

BY-LAW NO. 2016 - 321

A by-law of the City of Ottawa to adopt the Bells Corners Community Improvement Plan.

WHEREAS pursuant to Section 28 of the *Planning Act*, R.S.O. 1990. C. P. 13, City Council may, where it has passed a by-law designating the whole or any part of an area covered by an official plan as a community improvement project area, adopt a plan as a community improvement plan for the community improvement project area;

AND WHEREAS Council has convened public meetings to consider the adoption of the Bells Corners Community Improvement Plan;

AND WHEREAS on September 14, 2016, the Finance and Economic Development Committee recommended the adoption of the Bells Corners Community Improvement Plan;

AND WHEREAS on September 14, 2016, City Council carried the recommendations of the Finance and Economic Development Committee;

THEREFORE the Council of the City of Ottawa enacts as follows:

1. Attachment 1, being the Bells Corners Community Improvement Plan is hereby adopted.
2. This by-law shall come into force in accordance with the provisions of the *Planning Act*, R.S.O. 1990, c.P.13, as amended.

ENACTED AND PASSED this 28<sup>th</sup> day of September, 2016.

CITY CLERK

MAYOR

# **ATTACHMENT 1**

## **Bells Corners Community Improvement Plan**

### ***1. Background***

Bells Corners has been identified as needing economic development activity. Particularly, measures are needed to incent urban revitalization. Over the last several decades, the quality and vibrancy of the Robertson Road corridor, between the CN Railway bridge on the east and the City-owned railway bridge (now a multi-purpose pathway) on the west, has declined significantly, resulting in a lack of business investment; declining levels of property maintenance; and the closure, downsizing, and/or relocation of many existing businesses.

Some 468 business have closed or moved away from Bells Corners in this period, and well-known brands like Staples, IKEA, Kentucky Fried Chicken, Wendy's, 2nd Cup, Alexanian Carpet, Burger King, Arby's, Baskin-Robbins, and Pizza Hut are all long gone. Hurley's, a former thriving restaurant, was replaced by Local Heroes, but now it too has downsized and moved across the street, leaving a large vacant building.

The restaurant that initially opened as Corkscrew Restaurant at 3795 Richmond Road (now 1961 Robertson Road) has housed a long list of businesses since Corkscrew's failure, including Buffet Palace, Vox Lounge, Houston's Restaurant, and Miss Saigon, but now all have failed, and the building has been torn down and the land sits vacant.

The purpose of this Community Improvement Plan (CIP) is to encourage and facilitate rehabilitation, redevelopment, and revitalization of the existing built environment while providing enhanced employment opportunities, all of which are important for the health and liveability of this section of Bells Corners. The CIP benefits private landowners undertaking redevelopment projects on private property; however, the eligibility and reporting criteria require that the tenants creating the jobs are made aware of the CIP incentives so they can negotiate appropriate lease terms with complete information.

The CIP project area is comprised of private properties within the CIP boundary (refer to Schedule "A"). The CIP does not apply to residential or greenfield development.

### ***2. Basis of the Plan***

Consideration of a CIP for Bells Corners began when the Bells Corners Business Improvement Area (BIA) requested that the City explore the concept of implementing a CIP to stimulate renewal, business growth, and commercial vitality in the community of Bells Corners.

Commercial property owners however, have been reluctant to make the investments in their properties that would be necessary to capitalize on existing opportunities, which in turn, has left these owners less prepared to attract business from new markets. The results of this

underinvestment are low economic returns, few job opportunities, and poor improvement prospects.

On 9 October 2015, EDS hosted a property owners' consultation meeting to explore owners' readiness for a CIP in Bells Corners and to facilitate a discussion around the types of incentives and mechanisms that would best fit the needs of the area.

EDS retained the services of Cushman and Wakefield to conduct a study to determine opportunities, approach and efficacy of a CIP for Bells Corners. It was determined that there are 209 distinct properties in the proposed Bells Corners CIP area, having an aggregate assessed value of approximately \$510 million. Some of these properties, however, are multiple lots within a single development. From this list of properties, Cushman and Wakefield identified five potential opportunities that they referred to as "gateway" or "intersection" sites and short-listed twenty-two properties as being more likely to participate in a CIP in Bells Corners.

On 5 May 2016, EDS hosted a public consultation at the Nepean Creative Arts Centre, 35 Stafford Road, to explain the proposed Bells Corners CIP, gather comments, respond to questions, and determine the level of interest from residents, property owners and businesses.

The meeting provided an opportunity to discuss about the consultants' findings and the recommended incentives to help ascertain the best fit.

There was strong support for a CIP in Bells Corners at both the owners' meeting and the subsequent public meeting.

### ***3. Municipal Act***

Section 106(1) and (2) of the Municipal Act, 2001 prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. Prohibited actions include:

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

Section 106(3) of the Municipal Act, 2001 provides an exception to this bonusing rule for municipalities exercising powers under the provisions of Section 28(6), (7) or (7.2) of the Planning Act or Section 365.1 of the Municipal Act, 2001.

