



City of North Bay Report to Council

Report No: CSBU 2021-19

Date: March 22, 2021

Originator: Adam Curran, Policy and Business Development Planner

Business Unit:

Department:

Community Services

Planning & Building Department

Subject: Growth Community Improvement Plan Update

Closed Session: yes ☐ no ☒

Recommendation

That the Chief Financial Officer be authorized to complete the reserve transfers from Economic Purpose Reserve (99584R) to Community Improvement Program Reserve (99556R) as outlined in RTC CSBU 2021-19.

Background

Council passed By-law 2019-107 on December 10, 2019 which enacted the Growth Community Improvement Plan (Growth CIP). In passing the Growth CIP, the former Downtown CIP, Brownfield CIP and Airport CIP were repealed.

The Growth CIP is permitted under Section 28 of the Planning Act. A CIP is a tool that allows a municipality to take actions to support improvements and redevelopment within a specifically defined Community Improvement Project Area.

In passing the Growth CIP, Council requested that Staff prepare a report providing an update on the Growth CIP. The first update was scheduled for the fall of 2021. However, because of the first year success, staff is providing an update on the Growth CIP earlier than expected.

In 2020, the Review Team has reviewed and approved 20 applications, 15 within the Downtown Target Area, three within the Housing Target Area, and two within the Industrial Target Area. The first year has seen more applications than where anticipated and because of this the reserve fund is almost committed. The purpose of this report will provide a synopsis on the applications submitted in 2020 in each target area and a

request for additional funds to ensure the Growth CIP is appropriately funded.

Downtown Target Area

The primary objectives within the Downtown Target Area are to achieve the revitalization of the core of the City. The goals and priority of the Downtown Target Area is to:

- create new permanent jobs or full-time equivalent positions;
- support infill development;
- improve the physical condition of buildings, while providing for new usable space;
- increase the number of professional workers;
- increase the number of residential units;
- maintain or increase property values;
- develop spaces or properties that are currently vacant or underutilized;
- attract shoppers;
- enhance the attractiveness and further develop the vision of the Downtown, as outlined in the Official Plan;
- support the development of the Downtown and Waterfront areas as a demand generator and tourism destination;
- encourage development that complements the built form and commercial mix in the downtown; and
- support significant private sector investment.

Staff is of the opinion that through the fifteen (15) applications approved within the Downtown Target Areas, these goals and priorities are being met and once construction is complete will play a vital role in the revitalization of the Downtown.

Through the 15 applications the estimated private sector investment will be \$9,680,850. The total committed public sector contribution is \$596,254. Before taking into consideration the tax increment grant every \$1 of public sector municipal funding the private sector invests \$16.2. The average request per application is approximately \$39,750.30.

The goals of the Growth CIP within the Downtown Target Area are to create jobs and have additional residential units. Through the 15 applications there will be approximately 23 full time jobs and 18 part-time jobs. The proposals will also create approximately 84 additional residential units.

The new Growth CIP programs requires that projects must apply for or be already meeting the requirements of the façade guidelines in order to receive funding under the 'Building Improvement Grant'. Nine of the applications include revitalization or maintenance of the façade.

The Downtown Target Area also saw two public art applications, which will help to activate a space within the downtown.

Housing Target Area

The primary objective within the Housing Target Area is to encourage infill and intensification of housing developments. The goals and priorities are to:

- stimulate private sector investment and development in the housing market;
- encourage development of affordable home ownership opportunities as well as affordable rental opportunities;
- promote renovations and intensification; and
- encourage residential development which would encourage aging in place, affordable home ownership and rental and accessible units.

The Housing Target Area has received three applications which have been approved by the Review Team. Through the three applications, the private sector investment is 7.7 million dollars. The approved amount in public sector incentives is \$105,541. Before taking into consideration the tax increment grant, every \$1 of municipal public funds the private sector invests \$72.95. The average public sector investment per application is \$35,180. Through the three applications 37 residential units will be created.

Industrial Target Area

The primary objective within the Industrial Target Area is to help support or encourage the creation of diversified employment opportunities and new employment opportunities. The development and redevelopment of employment lands will help to create a resilient local economy and expand our industrial tax base in creating a vibrant and new employment opportunities, the City would then attract new residents and grow the City's population.

