



Staff Report for Committee of the Whole Meeting

Date of Meeting: February 20, 2018

Report Number: SRPRS.18.035

Department: Planning and Regulatory Services

Division: Policy Planning

Subject: **SRPRS.18.035 – Final Community Improvement Project Area By-law and Final Richmond Hill Community Improvement Plan (Town File # D18-17001)**

Purpose:

The purpose of this staff report is to recommend the Community Improvement Project Area By-law and Richmond Hill Office Development and Downtown Local Centre Community Improvement Plan (CIP) to Council for approval.

Recommendation(s):

- a) That Staff Report SRPRS.18.035 be received; and
- b) That the Community Improvement Project Area By-law (attached as Appendix A) and Richmond Hill Office Development and Downtown Local Centre Community Improvement Plan (attached as Appendix B) be approved.

Contact Person:

Michelle Dobbie, Senior Planner (Policy), phone number 905-771-2467.

Report Approval:

Submitted by: Kelvin Kwan, Commissioner of Planning and Regulatory Services

Approved by: Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

Background:

In order to support Richmond Hill's economic development position, specifically the development of new office space within the local economy, in late 2016 the Town initiated a Community Improvement Plan (CIP) Study. The CIP Study included a Background Report identifying the community needs with the Town (SRPRS.17.074), consultation on these community needs, an Implementation Framework outlining the recommended financial incentive programs to address the identified community needs (SRPRS.17.155), and the preparation of a CIP and CIP by-law to implement the recommended programs. The CIP Study builds on a number of studies and plans undertaken by the Town over the past several years, including the Economic Development Strategy (2010, updated in 2017), the Official Plan (OP, 2010), the Office Incentives Study (2013) and the Downtown Local Centre Secondary Plan (2017). Each of these studies and plans recognize the importance of office development within the local economy and the importance of a vibrant downtown. Office development supports the attraction, retention and growth in jobs and accommodates key economic sectors. A statutory public meeting on the Draft Community Improvement Project Area (CIPA) By-law and CIP was held on December 6, 2017 (SRPRS.17.190).

Staff have prepared a revised CIPA By-law and CIP in response to the comments received that implements and further articulates the Official Plan's (OP) policy direction and vision for office development and a vibrant Downtown and that conforms to Provincial and Regional policies and plans.

Council's approval of the CIPA By-law and CIP will be the first step to enable the implementation of a series of financial incentive grants to begin to realize the OP's vision for office development and a more vibrant Downtown area while supporting an enhanced live-work balance. Following the approval of the CIPA By-law and CIP, a number of other implementing projects will need to be completed, including establishing an administrative framework and marketing and promoting the CIP to ensure business owners and landowners are aware of the new CIP programs.

This report provides an update to Council regarding the response to comments received on the Draft CIPA and CIP, along with the proposed revisions to these documents.

Consultation on the Draft CIPA Bylaw and CIP:

In addition to a statutory public meeting, staff consulted with stakeholders through an open house and targeted stakeholder meetings. The feedback from these forums was analyzed and used to inform the revisions to the Draft CIPA By-law and CIP.

Open House

An Open House was held on December 6, 2017 prior to the Council Public Meeting to help the public understand the Draft CIPA area and the CIP programs proposed. Approximately 5 people attended the Open House.

Council Public Meeting

The Draft CIPA By-law and CIP were made available on the Town's website on November 9, 2017. A statutory Council Public Meeting pursuant to the *Planning Act* was held on December 6, 2017 to provide information and to receive comments on the Draft documents (see Appendix C). At the Council Public Meeting, staff was directed to report back on the comments received on the Draft documents and to provide staff's recommendation for proceeding with a final CIPA By-law and CIP (see Council Extract attached as Appendix D).

Stakeholder Meetings

A stakeholder meeting was held with the Building Industry and Land Development Association (BILD) on the Draft CIPA By-law and CIP on November 25, 2017. Approximately 14 BILD members attended this meeting. Targeted stakeholder discussions were also held with internal staff and external government agencies including York Region and the Ministry of Municipal Affairs, and with the local business community. Issues and concerns raised through these discussions are incorporated in this staff report as part of the comments received on the Draft CIPA By-law and CIP.

Response to Comments Received on the Draft CIPA By-law and CIP (dated November 2017):

To date, 3 written and verbal submissions on the Draft CIPA By-law and CIP have been received by the Town. In addition, the Town has had discussions with York Region staff on the Draft CIP. Key issues and commentary from these submissions and Council's comments are grouped into policy themes discussed in more detail below. A list of the submissions received to date is appended to this report (see Appendix E).