### ***4. Planning Act***

Section 28 of the Planning Act allows municipalities with provisions in their official plans relating to community improvement to designate through by-law a "community improvement project area" and prepare and adopt a community improvement plan for the community improvement project area. Once the community improvement plan has been adopted by the municipality and comes into effect, the municipality may exercise authority under Section 28(6), (7) or (7.2) of the Planning Act or Section 365.1 of the Municipal Act, 2001 in order that the exception provided for in Section 106(3) of the Municipal Act, 2001 would apply.

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."

Section 28(1) of the Planning Act defines "community improvement" as "the planning or re-planning, design or redesign, re-subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable, or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary."

Once a CIP has come into effect, the municipality may:

1. acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28(3) of the Planning Act);
2. construct, repair, rehabilitate, or improve buildings on land acquired or held by it in conformity with the community improvement plan (Section 28(6));
3. sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan (Section 28(6)); and
4. make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of land and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan (Section 28(7)).

Section 28(7.1) of the Planning Act further specifies that the eligible costs of a community improvement plan for the purposes of Section 28(7) may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

Section 28(7.3) of the Planning Act specifies that the total of all grants and loans made in respect of particular lands and buildings under Section 28(7) and (7.2) of the Planning Act shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings. The grant program contained in Section 14.0 of this Plan includes safeguards to ensure that this legislative requirement is met.

## ***5. Provincial Policy Statement***

The Provincial Policy Statement (PPS), issued under Section 3 of the Planning Act, guides municipalities as planning decisions are made. The Planning Act requires that municipal decisions in respect of the exercise of any authority that affects a planning matter "shall be consistent with" the PPS.

The PPS supports long-term economic prosperity. For example, Section 1.7.1b of the PPS states, "long-term economic prosperity should be supported by optimizing the longterm availability and use of land, resources, infrastructure, and public service facilities." The Bells Corners CIP seeks to attract private sector investment in redevelopment projects that optimize available land while promoting job creation.

The PPS also supports Smart Growth through urban growth management. For example, Section 1.1.3.3 of the PPS states "planning authorities shall identify and promote opportunities for intensification and redevelopment where this can be accommodated taking into account existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs."

Other policies in the PPS (Sections 1.1.1 a), 1.1.1 g), and 1.6.2) support the management of growth to achieve efficient development and land use patterns that sustain financial well-being over the long-term. The development and redevelopment of employment properties in Bells Corners has a role to play in supporting the economic and social health of the College Ward community.

## **6. *Ottawa Official Plan***

The Community Improvement policies in Section 5.2.5 of the Official Plan set out the rationale for preparing a community improvement plan, criteria to be considered when designating a community improvement project area, priority areas for community improvement, and the range of actions that Council may undertake to implement community improvement plans. Depending on the purpose for which it is designated, a Community Improvement Plan Project Area may be part or all of the urban area of the City of Ottawa, and/or part or all of one or more villages in the City of Ottawa. The full text of Section 5.2.5 of the City of Ottawa Official Plan is contained in Schedule "B".

## **7. *Economic Strategy***

On 14 November 2012, Council approved the 2013 Economic Development Services Work Program, presented in a report entitled the "Economic Development Strategy Implementation Plan Update" (link to report ACS2012-CMR-OCM-0015). Item 11 of the plan, "Community Improvement Plans", sets out a citywide strategy to use CIPs strategically for economic development.

The City of Ottawa's updated economic development strategy, "Partnerships for Innovation 2015- 2018," adopted by City Council on 13 May 2015 says:

*"Financial incentives and municipal programs that support businesses, contribute to making a city an attractive place for business investment and expansion. When companies are considering expanding or relocating operations, one of their many deciding factors includes the availability of incentive programs."*

The approved strategy sets out to expand the CIP program and proposes to explore adding new urban renewal CIPs as a method of stimulating private investment in commercial neighbourhoods where commercial renewal has been non-existent or sluggish. Potential new

areas for CIP exploration included Bells Corners as a neighbourhood that may benefit from renewal investment.

Criteria set out in the strategy require that for an area to be considered for a CIP, one or more of the following conditions would need to be present:

1. A large pool of properties with existing structures which would not only benefit from improvement, but if upgraded, would result in increased assessment and corresponding increases in property taxes;
2. Clear evidence of significant commercial (retail or office) vacancies or a trend indicating that the condition would not likely be remedied without some form of intervention; or
3. Clear evidence that commercial renewal has been non-existent or sluggish in the area where there is significant presence of tired or dilapidated and possibly unmarketable buildings, which if upgraded would result in greater marketability and increased economic activity.

The Bells Corners area exhibits all three of these conditions.