Goals and priorities of the Industrial Target Area are to:

- Improve the market attractiveness and competitiveness of industrial land in North Bay;
- Improve the market attractiveness and competitiveness of industrial land in North Bay;
- Enhance North Bay's image as an Industrial Hub in the North;
- Promote economic rehabilitation, revitalization, economic diversification, economic development and prosperity in North Bay;
- Increase investment in industrial land development in North Bay;
- Increase employment on industrial land and creating new employment opportunities and retaining existing employment;
- Increase the long-term industrial assessment base and industrial land property tax revenues; and
- Where appropriate, promote the redevelopment of brownfield sites for industrial use.

The Industrial Target Area has received two (2) applications to date. The two applications will have a total private sector investment of approximately 6.7 million dollars and the public sector request was \$90,075. Before taking into consideration the tax increment

grant every \$1 public fund the private sector is investing \$74.38. The total average public sector investment per application is \$45,037.50.

It is anticipated between these two applications that a total of thirty (30) full time jobs will be created.

Financial/Legal Implications

During the 2020 budget deliberations Council approved an upfront transfer of \$600,000 plus a base budget increase of \$120,000 which was to increase annually by \$100,000. Due to the pandemic and the levy pressures in 2021, the base budget was not increased as planned.

When managing the financial impact of the community improvement plans there is an inherent delay between the time that the application is approved and the reimbursement of expenses to the applicant. The program is managed in a prudent manner and as such an application is not approved unless the funds are available in the reserve. The assumptions outlined in the 2020 service level request were such that the first year represents the highest year for applications. The assumption was 8 Downtown target area; 1 industrial and 1 housing application would be processed. As noted above, the program has exceeded expectations. Therefore, the annual increase in the levy will require a few years to stabilize the program and make it self-funding. In order to facilitate continued private sector investment it is being recommended that a transfer of \$150,000 from the City's Economic Purposes reserve (99584R) to Community Improvement Program Reserve (99556R) be made. Should the 2021 applications warrant an additional transfer of up to \$350,000 may be completed between the Economic Purposes reserve (99584R) and the Community Improvement Program Reserve (99556R) as and when required.

Currently, the CIP reserve fund has approximately \$90,000 in uncommitted funds. The applications submitted and approved for the Downtown, Industrial, Housing target areas in 2020 had an average financial request of approximately \$39,000. If this trend continues there would be enough funds remaining in the reserve to support two applications.

Corporate Strategic Plan

- | | |
|--|---|
| <input type="checkbox"/> Natural North and Near | <input checked="" type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input checked="" type="checkbox"/> Spirited Safe Community |
| <input type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Promote and support public and private sector investment;
- Cultivate the growth and expansion of existing businesses in North Bay and in surrounding communities;

- Define the development of the waterfront and the revitalization of downtown; and
- Facilitate the development of housing options to service the needs of the community.

Options Analysis

Option 1:

That the Chief Financial Officer be authorized to complete the reserve transfers from Economic Purpose Reserve (99584R) to Community Improvement Program Reserve (99556R) as outlined in RTC CSBU 2021-19.

This option is the recommended option. It will provide short-term funding to sustain the Growth CIP program until such time that the annual contributions from Council through the operating budget are equal to the funding required for the program.

Option 2:

That Council not provide additional funds to the Growth Community Improvement Plan.

Through this option, applications would be approved until the existing uncommitted dollars are used (approximately \$90,000). Any further applications would be held for future years.

Recommended Option

Option 1 is the recommended option.

Respectfully submitted,

Name: Adam Curran, MCIP, RPP

Title: Policy and Business Development Planner

We concur with this report and recommendation.

Name: Beverley Hillier, MCIP, RPP
Title: Manager, Planning & Building Services

Name: Ian Kilgour, MCIP, RPP
Title: Director of Community Development and Growth

Name: Margaret Karpenko, CPA, CMA
Title: Chief Financial Officer

Name: David Euler, P.Eng
Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Adam Curran

Title: Policy and Business Development Planner

Date: March 23, 2021

Report Number: CSBU 2021-19

Page 5