



Staff Report for People Plan Task Force Meeting

Date of Meeting: October 11, 2017

Report Number: SRPRS.17.155

Department: Planning and Regulatory Services

Division: Policy Planning

Subject: Implementation Framework for the Community Improvement Plan Study
– Town File # D18-17001 (SRPRS.17.155)

Purpose:

The purpose of this staff report is to present the proposed Implementation Framework that will inform the development of a Community Improvement Plan (CIP) for the Town.

Recommendation(s):

- a) That Staff Report SRPRS.17.155 and the attached Implementation Framework for the Community Improvement Plan Study (Appendix A) be endorsed;
- b) That Town staff be directed to prepare a Draft Community Improvement Plan based on the information set out in Staff Report SRPRS.17.155 and the attached Implementation Framework for the Community Improvement Plan Study (Appendix A) and that the following programs be included:
 - i. Program 1: Façade, Landscape and Signage Improvement Grant;
 - ii. Program 2: Building Renovation Grant Program; and
 - iii. Program 3: Tax Increment Equivalent Grant (TIEG) Program;
- c) That subject to availability, \$115,000 of the 2017 Operating Budget Surplus be allocated as follows:
 - i. \$15,000 for Program 1, allocated to the existing Village Core Façade Assistance Grant capital account; and
 - ii. \$100,000 for Program 2, allocated to a new capital account for this program;
- d) That Council consider future surplus annual allocations as set out in Figure 4 of Staff Report SRPRS.17.155 as part of each year's year end Operating Budget reporting.

Contact Person:

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Submitted by:

"Original signed by P. Lee, Director, Policy Planning, on behalf of the Acting Commissioner of Planning and Regulatory Services, is on file in the Office of the Clerk"

Kelvin Kwan
Acting Commissioner of Planning and Regulatory Services

Approved by:

"Signed version on file in the Office of the Clerk"

Neil Garbe
Chief Administrative Officer

Introduction:

The Richmond Hill Official Plan (OP, 2010) provides direction to undertake a CIP. The CIP enables the Town to implement a range of financial incentives that support the Town as an attractive place to do business. A number of additional studies and plans undertaken by the Town recognize the importance of office employment to the local economy and the importance of a vibrant Downtown. The studies and plans include the Economic Development Strategy (2010, updated in 2017), the Office Incentives Study (2013) and the Downtown Local Centre Secondary Plan (2017). Together, these studies and plans identify that the use of a Community Improvement Plan (CIP) may assist in promoting and/or catalyzing forms of development, redevelopment and/or rehabilitation.

In response to the policy direction established in these studies and plans, Sierra Planning and Management (Sierra) was retained to prepare a CIP Background Report and Implementation Framework in order to assist Town staff in preparing a Draft CIP. The CIP Background Report was received by the People Plan Task Force (PPTF) on May 17, 2017 (SRPRS.17.074). This staff report (SRPRS.17.155) presents the CIP Implementation Framework as prepared by Sierra. The CIP Implementation Framework builds on the information contained in the CIP Background Report and identifies proposed CIP Areas, CIP Programs and implementation parameters, including administrative and resource requirements, marketing and monitoring. Based on the work provided by Sierra, Town staff will prepare a Draft CIP for consideration by Council in late 2017.

Study Background:

The purpose of the CIP Study is to:

1. Provide Council and Town staff with a thorough understanding of Richmond Hill's community improvement needs and determine Community Improvement Plan (CIP) project area(s);

2. Determine, design and recommend CIP programs that address identified community needs within the project area(s); and
3. Provide an implementation strategy, program administration guide and monitoring framework for the recommended programs.

Sierra and Town staff have followed a four-stage process to complete the CIP Study as set out below:

Stage 1: Background Research and Issues Identification, as further set out in the Richmond Hill CIP Study Background Report (SRPRS.17.074);

Stage 2: Consultation, including consultation with local and regional stakeholders and identification of CIP Areas, based on the needs assessment set out in the Background Report;

Stage 3: Identification of a preferred program suite through an Implementation Framework for the CIP (as attached in Appendix A); and

Stage 4: Presentation of the Draft CIP and adoption of the CIP by by-law.

The CIP Implementation Framework (Appendix A) will complete Stage 3 of the study process.

Recommendations of the Implementation Framework:

The Implementation Framework (as attached in Appendix A) outlines a range of financial incentive programs to be implemented through a CIP and identifies the geographic boundaries wherein these programs may be implemented. The Implementation Framework also identifies a range of resource requirements for the successful implementation of the CIP. These include, but are not limited to, marketing and administrative requirements.

