

BY-LAW NO. 2013 - 293

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

WHEREAS pursuant to Subsection 28(4) 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 Section 5.2.5 of the City of Ottawa Official Plan contemplates the preparation of Community Improvement Plans for designated Community Improvement Project Areas;

AND WHEREAS on November 14, 2012 City Council approved the “Economic Development and Innovation Department Work Program”, which includes a strategy to develop a Orléans Community Improvement Plan as a work item;

AND WHEREAS on September 3, 2013 Finance and Economic Development Committee recommended the designation of the Orléans Community Improvement Area adoption of the Orléans Community Improvement Plan;

AND WHEREAS on September 11, 2013 City Council carried the recommendations of the Finance and Economic Development Committee;

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

1. The attached “Schedule A”, being the Orléans 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 11th day of September, 2013.

CITY CLERK

MAYOR

## Schedule "A"

### Orléans Community Improvement Plan

#### 1. Background

On 14 November 2012, Council approved the 2013 Economic Development and Innovation Department Work Program which was presented in a report entitled the "Economic Development Strategy Implementation Plan Update" (ACS2012-CMR-OCM-0015). Item 11 of this Work Program, "Community Improvement Plans," sets out a Citywide Strategy to use Community Improvement Plans strategically for economic development and refers specifically to the Department's plan to launch two pilot CIP projects: 1) an Urban Revitalization CIP (Carling Avenue); and 2) an Employment CIP (Orléans), which is the subject of this plan.

Orléans has been identified as needing economic development activity, particularly measures to incentivize job growth. Jobs in Orléans lag behind the population largely because of the difficulty in attracting major employers and investment to the area. This is in stark comparison to the targets set out in Ottawa's Official Plan, which targets 1.3 jobs per household. In Orléans this ratio has consistently fluctuated around 0.5 for the past two decades

There has been steady job growth in Orléans, but the growth in housing has also kept pace. During the summer of 2012, the Planning and Growth Management Department began an update of the Ottawa Employment Survey (last completed in 2006) and although the survey report has yet to be published, preliminary data for Orléans was available to the report author. The initial data show that there were approximately 21,000 jobs in Orléans in 2012 of which only 60% were full-time. Housing however has also grown steadily to approximately 41,000 households. This results in a jobs-to-households ratio of 0.52, lagging well behind the Official Plan target of 1.3 and continuing a long-term trend. Moreover, the Orléans community has difficulty attracting major employers outside retail and hospitality sectors.

The purpose of this Community Improvement Plan (CIP) is to encourage and facilitate development and redevelopment of properties providing knowledge-based employment in Orléans by providing financial incentives to landowners. The CIP benefits private landowners undertaking development projects on private property; however, the eligibility and reporting criteria make an effort to see that the tenants creating the jobs are aware of the CIP incentives so they can negotiate lease terms with complete information.

The principal goal is to attract major knowledge-based employers to the area and to encourage the creation of new high-quality jobs. In so doing, the Orléans Community Improvement Plan would result in significant improvements to the job-to-household ratio

in Orléans. Residents of Orléans would not necessarily fill the new jobs created by the CIP however, but the point is to increase job availability in Orléans so that residents would have more opportunities to work in the community where they live. Accordingly, an increase in the number of jobs available would be considered a success.

The CIP project area is comprised of private properties within the CIP boundary (refer to Appendix “B”). The CIP does not apply to residential or greenfield development.

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

### **2.1. 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:

- a) giving or lending money or municipal property;
- b) guaranteeing borrowing;
- c) leasing or selling any municipal property at below fair market value; and
- d) 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*

### **2.2. Planning Act**

Section 28 of the *Planning Act* allows municipalities with provisions in their official plans relating to community improvement to designate by 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:

- a. acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28(3) of the *Planning Act*);
- b. construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan (Section 28(6));
- c. 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 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* specifies that the eligible costs of a community improvement plan for the purposes of Subsection 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 5.0 of this Plan contains safeguards to ensure that this legislative requirement is met.

### **2.3. 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 a) of the PPS states “long-term economic prosperity should be supported by optimizing the long-term availability and use of land, resources, infrastructure, and public service facilities.” The Orléans CIP seeks to attract private sector investment in redevelopment projects, which 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 which sustain financial well-being over the long term. The development and redevelopment of employment properties in Orléans has a role to play in supporting the economic and social health of the Orléans community.

#### **2.4. 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 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 Appendix “A.”

#### **2.5. Economic Strategy**

The City of Ottawa’s five-year economic development strategy, “Partnerships for prosperity” that was adopted by City Council on July 14, 2010 says:

*“In today’s business environment, where both the knowledge-based work force and investment capital are highly fluid, the economic development challenge is to retain and relentlessly grow this knowledge resource.”*

Overall, the Economic Strategy promotes creation of a city that can retain and capture employment opportunities while reducing its ecological footprint for land and energy use and improving the quality of life through development. Intensification through development and redevelopment of non-greenfield properties within the Orléans CIP for employment, and/or mixed use would help to achieve this goal.

The Economic Strategy is based on strengthening industry clusters and entrepreneurship. Attracting people and investment also depends on maintaining both quality of life and quality of place. One of the ways the Strategy recommends that this be done is to foster development of the knowledge-based industries and their support environments to develop local sector strength (sector development). Encouraging the revitalisation of the Orléans area through the financial incentives offered in this CIP would provide opportunities for growth in targeted sectors and attract new businesses as well as retain and promote growth among them.

