Downtown

The top three industries in the Downtown Core are:

- Finance and Insurance
- Professional, Scientific and Technical Services
- Retail Trade

Emerging industries, such as Creative Industry, and office types, such as shared spaces, innovative spaces and cluster spaces, are highly encouraged in the downtown. These office uses would be permitted in the Office and Mixed Use designations in the Downtown Core.

This CIP is consistent with the existing MOP, MOPA 8 and Region of Peel Official Plan policies.

Regional Government Participation

Regional governments are permitted to create community improvement plans of their own or participate in those at the lower-tier level, provided they deal only with prescribed matters. The benefit of Regional involvement, especially for incentives such as Tax Increment Equivalent Grants (TIEGs), is that they can offer a larger grant than local governments, making these types of incentives more attractive to potential developers.

At this time the Region of Peel is not participating in this CIP.

Stakeholder Consultation

In the fall of 2015 staff engaged stakeholders to discuss a Community Improvement Plan, specifically the boundaries and potential incentives. The engagement revealed that in order to achieve office development, the boundary would need to capture opportunities beyond the existing downtown transit terminal. Staff also heard that incentives would help developers offset the cost of building parking. Further, Regional participation was said to be critical to the success of the program.

A public meeting was held on October 24, 2016 to provide members of the community and interested stakeholders an opportunity to comment on the draft Downtown Community Improvement Plan. There was general support for a CIP in the downtown.

Some of the comments raised at the public meeting include:

- Concern with the criteria requirement of applications complying to MOPA 8 and its related Zoning, as it would not provide for minor variance allowances

- Certainty around the amount of TIEG incentive that would be provided by the City
- Expedited timing of approvals under staff delegated authority
- Request that the incentives apply to existing office sites
- Consideration of the type of office expected in the downtown due to the changing nature of technology and its impact on office space needs and the amount of parking that would be required
- Comments on opportunities for creative industry within downtown office

Changes made to the Downtown CIP in response to these comments:

- The eligibility criteria is amended to delete the requirement that applications comply to MOPA 8 and its related zoning. Existing policies will apply
- The TIEG incentive is not changed. The CIP is intended to be an enabling tool so that applications can be considered on a case-by-case basis
- It is recommended that a by-law to delegate approval authority of the TIEG (up to a certain threshold) and Development Processing Fees Grant to the City Manager be prepared
- This CIP is intended for new office development. No changes have been made to make the incentives applicable to existing office developments
- The current office market still demands parking at a ratio greater than the zoning requirement, even if efficient transit is provided

- Creative industry is encouraged to locate in the downtown and would be permitted to do so under existing policies

4.0 COMMUNITY IMPROVEMENT PROJECT AREA

On March 6, 2013, Council passed By-law #0052-2013 thereby designating the Exchange District of the Downtown Core Character Area as a Community Improvement Project Area. By-law #0178-2016 was passed on September 14, 2016 that expanded the CIPA to the entire Downtown Core Character Area (Figure 1).

The rationale for expanding the boundary is to provide greater opportunity to attract office development to the downtown, with the objective of creating a complete community with a balanced population to employment ratio. This would ensure opportunities afforded by new light rail transit (LRT) and bus rapid transit (BRT) investments are capitalized.

The “but for” test establishes the need for the incentives and asks “but for the existence of X, would Y have occurred?”. This test applies to the downtown, i.e., but for any type of incentive, office development will likely not occur in the downtown.

5.0 LEGISLATIVE AUTHORITY

5.1 *Municipal Act*

Section 106(1) of the *Municipal Act*, 2001, c.M.45 prohibits municipalities from assisting, either directly or indirectly, any manufacturing

business or other industrial or commercial enterprise through the granting of bonuses for that purpose. However, an exception is made in Section 106(3) of the *Municipal Act*, 2001, for municipalities exercising powers under Section 28(6) or (7) of the *Planning Act*. Section 28 of the *Planning Act* allows municipalities with community improvement policy provisions in their Official Plans, to designate by by-law a “community improvement project area”. Once designated, a municipality may prepare a “Community Improvement Plan” which may provide either direct or indirect financial assistance to businesses in the designated area.

5.2 Planning Act

According to Section 28(1) of the *Planning Act*, a “community improvement project area” is defined as “a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable

because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.”

