
DOWNTOWN CIP EXPLAINED - PRIVATE INVESTMENT, INCENTIVES, TAX BENEFIT, RETURN ON INVESTMENT, BACKGROUND

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INTRODUCTION

Monday February 5, 2017.

DOWNTOWN CIP 2017 - A POSTMORTEM REVIEW

To follow up the deliberations from Finance Committee and the year long process initiated by Planning Staff following the direction of Council in December of 2016, Please find the following pages which illustrate the real viewpoint or Business Case for the Downtown CIP program and additionally the Brownfield Strategy CIP. (see Appendix and Glossary Pg. 9 and 10 for explanation of Terms). This review is the opinion of OLDENBURGinc. based on the review of the programs, intended results, discussions with city staff, city executives, and others at city hall. OLDENBURGinc. is speaking on behalf of itself and not the other 33 applicants.

In the presentation to Planning Committee in August 2017, Planning staff highlighted 33 applicants which ‘qualified’ for the program. Subsequently, the property at 185 Lorne Street filed its application for the Downtown CIP and, Brownfield Strategy CIP as the property qualifies for both programs further to the direction and guidance of Senior Planners and Director of Planning as it qualified for both the DCIP and BSCIP.

The presentation by Planning staff to Planning Committee provided a specific (two criteria) review relating to what programs within the CIP the applicants applied for, and the ratio between Private Investment and the Incentives being offered. Of the incentives, we have Rebates for ‘Feasibility Study, Planning Fee, Building Permit, Per-Door Residential’, Grants for ‘Facade Improvement, TIEG” and Loan. For all aspects of the Rebates and Grants, most if not all of benefit for the proponents (money) to the proponents is not available till occupancy, audit or substantial completion. The TIEG are benefits are paid out for a period of 5 to 10 years after completion and are not a dollar for dollar cost to the taxpayers of Sudbury - if not for the substantial investment by the proponents would there be a new tax benefit or revenue for City of Greater Sudbury. The Loan is not an item that should be counted as a cost (only interest) to the city as loans are not looked at as a capital expense, nor should it be suggested that it is an investment in the proponents projects.

There was never any indication of the new MPAC value for the proponents properties (whether residential/commercial/etc.) nor was there any indication as to what the new tax benefit the City of Greater Sudbury would gain from the proponents completing the work indicated in their applications. Afterall, this program is about rehabilitating property and the respective increase in revenue for CGS. For the purposes of discussion (Pg 6 and 7) - OLDENBURGinc. has completed a review of all 33 applicants who were in the initial Expression of Interest (totaling \$2.7M) initialed by CGS Staff and Council in April 2017 and includes the subsequent application for 185 Lorne (originally \$9.5M, and revised for 2018 review to \$4.1M (removing \$4.5M loan and \$800k of per door incentive). OLDENBURGinc. has resubmitted and its 2018 application can be seen here <https://www.thebrewerlofts.com/cip-programs-detailed>. The review grouped all applicants into three distinct categories:

1. TIEG Applicants - MPAC value (or increase) is based on Private Investment and assessed at 90% given a substantial change of the property. i.e. - \$100 spent = \$90 MPAC property value increase
2. Multiple Incentives (no TIEG) - MPAC value (or increase) is based on Private Investment and assessed at 65% increase in property value. i.e. - \$100 spent = \$65 MPAC property value increase
3. Facade Only - MPAC value (or increase) is based on Private Investment and assessed at 60% increase in property value. i.e. - \$100 spent = \$60 MPAC property value increase

THE MPAC values or percentages used are based on information provided to OLDENBURGinc and MPAC guidance on what increases would be expected if all of the properties were fully reviewed and assessed after completion. The Private Investment and Incentive Values used are noted on Pg 5 and 6. For the purposes of this review, OLDENBURGinc. used the base ‘residential tax rate’ of 1.25% for all properties regardless if they were residential, commercial or varieties therein, Education portion would be additional. By using this basic rate, it shows a potential ‘minimum’ that the City of Greater Sudbury could realize from approving all applicants over a 10 year period and the pro-rated payout over that period. Potential tax rates for the subject properties could range up 3.51% (plus the associated BIA rate), so one can see the potential of the proponents investment and the support of these programs by both staff and council to realize the benefits of the Council approved programs that have been heavily promoted for several years in different forms. These programs as stated ‘reduce the risk’ for developers. But also to create new tax revenue for CGS.

Unlike the business case provided to Finance Committee in December 2017, the capital cost to fund this Downtown CIP program is not the sole responsibility of the 2018 budget and should not been described as such. Without the substantial private investment and commitment from CGS to ratify and fund these programs will there be the real opportunity for CGS to gain the tremendous benefits that these policies look to achieve. The TIEG in particular is based on any proponent spending significant dollars to complete their property which increases the tax revenue for properties which may not otherwise be redeveloped or improved. Developers require the certainty and confidence that a city will follow through on the programs and policies that they have written - whether based on the Provincial Policy Statement (2014), OCGS Official Plan (2005 to present), Downtown Master Plan (2012), expansion of Downtown CIP Area (2014), www.gs2025.ca (2015) and other guiding documents that have been endorsed by staff and council. Whereby staff promoted the programs to the extent that proponents spend considerable time and money to qualify and not have approval of funding calls into question the integrity of the city and sincerity of the process. It undermines and diminishes the confidence and belief proponents need to have in those who have created these policies in order to confidently invest with the assurance that any policy or program initiated by CGS is legitimate and real.

No specific result in the financial analysis was expected when the values were input based on MPAC assessment or the tax rate used. The summary based on the information provided results in nearly \$61M of private investment into the DCIP area, with a new MPAC value of \$54.4M which nets the City of Greater Sudbury \$7.0M in new tax revenue (10 year basis). The overall ratio of private investment to incentive is 8.27:1, the ROI is 95% over 10 years and based on the projections, all money designated to all DCIP applicants would be paid back in 10.49 years (or less given commercial property rates not calculated). All values for new tax revenue do not include year over year property value increases or any increase in property taxes which would increase the ROI measurably. The potential of all of these properties creates in perpetuity a new tax base for the DCIP area that may not otherwise be realized and does not account for any other future development or increased property values within the DCIP area due to these private investments.