In this light, the 2013 Economic Development and Innovation Department Work Program, which was presented in a report, entitled the “Economic Development Strategy Implementation Plan Update” (ACS2012-CMR-OCM-0015), sets out a Citywide Strategy to use CIPs strategically for economic development. Other municipalities in

Ontario and particularly those with significant urban areas make use of CIPs to focus on and initiate change and redevelopment.

This CIP encourages sector-specific business development to attract high-potential growth industry sectors, particularly high-potential and emerging industry sectors such as film, television and digital media as well as knowledge-based industries which include wireless, photonics, clean tech, aerospace and defence, and life sciences.

The Orléans CIP also aligns directly with Priority EP3 of Term of Council Priorities, which seeks to support growth of the local economy. Within Priority EP3 is Strategic Initiative S3, which sets out a priority to implement a comprehensive economic development program to increase Ottawa's prominence as an economically prosperous and sustainable city.

## **2.6. Grant Amount**

The 2013 work plan for the Economic Development and Innovation Department, approved through a report to Council in November 2012, stated in its Appendix on the citywide CIP program that "the total incentive offered per project cannot exceed 75 per cent of eligible project costs, or \$5,000,000, whichever is lower." The recommendation is to provide a 75% grant annually on the tax increment over a period of 10 years. In no case would the total amount of the grant payments provided under this program exceed the total cost of the project that resulted in the reassessment.

The following sample redevelopment project illustrates how the TIEG grant under the Orléans CIP would be calculated. In this illustration, a project is undertaken to upgrade and enlarge an existing 11,000-square-foot building in a full service transit zone, with fire services, and assessed at \$2,601,500. This assessment results in a property tax bill of \$96,180 in 2012 (based on a Taxation Rate of 3.697117%). The Municipal portion of the property tax bill is \$57,419.00 (based on a Taxation Rate of 2.207117%).

The property owner upgrades the building to add 15,000 additional square feet. While the cost to add 15,000 square feet to a building of this size would vary widely depending on building type, level of finishes, cost of demolition, etc., this estimate is based on a probable cost range of \$200 to \$300 per square foot. The owner's investment for this redevelopment can then be estimated at \$3 million to \$4.5 million.

On completion, MPAC would reassess the property. In order to estimate the TIEG grant opportunity, it is necessary to estimate the possible tax uplift generated by the redevelopment. However, estimating post-development assessment values is difficult as there are a variety of assessment approaches. MPAC may reassess the property using one or a blend of several approaches. These may include a "cost approach," an "income approach," or a blend. A "cost approach" would be the easiest to estimate, as it is based on easily determined current value of land plus the cost of improvements, less depreciation. This approach is not ordinarily used for commercial buildings, and as a rule is only used for small commercial buildings, and occasionally industrial or

manufacturing plants. For typical commercial developments, an “income approach” is more common.

The “income approach” analyzes future benefits such as the property’s income-producing potential. Income valuation techniques vary by property type but generally take into account market rents, vacancy and legitimate expenses to calculate net operating income; and then use this figure to estimate value using a market capitalization rate. Even the capitalization rate varies, as it is determined from an analysis of market transactions in that neighbourhood and a variety of other market and financial information.

The initial subject building used for this illustration was assessed at \$237 per square foot. For the purposes of this illustration, a range of \$200 to \$300 per square foot has been used to estimate possible incremental assessments based several typical examples. The following table illustrates these ranges and incremental tax outcomes:

The example illustrates how a \$3 million to \$4.5 million investment might result in an increase in property taxes in the range of \$66,214 to \$99,321. However, each opportunity would need to be assessed independently because of the wide variety of variables in the calculation.

This example might create the following scenario:

**Table 1 - illustrating a \$3 to 4 Million project to expand an 11,000 sq. ft. (1,206 sq. m.) building to 26,000 sq. ft. (2,508 sq. m.) showing a projected increase in Property Taxes and potential TIEG grants under the Orléans CIP Program.**

Cost of Redevelopment	Current Assessment		Estimated Incremental Assessment	Post Development Assessment	Current Taxes	Incremental Taxes	Post Development Taxes
\$3,000,000 to \$4,500,000		Example "A"	@\$200 psf= \$3,000,000	\$5,601,500	\$93,134	\$66,214	\$123,632
		Example "B"	@\$300 psf= \$4,500,000	\$7,101,500	\$93,134	\$99,320	\$156,738
			Annual Grant @ 75% of incremental taxes	10-Year Accumulated Grant			
Estimated TIEG Grant		Example "A"	\$49,660	\$496,601			
		Example "B"	\$74,490	\$744,902			

In example A, the municipal taxes over the 10 years would total \$1,236,320 (\$126,632 x 10) of which \$662,140 is the total tax increment. At the 75% grant level, the property owner would receive a total of \$496,605 from the City, or 75% of the total tax increment. The City would retain the remaining \$165,535.

Given that the job to household ratio in Orléans has remained below the Official Plan target for many years, it is evident that a slightly aggressive percentage may be required to incent development, particularly in knowledge-based employment sectors.

Continuing with an analysis of this example, the redevelopment of an existing 11,000-square-foot building representing a \$3 million to \$4.5 million investment, might be designed to add some 15,000 square feet to the property. This additional area would be sufficient to house approximately 75 new jobs (based on 200 sq. ft. per job). Using the multipliers and ratios contained in Statistics Canada's Input-Output tables to estimate the impact of job creation on GDP it is possible to determine that an input of 75 new knowledge-based jobs could represent an increase between \$5.5 million and \$9 million to Ottawa's GDP.<sup>1</sup>

### Cost / Benefit from a Municipal Perspective

There are many variables in both design and ultimate costing of redevelopment projects. Similarly, the methods of property valuation and assessment would vary widely from project to project, but examples "A" and "B" in the previous table illustrates how TIEG grants, available under the Orléans CIP might affect jobs and private investment.