Summary of Comments and Proposed Changes by Policy Theme

The following section summarizes the main comments received on the Draft CIPA By-law and CIP and the proposed changes, organizing the key issues and concerns into the following four policy themes:

- Boundary of the Community Improvement Project Area (CIPA);
- Expanding the Building Renovation Grant to support the adaptive re-use of Heritage Buildings;
- Marketing and Promotion of the CIP; and
- Affordable Housing.

The policy themes help to summarize the comments received and generally reflect aspects of the CIPA By-law and CIP in which the majority of the comments are focused. It should be noted that the Ministry of Municipal Affairs outlined a number of technical comments related to the language used in the Draft CIP which, while they are not highlighted below, have been incorporated into the final CIP. Staff's responses to the other comments received along with a summary of any proposed changes are provided under each theme below.

Boundary of the CIPA

Comments were received on the boundary of the CIPA, requesting that the boundary be expanded as it relates to the following areas and programs:

- With respect to the proposed Tax Increment Equivalent Grant (TIEG) Program, comments were received requesting this program be expanded to include major arteries such as Bayview Avenue and Leslie Street, as well as business parks outside of the existing built areas; and
- With respect to the proposed Façade, Landscaping, and Signage Improvement Grant Program, comments were received requesting this program be expanded along Yonge Street up to Bernard, and to add the Oak Ridges area.

Town Staff Response

As was outlined in Staff Report SRPRS.17.190, the CIPA proposed for Richmond Hill includes the designated Centres and Corridors along Yonge Street (from Highway 7 in the south to Bloomington Road in the north) and the Newkirk Business Park and Beaver Creek Business Park. In these built-out areas, the CIP Study found that providing CIP programs in the form of financial incentives will help support local economic development by addressing the following community improvement needs:

- The need to meet employment targets, achieve a live-work balance and reduce labour force outflow, given limited employment land supply and challenges associated with employment intensification;
- The need to support growth in employment and the office sectors, which is slower in Richmond Hill than in neighboring municipalities; and
- The need for private and public realm improvements, as well as the need to achieve a live-work balance, in the Downtown to support revitalization and investment.

Major arteries such as Bayview Avenue and Major Mackenzie Drive have been excluded from the CIPA as they were found to offer less opportunity for substantive office development. Similarly, the Headford and Barker Business Parks were excluded from the CIPA because they were not found to exhibit the same challenges as the built out and developed Newkirk and Beaver Creek Business Parks. Over the past few years, the Town has processed and is currently processing planning applications that conform to the OP in both the Headford and Barker Business Parks, which indicates a market desire to build space for employment uses in these areas without the need for financial incentives from the Town. Given that the major arteries do not exhibit the same community need for financial incentives from the Town as the areas within the proposed CIPA, and the Town's limited financial resources to support the CIPA, staff recommend no change to the CIPA with respect to the proposed TIEG Program at this time.

With respect to the proposed Façade, Landscaping, and Signage Improvement Grant Program, this program is proposed to be limited to properties/projects within the Business Improvement Area (BIA) portion of the Downtown Local Centre to visually

enhance properties and incentivize the development of the linked system of courtyards as directed by the Downtown Local Centre Secondary Plan. Should future Secondary Plans adopted by Council direct for façade, landscaping or signage enhancements similar to those envisioned by the Downtown Local Centre Secondary Plan, the CIPA could be revisited at a later date. At this time, staff recommends no change to the CIPA with respect to the proposed Façade, Landscaping, and Signage Improvement Grant program.

Expanding the Building Renovation Grant to support the adaptive re-use of Heritage Buildings

Comments were received on the need to consider expanding the Building Renovation Grant from its proposed focus on creating new office space, to also include renovations for non-residential uses that support the adaptive re-use of heritage buildings in the Downtown Local Centre.

Town Staff Response

The OP encourages the adaptive re-use of cultural heritage resources identified on the Register in order to maintain and enhance the identity and character of the Town. The Downtown Local Centre Secondary Plan further articulates this direction by promoting the prominence of cultural heritage resources in the Village District along with an appropriate ratio of residential to non-residential uses to promote the economic vitality and continued viability of the Downtown. Given this policy direction in the OP and Secondary Plan, staff recommends revising the program-specific eligibility criteria for the Building Renovation Grant Program to include adaptive re-use of cultural heritage resources on the Town's Inventory of Buildings of Architectural and Historical Importance to provide building renovation grants for all non-residential uses.