For the purposes of carrying out a CIP, a municipality may engage in the following activities within the community improvement project area:

- acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28(3))
- construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan (Section 28(6))
- sell, lease or otherwise dispose of any land acquired or held by it in conformity with the community improvement plan (Section 28(6))

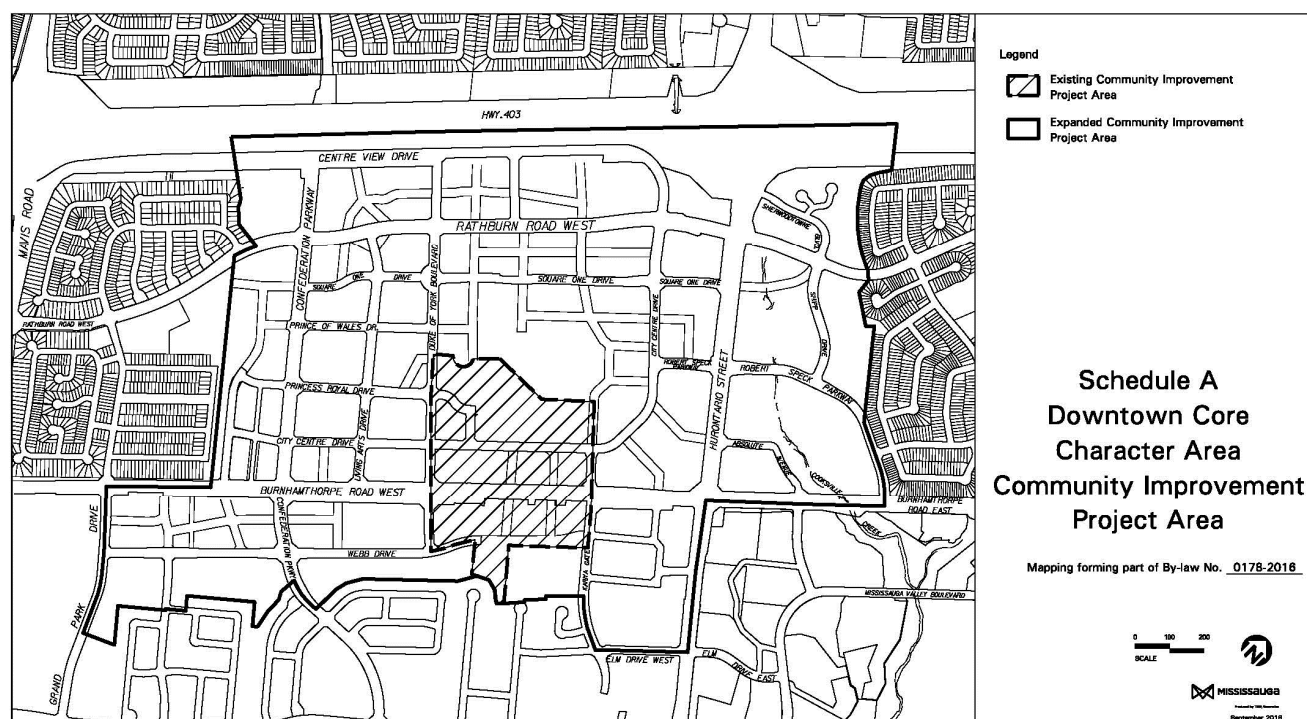


Figure 1: Downtown Core Community Improvement Project Area

- make grants or loans to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the cost of rehabilitating such lands and buildings in conformity with the community improvement plan (Section 28(7))

6.0 THE DOWNTOWN COMMUNITY IMPROVEMENT PLAN

6.1 Goals

The key goal of the CIP is to attract office development, which in turn creates employment.

Attracting additional employment to the downtown will help balance growth and create an active, vibrant environment that:

- a. provides a lively, pedestrian and transit-oriented urban place that is a model, catalyst and attractor for on-going investment in the downtown
- b. supports existing and planned transit infrastructure
- c. supports arts, culture, recreation activities, institutions, entertainment and other employment uses

6.2 Objective

The objective of the Downtown CIP is to stimulate private sector investment through grant programs aimed at reducing development costs.

7.0 INCENTIVE PROGRAMS/TOOLBOX

7.1 The “Toolbox” Approach

The approach with the Downtown CIP is to enable a “toolbox” of incentives that can be used to attract office development by providing incentives to offset the high cost of parking in the downtown, subject to budget and program approval of Council or its delegate. A list of programs that are enabled as part of this CIP are set out below.

Once the CIP is adopted, some or all of the incentive programs in the toolbox may be activated. Applicants may choose to apply for one or a combination of programs. All applications are subject to a case-by-case evaluation and financial assessment.

No upfront seed money is allocated in conjunction with this Plan and the details of each program (commitment of funding, budget allocation, time limits, changes, termination, forms and instructions) are to be secured through a formal and legally binding agreement.

7.2 Financial Incentive Programs

This CIP toolbox includes the following potential incentives.