## ***8. Term of Council Priorities***

The Bells Corners CIP aligns directly with Priority EP2 of Term of Council Priorities, which seeks to support the growth of the local economy by ensuring that businesses and entrepreneurs have the access to economic development programs, services, tools, and infrastructure that encourages and facilitates business start-up, expansion and job creation. Within Priority EP2 is Strategic Initiative 2, which sets out a priority to renew and implement the Economic Development Strategy. Initiatives within the strategy include use of CIPs and increased support for Business Improvement Areas.

## ***9. Recommended Financial Incentive Program***

As part of its assessment, Cushman and Wakefield reviewed the broad list of incentive types that would be eligible under the Community Improvement Plan provisions of the Ontario Planning Act. Among these, the consultants highlighted: (1) a Tax Increment Equivalent Grant (TIEG) Program; (2) a Development Charge Abatement Program; and (3) a Building Improvement Program, which could include one or more of the following elements: facade improvement, signage upgrades, landscaping improvements, accessibility upgrades and/or Building Code enhancements. Of these, only a Tax increment equivalent grant (TIEG) Program would be self-financing, while other incentive types would necessitate funding from current tax revenue.

No current budget allocation exists to fund cash grants, and accordingly the Bells Corners Community Improvement Plan will offer only self-financing incentives consisting of Tax Increment Equivalent Grants (TIEGs). Section 14 of this report provides more detailed information regarding the TIEG program and its structure.

## ***10. Approvals***

Applications will be processed and approved on a first come, first served basis, subject to availability of funding as approved by Council. City staff will undertake review and evaluation of an application and supporting materials against program requirements. Applications for funding under this program are subject to approval by City Council.

As a condition of approval of an application for a Bells Corners CIP Tax increment equivalent grant, the applicant must enter into an agreement with the City. The Agreement will be registered against the land to which it applies and will specify the terms, duration, and default provisions of the grant.

## ***11. Program Duration and Limits***

The amount of time needed from concept to completion for a typical redevelopment project may take from a few months, or several years to complete, depending on factors such as the area of the development project, how complex are the issues in that area, and what kind of resources are available to do the work. Often projects will take from three to five years to be ready to make an application.

The Ontario Planning Act sets no legal time limit for completing a Community Improvement Plan. Accordingly, in order to allow time for full assessment, design and planning, and to provide time for City outreach and marketing, it is proposed that the grant program be open for five years following Council approval and adoption of the required by-laws.

The Bells Corners CIP program will commence on or after the date that this Plan comes into effect, and will be offered for a period of five years, subject to the availability of funding as approved by City Council.

Applications would be accepted during this five-year period (up to 2021), but would not be available on a retroactive basis. For Council-approved TIEG grants that have been approved for a duration of up to ten years, discontinuation of the program or a change in grant entitlement would not affect or reduce the approved grant amounts, or the grant entitlement period.

All grants are offered subject to Council approval of operating funds where applicable. The commencement of timing for program duration for each incentive grant starts on the date the application is approved by Council, based on total program funding available.

A five million dollar (\$5,000,000) upset limit on aggregate grant commitments over the duration of the five-year Bells Corners CIP program period is established as a guideline, with staff reporting to Council for direction in the event this limit is likely to be reached or exceeded.

All applications for grants under this program are subject to the availability of funding. The provision of any grant commitment will be administered on a first come, first served basis to the limit of available funding in accordance with any administrative rules governing this and other grant or loan programs.

## ***12. Goals***

The principal goal of the Bells Corners Community Improvement Plan is to attract new business investment to the area and to encourage rehabilitation, redevelopment, and revitalization of the existing built environment while providing enhanced employment opportunities, all of which are important for the health and liveability of this section of Bells Corners.

Its objective is to encourage and co-operate with the private sector in a full and long-term program supporting revitalization to ensure a favourable climate for commercial activity and to stimulate property development within its boundaries to the economic potential that their location, accessibility, natural amenities, and community infrastructure would allow.

Other goals include:

- Improve the appearance of Bells Corners streetscape and buildings, including built cultural heritage resources, facade improvements through redevelopment, etc.;
- Increase employment opportunities;
- Encourage redevelopment of vacant and underutilized properties;
- Focus growth in areas where municipal services are already available
- Improve physical and visual quality of the commercial centre along Robertson Road;
- Improve environmental health and safety (including energy efficiency);
- Stimulate private investment activity and private property maintenance;
- Reinforce the Bells Corners area as an important commercial and employment centre within College Ward; and
- Strengthen the area as a recognized "live, work, play" destination.

This CIP encourages business development to attract next generation businesses, which would raise properties to a higher order of use and maximize their economic potential. The infusion of new investment is expected to result in a more diverse business mix, constituting a complete community, while leveraging the natural beauty, transportation, infrastructure, and new market opportunity afforded by the relocation of DND to 3500 Carling Avenue.

## ***13. Community Improvement Project Area***

The proposed Bells Corners CIP Project Area is illustrated in Schedule "A".