OLDENBURGinc. has written this summary to inform all stakeholders, tax payers and residents of CGS the value in these programs. OLDENBURGinc encourages CGS proponents in all Town Centres to engage with the CIP programs which have been developed to benefit CGS in a substantial way. There are significant barriers to take a risks on investment into these areas based on the challenges that are before us - but we need to have some assurance that if a program is promoted and one is qualified based on the criteria that has been written by CGS staff and endorsed by council, that CGS will fulfill the promise of such programs for the benefit of the citizens of the city from now into the future.

GO

DOWNTOWN CIP - ALL APPLICANTS 2017: TAX, BUSINESS AND RETURN ANALYSIS

SUMMARY FROM PLANNING DEPARTMENT TO COUNCIL FOR ALL DOWNTOWN CIP APPLICANTS - AUGUST 2017 (NOT INCLUDING 185 LORNE STREET)

Appendix B – Eligible Applications

| Address | Grant Type | Description | Grant Amount | Estimated Project Cost |
|------------------|--|--|--------------|------------------------|
| 45 Hartman | Façade Improvement | Re-point brick and paint exterior. Replace windows and cladding. | \$15,000 | \$120,000 |
| 143 Pine | Façade Improvement | Comprehensive porch and façade repair | \$10,200 | \$20,340 |
| 128 Cedar | TIEG/ Façade Improvement/ Planning Fee / Building Permit Fee/ Per-Door Grant / Loan | Conversion of upper levels to residential | \$154,500 | \$400,000 |
| 196 Elgin | TIEG/ Building Permit Fee / Per-Door Grant / Loan | Conversion of upper floors to dwelling units | \$133,000 | \$280,000 |
| 20 Ste Anne Road | Tax Increment Equivalent Grant/ Façade Improvement/ Planning Fee Rebate / Building Permit Fee Rebate | Expansion of seniors' residences. | \$771,209.60 | Approx \$20M |
| 30 Ste Anne Road | Façade Improvement/ Planning Fee Rebate / Building Permit Fee Rebate | Associated with expansion of seniors' residences. | \$50,000 | \$3M |
| 162 | Façade | Associated with | \$34,395 | \$1.5M |

| Address | Grant Type | Description | Grant Amount | Estimated Project Cost |
|--------------|--|---|--------------|------------------------|
| Mackenzie | Improvement/ Planning Fee Rebate / Building Permit Fee Rebate | expansion of seniors' residences. | | |
| 183 Cedar | Façade Improvement | Repaint Facade | \$9,350 | \$18,700 |
| 151 Pine | Façade Improvement | Refacing of front of building. | \$15,000 | \$31,052 |
| 307 Elm | TIEG/Façade Improvement /Building Permit Fee / Planning Fee | Comprehensive Façade Improvement and office upgrades. | \$16,800 | \$165,000 |
| 255 Larch | Façade Improvement / Building Permit Fee Rebate | Façade and boardroom upgrades. | \$16,080 | \$104,000 |
| 15 Mackenzie | Façade Improvement | Aesthetic improvements | \$15,000 | \$47,593 |
| 76 Elm | Façade Improvement | Reconstruction of entrance | \$15,000 | \$40,000 |
| 36 Elgin | Façade Improvement | Rehabilitation of clock tower | \$15,000 | \$35,000 |
| 71 Lorne | TIEG / Façade Improvement / Planning Fee/ Building Permit Fee Rebate / Feasibility | Comprehensive redesign of interior and exterior of building | \$27,506.82 | \$85,000 |
| 110 Elm | Façade Improvement | Repainting of Façade | \$7,174 | \$14,294 |
| 82 Ignatius | Façade Improvement | Comprehensive Façade | \$15,000 | \$35,000 |

| Address | Grant Type | Description | Grant Amount | Estimated Project Cost |
|----------------|--|---|--------------|------------------------|
| | | improvement | | |
| 152-158 Durham | TIEG / Façade Improvement / Building Permit Fee Rebate / Per-Door Grant | Façade Improvement and creation of residential unit | \$36,100 | \$100,000 |
| 66 Elm Street | Façade Improvement / Building Permit Fee Rebate / Feasibility | Comprehensive Façade Improvement | \$25,350 | \$500,000 |
| 283 Cedar | Façade Improvement | Repainting of Façade | \$6,125 | \$12,250 |
| 93 Cedar | TIEG/ Building Permit Fee Rebate/ Per-Door Grant / Loan / Feasibility Study | Conversion of upper floors to residential | \$381,155.25 | \$1,491,084 |
| 79 Cedar | TIEG / Façade Improvement / Building Permit Fee Rebate / Feasibility Study | Rehabilitation of Parking Garage | \$84,127.92 | \$2,877,000 |
| 19 Durham | Façade Improvement | Rehabilitation to improve aesthetics | \$15,000 | \$31,870 |
| 7 Pine | Tax Increment Equivalent Grant / Planning Fee Rebate / Building Permit Fee Rebate / Residential Per-Door | New build with ground floor commercial and residential on upper levels. | \$584,994.20 | \$3.4M |

DOWNTOWN CIP - ALL APPLICANTS 2017: TAX, BUSINESS AND RETURN ANALYSIS

SUMMARY FROM PLANNING DEPARTMENT TO COUNCIL FOR ALL DOWNTOWN CIP APPLICANTS - AUGUST 2017 (ADDITIONAL APPLICANT 185 LORNE STREET SHOWN AS EXTRA)