7.2.1 Tax Increment Equivalent Grant (TIEG)

Intent: To promote office development by removing the financial disincentive associated with increased property taxes related to this type of development.

Description: A Tax Increment Equivalent Grant (TIEG) is a financial incentive to improve or redevelop property. It is provided in the form of a grant equivalent to a portion of the increase in the municipal property taxes directly attributable to a development/improvement. After the development has been constructed, the City provides a grant to the property owner on an annual basis for an agreed upon term. Such grant programs often diminish in scale over their duration.

For example, the duration of the grant might be ten years. At year one, the value of the grant is equivalent to 100% of the increase in municipal property taxes due to the improvement/development. At year two, the value drops to 90% of the increase and continues to drop 10% a year until the last year of the grant program.

Funding: Limited to property taxes charged by the City and pro-rated to apply to the office development only.

Implementation: Detailed implementation including but not limited to incentive limitations, duration, funding and financial and other conditions will be determined through a formal program agreement.

If during the course of the work, the scope of the work changes, or actual costs are greater or less than estimated costs, the City reserves the right to increase or decrease the total amount of the grant. The annual grant payment will be based on the actual increase in property taxes as calculated, based on the actual re-evaluation by the Municipal Property Assessment Corporation (MPAC) following project completion.

Timing: This program is time limited for five years from the date of Council approval. Agreements that extend beyond the five year program duration remain active and valid.

7.2.2 Development Processing Fees Grant

Intent: To improve the feasibility of developing office uses in the downtown by rebating the development application and building permit fees paid for this type of proposal.

Description: For appropriate development projects, a one-time grant may be offered equivalent to the municipal planning application fees related to:

- official plan amendments
- rezonings
- minor variances and consents
- site plans, site plan amendments
- plans of subdivision

Funding: Limited to application fees charged by the City and pro-rated to apply to the office development only.

Implementation: Detailed implementation including, but not limited to, incentive limitations, duration, funding and financial and other conditions will be determined through a formal program agreement.

Timing: This program is time limited for five years from the date of Council approval. Agreements that extend beyond the five year program duration remain active and valid.

7.2.3 Municipally Funded Parking Program

Intent: To provide parking at reduced cost to the office developer.

Description: As a means of stimulating new office building development, the City may build and own a municipal stand-alone parking facility. The City may offer a below

market value rate for the rental or lease of the parking.

Alternatively, the City may co-locate a portion of municipally owned parking within a private office building development. The City would retain ownership of the facility/spaces for the long term.

Funding: Limited to capital budget approval by Council.

Implementation: Detailed implementation including, but not limited to, leasing rate, incentive limitations, duration, funding and financial and other conditions will be determined through a formal program agreement with the developer subject to approval by Council.

Timing: This program is time limited for five years from the date of Council approval. Agreements that extend beyond the five year program duration remain active and valid.

7.2.4 Municipal Property Acquisition and Disposition

Intent: To provide land at market or below market value for developments that include office.

Description: The City may acquire key properties for the purposes of redeveloping them for office buildings. The City may issue requests for proposals (RFPs) for private development of key municipal properties and/or participate in public-private partnerships (P3s) for development that achieves the objectives of the CIP. Additionally, the City may elect to dispose of City-owned lands for the purpose of attracting new office building development. Prospective public agencies or governments wishing to build office buildings may also apply to this program.

Funding: Limited to capital budget approval by Council.

Implementation: Detailed implementation would be determined at the time of land acquisition or disposition.

Timing: This program is time limited for five years from the date of Council approval. Agreements that extend beyond the five year program duration remain active and valid.

The community improvement strategies referenced above describe incentives for private sector development. Prospective public agencies or governments wishing to build office buildings may also apply to this program. The details and structuring of incentive packages will be prepared on a case-by-case basis subject to Council approval or that of its delegate.

7.3 Guiding CIP Principles

The program is designed to assist proponents who complete projects rather than those who speculate on the granting of development approvals (such as rezoning applications) only to enhance land use or density permissions.

Individual programs may not be activated or may be terminated based on Council decision or its delegate.

The level of incentive available to successful proponents is based on many factors including the following: location within the Community Improvement Project Area, type of development, quality of the proposal, public benefit, and alignment with the strategic priorities of the City.

Incentives will not be granted to office uses that are considered accessory to another use.

7.4 General Eligibility Criteria

The general eligibility criteria for participation in one or more of the Downtown CIP programs is as follows:

- a. only lands situated within the Downtown Community Improvement Project Area as outlined in Figure 1 are eligible
- b. only new construction or the adaptive reuse of existing office buildings, where the payment of increased property taxes would apply, are eligible
- c. only buildings with a minimum height of three storeys are eligible
- d. a minimum of 5,000 m² (50,000 sq. ft.) is required to be eligible
- e. only the office portion of a mixed-use development is eligible
- f. Transportation Demand Management (TDM) measures must be included in accordance with MOP Section 8.5 or related transportation master plans
- g. The subject property may not be in a position of tax arrears at the time of agreement and throughout the entire length of the agreement's duration.