Marketing and Promotion of the CIP

Comments were received on the need to market and promote the CIP, once it is approved by Council.

Town Staff Response

The CIP recommends that Town staff prepare a Marketing Plan to support the CIP (see Section 6.3 - Program Marketing and Promotion). Town staff anticipates initiating the preparation of the Marketing Plan in the Spring of 2018, shortly after the CIP is approved by Council. The Marketing Plan is anticipated to include the following components:

- One-to-one outreach activities with individual local developers, site selectors, real estate professionals, businesses and other levels of government including in person, phone and email engagement. These activities will be initiated immediately should the CIP be approved by Council. Examples include conducting an email/calling campaign, providing information through planning application pre-submission meetings, and responding to inquiries from potential new businesses; and

- Outreach activities to broader groups of developers, site selectors, real estate professionals, businesses and other levels of government in person and on-line. These activities will be initiated within six months should the CIP be approved by Council. Examples include promoting CIP at all economic development related events, leveraging interest by organizing site tours for prospective developers and site selectors, promoting office development and distributing CIP promotional materials, and promoting the CIP at conferences and through presentations to influential organizations.

Affordable Housing

Comments were received about the need to consider incentives for affordable housing, possibly through a separate CIP study.

Town Staff Response

Town staff have been participating in York Region's Housing Working Group since 2017. One of the key deliverables for the Housing Working Group is an Affordable Housing Incentives Framework, for which principles are anticipated to be brought to Regional Council shortly, with a Draft Incentives Framework following prior to the summer break. One of the tools discussed by the Working Group is an Affordable Housing CIP. Following the receipt of the Draft Incentives Framework by Regional Council, staff will consider initiating an Affordable Housing Strategy project for the Town, which will consider a range of options to better promote the development of affordable housing in Richmond Hill for Council's consideration. York Region staff are supportive of this approach.

Financial/Staffing/Other Implications:

The approved Planning and Regulatory Services Department Capital Budget includes funding for this study. At this time, there are no financial/staffing/other implications.

Town staff note that the endorsed CIP Implementation Framework (SRPRS.17.155) includes recommendations in respect to financial implications and directs that subject to availability, \$115,000 of the 2017 Operating Budget Surplus be allocated to the Building Renovation Grant Program (in the amount of \$100,000) and to the Façade Improvement, Landscaping and Signage Grant Program (in the amount of \$15,000).

The endorsed CIP Implementation Framework also directs that Council consider future surplus annual allocations as set out in Staff Report SRPRS.17.155 as part of each year's year end Operating Budget reporting. As the CIP matures, it is expected that the annual cap on the Façade Landscape and Signage Improvement Grant and the Building Renovation Grant Programs may be increased over the 5 year period of the CIP to a maximum of \$510,000 (i.e. \$260,000 and \$250,000 respectively).