The range established is based on an illustrative project, but the example demonstrates how the provision of an accumulated TIEG grant over 10 years might range from \$497K to \$745K. However, this forgone property tax amount would have generated a \$3 million to \$4.5 million private investment, yielding approximately 75 new jobs and providing a boost to Ottawa's GDP up to \$9 million.

Other communities that compete with Ottawa for knowledge-based companies have already initiated Community Improvement Plans and, in the case of Windsor, have implemented economic development-oriented CIPs where the municipality provides grants equal to 100% of the incremental property taxes for 10 years.

Through an industry consultation process, we have learned that commercial property owners are more likely to respond to an incentive or grant program that has a 10-year duration or more, commensurate with typical leases for commercial space.

Historically, companies offering much needed high quality knowledge-based jobs have consistently chosen not to locate in Orléans. Industry consultation suggests that only a strong incentive that materially changes their business case would have the required beneficial effect to attract these companies. The CIP program and associated TIEG grants proposed for Orléans would most certainly change the business case and could accelerate redevelopment projects that have been considered in the past, but stalled for lack of apparent upside. This would be true only if such incentives are sufficiently aggressive to make a material difference.

While the upset limit is \$5,000,000 per project, the recommended maximum aggregate of all applications within the program duration is \$10,000,000 – as such, the high value of \$5,000,000 simply allows for the incenting of one very large project.

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<sup>1</sup> Statistics Canada Input-Output Tables, Provincial Input-Output Multipliers, Ontario 2008.

This level of incentive is in line with those provided by other municipalities as shown in Table 2. Moreover, the St. Joseph Boulevard Community Improvement Plan has shown that an incentive of 70% has produced a small number of applicants though the maximum combined grant is \$1,000,000. Increasing the maximum grant from the Orléans CIP to \$5,000,000 may incite larger employment-related projects.

**Table 2 – CIP Tax Increment Equivalent Grant Incentives Employed by Other Ontario Municipalities**

CIP Area	Grant Name / Type	Percentage of Increment as a Grant	Overall Percentage
Woodbine Live (Toronto)	Revitalization / Transformative Project / Tourism and Economic Development	90% for 5 years and declining by 5% each year after for 20 years	60%
Windsor	Business Development Grant Program	100% for 10 years	100%
	Small Business Investment Grant Program	100% for 10 years	
Old East Village (London)	Rehabilitation / Renovation Grants	Year 1 and year 2 at 70%; each year after decreases by 10% until year 8 to 10 which is 10%	37%
Cornwall	City of Cornwall Rehabilitation Grant (Tax based) Program	Sliding scale, in part or in full for up to 10 years (based upon each individual case)	Variable
Hamilton	Tax Increment Grant Program (Downtowns and BIAs)	100% first year and declining by 20% each year up to 5 years	60%
Niagara Falls	Revitalization Grant	80% in years 1 to 5; 60% in years 6 and 7; 40% in year 8; and, 20% in years 9 and 10	60%
Region of Waterloo	Joint Tax Increment Grant (Brownfields)	100% for each year for 10 years	100%

For clarity, the proposed grant for the Orléans CIP is narrower in scope than those used by the City's other community design plans:

- The Brownfield Redevelopment CIP provides all of a Rehabilitation Grant Program (includes a tax increment grant and a grant for eligible costs related to actions taken to reduce the concentration of contaminants on, in or under the property);

- A Property Tax Assistance Program for City and education property tax increase that would normally occur on a brownfield property; an Environmental Site Assessment Grant Program; a Project Feasibility Study Grant Program; and
- A Building Permit Fee Program.
- The St. Joseph Boulevard CIP provides a Project Feasibility Study Grant Program; Planning Fee Grant Program; a Development Incentive Grant Program; and, Building Permit Fee Grant Program.

The reasons for these differences represent the recommended provisions of CIPs as presented in the 2013 Economic Development and Innovation Department Work Program, which stated in its Appendix “we would offer only various types of tax-increment equivalent incentives.” These differences are also justified based on the purpose of the proposed Orléans CIP and feedback received during focus groups:

- *Goals of CIP* – The proposed Orléans CIP is employment-related whereas the Brownfields Redevelopment CIP is focused on environmental remediation, and the St. Joseph Boulevard CIP is focused on a range of goals including the improvement of site and built-form aesthetics. As such, the extent of the grants offered would be different, and need to allow for both the property owner and tenant to benefit from the CIP – the number of jobs is created by the tenant and through the provision of real estate by the property owner. As the tenant often pays all or part of the owner’s property taxes, the TIEG approach is sensible.
- *Geographic Breadth of CIP* – The incentives offered must balance the need to respond to economic underdevelopment with the need to be equitable to avoid simply displacing the problem to another area. The range of grants in the Brownfields Redevelopment CIP is suitable to both its scope and the fact that it is citywide. The range of grants for St. Joseph’s Boulevard is suitable to its scope and the fact that it is a limited geographic area responding to pedestrian issues. The TIEG approach for the Orléans CIP addresses concerns of economic underdevelopment without compromising organic growth in other areas of Ottawa.
- *Simplicity* – By focusing on the one element of the entire suite of costs and taxes, the Orléans CIP can propose a simplified formula to potential applicants and improve its marketability to knowledge-based sector businesses across the globe.