The incentive program would be available to properties within the Bells Corners Community Improvement Plan Project Area. All owners of private properties in the Bells Corners CIP Project Area may apply for a CIP grant, but only for redevelopment projects that provide for commercial, industrial, office, and mixed-use land uses where fifty per cent (50%) or more of the project, determined by floor area, shall be comprised of commercial, industrial, or office land uses. The



CIP would not apply, however, to public road rights-of-way, residential properties, or greenfield development

In cases where the Project Area boundary does not follow a property line, only that portion of the property and building(s) within the project area would qualify for the Bells Corners CIP grant program. City staff would determine the limit of the project area on properties where a lot line is not followed at the time an application is submitted.

#### ***14. Community Improvement Plan Incentive Program***

The Bells Corners CIP for the area shown in Appendix "A" is based on an 'Urban Revitalization' approach focused on stimulating investment in the Bells Corners business community. The principal goal of the CIP would be to attract new business investment to the area and to encourage rehabilitation, redevelopment, and revitalization of the existing built environment while providing enhanced employment opportunities, all of which are important for the health and liveability of this section of Bells Corners.

Among several incentive options available for Ontario municipalities under the provisions of the Ontario Planning Act, this report recommends use of a Tax Increment Equivalent Grant (TIEG) grant program for the Bells Corners CIP. The TIEG program would be structured to cover the costs associated with the progression of typical redevelopment projects from inception to completion. All grants would be paid only after the site development is completed, the Municipal Property Assessment Corporation (MPAC) has reassessed the property, and the first year of taxes at the new rate have been paid in full.

Grants would be funded from incremental property tax assessments and the corresponding increased contribution to tax revenues made by owners of CIP project properties that, but for the provision of financial incentives, would not otherwise have occurred. Representatives from Economic Development Services, Development Review Services Branch and, and Financial Services would examine each application to ensure that the projects receiving grants do not represent 'organic growth', but rather are occurring because of financial incentives.

As the municipality receives the additional property taxes that result from the increased assessment associated with the redevelopment, the City would reimburse the owner in the form of an annual grant equal to seventy-five per cent (75%) of the municipal tax increment. Grants would extend over a 10-year period after project completion to a maximum of five million dollars (\$5,000,000), but not exceeding the total cost of the redevelopment project.

An additional requirement for TIEG grant recipients under the Bells Corners CIP will be a requirement for owners to report annually on their tenancy and the number of jobs created as a result of the redevelopment. Further, when an owner has entered into lease agreements requiring tenants to be responsible to pay for all or part of the owner's property taxes, the owner's report would also include details about the tenant's awareness of the grant, so that the tenant may negotiate terms of payment with complete information.

The assessment and municipal property taxes ("base rate") will be determined before commencement of the project. The increase in municipal property taxes (or "municipal tax increment") is calculated by subtracting the municipal property taxes before reassessment from the municipal property taxes after reassessment as determined by the Municipal Property Assessment Corporation (MPAC) following project completion. The amount of the grant

payment will be recalculated annually based on the municipal property taxes levied and the resultant municipal tax increment paid by the owner for that year.

To be eligible for payment of a Bells Corners CIP TIEG grant, the amount of work undertaken on the property and/or buildings shall result in a minimum increase of two hundred and fifty thousand dollars (\$250,000) in the assessed value of the property as determined through post-construction reassessment by the Municipal Property Assessment Corporation (MPAC).

While the City cannot guarantee that the benefits of the Bells Corners CIP TIEG grant program would flow through to tenants, the owner is required to inform the tenant of his participation in the Bells Corners Community Improvement Plan. There is no requirement for the property owner and tenant to jointly submit an application. The owner must provide evidence to the City that the tenant is aware of the program so that they may negotiate lease terms with complete information.

Bells Corners CIP incentives would only be available to the owner that signed the original grant application and incentives are not transferable. If all or part of a property is sold within a grant eligibility period, then grant payments would immediately be discontinued.

However, the City may, at its discretion, transfer all or part of a grant amount to a new property owner subject to the new owner entering into an agreement (where applicable) with the City that fulfills the requirements of the original agreement, plus any new requirements.

Coordinated development proposals that include abutting properties under the same or separate ownership are subject to a maximum grant amount, which may not exceed the lesser of five million dollars (\$5,000,000) or fifty per cent (50%) of eligible costs for the project, and are treated as if the development consisted of a single property. (i.e., more than one application for the same type of grant on abutting properties that comprise a coordinated development is not permitted).

If the Bells Corners CIP is combined with any other CIP program, including brownfields CIP programs, total grant and grant commitments shall still not exceed five million dollars (\$5,000,000) or fifty per cent (50%) of eligible costs for the project.

The commencement of timing for program duration for each incentive grant starts on the date the application is approved by Council, as required based on total program funding amount.

The financial incentive programs in this CIP apply to the private sector and are designed to encourage private sector revitalization of properties within the Bells Corners CIP Project Area.