| Address | Grant Type | Description | Grant Amount | Estimated Project Cost |
|---------------|---|--|--------------|-------------------------|
| | Grant / Loan / Feasibility Study Grant | | | |
| 96 Larch | TIEG/ Façade Improvement / Building Permit Fee / Per-Door Grant / Loan / Feasibility | Conversion to Residential and Façade Improvement | \$411,043.73 | \$1,248,050 |
| 40 Elm | Façade Improvement | Redesign of Rainbow Mall's Ste-Anne Entrance | \$14,000 | \$31,640 |
| 40 Elm | Façade improvement | Redesign of Rainbow Mall Main Entrance | \$15,000 | Not known at this time. |
| 85 Ste-Anne | Façade Improvement Grant | Redevelop entrance | \$4,500 | \$8,943 |
| 10 Elm Street | Façade Improvement | Redesign of Entrance to Mall Offices | \$15,000 | \$203,722 |
| 271 Larch | Façade Improvement | Façade Improvement | \$15,000 | \$100,000 |
| 293/297 Larch | Façade Improvement | Façade Improvement | \$15,000 | \$200,000 |
| 283 Larch | Façade Improvement | Façade Improvement | \$10,000 | \$120,000 |
| 311 Elm | TIEG / Façade Improvement / Planning Fee / Building Permit Fee Rebate / Per-Door Grant / Loan / Feasibility Study | Addition of residential units and façade improvement | \$313,142.33 | \$755,000 |

| Address | Grant Type | Description | Grant Amount | Estimated Project Cost |
|----------|---|------------------------------------|--------------|------------------------|
| 41 Lorne | Façade Improvement Grant | New siding, painting and upgrading | \$13,750 | \$27,500 |
| 124 Elm | Façade Improvement Program / Building Permit Fee Rebate / Feasibility Study Grant | Improve aesthetics. | \$20,600 | \$55,000 |
| TOTALS | | | \$3,300,077 | \$38,616,888 |

| ADDITIONAL | NOT INCLUDED | IN ORIGINAL EXPRESSION | OF INTEREST | |
|---|--|--|--------------|--------------|
| 185 Lorne * Loan request (\$4.5M) and additional per-door request removed from values. | Downtown TIEG / Brownfield Strategy TIEG / Façade Improvement / Planning Fee Rebate / Building Fee Rebate / Per Door Grant | 50 residential condominium lofts and 18,620 sqft of commercial condominium space, 82 indoor parking spaces, 40 outdoor parking spaces (see PL2016-190) | *\$4,062,900 | \$23,580,000 |
| TOTALS OF ALL 2017 APPLICANTS | | | *\$7,363,000 | \$60,638,038 |

| Incentive Type | Incentive Amount Recommended |
|------------------------------------|------------------------------|
| Tax Increment Equivalent Grant | \$1,019,401 (over 5 years) |
| Façade Improvement Program | \$424,722 |
| Planning Fee Rebate Program | \$25,060 |
| Building Permit Fee Rebate Program | \$192,794 |
| Residential Incentive Program | \$483,100 |
| Feasibility Grant Program | \$45,000 |
| Multi-Res Loan Program | \$1,110,000 |
| TOTAL | \$3,300,077 |
| TOTAL Leveraged | \$38,616,888 |
| RATIO (Public – Private) | 1 : 12 |

* Business Case to Council for 185 Lorne included the consideration of an interest free loan (\$4.5M) and consideration for additional \$800K over program guidelines based on the scale of the project and achievement of the CIP and Downtown Master Plan goals. They were not absolute requests despite how they were presented.

It has been removed for the 2018 submission.

<https://www.thebrewerlofts.com/cip-programs-detailed>

DOWNTOWN CIP - ALL APPLICANTS 2017: TAX, BUSINESS AND RETURN ANALYSIS

DOWNTOWN CIP APPLICANTS 2017 - Return on Investment Detailed Review)