## **2.7. Program Duration**

Given the geographic breadth of the Orléans CIP, it is proposed that the grant program accept applications for an initial period of five years (up to 2018) following Council approval and adoption of the required by-laws, with an option for Council to extend the program. Grants would not be available on a retroactive basis and Council can extend or cancel the Orléans CIP programs at any time (except any approved grant program payments to owners must continue). Discontinuation of the program or a change in grant entitlement would not affect previously approved grants. Changing the CIP by

adding new grant programs or by increasing or decreasing the grant payment amounts would be approved through a formal amendment to the Orléans CIP in accordance with the provisions of the Planning Act.

Other jurisdictions including Toronto, Niagara Falls, and Windsor offer similar programs, extending the annual grant payment for 5 to 20 years typically.

As a requirement of the CIP, owners would report annually on their tenancy, the number of jobs created, and, 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 on the tenant's awareness of the grant, so that the tenant may negotiate terms of payment with complete information.

### **3. Goals and Objectives**

The principal goal of the Orléans Community Improvement Plan is to attract major knowledge-based employers to the area and to encourage the creation of new high-quality jobs. In so doing, the Orléans Community Improvement Plan would result in significant improvements to the job-to-household ratio in Orléans. However, residents of Orléans would not necessarily fill the new jobs created by the CIP. The point is to increase job availability in Orléans so that residents would have more opportunities to work in the community where they live. Accordingly, an increase in the number of jobs available would be considered a success.

Supplementary to the principal goal of attracting new high-quality jobs to Orléans through this CIP, an additional objective is to attract new employment-related private sector investment, for lands and/or buildings that are currently vacant, underutilized, idled, or in need of repair or renovation. The CIP does not apply to greenfield development. This new redevelopment would result in increased property tax assessment and a corresponding increased contribution to tax revenues made by the owners of CIP project properties.

Other goals include:

- Increased employment opportunities and, as a related consequence, a positive job retention effect in Orléans;
- Stimulate new investment in and maintenance of properties on privately-held lands; Encourage redevelopment of vacant and underutilized properties;
- Focus growth in areas where municipal services are already available;
- Improve the physical and visual quality and overall attractiveness of Orléans as an employment centre;
- Improve, when possible, environmental health, safety and facility design where projects include energy efficiency, accessibility upgrades, etc.; and
- Strengthen Orléans as a “live, work, and play” destination.

The plan provides incentives for property owners that would encourage investment in the redevelopment of existing sites that currently, or in the past have been developed. The Orléans CIP program is not intended to stimulate “Greenfield Development.”

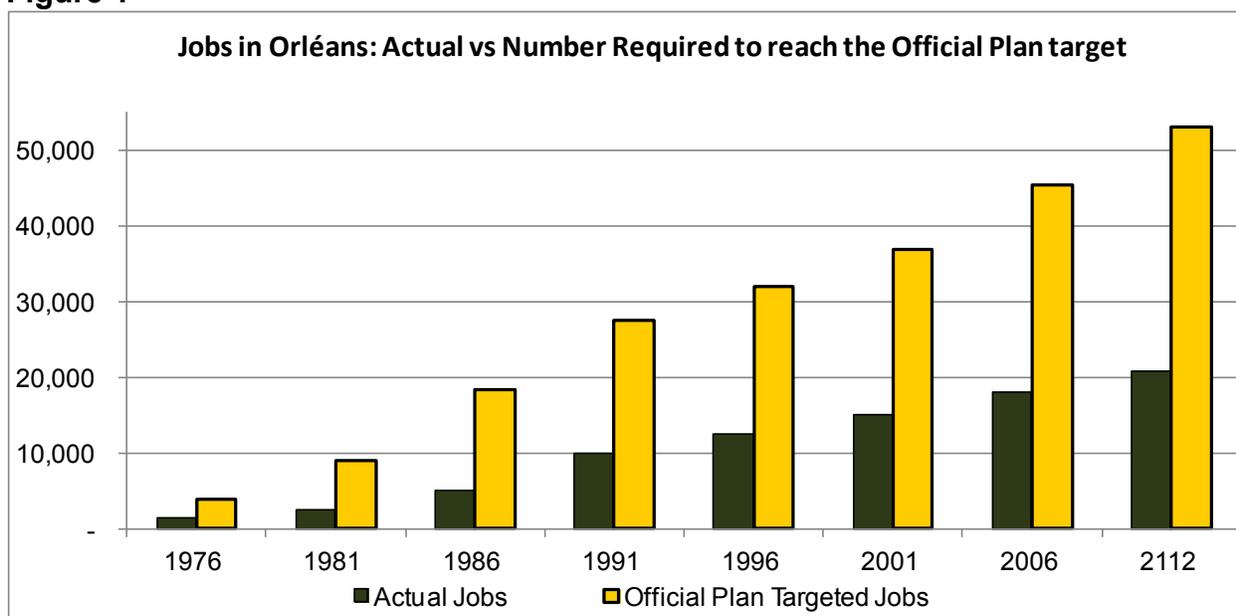
## Orléans Employment Landscape

According to 2006 census data, retail and hospitality sectors represent the majority of jobs in Orléans, and account for approximately 40 per cent of the total local employment base. However, knowledge-based jobs, together with employment in local government, and public administration opportunities represent in aggregate, only about 0.5 per cent of local employment in Orléans.

This trend is not new. In a study conducted in 2006, consulting firm FoTenn Urban Planners and Designers reported that only about 20 per cent of the Orléans labour force lived and worked in Orléans. The study reported that some 55.2% of the Orléans workforce held jobs in the central and inner areas of the city. By comparison, approximately 33 per cent of Kanata's labour force and 50 per cent of the work force in the central and inner core live and work in the same area.