## ***15. General Program Requirements***

The general and program specific requirements contained in this CIP are not necessarily exhaustive and the City reserves the right to include other requirements and conditions as deemed necessary on a property-specific basis. The financial incentive program contained in this CIP is subject to the following general requirements:

1. All owners of private properties in the Bells Corners CIP Project Area may apply for a CIP grant, but only for commercial, industrial, office, and mixed-use land

uses, where fifty per cent (50%) or more of the project, determined by floor area, shall be comprised of commercial, industrial or office land uses;

2. The City reserves the right to audit the works that have been approved under the Bells Corners CIP at the expense of the applicant;
3. The aggregate of all approved applications within the project period for the Bells Corners CIP shall not exceed ten million dollars (\$10,000,000);
4. The applicant shall be required to include as part of any Bells Corners CIP TIEG grant application an independent tax study by a qualified consultant, having an AACI designation (Accredited Appraiser Canadian Institute) or an AIMA (Associate) or MIMA (Accredited) designation from the Institute of Municipal Assessors, which provides an estimate of the property assessment increment.
5. Generally, the City would provide grant payments under this CIP only after the applicable permits have been issued; construction is complete and has received final inspection approval by the City; the property has been reassessed by MPAC demonstrating that the minimum required increase in assessment has been achieved; and, following reassessment, the property owner has paid the first year property taxes in full;
6. The City is not responsible for any costs incurred by an applicant in relation to the program, including, without limitation, costs incurred in anticipation of a grant;
7. If an applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the City may delay, reduce or cancel the approved grant;
8. The City may discontinue the program at any time, but applicants with approved grants would continue to receive said grants subject to meeting the general and program specific requirements;
9. All proposed works approved under the incentive program and associated improvements to buildings and/or land shall conform to all relevant codes, policies, procedures, standards, and guidelines, including applicable municipal by-laws, Official Plan policies and zoning requirements, and approvals;
10. The improvements made to buildings and/or land shall be made pursuant to a building permit where required, and/or other required permits, and shall be constructed in accordance with the Ontario Building Code where applicable;
11. City staff, officials, and/or agents of the City may inspect any property that is the subject of an application for the Bells Corners CIP Incentive Program offered by the City;
12. To be eligible to receive Bells Corners CIP grants, beginning with the first post-development grant payment and continuing throughout the grant period, the owner's financial account with the City must be in good standing (including taxes, water, fines, and all other accounts due). On an annual basis, the current year's

property taxes must be paid before the grant is released (i.e., the grant would not be paid if the property owner is in arrears)'

13. If post-construction assessment is appealed by any party for a property and/or buildings subject of an approved grant application and the post-appeal assessment is reduced, the City would recalculate payments made to the Applicant under a TIEG grant application, that were based on the higher assessment and corresponding municipal tax increment, and any overpayment amount shall be repaid to the City by the Owner;
14. To be considered for the Bells Corners CIP grant program, a project must include one or more of:
  - a. An addition of building space to an existing building;
  - b. Construction of a new building where a previous building has been located;
  - c. Interior fit-up;
  - d. Significant alterations to an existing building resulting in improved marketability of the rental premises and a corresponding increase in assessed value;
  - e. Exterior facade improvement facing a public road right-of-way;
  - f. Site works including landscaping and signage; and
  - g. Internal or external improvements to the structure and lands to bring the property up to current Ontario Building Code standards or to achieve compliance with the accessibility under the Accessibility for Ontarians with Disabilities Act;
15. Stand-alone internal building upgrades and maintenance costs in existing building space that are not expected to have a beneficial impact on the assessed value of the property or that do not fall into one or more of the above seven categories, do not qualify for the incentive grant programs in this CIP;
16. A pre-consultation meeting for the proposed development is required to determine the type of necessary planning applications.
17. Applications for funding under this program are subject to approval by City Council. As a condition of approval for a TIEG application, the applicant must enter into an agreement with the City. The Agreement would be registered against the land to which it applies and would specify the terms, duration, and default provisions of the grant.
18. Bells Corners CIP grants shall be forfeited by the owner or third party, to whom the grant has been assigned, and repaid to the City if the property is demolished before the grant period elapses.

## ***16. Eligible Costs***

Eligible costs for the Bells Corners Community Improvement Plan Incentive program include the following:

1. Demolishing buildings;
2. Constructing/upgrading on-site infrastructure, including water services, sanitary sewers, burial of hydro service and stormwater management facilities;
3. Constructing/upgrading off-site infrastructure, including roads, water services, sanitary sewers, stormwater management facilities, electrical and gas utilities,
4. Constructing/upgrading on-site features, including hard and soft landscaping, parking areas, and walkways;
5. Constructing/upgrading the building facade, entrances, exterior decorative lighting and signage;
6. Constructing/upgrading off-site features, including walkways, pedestrian amenities, hard and soft landscaping;
7. Constructing new building(s), making additions to buildings, and upgrading building facade in front or external side yards;
8. Building permit fees for any of the preceding works; and
9. The following leadership in Energy and Environmental Design (LEED) Program Components:
  - a) Base plan review by a certified LEED consultant;
  - b) Preparing new working drawings to the LEED standard; or
  - c) Submitting and administering the constructed element testing and certification used to determine the LEED designation.