8.0 IMPLEMENTATION

8.1 Activation

The Plan shall come into effect the day after the approval of the adopting by-law (and the expiration of the appeal period).

8.2 Administration Process

The Downtown CIP will be administered by the Planning and Building Department. Additional information and application forms can be found on the Planning and Building website at:

<http://www.mississauga.ca/portal/residents/planningandbuilding>

If incentives are granted, the landowner or tenant will be subject to terms and conditions, to be secured within a legally binding agreement. A list of potential terms and conditions are found in Appendix 1. The list is provided for information only as legal agreements will likely be subject to provisions beyond those listed.

8.3 Amending Policies

A formal amendment to this Community Improvement Plan is required in the following circumstances:

- changes to the Downtown Community Improvement Plan boundary
- the addition of grant, loan and incentive programs, not referred to in the Downtown Community Improvement Plan
- other major revisions (e.g. program time frames, eligibility criteria, etc.)

The discontinuation, by Council of any program referred to in the Downtown Community Improvement Plan shall not require an amendment to the Plan. Amendments are subject to the provisions of the *Planning Act* with respect to notice, public involvement and appeal provisions.

8.4 Marketing the CIP

Marketing of the Downtown CIP after it has been approved may be promoted through a number of means, including but not limited to:

- Website content on the City of Mississauga Planning and Building webpage
- Print media including a newspaper advertisement, program notice distribution to all eligible properties, brochures, press release
- A targeted social media campaign (e.g. Twitter, LinkedIn, Blog) and email communications to key stakeholders
- Utilize Economic Development Office's partners' media and websites (i.e. Invest Ontario, Toronto Global, Mississauga Board of Trade, realtors, developers)
- Development of a downtown marketing campaign
- Municipal solicitation for expressions of interest in the tool box incentives
- Meetings with key stakeholders, including property owners, Building Industry and Land Development Association (BILD) and other interest groups

costs, demand for parking, and other criteria established by staff.

8.5 Monitoring the Plan

Monitoring of the CIP, program participation and performance will be conducted by the Planning and Building Department annually to provide the basis for decisions regarding program design and funding. Potential monitoring items and metrics include tax assessment totals and contribution to the City's total tax base, office vacancy rates, and value of building permits issued.

Auditing may also include a third party review of the office market to validate the "but for" test and need for incentives. This review may examine existing office rates, construction

Terms and Conditions for the Use of Incentives

The Downtown Community Improvement Plan incentive programs are subject to City Council approval or that of its delegate. If incentives are granted, the land owner or tenant may be subject to the following terms and conditions. The list provided below is for information only as legal agreements will likely be subject to provisions beyond those listed.

- a. The merits of providing financial incentives will be considered on a case-by-case basis. The decision to provide financial incentives is entirely at the discretion of the City of Mississauga Council or that of its delegate
- b. A formal agreement between the City and land owner, tenant or authorized agent is required to establish the terms of the incentive package and obligations of the City and recipients. This agreement will specify the terms, conditions, duration and default provisions of the incentive to be provided and will be subject to approval by Council or that of its delegate
- c. The development proposal meets all legal and financial obligations of the agreement
- d. The subject property may not be in a position of tax arrears at the time of agreement and throughout the entire length of the agreement's duration
- e. Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, Canada Mortgage and Housing Corporation (CMHC), Federation of Canadian Municipalities, etc.) are anticipated or have been secured to cover a portion of redevelopment, these must be declared prior to the approval of the agreement by Council or its delegate
- f. If the recipient fails to comply with the conditions of the agreement with the City, the City may delay, reduce or cancel the approved incentive, and require repayment of the approved incentive
- g. All proposed works approved under the financial incentive programs shall conform to all municipal by-laws, policies, procedures, standards and guidelines
- h. All works proposed under one or more of the financial incentive programs shall be in conformity with Mississauga Official Plan and other planning requirements and approvals at both the local and regional level
- i. All improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals
- j. All works completed must comply with the description of the works as provided in the application form and/or contained in the program agreement with any amendments as approved by the City

- k. When required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to the approval/payment of the incentive
- l. City staff, officials, and/or agents of the City may inspect any property that is the subject of an application for any of the financial incentive programs offered by the City
- m. No incentive funds will be dispensed by the City until the development has been completed and received final inspection from the Planning and Building Department