The Implementation Framework is organized into 7 sections, which are intended to assist Town staff in preparing the CIP. The sections are as follows:

1: Introduction

This section describes the project process and the rationale and goals of the CIP, in keeping with municipal planning policies and studies. Generally speaking, the CIP is to support office development and downtown revitalization, including the achievement of the planned linked system of courtyards and mews.

2: Community Improvement Project Areas

This section sets out the recommended CIP Areas (CIPA) within which to establish CIP programs for property owners and/or tenants.

The recommended CIPAs in Richmond Hill are identified in Map 1 – Recommended Community Improvement Plan Areas and include the designated Centres and Corridors

along Yonge Street (from Highway 7 in the south to Bloomington Road in the north), Newkirk Business Park and Beaver Creek Business Park. In these areas, providing targeted programs in the forms of financial incentives may result in desired outcomes (such as additional office space development, adaptive reuse of structures for office use and downtown revitalization by way of façade, public realm and signage improvements).

3: Financial Incentive Programs

The financial incentive programs recommended in this section represent a refinement of the range of options presented in the CIP Background Report. The range of options was refined in consultation with staff and based on further analysis of each program. In general, the recommended programs are designed to encourage private sector investment in new and existing office development (standalone or as part of mixed use developments) within the CIP Areas, support downtown revitalization by enhancing the functionality and exteriors of the building stock/properties in the downtown and older Business Parks.

The recommended programs are designed either as matching grants (meaning, at minimum, every public dollar disbursed will be matched by equivalent and/or greater amount of private investment) or to require no public funding. The programs are recommended to be in effect for an initial five-year period of the CIP (2018-2022). As further set out in the Implementation Framework, Council has the ability to extend, revise or alter this CIP beyond the five-year period, subject to its objectives and the performance of the CIP.

The recommended programs to be offered under the CIP are summarized in Figure 1, below:

<p>Program 1 Façade, Signage & Landscaping Improvement Grant</p> <p>A combined grant that matches 50% of eligible costs for aesthetic improvements in the Downtown Local Centre Maximum funds per project:</p> <p>Façade:</p> <ul style="list-style-type: none"> \$15,000 per property or \$25,000 for corner lot/linking system lot <p>Signage:</p> <ul style="list-style-type: none"> \$2,500 per property <p>Landscaping:</p> <ul style="list-style-type: none"> \$2,500 or \$5,000 for corner lot/linking system lot <p>Budget Implications: Account exists for façade improvement; additional funding is required</p>	<p>Program 2 Building Renovation Grant</p> <p>A grant to promote the adaptive re-use of existing structures for office in the Downtown Local Centre, Newkirk and Beaver Creek Business Parks</p> <p>Maximum funds per project:</p> <p>Secured Interest-free Forgivable Loan:</p> <ul style="list-style-type: none"> Maximum grant of \$50,000 per property. Grant is a secured loan, forgivable over 5 years at an annual rate of 20%. <p>Budget Implications: Funding is required</p>	<p>Program 3 Tax Increment Equivalent Grant</p> <p>Program leverages increased assessment and property taxation generation. Promotes development of office use.</p> <p>Maximum funds per project:</p> <p>New Office Space (standalone or as part of mixed use)</p> <ul style="list-style-type: none"> Maximum amount of grant is 90% of the annual municipal tax increment, declining 10% per annum until full taxes are paid. The maximum duration of this program is 10 years. Program limited to projects greater than 1,600 sq. m. in size <p>Budget Implications: Funding is not required, however financial monitoring required (up to 10 years) and some property tax revenue is foregone</p>	<p>Supporting Program DC Deferrals for New Office Development (4 storeys or greater)</p> <p>An agreement to provide for a deferral of all or part of a development charge, may be considered through 2019 DC Bylaw update Supporting program not requiring a CIP. York Region has a matching program.</p> <p>Maximum funds per project:</p> <ul style="list-style-type: none"> The funds deferred will depend on the individual project. Municipal deferral of DC revenues will result in the Municipality realizing the full benefits of this income within 18 months of building permit issuance. <p>Budget Implications: Funding is not required however financial monitoring required (up to 18 months)</p>
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Figure 1 - Summary of CIP programs

Program 1: Façade, Landscape and Signage Improvement Grant

Under the Façade, Landscape and Signage Improvement Grant Program, matching grants may be offered to eligible property owners within the Downtown Local Centre area of the CIPA for building façades, front, rear or side lot landscaping (i.e. publicly accessible parts of private properties), exterior signage improvements or any

combination of these 3 categories of property enhancement. The grant is proposed to be applied for improvements and upgrades to the street fronts of properties but it may also be applied to the rear or side of a property only in cases where the rear or side of a property is facing a street or public park or elements of the planned linked system in the Downtown. An aim of the program is to visually enhance properties and incentivize the development of the linked system of courtyards and mews in the Downtown.