Applications would be processed and approved on a first come, first served basis, subject to availability of funding as approved by Council. City staff would undertake review and evaluation of an application and supporting materials against program requirements.

## ***17. Project Eligibility***

### **17.1. Location**

As a first priority, all submissions under the Bells Corners CIP must be located within the defined boundaries illustrated in Schedule "A" and only apply to non-residential and/or mixed-use land uses, where fifty per cent (50%) or more of the project, determined by floor area, shall be comprised of commercial, industrial, or office land uses.

Candidate properties would be reviewed in detail, based on best knowledge of current trends and history to ensure that an incentive is, in fact, required to stimulate development. The applicant would be required to provide a rationale clearly demonstrating that the project would not otherwise proceed in the absence of the incentive and that the project meets a need in the

community for urban renewal and/or job creation appropriate to the local labour market or goods/services provision to the local consumer or business market

## **17.2. Ineligible Job Uses:**

As the purpose of the Bells Corners CIP is to address deficiencies in the investment levels of businesses throughout Bells Corners in terms of market offerings and job creation, commercial uses that do not contribute to a desirable community fabric would not be eligible for the incentive financing of this program. Excluded uses would include:

- Video arcades;
- Adult novelty stores, services and/or adult entertainment;
- Nightclubs;
- Bingo parlours or other gaming facilities;
- Industrial uses, which, by their nature, generate noise, fumes, odours, and are hazardous or obnoxious;
- Body rub establishments;
- Correctional facilities;
- Corrections residences;
- Emergency shelters; and
- Pawnshops, cash-for-goods places, or short-term loan offices.

## **18. Administration**

Economic Development Services (EDS) would manage and administer the Program with participation from the Development Review Services Branch (DRS) and Financial Services. A 'one window' approach would be used for a single application submitted at the time of site plan application, if required, or building and/or sign permit application for the project.

Final approval of all new grants would be contingent on Council approving the first year of grant payment at the time of the annual City budget approval. Once a grant application is approved and an agreement is entered into between the City and the applicant, the City is obliged to continue annual grant payments as set out in the agreement. However, the recipient's accounts with the City- taxes, water, any fines, etc. - must be in good standing, and on an annual basis, the current year's property taxes have been paid before the grant is released.

Applicants may have an initial conversation either with an Economic Development Officer from EDS or with a representative of DRS. In either case, these initial conversations may lead to an applicant's desire to proceed.

Where the applicant does wish to proceed, and when initial discussions suggest the likelihood of acceptance under the Bells Corners CIP program, the next step would be a required preliminary pre-consultation meeting to be arranged by EDS. Where a Site Plan application is required, both EDS and DRS would be required at this meeting. At the pre-consultation meeting, the applicant would be advised about any additional steps that may be required. For example, the applicant may be advised that the project may require a Site Plan, Rezoning, Transportation Study, Conservation or Heritage Authority input, etc.

For those cases where the project may proceed directly to Building Permit, the EDS representative would arrange a subsequent meeting with a Development Information Officer (DIO) and Building Services. The applicant would be advised about any additional steps that may be required. For example, the applicant may be advised that his/her project would require separate permit applications for signs, encroachment, etc.

Where these initial conversations confirm that the project should proceed, subject to required approvals that form part of the process, the applicant would then complete a Bells Corners CIP Incentive Application. The application must include required supporting documentation, including, an independent tax study that sets out an estimate of the property assessment increment prepared by a qualified consultant, having an AACI designation (Accredited Appraiser Canadian Institute), and must be submitted to the CIP Coordinator in Economic Development Services.

EDS staff, together with Development Review Services Branch and Financial Services would review the application, perform such due diligence as is deemed appropriate, and forward the application together with any analysis or additional information to Committee and Council. In particular, Staff would examine the application to ensure that projects receiving grants do not represent 'organic growth', but rather are occurring as a result of financial incentives. Applications, along with any analysis or additional information, would then be forwarded to Committee and Council.

Where a Bells Corners CIP TIEG incentive has been approved for a project, EDS would inform the applicant and immediately begin a process to initiate a formal agreement, which would be prepared by the City's Legal Department, based on the detailed information supplied by the applicant in the CIP grant application. Each year until the end of the TIEG grant period or until the maximum grant amount has been reached, staff would review the project to ensure that the owner has paid the property taxes in full for that year and all other amounts to be paid to the City are in good standing.

Concurrent with this process to enter into a formal CIP incentive agreement, the applicant would conclude any remaining design requirements and proceed with next steps required in the process of development and permit approvals.