| Address | Incentive Type(s) | Projected PRIVATE Investment | Qualified Incentive Requests (Paid at occupancy and/or over a period up to 10 years) | New MPAC (taxable)Value for TIEG Qualified Properties (*where new value is 90% of investment) | New MPAC (taxable) Value for Multiple Incentive (no TIEG) Properties (* where new value is 65% of investment) | New MPAC (taxable) Value for Façade Only Properties (* where new value is 60% of investment) | Projected New MPAC (taxable) Value for all Properties (based on assumptions) | MINIMUM NEW TAX BENEFIT (10 YEAR BASIS) to CGS (calculated only at residential rates for Municipal portion at 1.25%) | ROI - Rate of Return (10 Year Basis) New Tax/ Total Incentive | Years to Recuperate Incentive (Incentive/New 10 Year Tax Basis) |
|--|---|------------------------------|--|---|---|--|--|--|---|---|
| TIEG QUALIFIED | | | | | | | | | | |
| 185-227 Lorne *** only property which qualifies for Downtown and Brownfield CIP programs | TIEG / Brownfield CIP / Façade Improvement / Planning Fee / Building Permit Rebate / Per-Door Grant | \$23,580,000 | \$4,062,900 | \$22,670,302 | | | | \$3,050,820 | 75.09% | 13.32 |
| 20 Ste Anne Road | TIEG / Façade Improvement/ Planning Fee Rebate / Building Permit Rebate | \$20,000,000 | \$771,209 | \$18,000,000 | | | | \$2,250,000 | 291.75% | 3.43 |
| 7 Pine | TIEG / Planning Fee Rebate / Building Permit Rebate / Per-Door Grant | \$3,400,000 | \$584,994 | \$3,060,000 | | | | \$382,500 | 65.39% | 15.29 |
| 79 Cedar | TIEG / Façade Improvement / Building Permit Fee Rebate / Feasibility Study | \$2,877,000 | \$84,127 | \$2,589,300 | | | | \$323,663 | 384.73% | 2.60 |
| 93 Cedar | TIEG/ Building Permit Fee Rebate/Residential Per-Door Grant / Loan / Feasibility Study | \$1,491,084 | \$381,155 | \$1,341,976 | | | | \$167,747 | 44.01% | 22.72 |
| 96 Larch | TIEG/ Façade Improvement / Building Permit Fee / Per-Door Grant / Loan / Feasibility Study | \$1,248,050 | \$411,043 | \$1,123,245 | | | | \$140,406 | 34.16% | 29.28 |
| 311 Elm | TIEG / Façade Improvement / Planning Fee / Building Permit Rebate / Per-Door Grant / Loan / Feasibility Study | \$755,000 | \$313,142 | \$679,500 | | | | \$84,938 | 27.12% | 36.87 |
| 128 Cedar | TIEG / Façade Improvement / Planning Fee / Building Permit Fee / Per-Door Grant / Loan | \$400,000 | \$154,500 | \$360,000 | | | | \$45,000 | 29.13% | 34.33 |
| 196 Elgin | TIEG / Building Permit Fee / Per-Door Grant / Loan | \$280,000 | \$133,000 | \$252,000 | | | | \$31,500 | 23.68% | 42.22 |
| 307 Elm | TIEG / Façade Improvement /Building Permit Rebate / Planning Fee | \$165,000 | \$16,800 | \$148,500 | | | | \$18,563 | 110.49% | 9.05 |
| 152-158 Durham | TIEG / Façade Improvement / Building Permit Rebate / Per-Door Grant | \$100,000 | \$36,100 | \$90,000 | | | | \$11,250 | 31.16% | 32.09 |
| 71 Lorne | TIEG / Façade Improvement / Planning Fee / Building Permit Rebate / Feasibility Study | \$85,000 | \$27,506 | \$76,500 | | | | \$9,563 | 34.77% | 28.76 |
| | TOTAL TIEG QUALIFIED | \$54,381,134 | \$6,976,476 | \$50,391,323 | | | \$50,391,323 | \$6,515,948 | 93% | |
| MULTIPLE INCENTIVES (no TIEG) | | | | | | | | | | |
| 30 Ste Anne Road | Façade Improvement / Planning Rebate / Building Permit Rebate | \$3,000,000 | \$50,000 | | \$1,950,000 | | | \$243,750 | 3,900.00% | 2.05 |
| 162 Mackenzie | Façade Improvement/ Planning Fee Rebate / Building Permit Rebate | \$1,500,000 | \$34,395 | | \$975,000 | | | \$121,875 | 2,834.71% | 2.82 |
| 66 Elm Street | Façade Improvement / Building Permit Rebate / Feasibility Study | \$500,000 | \$25,350 | | \$325,000 | | | \$40,625 | 1,282.05% | 6.24 |
| 255 Larch | Façade Improvement / Building Permit Rebate | \$104,000 | \$16,080 | | \$67,600 | | | \$8,450 | 420.40% | 19.03 |
| 124 Elm | Façade Improvement Program / Building Permit Rebate / Feasibility Study | \$55,000 | \$20,600 | | \$35,750 | | | \$4,469 | 173.54% | 46.10 |
| | TOTAL MULTIPLE INCENTIVES (no TIEG) | \$5,159,000 | \$146,425 | | \$3,353,350 | | \$3,353,350 | \$419,169 | 2,290% | |
| FACADE ONLY | | | | | | | | | | |
| 10 Elm Street | Façade Improvement | \$203,722 | \$15,000 | | | \$122,233 | | \$15,279 | 101.86% | 9.82 |
| 293/297 Larch | Façade Improvement | \$200,000 | \$15,000 | | | \$120,000 | | \$15,000 | 100.00% | 10.00 |
| 283 Larch | Façade Improvement | \$120,000 | \$10,000 | | | \$72,000 | | \$9,000 | 90.00% | 11.11 |
| 45 Hartman | Façade Improvement | \$120,000 | \$15,000 | | | \$72,000 | | \$9,000 | 60.00% | 16.67 |
| 271 Larch | Façade Improvement | \$100,000 | \$15,000 | | | \$60,000 | | \$7,500 | 50.00% | 20.00 |
| 15 Mackenzie | Façade Improvement | \$47,593 | \$15,000 | | | \$28,556 | | \$3,569 | 23.80% | 42.02 |
| 76 Elm | Façade Improvement | \$40,000 | \$15,000 | | | \$24,000 | | \$3,000 | 20.00% | 50.00 |
| 36 Elgin | Façade Improvement | \$35,000 | \$15,000 | | | \$21,000 | | \$2,625 | 17.50% | 57.14 |
| 82 Ignatius | Façade Improvement | \$35,000 | \$15,000 | | | \$21,000 | | \$2,625 | 17.50% | 57.14 |
| 19 Durham | Façade Improvement | \$31,870 | \$15,000 | | | \$19,122 | | \$2,390 | 15.94% | 62.75 |
| 40 Elm | Façade Improvement | \$31,640 | \$14,000 | | | \$18,984 | | \$2,373 | 16.95% | 59.00 |
| 151 Pine | Façade Improvement | \$31,052 | \$15,000 | | | \$18,631 | | \$2,329 | 15.53% | 64.41 |
| 41 Lorne | Façade Improvement | \$27,500 | \$13,750 | | | \$16,500 | | \$2,063 | 15.00% | 66.67 |
| 143 Pine | Façade Improvement | \$20,340 | \$10,200 | | | \$12,204 | | \$1,526 | 14.96% | 66.86 |
| 183 Cedar | Façade Improvement | \$18,700 | \$9,350 | | | \$11,220 | | \$1,403 | 15.00% | 66.67 |
| 110 Elm | Façade Improvement | \$14,294 | \$7,174 | | | \$8,576 | | \$1,072 | 14.94% | 66.92 |
| 283 Cedar | Façade Improvement | \$12,250 | \$6,125 | | | \$7,350 | | \$919 | 15.00% | 66.67 |
| 85 Ste Anne | Façade Improvement | \$8,943 | \$4,500 | | | \$5,366 | | \$671 | 14.91% | 67.09 |
| 40 Elm *Costs Unknown | Façade Improvement | \$0 | \$15,000 | | | \$0 | | \$0 | 0.00% | |
| | TOTAL FACADE ONLY | \$1,097,904 | \$240,099 | | | \$658,742 | \$658,742 | \$82,343 | 34% | |
| TOTALS | | \$60,638,038 | \$7,363,000 | | | | \$54,403,415 | \$7,017,459 | 95% | 10.49 |