The Figure 1 below illustrates these trends in Orléans. The chart illustrates the trend back as far as 1976, depicting the actual number of jobs in the area, compared to the number of jobs needed for a "balanced" ratio of 1:1.3 as targeted in the Official Plan.

**Figure 1**



There has been steady job growth in Orléans, but the growth in housing has kept pace. During the summer of 2012, the Planning and Growth Management Department began an update of the Ottawa Employment Survey (last completed in 2006) and although the survey report has yet to be published, data for Orléans is available. The unpublished data show that there were 20,834 jobs in Orléans in 2012, but housing has also grown steadily to 40,750 households as of mid-2012. This results in a jobs-to-households ratio of 0.51, continuing the long-term trend.

These figures emphasize the need to leverage existing economic strengths in the Orléans community by facilitating and encouraging business activity and private sector investment.

This CIP encourages sector-specific business development to attract high-potential growth industry sectors, particularly high-potential and emerging industry sectors such as film, television and digital media as well as knowledge-based industries which include wireless, photonics, clean tech, aerospace and defence, and life sciences.

#### **4. Community Improvement Project Area**

The proposed Orléans CIP Project Area as illustrated in Appendix B encompasses approximately 36 square kilometres or about 3,600 hectares of land.

The incentive program is available to properties within the Orléans Community Improvement Plan Project Area; however, the CIP does not apply 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 qualifies for the Orléans 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.

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

##### **5.1. Introduction**

The incentive grants contained in this CIP represent the incentives that would assist in achieving the goals outlined in Section 3.0. The grant provided in respect of the subject lands and buildings of an applicant under the program contained in the Orléans CIP would be a 75% grant annually on the municipal property tax increment over a period of 10 years and would not exceed \$5,000,000.00. If the Orléans CIP is combined with any other CIP program, including brownfields CIP programs, the total grant shall still not exceed \$5,000,000.00. In any case, the grant cannot exceed the total cost of the project.

To be eligible for payment of a grant, the amount of work undertaken on the property and/or buildings shall result in a minimum increase of \$250,000.00 in the assessed value of the property as determined through post-construction reassessment by the Municipal Property Assessment Corporation (MPAC) and shall provide the required minimum number of net new jobs.

The incentive program is available to properties within the Orléans Community Improvement Plan Project Area; however, the CIP does not apply 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 qualifies for the Orléans 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.

Any property owner (or assignee) in the Orléans CIP Project Area is eligible to apply for the incentive program. Grants awarded under the Orléans CIP program for a particular property are only available to the owner that signed the original grant agreement and are not transferable. If all or part of a property is sold within a grant eligibility period, 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 permitted to apply only for one grant in this CIP (i.e., more than one application for the same type of grant on abutting properties that comprise a coordinated development is not permitted).

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 Orléans CIP Project Area.

## **5.2. 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 the Orléans CIP is subject to the following general requirements:

- a) All owners of private properties in the Orléans CIP Project Area may apply for a CIP grant, but only for commercial or industrial land uses that satisfy the employment target criteria. Only one Orléans CIP grant application per property will be considered.
- b) The City reserves the right to audit the works that have been approved under the Orléans CIP at the expense of the applicant;
- c) The aggregate of all approved applications within the project period for the Orléans CIP shall not exceed \$10,000,000.
- d) To be eligible to receive a grant, the amount of eligible work undertaken on the property and/or buildings shall result in a minimum increase of \$250,000 in the assessed value of the property as determined through post-construction reassessment by the Municipal Property Assessment Corporation (MPAC).

- e) The applicant shall be required to include as part of any Orléans CIP grant application an independent tax study by a qualified consultant, having 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.
- f) Generally, the City would provide grant payments under this CIP only after 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.
- g) 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;
- h) 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;
- i) The City may discontinue the program at any time but applicants with approved grants would continue to receive said grant subject to meeting the general and program specific requirements;
- j) 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;
- k) The improvements made to buildings and/or land shall be made pursuant to a building permit where required, and/or other required permits, and be constructed in accordance with the Ontario Building Code where applicable;
- l) City staff, officials, and/or agents of the City may inspect any property that is the subject of an application for the Orléans CIP Incentive Program offered by the City;
- m) To be eligible to receive Orléans CIP grants, beginning with the first post-development grant 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).

- n) 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 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.
- o) To be considered for the Orléans CIP grant program, a project must include one or more of:
  - i. an addition of building space to an existing building;
  - ii. façade improvement facing a public road right-of-way;
  - iii. new building construction (replacing a previous facility);
  - iv. significant alterations to an existing building resulting in improved marketability of the rental premises and a corresponding increase in assessed value;
  - v. site works including hard / soft landscaping and signage.
- p) Stand-alone internal building upgrades and maintenance costs in existing building space that are not expected to have a beneficial impact on employment do not qualify for the incentive grant programs in this CIP.
- q) A pre-consultation meeting for the proposed development is required to determine the type of necessary planning applications.
- r) The maximum amount per application for the Orléans CIP cannot exceed \$5,000,000.
- s) All Orléans CIP grants are subject to an agreement signed by the owner and registered on the title of the property to which they apply. If an applicant has received approval for an Orléans CIP Grant, the related requirements and grant payment amounts would form part of the legal agreement.
- t) Orléans 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.

### **5.3. Tax Incentive Equivalent Grant (TIEG)**

Although Section 28(7) of the *Planning Act* of the Province of Ontario permits a variety of financial incentives including waiver of development charges or interest-free loans, a Tax Increment Equivalent Grant (TIEG) grant program is the instrument employed for the Orléans CIP as it can provide meaningful benefit to property owners and tenants.