These additional steps may include one or more of the following permits and approvals, but are not restricted to the following:

1. Site Plan Approval
2. Permits
  - a. Demolition permit
  - b. Application for construction permit
  - c. Septic permit
3. Zoning and Permitted Uses

- a. Compliance
  - b. Official Plan Amendment
  - c. Change
  - d. Minor variance etc.
4. Other approvals
5. Lot grading approval
6. Ministry of Natural Resources and Forestry consent
7. Permit required from Ministry of Transportation Ontario (MTO)
8. Permission to fill (Conservation Authority)
9. Monitoring and Amendments
10. Etc.

The City would conduct periodic reviews of the grant programs and activities relating to community improvement under this Plan to determine effectiveness. Council may utilize this information to amend this Plan as necessary to ensure that the goals outlined in Section 12 are achieved.

The following variables should be monitored on an individual project and aggregate basis for the incentive program:

- Number of applications;
- Increase in assessed value of participating properties;
- Estimated and actual amount of tax increment financing grants provided;
- Hectares/acres of land developed;
- Commercial space constructed;
- Estimated number of jobs created/maintained; and
- Number of program defaults.

The feedback from monitoring the CIP may lead to minor revisions to the grant programs. Therefore, the City may periodically review and adjust the terms and requirements of any of the programs contained in this Plan, or discontinue any of the programs contained in this Plan, without amendment to the Plan. Such minor changes or discontinuation of programs would be provided to the Minister of Municipal Affairs and the Minister of Housing for information purposes. Increases in funding provided by existing financial incentives or changes to eligibility criteria that would increase funding provided, the addition of any new programs to this Plan, or an expansion of the Community Improvement Project Area would require a formal amendment to the CIP in accordance with Section 28 of the Planning Act.

## ***19. Financing***

The grant program described in this Plan would be available subject to an annual budget allocation approved by Council. Similar to the tax increment-based brownfield grants, Bells Corners CIP grants would be identified as the applications are received and reviewed. Operating pressures associated with approved Bells Corners CIP grants would be brought forward through the budget process in the anticipated year(s) of payout and funded through the incremental taxes that would be generated from the community improvements.



## ***20. Additional Community Improvement Plan Programs***

The City of Ottawa Brownfields Redevelopment Community Improvement Plan under Section 28 of the Provincial Planning Act would continue to be available to commercial property owners in the Bells Corners CIP Project Area.

Unlike the brownfields program, the Bells Corners CIP is not designed to reimburse remediation costs, but rather provides a financial incentive program that would encourage property owners to redevelop properties in the Bells Corners CIP Project Area.

Property owners undertaking brownfield redevelopment projects, who also wish to apply for grants under the Bells Corners CIP, shall be permitted to apply and, if eligible, receive grants under both the City of Ottawa Brownfields Redevelopment Community Improvement Plan (CIP) and the Bells Corners CIP. The tax increment grant however, can only be granted through one program (i.e., not granted twice) and the total grant and grant commitment amount shall not exceed the lesser of fifty per cent (50%) of the eligible costs for the project or five million dollars (\$5,000,000).

## Bells Corners Community Improvement Plan Area



## **Schedule "B"**

### **Section 5.2.5 of the City of Ottawa Official Plan**

#### ***5.2.5- Community Improvement***

[Amendment #40, April 26, 2006]

The Community Improvement provisions of the Planning Act allow municipalities to prepare Community Improvement Plans for designated Community Improvement Project Areas that require community improvement as the result of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason. Once a Community Improvement Plan has been adopted by a municipality, approved by the Province, and is in effect, the municipality may offer incentives to encourage private sector investment. The municipality may also undertake a wide range of actions for the purpose of carrying out the community improvement plan.

#### **Policies**

##### **General**

1. The City will maintain and promote an attractive and safe living and working environment through community improvement. To this end, community improvement will be accomplished through the:
  - a. Designation by by-law of Community Improvement Project Area(s), the boundary of which may be part or all of the urban area of the City of Ottawa, and/or part or all of one or more Villages as defined in this Plan, and as amended from time to time;
  - b. Preparation, adoption and implementation of a Community Improvement Plan(s) within a designated Community Improvement Project Area(s), pursuant to the Planning Act and the community improvement policies set out in this Plan;
  - c. Ongoing maintenance, rehabilitation, redevelopment and upgrading of areas characterized by deficient/obsolete/deteriorated buildings, deficient municipal recreational or hard services, and social, community, or economic instability; and,
  - d. Establishment of programs to facilitate municipal and private sector rehabilitation and redevelopment that addresses identified economic development, land development, environmental, energy efficiency, housing, and/or social development issues/needs.