DOWNTOWN CIP - ALL APPLICANTS 2017: TAX, BUSINESS AND RETURN ANALYSIS

DOWNTOWN CIP APPLICANTS 2017 - BUDGET STRUCTURE/BUSINESS CASE/PAYOUT VIEWPOINT OF INCENTIVE PROGRAMS

| Address | Incentive Type(s) | Projected PRIVATE Investment | Incentives for QUALIFIED Proponents Based on Program Criteria | ***Use of Funds Payout of Incentives Based on Program Criteria | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|--|------------------------------------|--|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| TIEG QUALIFIED | | | | Investment : Incentive Ratio | | | | | | | | | | |
| 185-227 Lorne **only property which qualifies for Downtown and Brownfield CIP programs | TIEG / Brownfield CIP / Façade Improvement / Planning Fee / Building Permit Rebate / Per-Door Grant | \$23,850,000 | \$4,062,900 | 5.9 :1 | \$406,290 | \$406,290 | \$406,290 | \$406,290 | \$406,290 | \$406,290 | \$406,290 | \$406,290 | \$406,290 | \$406,290 |
| 20 Ste Anne Road | TIEG / Façade Improvement/ Planning Fee Rebate / Building Permit Rebate | \$20,000,000 | \$771,209 | 25.9 :1 | \$77,121 | \$77,121 | \$77,121 | \$77,121 | \$77,121 | \$77,121 | \$77,121 | \$77,121 | \$77,121 | \$77,121 |
| 7 Pine | TIEG / Planning Fee Rebate / Building Permit Rebate / Per-Door Grant | \$3,400,000 | \$584,994 | 5.8 :1 | \$58,499 | \$58,499 | \$58,499 | \$58,499 | \$58,499 | \$58,499 | \$58,499 | \$58,499 | \$58,499 | \$58,499 |
| 79 Cedar | TIEG / Façade Improvement / Building Permit Fee Rebate / Feasibility Study | \$2,877,000 | \$84,127 | 34.2 :1 | \$8,413 | \$8,413 | \$8,413 | \$8,413 | \$8,413 | \$8,413 | \$8,413 | \$8,413 | \$8,413 | \$8,413 |
| 93 Cedar | TIEG/ Building Permit Fee Rebate/Residential Per-Door Grant / Loan / Feasibility Study | \$1,491,084 | \$381,155 | 3.9 :1 | \$38,116 | \$38,116 | \$38,116 | \$38,116 | \$38,116 | \$38,116 | \$38,116 | \$38,116 | \$38,116 | \$38,116 |
| 96 Larch | TIEG/ Façade Improvement / Building Permit Fee / Per-Door Grant / Loan / Feasibility Study | \$1,248,050 | \$411,043 | 3.0 :1 | \$41,104 | \$41,104 | \$41,104 | \$41,104 | \$41,104 | \$41,104 | \$41,104 | \$41,104 | \$41,104 | \$41,104 |
| 311 Elm | TIEG / Façade Improvement / Planning Fee / Building Permit Rebate / Per-Door Grant / Loan / Feasibility Study | \$755,000 | \$313,142 | 2.4 :1 | \$31,314 | \$31,314 | \$31,314 | \$31,314 | \$31,314 | \$31,314 | \$31,314 | \$31,314 | \$31,314 | \$31,314 |
| 128 Cedar | TIEG / Façade Improvement / Planning Fee / Building Permit Fee / Per-Door Grant / Loan | \$400,000 | \$154,500 | 2.6 :1 | \$15,450 | \$15,450 | \$15,450 | \$15,450 | \$15,450 | \$15,450 | \$15,450 | \$15,450 | \$15,450 | \$15,450 |
| 196 Elgin | TIEG / Building Permit Fee / Per-Door Grant / Loan | \$280,000 | \$133,000 | 2.1 :1 | \$13,300 | \$13,300 | \$13,300 | \$13,300 | \$13,300 | \$13,300 | \$13,300 | \$13,300 | \$13,300 | \$13,300 |
| 307 Elm | TIEG / Façade Improvement /Building Permit Rebate / Planning Fee | \$165,000 | \$16,800 | 9.8 :1 | \$1,680 | \$1,680 | \$1,680 | \$1,680 | \$1,680 | \$1,680 | \$1,680 | \$1,680 | \$1,680 | \$1,680 |
| 152-158 Durham | TIEG / Façade Improvement / Building Permit Rebate / Per-Door Grant | \$100,000 | \$36,100 | 2.8 :1 | \$3,610 | \$3,610 | \$3,610 | \$3,610 | \$3,610 | \$3,610 | \$3,610 | \$3,610 | \$3,610 | \$3,610 |
| 71 Lorne | TIEG / Façade Improvement / Planning Fee / Building Permit Rebate / Feasibility Study | \$85,000 | \$27,506 | 3.1 :1 | \$2,751 | \$2,751 | \$2,751 | \$2,751 | \$2,751 | \$2,751 | \$2,751 | \$2,751 | \$2,751 | \$2,751 |
| | TOTAL TIEG QUALIFIED | \$54,651,134 | \$6,976,476 | 7.8 :1 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 |
| MULTIPLE INCENTIVES (no TIEG) | | | | | | | | | | | | | | |
| 30 Ste Anne Road | Façade Improvement / Planning Rebate / Building Permit Rebate | \$3,000,000 | \$50,000 | 60.0 :1 | \$50,000 | | | | | | | | | |
| 162 Mackenzie | Façade Improvement/ Planning Fee Rebate / Building Permit Rebate | \$1,500,000 | \$34,395 | 43.6 :1 | \$34,395 | | | | | | | | | |
| 66 Elm Street | Façade Improvement / Building Permit Rebate / Feasibility Study | \$500,000 | \$25,350 | 19.7 :1 | \$25,350 | | | | | | | | | |
| 255 Larch | Façade Improvement / Building Permit Rebate | \$104,000 | \$16,080 | 6.5 :1 | \$16,080 | | | | | | | | | |
| 124 Elm | Façade Improvement Program / Building Permit Rebate / Feasibility Study | \$55,000 | \$20,600 | 2.7 :1 | \$20,600 | | | | | | | | | |
| | TOTAL MULTIPLE INCENTIVES (no TIEG) | \$5,159,000 | \$146,425 | 35.2 :1 | \$146,425 | | | | | | | | | |
| FACADE ONLY | | | | | | | | | | | | | | |
| 10 Elm Street | Façade Improvement | \$203,722 | \$15,000 | 13.58 :1 | \$15,000 | | | | | | | | | |
| 293/297 Larch | Façade Improvement | \$200,000 | \$15,000 | 13.33 :1 | \$15,000 | | | | | | | | | |
| 283 Larch | Façade Improvement | \$120,000 | \$10,000 | 12.00 :1 | \$10,000 | | | | | | | | | |
| 45 Hartman | Façade Improvement | \$120,000 | \$15,000 | 8.00 :1 | \$15,000 | | | | | | | | | |
| 271 Larch | Façade Improvement | \$100,000 | \$15,000 | 6.67 :1 | \$15,000 | | | | | | | | | |
| 15 Mackenzie | Façade Improvement | \$47,593 | \$15,000 | 3.17 :1 | \$15,000 | | | | | | | | | |
| 76 Elm | Façade Improvement | \$40,000 | \$15,000 | 2.67 :1 | \$15,000 | | | | | | | | | |
| 36 Elgin | Façade Improvement | \$35,000 | \$15,000 | 2.33 :1 | \$15,000 | | | | | | | | | |
| 82 Ignatius | Façade Improvement | \$35,000 | \$15,000 | 2.33 :1 | \$15,000 | | | | | | | | | |
| 19 Durham | Façade Improvement | \$31,870 | \$15,000 | 2.12 :1 | \$15,000 | | | | | | | | | |
| 40 Elm | Façade Improvement | \$31,640 | \$14,000 | 2.26 :1 | \$14,000 | | | | | | | | | |
| 151 Pine | Façade Improvement | \$31,052 | \$15,000 | 2.07 :1 | \$15,000 | | | | | | | | | |
| 41 Lorne | Façade Improvement | \$27,500 | \$13,750 | 2.00 :1 | \$13,750 | | | | | | | | | |
| 143 Pine | Façade Improvement | \$20,340 | \$10,200 | 1.99 :1 | \$10,200 | | | | | | | | | |
| 183 Cedar | Façade Improvement | \$18,700 | \$9,350 | 2.00 :1 | \$9,350 | | | | | | | | | |
| 110 Elm | Façade Improvement | \$14,294 | \$7,174 | 1.99 :1 | \$7,174 | | | | | | | | | |
| 283 Cedar | Façade Improvement | \$12,250 | \$6,125 | 2.00 :1 | \$6,125 | | | | | | | | | |
| 85 Ste Anne | Façade Improvement | \$8,943 | \$4,500 | 1.99 :1 | \$4,500 | | | | | | | | | |
| 40 Elm *** Costs Unknown | Façade Improvement | \$0 | \$15,000 | 0.0 :1 | \$15,000 | | | | | | | | | |
| | TOTAL FACADE ONLY | \$1,097,904 | \$240,099 | 4.57 :1 | \$240,099 | | | | | | | | | |
| TOTALS | | \$60,908,038 | \$7,363,000 | 8.27 :1 | \$1,084,172 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 | \$697,648 |