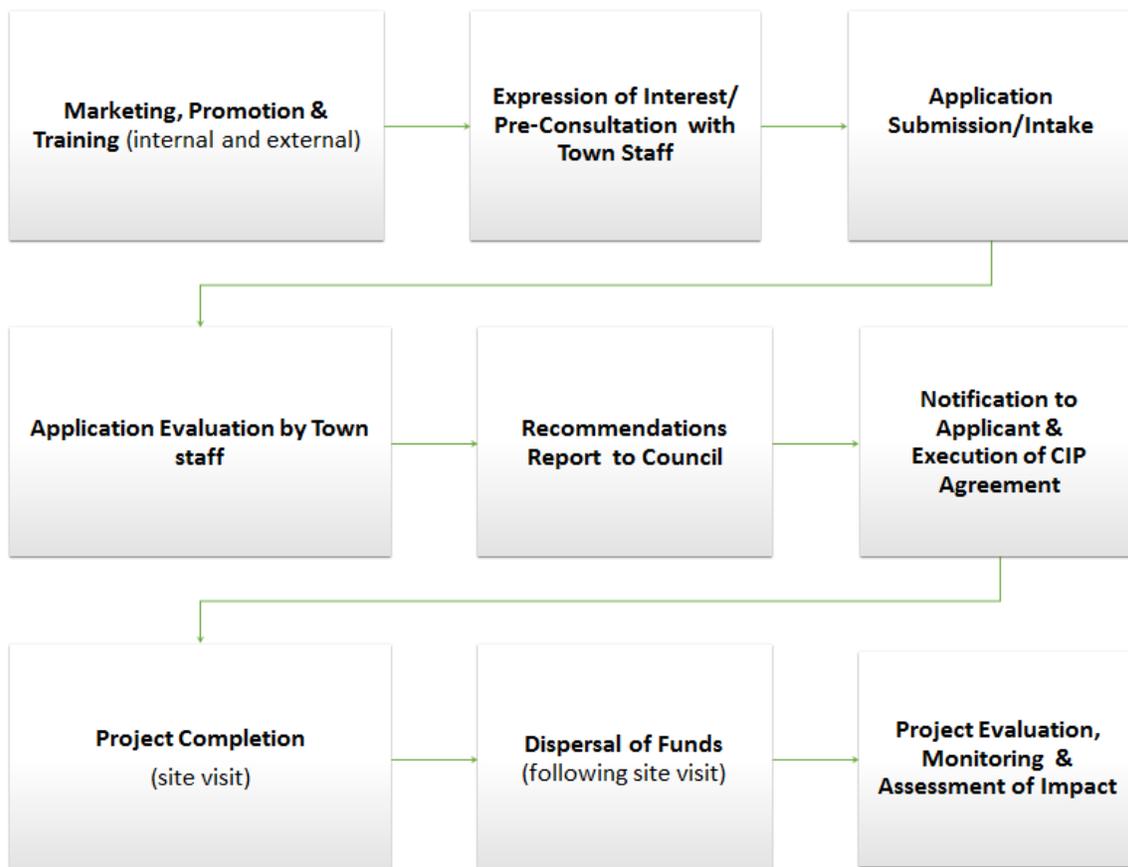
Relationship to the Strategic Plan:

One of the four goals outlined in the Strategic Plan calls for better choice in Richmond Hill; an anticipated outcome of this goal is better options for working and doing

business. The proposed CIP programs will help to support vibrancy in Richmond Hill by supporting the attraction and retention of business development in the employment corridor between Leslie Street and Highway 404, the Downtown Local Centre and more broadly along the Yonge Street corridor. By specifically addressing the needs of the Downtown Local Centre, it will support the development of this area in keeping with the vision established by the Secondary Plan.

Next Steps:

The CIPA By-law and CIP are approved under the *Planning Act*. These documents are subject to a 20 day appeal period. Should there be no appeals, staff will begin to prepare the administrative framework and initiate preliminary marketing and promotion of the CIP. The administrative framework for the CIP will require staff resources from a number of Departments and Divisions, namely Policy Planning, Development Planning, Strategic Initiatives (Economic Development), Finance, Legal, and Building. The graphic inserted below outlines the key tasks that will be refined as part of the administrative framework:



Once applications are received and assessed by staff, staff will report back to Council for approval of individual grant applications. Staff will assess the reporting frequency

based on the volume of applications received. Staff will also monitor CIP uptake and report back to Council on proposed modifications to the CIP.

Conclusion:

It is recommended that this staff report be received and the attached CIPA By-law and CIP (attached as Appendix A and Appendix B respectively) be approved. This report represents the final component of the CIP Study and should Council approve the By-law and CIP, staff will work with interested applicants to begin to implement the CIP programs.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Appendix A Community Improvement Plan Project Area By-law
- Appendix B Community Improvement Plan
- Appendix C Liberal Ad for the Council Public Meeting December 6, 2017
- Appendix D Extract from the Council Public Meeting December 6, 2017
- Appendix E List of written and verbal submissions received on the Draft CIPA and CIP

Report Approval Details

Document Title:	SRPRS.18.035.docx
Attachments:	- SRPRS.18.035 - Appendix A_Bylaw 14-18 to designate CIPA.docx - SRPRS.18.035 - Appendix B_RH CIP - Feb 2018.pdf - SRPRS.18.035 - Appendix C.pdf - SRPRS.18.035 - Appendix E - List of Submissions Received.docx - SRPRS.18.035 - Appendix D_Council extract for CPM120617.pdf
Final Approval Date:	Feb 5, 2018

This report and all of its attachments were approved and signed as outlined below:

Patrick Lee - Feb 5, 2018 - 1:32 PM

Kelvin Kwan - Feb 5, 2018 - 1:43 PM

David Dexter - Feb 5, 2018 - 2:46 PM

Neil Garbe - Feb 5, 2018 - 3:53 PM