The TIEG is given to the property owner who attracts new employment-related private sector investment to lands and/or buildings that are currently vacant, underutilized, idled, or in need of repair or renovation (the grant does not apply to greenfield development). The improvement or new development would increase the assessment

(value) of the property. The grant is based on the increase in the property's contribution to municipal property tax revenue that results from the increased value. After the taxes have been paid each year, the City then gives back a percentage of the increment in the property tax for that year over a period of 10 years.

The annual grant available is based on the municipal tax increment amount. The applicant would initially pay for the entire cost of development. After the City receives payment of the property taxes that result from the project, the City would reimburse the applicant in the form of an annual grant equivalent to 75% of the increase in municipal taxes for a period of up to ten years, or up to the time when total grant payments equal either the total project costs excluding all taxes or \$5,000,000.00, whichever comes first.

Total project costs for the TIEG under the Orléans Community Improvement Plan Incentive Program include the following:

- a. Demolishing buildings;
- b. Constructing / upgrading on-site infrastructure including water services, sanitary sewers, burial of hydro service and stormwater management facilities;
- c. Constructing / upgrading off-site infrastructure including roads, water services, sanitary sewers, stormwater management facilities, electrical and gas utilities,
- d. Constructing / upgrading on-site features including hard and soft landscaping, parking areas, walkways, decorative lighting and signage;
- e. Constructing / upgrading off-site features including walkways, pedestrian amenities, hard and soft landscaping;
- f. Constructing new building(s), additions to buildings, upgrading building facade in front or external side yards;
- g. Building permit fees for any of the preceding works; and,
- h. The following Leadership in Energy and Environmental Design (LEED) Program Components:
  - i. Base plan review by a certified LEED consultant;
  - ii. Preparing new working drawings to the LEED standard; or,
  - iii. 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. Applications for funding under this program are subject to approval by City Council. As a condition of approval of an application for a TIEG, 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.

The assessment and municipal property taxes ("base rate") would 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 municipal property taxes after reassessment as determined by the Municipal Property Assessment Corporation (MPAC) following project completion.

The amount of the grant payment would be recalculated annually based on the municipal property taxes levied and the resultant municipal tax increment paid by the owner for that year.

The TIEG for the Orléans Community Improvement Plan Program would commence on or after the date that this Plan comes into effect and would be offered for an initial period of five years, with an option to extend the program for up to another five years, subject to the availability of funding as approved by City Council.

While it cannot be guaranteed that the benefits of the Orléans CIP program would flow through to tenants, every effort would be made to facilitate the tenant receiving a benefit given the program's focus on creating employment in knowledge-based sectors. There is no requirement for the property owner and tenant to submit an application jointly, but as a requirement of the CIP, owners would report annually on their tenancy and the number of jobs created. Additionally, 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 must also include evidence that the tenant is aware of the program so that they may negotiate lease terms with complete information.

All Orléans CIP grants would be structured such that payment occurs following construction of the project, property reassessment by the Municipal Property Assessment Corporation (MPAC) has occurred and the first year of post-reassessment taxes has been paid. Issuing payments after construction ensures that the City's investment through the grant has resulted in an actual project that satisfies the employment targets set out in the CIP and that benefits the community. This also allows time for project-related increased contributions to tax revenues to be made by the owners of CIP project properties and received by the City.

If the post-construction assessment is appealed by any party for a property that is the subject of an approved grant application, and the post-appeal assessment is reduced, the City would recalculate payments made to the applicant 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.

#### **5.4. Project Eligibility Criteria**

##### General

The primary goal of the Orléans CIP is to help companies meet the demand of providing new high quality jobs in Orléans. This goal would be achieved by providing grants that partially offset the increase in property taxes associated with redevelopment opportunities that serve to attract new employment. The purpose of the program is to attract new businesses and encouraging them to locate in Orléans. In addition, the program is expected to influence existing Orléans businesses to expand. Companies

large and small can use it although certain job creation thresholds and job-type restrictions apply.

Under the Orléans CIP program, a property owner or business that redevelops a property within the Orléans CIP Project Area that leads to a minimum number of new full time (or equivalent) jobs in approved sectors would be eligible for a TIEG grant. Eligible projects must target a minimum of 15 net new jobs within 10 years of project completion and result in a minimum of fifteen (15) immediate net new jobs at time of project completion. The 15-job minimum threshold must be maintained throughout the TIEG grant agreement period, failing which, annual grants would cease. The square footage of the development must demonstrate that at least 15 FTEs would be housed in the facility.

### Location

Submissions under the Orléans CIP must be located in an area that has been identified in the Official Plan as:

- A location with significant development potential, specifically those designated as Town Centres, Mixed-Use Centres, Employment Areas, Enterprise Areas, and Main Streets. These areas include locations that are centred on the rapid-transit network, major roads, busy commercial streets;
- In an area that is already serviced or may be serviced with major roads, transit and piped sewer and water services. Candidate properties would be reviewed in careful detail based on our best knowledge of current trends and history to ensure that incentives are 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.

Notwithstanding the need to restrict Orléans CIP projects to areas that have been identified as growth areas in the Official Plan, candidate projects would be reviewed in careful detail based on our best knowledge of current trends and history to ensure that incentives are 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.

Any property owner (or assignee) in the Orléans CIP Project Area is eligible to apply for the incentive program. Grants awarded under the Orléans CIP program for a particular property would only be available to the owner that signed the original grant agreement and would not be transferable. If all or part of a property is sold within a grant eligibility period, grant payments would immediately be discontinued. Grants awarded under the Orléans CIP for a particular property would not be transferable to another property.