***Values are actual for one-time Rebates/Grants, paid upon completion (shown in Year 1) though could be afterward as well.

- Façade Improvement
- Planning Fee
- Building Permit Rebate
- Per-Door Grant
- Feasibility Study
- Loan

All TIEG Qualified properties are shown with the entire incentive pro-rated over 10 years (program payout length) as information from the applicants is not readily available. Actual values per year will differ with higher during 1st five years and lower for remaining 5 years, the overall value is the same.

Please note that the TIEG values represent NEW tax (or revenue) for the CGS. Loans should not count against the Capital Budget as they are repaid. The cost for the TIEG is not based on the increase or grant provided. The cost is a percentage value of the increased mill rate for CGS only if the proponents complete the work as proposed. It is a percentage of the overall revenue or capital budget for CGS and should NOT be viewed as a dollar for dollar cost to the city for the increased property value and associated program cost.

In perpetuity following the 10 year program - the city will earn at a minimum\$7.0M over a ten year period not accounting for property value or tax increases. Or over 100 years, CGS will earn at least \$70M in new tax in response to these programs.

DOWNTOWN CIP - ALL APPLICANTS 2017: TAX, BUSINESS AND RETURN ANALYSIS

GLOSSARY AND APPENDIX

| | |
|---------------------------------|---|
| 10 YEAR BASIS/PERIOD | Calculated value based on 10x of single year value, increase or assessment (does not account for property value or municipal tax increases - Education portion is extra) |
| BSCIP | Brownfield Strategy Community Improvement Plan |
| CIP | Community Improvement Plan |
| DCIP | Downtown Community Improvement Plan |
| INCENTIVE | Grant, Rebate or Loan promoted to/by City of Greater Sudbury for Qualified Proponents who have satisfied all criteria set out in the policies recommended by Planning Committee and endorsed by City Council |
| INVESTMENT: INCENTIVE RATIO | Private Investment divided by Incentive provided (based on City of Greater Sudbury Policy) as a ratio |
| MPAC | Municipal Property Assessment Corporation, administers property assessments & appeals of assessment in the Province of Ontario. MPAC determines the taxable value for all properties across the province of Ontario, Canada |
| NEW TAX BENEFIT | Differential between Current Tax Value and Future Tax Value through Private Investment and Incentives |
| PRIVATE INVESTMENT | Money invested by companies, financial organizations, or other investors, rather than by a government into the DCIP area |
| QUALIFIED PROPONENTS | Those who have addressed all program criteria written by CGS Planning Staff, recommended to council by Planning Committee and endorsed by City Council |
| ROI | Return on Investment ROI is usually expressed as a percentage and is typically used for personal financial decisions, to compare a company's profitability or to compare the efficiency of different investments |
| STACKABLE PROGRAMS | Programs can be used in conjunction with other incentive programs offered by the city or other levels of government. The total amount of incentives shall not exceed eligible costs. |
| YEARS TO RECUPERATE INCENTIVE | Time in years for New Tax Benefit to recover the incentive paid to the Proponent based on new MPAC value. |
| DOWNTOWN CIP PURPOSE | https://www.greatersudbury.ca/play/downtown-sudbury/the-downtown-sudbury-master-plan/downtown-community-improvement-plan/ - recommended for approval by Planning Committee November 2016: ratified by council December 2016 |
| | 1. Revitalize Downtown Sudbury; 2. Increase the residential population of the downtown; 3. Create and retain employment opportunities; 4. Grow the municipal assessment base; 5. Grow the municipal property tax revenue; 6. Repair and intensify the existing urban fabric with compatible projects; 7. Take advantage of existing infrastructure; and, 8. Enhance the quality of the public realm |
| TIEG | No limit specific limit to benefit unless; TIEG value shall not be greater than the costs to complete the development (i.e. - if benefit is calculated to be \$10 and cost to redevelop is <\$10, the proponent can only the benefit up to costs to associated with redevelopment) <i>Qualifier 1 - 100% of Municipal Tax Increment Increase for 3 years, years 4 and 5 at 50% (non-residential); (i.e. - if current tax value is \$1 and the new MPAC value is \$10, the difference (\$9) is rebated x 400% (\$36) over 5 years)</i> <i>Qualifier 2 - 100% of Municipal Tax Incremental Increase for 1 through 4, and 50% of the tax increment in years 5 through 10. Where 1) the property to be developed was vacant on the date of adoption of this plan; 2) the development proposes ground level retail; 3) the development proposes above-ground residential; 4) the proposal includes structured parking. (i.e. - if current tax value is \$1 and the new MPAC value is \$10, the difference (\$9) is rebated x 700% (\$63) over 10 years)</i> |
| FACADE IMPROVEMENT | Up to \$15,000 per property A grant of 50% of the cost to improve a building's facade, to a maximum of \$15,000 is available. Payment will be made only upon the completion of the work. Signage and lighting improvements will only be considered as part of a comprehensive façade improvement project. The total amount of funding allocated to the signage component of a comprehensive façade improvement project will be limited to \$2,500. |