##### **Community Improvement Project Areas**

2. The designation of Community Improvement Project Areas shall be based on one or more of the following conditions being present:

- a. Known or perceived environmental contamination;
  - b. Vacant lots and underutilized properties and buildings which have potential for infill, redevelopment or expansion to better utilize the land base or the public infrastructure;
  - c. Other barriers to the repair, rehabilitation or redevelopment of underutilized land and/or buildings;
  - d. Buildings, building facades, and/or property, including buildings, structures and lands of heritage and/or architectural significance, in need of preservation, restoration, repair, rehabilitation, energy efficiency or renewable energy improvements, or redevelopment;
  - e. Absence of an adequate mix of uses;
  - f. Deficiencies in physical infrastructure including but not limited to the sanitary sewer system, storm sewer system, and/or watermain system, streetscapes and/or street lighting, municipal parking facilities, sidewalks, curbs, or road state of repair;
  - g. Poor overall visual quality, including but not limited to, streetscapes and urban design and/or overhead wiring;
  - h. A concentration of obsolete or aging low-density land uses, vacant lots, surface parking lots and/or abandoned buildings;
  - i. High commercial vacancy rates;
  - j. Deficiencies in community and social services including but not limited to public open space, parks, indoor/outdoor recreational facilities, and public social facilities and support services;
  - k. Opportunities to improve the mix of housing types;
  - l. High commercial vacancy rates;
  - m. Any other environmental, energy efficiency, social or community economic development reasons.
3. Priority for the designation of Community Improvement Project Areas and the preparation and adoption of Community Improvement Plans shall be given to those areas:
- a. Targeted for growth and intensification in Section 2.2.3 Managing Growth Within the Urban Area, in particular, the Central Area, Traditional and Arterial Mainstreets, Mixed-Use Centres and the vicinity (within 600 metres) of existing or planned rapid transit stations; and/or
  - b. Where the greatest number of conditions (as established in Policy 2) are present; and/or,

- c. Where one or more of the conditions (as established in policy 2) is particularly acute; and/or,
- d. Where one or more of the conditions (as established in policy 2) exists across the urban area of the city.

## **Community Improvement Plans**

- 4. Community Improvement Plans may be prepared and adopted to:
  - a. Facilitate the renovation, repair, rehabilitation, remediation, redevelopment or other improvement of lands and/or buildings;
  - b. Facilitate the preservation, restoration, adaptive reuse and improvement of buildings with historical, architectural or other heritage significance;
  - c. Facilitate the development of mixed-use buildings, or the introduction of a wider mix of uses in areas that are deficient in mixed uses;
  - d. Facilitate the restoration, maintenance, improvement and protection of natural habitat, parks, open space and recreational amenities;
  - e. Facilitate residential and other types of infill and intensification;
  - f. Facilitate the construction of a range of housing types and the construction of affordable housing;
  - g. Upgrade and improve municipal services and public utilities such as sanitary sewers, storm sewers, watermains, roads and sidewalks;
  - h. Improve pedestrian and bicycle circulation;
  - i. Facilitate public transit supportive land uses and improve the quality of, and accessibility to, transit facilities;
  - j. Contribute to the ongoing viability and revitalization of the Central Area, Mainstreets, and other areas that may require community improvement;
  - k. Improve environmental and energy consumption conditions;
  - l. Improve social conditions and support services;
  - m. Promote cultural development;
  - n. Facilitate and promote community economic development; and,
  - o. Improve community quality, safety and stability.

5. During the preparation of a Community Improvement Plan and any subsequent amendments, the public will be informed and public input will be obtained in keeping with the policies for Public Notification contained in this Plan.

## **Implementation**

6. In order to implement a Community Improvement Plan in effect within a designated Community Improvement Project Area, the City of Ottawa may undertake a range of actions as described in the Community Improvement Plan, including:
  - a. The municipal acquisition of land and/or buildings within the Community Improvement Project Areas where a Community Improvement Plan has been adopted, approved and is in effect, and the subsequent:
    - i. Clearance, grading, or environmental remediation of these properties,
    - ii. Repair, rehabilitation, construction or improvement of these properties,
    - iii. Sale, lease, or other disposition of these properties to any person or governmental authority,
    - iv. Other preparation of land or buildings for community improvement.
  - b. Provision of public funds such as grants, loans and other financial instruments;
  - c. Application for financial assistance from senior level government programs;
  - d. Participation in senior level government programs that provide assistance to private landowners for the purposes of community improvement;
  - e. Provision of information on municipal initiatives, financial assistance programs, and other government assistance programs;
  - f. Support of heritage conservation through the Ontario Heritage Act.
7. All developments participating in programs and activities contained within Community Improvement Plans shall conform with the policies contained in this Plan, applicable Community Design Plans, the zoning by-law, maintenance and occupancy by-laws, and all other related municipal policies and by-laws.
8. The City shall be satisfied that its participation in community improvement activities will be within the financial capabilities of the City.

BY-LAW NO. 2016 - 321

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A by-law of the City of Ottawa to adopt  
the Bells Corners Community  
Improvement Plan.

-o

Enacted by City Council at its meeting of  
September 28, 2016.

-o

LEGAL SERVICES  
CE/jp

COUNCIL AUTHORITY:  
City Council September 14, 2016  
Agenda Item 3 (FEDCO Report 17)