### Employment Criteria

The primary goal of the Orléans CIP is to help companies meet the demand of providing new high-quality jobs in Orléans by providing grants that partially offset the increase in property taxes associated with redevelopment opportunities that serve to attract new employment. The purpose of the program is to attract new businesses to locate in

Orléans and to encourage existing businesses to expand. Companies large and small can use it, although certain job creation thresholds and job type restrictions apply.

Only projects that provide the minimum number of new jobs in approved sectors would be eligible for a grant under the Orléans CIP. Eligible projects must target a minimum of 15 net new jobs. For purposes of this requirement, “eligible jobs” is defined as full-time paid positions of regular employment that are physically located within the subject property and are positions only in knowledge-based sectors. Only eligible jobs would be considered in the assessment of net new jobs. Either these jobs must be new to Ottawa, through expansion of an existing enterprise, a new company start up, or a company newly located in Ottawa. The square footage of the development must demonstrate that at least 15 FTEs would be housed in the facility.

### Eligible Job sectors

Only projects that provide the minimum number of new jobs in approved sectors would be eligible for a grant under the Orléans CIP. Eligible projects must target a minimum of 15 net new jobs within 10 years of project completion and result in a minimum of fifteen (15) immediate net new jobs at time of project completion. For purposes of this requirement, “eligible jobs” is defined as full-time paid positions of regular employment that are physically located within the subject property and are positions only in knowledge-based sectors as described below. Only eligible jobs would be considered in the assessment of net new jobs.

Only jobs in knowledge-based sectors would be considered in the assessment of net new jobs. Either these jobs must be new to Ottawa, through expansion of an existing enterprise, a new company start up, or a company newly located in Ottawa. The square footage of the development must demonstrate that at least 15 FTEs would be housed in the facility.

Industry Canada has developed a two-tiered categorization of industries that would be appropriate for identifying industries as knowledge-based:

*Tier I – a narrow band of science and technology-based firms composed of knowledge producers; and*

*Tier II – a broad band of «high knowledge» firms that, based on measures of research and development and knowledge worker inputs, could be considered to be business innovators and high-knowledge users.*

Industry Canada also offers a detailed list of examples related to this definition on its website.

The following list provides common examples:

- Communications and information technology including wireless, and photonics and data systems;

- Life sciences and health services, including pharmaceuticals and medicine;
- Clean technologies;
- Film, television and digital media;
- Finance, insurance, real estate and business services (not including retail branches of same);
- Community, social and personal services including health and education services;
- Defence, security and aerospace; and,
- Computer and technology including software, computer hardware, semi-conductor and other electronic components

### Ineligible Uses

The primary purpose of the Orléans CIP is to attract new businesses to locate in Orléans and to encourage existing businesses to expand resulting in an increase in the number of high-quality knowledge-based jobs. Uses that would not result in an increase in knowledge-based jobs would not be eligible for the incentive financing of this program. Excluded uses would include, but may not be limited to:

- Retail uses
- Automobile sales, service, service station and gas bar
- Facilities for the sale of food for consumption on or off premises
- Bar or tavern uses
- Warehousing and storage facilities
- Bingo parlour or other gaming facilities
- Heavy Industrial uses, including those which, by their nature, generate noise, fumes, odours, and are hazardous or obnoxious
- Wholesale operations
- Cross-dock facilities
- Adult entertainment parlour
- Body rub establishment
- Correction facility
- Corrections residence
- Emergency shelter
- Hotel, motel, bed and breakfast, lodging house or residential care facility

## **6. Implementation**

### **6.1. Administration**

The Economic Development and Innovation Department would manage and administer the Program with participation from Planning and Growth Management (PGM) and the Finance Department. A “one window” approach would be utilized through a single application submitted at the time of site plan 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 annual City budget approval. However, 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 (namely, 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 must be paid before the grant is released)

Applicants may have an initial conversation either with an Economic Development Officer in the Economic Development and Innovation Department (EDI), or with a representative of Planning and Growth Management (PGM). 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 Orléans CIP program, the next step would be a required preliminary pre-consultation meeting to be arranged by EDI. Both EDI and PGM would be required at this meeting. The applicant would be advised at the pre-consultation what additional steps would be required. For example, the applicant may be advised that the project may include a need for Site Plan, Rezoning, Transportation Study, Conservation or Heritage Authority input etc.

For those cases where the project may proceed directly to Building Permit, the EDI would arrange a subsequent meeting with a Development Information Officer (DIO) and Building Services. The applicant would be advised what additional steps would be required. For example, the applicant may be advised that his 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 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 AACI designation (Accredited Appraiser Canadian Institute), and submit it to the CIP Coordinator in the Economic Development and Innovation Department.

EDI staff, together with Planning and Growth Management Department, the Finance Department would review the application and perform such due diligence as is deemed appropriate and forward the application together with any analysis or additional information to Committee and Council. Representatives from Economic Development and Innovation, Planning and Growth Management and Finance Department would examine each application to ensure the projects receiving grants do not represent "organic growth" and that they are occurring as a result of financial incentives.

Where a CIP incentive has been approved for a project, EDI 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.

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.