| PLANNING | Up to \$5,000 per property The total amount of incentive provided under the building fee component of this program will not exceed \$100,000 annually. The maximum amount of incentive provided under the building fee component of this program to any approved eligible property will not exceed \$30,000. |
| BUILDING FEE REBATE | Up to \$30,000 per property |
| RESIDENTIAL INCENTIVE PER DOOR | A grant of \$10 per sq foot of newly-created habitable residential space, or \$20,000 per dwelling unit, whichever is lesser, is available. Payment will be made only upon the occupancy permit being issued. The total amount of incentive provided under this program will not exceed \$800,000 annually. The maximum amount of incentive provided under the program to any approved eligible property will not exceed \$200,000. |
| FEASIBILITY STUDY GRANT | Up to \$5,000 per property |
| INTEREST FREE LOAN | This program will provide interest-free loans of up to 25% of the project costs, to a maximum of \$250,000 to property owners who undertake: a. The creation of a new multiple dwelling upon vacant land or parking areas; and/or, b. A building addition containing at least four new dwelling units; and/or; c. The conversion of existing commercial, industrial, institutional space into a multiple dwelling. Upon approval, the City's funding will be advanced in three stages, upon completion of 60%, 80%, and substantial completion of the project. |
| DEVELOPMENT CHARGES EXEMPT AREA | Qualified in accordance with By-Law 2014-151 |

GLOSSARY AND APPENDIX continued

BROWNFIELD STRATEGY CIP PURPOSE (<https://www.greatersudbury.ca/do-business/planning-and-development/community-improvement-plans/brownfields/>) - adopted City Council on October 12, 2011 and amended by By-law 2013-193 on August 13, 2013.

| | | |
|--|--|---|
| | To be eligible, the property must: | <div>1. Be located in the community improvement project area;</div> <div>2. Be an urban property;</div> <div>3. Have been previously used for commercial or industrial purposes;</div> <div>4. Be vacant, derelict or at risk;</div> <div>5. Be the subject of a residential or mixed use re-use or redevelopment proposal; and,</div> <div>6. Have a “failed” Phase 2 Environmental Site Assessment.</div> |
| BROWNFIELD TIEG (Municipal Portion) | <div>To encourage the remediation, reuse and redevelopment of eligible properties by providing grants equivalent to the increment increase in property tax assessment and revenue</div> <div>No limit specific limit to benefit unless;</div> <div>TIEG value shall not be greater than the costs to complete the development (i.e. - if benefit is calculated to be \$10 and cost to redevelop is <\$10, the proponent can only the benefit up to costs to associated with redevelopment)</div> <div><i>Qualifier 1 - 100% of Municipal Tax Increment Increase for 5 years</i></div> <div><i>(i.e. - if current tax value is \$1 and the new MPAC value is \$10, the difference (\$9) is rebated x 500% (\$45) over 5 years)</i></div> | |
| BROWNFIELD TIEG (Education Portion) | <div>No specific limit to benefit unless;</div> <div>TIEG value shall not be greater than the costs to complete the development (i.e. - if benefit is calculated to be \$10 and cost to redevelop is <\$10, the proponent can only the benefit up to costs to associated with redevelopment)</div> <div><i>Qualifier 1 - 100% of Education Tax Increment Increase for 5 years</i></div> <div><i>(i.e. - if current tax value is \$1 and the new MPAC value is \$10, the difference (\$9) is rebated x 500% (\$45) over 5 years)</i></div> | |
| TAX ASSISTANCE PROGRAM | To encourage the remediation, reuse and redevelopment of eligible urban or non-urban properties by canceling all or a portion of property taxes during the rehabilitation period and development period. | |
| LANDFILL TIPPING FEE REBATE PROGRAM | To encourage the remediation, reuse and redevelopment of eligible properties by reducing tipping fees for impacted soil material being deposited at the City’s landfill sites. The total amount of incentive provided under this program will not exceed \$200,000 annually. The maximum amount of incentive provided under this program to any approved eligible property will not exceed \$40,000. | |
| PLANNING AND BUILDING FEE REBATE PROGRAMS | <div>The City will provide approximately \$350,000 in funding under this program annually. The total amount of funding provided to each property will be \$70,000.</div> <div>To encourage the remediation, reuse and redevelopment of eligible properties by rebating fees associated with Planning Act and Ontario Building Code applications.</div> | |

CGS DOWNTOWN CIP WORDING - 2017 (Promoted to Downtown Land Owners by Planning Staff CGS for Expression of Interest) Further to Council Approval (December 2016)

1.0 PLAN BACKGROUND <https://www.greatersudbury.ca/play/downtown-sudbury/the-downtown-sudbury-master-plan/downtown-community-improvement-plan/downtown-cip-expression-of-interest/>

1.1 Introduction

Downtowns are important. They are the historic and symbolic heart of a community, the reflection of a city's image, pride and prosperity. They are the meeting place for the entire city, where all types of different people come together to celebrate and share common experiences.