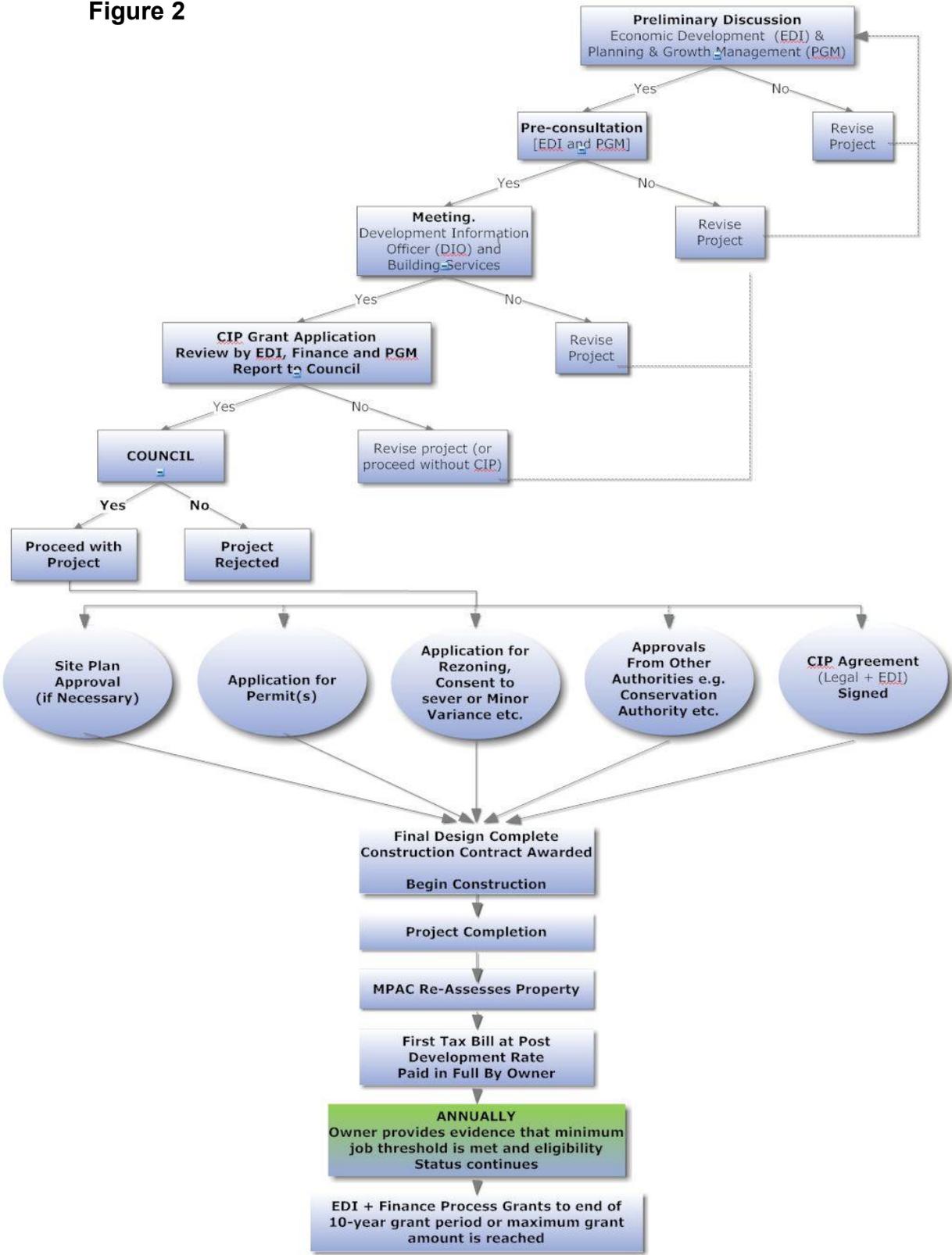
These additional steps may include one or more of the following permits and approvals, but are not restricted to the following:

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 consent
7. Permit required from Ministry of Transportation Ontario. MTO
8. Permission to fill (conservation authority)
9. Etc.

Each year until the end of the grant period or until the maximum grant amount has been reached, staff would review the project to ensure that performance targets continue to be met and 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.

Figure 2 on the following page illustrates the administration process.

**Figure 2**



## **6.2. Monitoring and Amendments**

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 3.0 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.
- Estimate of jobs created/maintained.
- 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 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*.

## **6.3. 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, Orléans CIP grants would be identified as the applications are received and reviewed. Operating pressures associated with approved Orléans 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.

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

As mentioned previously, two other City of Ottawa programs permitted under Section 28 of the Provincial *Planning Act* continue to be available to Orléans commercial property owners: (1) the City of Ottawa Brownfields Redevelopment Community Improvement Plan and (2) the St. Joseph Boulevard Community Improvement Plan.

Unlike these two programs, the Orléans CIP is not designed to reimburse costs but rather provides a financial incentive program that would encourage property owners to redevelop properties in Orléans with projects that would support the goals set out in this report (namely, to attract major knowledge-based employers to the area and to encourage the creation of new high-quality jobs). For these reasons:

- Property owners undertaking brownfield redevelopment projects, who also wish to apply for grants under the Orléans 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 Orléans CIP; however, the tax increment grant can only be granted through one program (i.e., not granted twice) and the total grants from both programs shall not exceed \$5,000,000.00 or the total cost of the project, whichever is lower ; and,
- Property owners who own property in the St. Joseph Boulevard Community Improvement Project Area and who wish to apply for benefits under the Orléans CIP *shall not be permitted* to receive benefits under both the St. Joseph Boulevard Community Improvement Plan, and the Orléans CIP.

## Appendix “A”

### 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.
4. 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***

5. 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.
6. 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***

7. 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*.
8. 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.
9. The City shall be satisfied that its participation in community improvement activities will be within the financial capabilities of the City.

# Appendix "B"