A healthy, active, successful downtown makes a positive statement about the prosperity of a city, sending a confident message to future residents, businesses and investors. The reverse is also true, which is why a strong Downtown Sudbury is so important. While Downtown Sudbury has a number of strengths, there is great potential for improvement.

This Community Improvement Plan (CIP) presents a series of incentive programs to reinforce the Downtown's role as the biggest, brightest and best downtown in Northern Ontario. The following CIP has been prepared to allow the City of Greater Sudbury to use powers afforded through section 28 of the Planning Act to make grants, loans and tax increment financing available to registered owners, assessed owners, and tenants of lands and buildings within the designated area.

1.2 Rationale

Downtown is the heart of Greater Sudbury and a strategic core area in northern Ontario. It forms the historic core of the amalgamated City, retaining its important function as a local and regional centre of government services, business, retail, sport and entertainment uses, arts and culture, and community and institutional uses. The Downtown services a large catchment area that extends beyond Greater Sudbury. It is also a place where people live. Compact, walkable and transit-supportive, the Downtown possesses a distinct built form that sets it apart from other urban areas, offering unique opportunities to protect, develop and sustain its role as the vibrant hub of a dynamic city.

The City of Greater Sudbury and its partners have developed a new Downtown Sudbury Master Plan (the Vision, Plan and Action Strategy) for the Downtown, to guide revitalization by increasing the level of investment and activity, better connecting the Downtown into the surrounding urban fabric, rebalancing the Downtown street system and improving the Downtown's quality of place.

1.2.1 Downtown Sudbury has opportunity

The Downtown offers a unique urban environment that is characterized by its distinct built form, heritage resources, street configuration, pedestrian spaces, and linkages to neighbourhoods and amenities such as Bell Park. The Downtown plays a key role in defining the City's image and quality of place, perceptions that are essential to the success of a number of City initiatives.

Residential development in the Downtown is key to its future success and is consistent with residential intensification policies. In 2011, approximately 1,720 people lived in the Downtown. Increasing the number of people living Downtown will enhance the existing community dynamic and expand the residential constituency. A residential base also provides support for downtown businesses, acting as a stimulus for small business development.

Residential development is a key priority for the Downtown as a means of stimulating increased investment and business activity, reinforcing the City's urban structure and achieving more efficient pattern of development. The City, through the Downtown Sudbury Master Plan, aims to double the number of people living in Downtown over the next 20 years.

Attracting new non-residential uses such as office, retail, cultural uses and institutional uses is key to growing the level of activity in the Downtown. Office uses foster a strong business environment and provide a customer base for other uses. Retail uses and restaurants reinforce the Downtown's role as a destination for niche products and dining. Cultural and institutional uses augment the Downtown's role as an arts, culture, entertainment and event destination.

1.2.2 Overcoming barriers will help build a greater city

Downtown development and redevelopment has many economic, environmental and social benefits. Overcoming barriers such as up-front costs, securing capital and the availability of parking, and unlocking the latent potential within Downtown Sudbury is another part in the City's continuous movement towards building a stronger, healthier and better-looking Greater Sudbury.

From a policy standpoint, developing and redeveloping Downtown Sudbury also helps implement elements of the City's Official Plan, the Greater Sudbury Community Economic Development Strategic Plan "From the Ground Up", and the 2014 Provincial Policy Statement

2.0 OFFICIAL PLAN CONFORMITY

Section 15 of "The City of Greater Sudbury Official Plan" provides for the use of Community Improvement Plans within the City. Additionally, section 15.2 of the Official Plan designates the entire City of Greater Sudbury as a Community Improvement Project Area. The Official Plan states that the objectives of Community Improvement Plans are to:

- a. Enhance the quality of the physical and social environment through the development, redevelopment, preservation and rehabilitation of certain areas of the City;
- b. Undertake comprehensive community improvement programs with respect to identified projects or designated community improvement areas; and,
- c. Increase employment, economic activity and investment in the City.

This CIP meets all of the objectives set out in the Official Plan.

WHAT A FULLY QUALIFIED PROJECT LOOKS LIKE

<https://www.thebrewerlofts.com/cip-programs-detailed>

ENDORSED PROGRAMS

Downtown CIP

The purpose of the CIP is to:

1. Revitalize Downtown Sudbury; ✓
2. Increase the residential population of the downtown; ✓
3. Create and retain employment opportunities; ✓
4. Grow the municipal assessment base; ✓
5. Grow the municipal property tax revenue; ✓
6. Repair and intensify the existing urban fabric with compatible projects; ✓
7. Take advantage of existing infrastructure; and, ✓
8. Enhance the quality of the public realm ✓

<https://www.greatersudbury.ca/play/downtown-sudbury/the-downtown-sudbury-master-plan/>

<https://www.greatersudbury.ca/play/downtown-sudbury/the-downtown-sudbury-master-plan/downtown-community-improvement-plan/>

Brownfield Strategy CIP

To be eligible, the property must:

- Be located in the community improvement project area; ✓
- Be an urban property; ✓
- Have been previously used for commercial or industrial purposes; ✓
- Be vacant, derelict or at risk; ✓
- Be the subject of a residential or mixed use re-use or redevelopment proposal; and, ✓
- Have a "failed" Phase 2 Environmental Site Assessment. ✓

<https://www.greatersudbury.ca/do-business/planning-and-development/community-improvement-plans/brownfields/>



DOWNTOWN CIP - ALL APPLICANTS 2017: TAX, BUSINESS AND RETURN ANALYSIS