Program 2: Building Renovation Grant Program

This program is proposed to promote the adaptive re-use of existing structures (industrial, commercial or other) for office use in the Downtown Local Centre, Newkirk Business Park and Beaver Creek Business Park areas of the CIPA. This grant program has the potential to leverage significant private sector investment in interior building renovations and improvements, and may help address the costs involved with a range of matters, such as retrofitting space for office uses.

Program 3: Tax Increment Equivalent Grant (TIEG) Program

The Tax Increment Equivalent Grant (TIEG) program is proposed to support the development/intensification of office use (stand-alone or as part of mixed use developments) across the entire CIPA.

This program would be considered a “back end” incentive that leverages increased property tax assessment generated from development (i.e. office development over a certain size threshold). This type of grant would be funded by the share of municipal property tax collected and granted back to applicants in increments that will decline on an annual basis, for a maximum period of 10 years.

The total value of the grant is based on the tax increase (or increment) associated with development/redevelopment of new office space (see Figure 2). By granting back a portion of the tax increment that would be otherwise collected by the municipality, this program helps to reduce some of the risk associated with office construction. This type of grant would be considered foregone property tax revenue. However, such revenue may not have otherwise been available to the Town had the development/redevelopment of the office use not occurred.

Illustrative Annual Grant-Back Share/Amount				
Duration/Period	Grant Share	Annual Tax Increment on Municipal Portion	Grant Value Payable	Taxes Retained by Town
Year 1	90%	\$50,000	\$45,000	\$5,000
Year 2	80%	\$50,000	\$40,000	\$10,000
Year 3	70%	\$50,000	\$35,000	\$15,000
Year 4	60%	\$50,000	\$30,000	\$20,000
Year 5	50%	\$50,000	\$25,000	\$25,000
Year 6	40%	\$50,000	\$20,000	\$30,000
Year 7	30%	\$50,000	\$15,000	\$35,000
Year 8	20%	\$50,000	\$10,000	\$40,000
Year 9	10%	\$50,000	\$5,000	\$45,000
Year 10	0%	\$50,000	\$0	\$50,000
Total		\$500,000	\$225,000	\$275,000

Figure 2 - Illustrative annual grant back share / amount associated with a Tax Increment Equivalent Grant

Supporting Program: Development Charge Deferral Program

The Development Charge Deferral Program is a supporting program to the CIP and does not require approval under Section 28 of the *Planning Act*.

Section 27 (1) of the *Development Charges Act, S.O. 1997* provides that a municipality may enter into an agreement to provide for a deferral of all or part of a development charge. This program is proposed to support new office development (4 storeys and greater) by providing a deferral of local development charges. The program may be designed to match York Region’s Development Charge Deferral for Office, which defers the payment of the regional portion of development charges for office for a period of 18 months.

By deferring development charges, this program may assist with offsetting upfront costs associated with office development. After the deferral period, development charges would be paid in full to the Town. This type of program will not require funding, however, some administrative costs would be absorbed by the Town.

4: Implementation

This section of the Implementation Framework outlines suggested resource requirements, including staffing and budget considerations for the CIP. This section also outlines areas of responsibility that will require the support of Town staff in the implementation of the CIP.

It is recommended that Town staff in Planning and Regulatory Services, Strategic Initiatives, Financial Services and the Legal Division assist with specific tasks to support the implementation of the CIP and its programs. Generally speaking, the task areas include marketing and promotion, application intake, monitoring and reporting, financial

administration and accounting, and preparation of legal agreements. Staff education on the CIP is also required.

As it relates to CIP program application assessment, it is recommended that a staff CIP Evaluation Committee be established to assess applications for funding under the recommended CIP programs and to make recommendations to Council in respect to such applications. It is anticipated that the existing staff compliment will be sufficient to accommodate the administration of the CIP and CIP programs. However, uptake of the CIP programs will be monitored to ensure that programs are administered in a timely fashion.

As part of the budget considerations set out in this section, an annual funding plan for the CIP programs is recommended by Sierra. In order to meet the goals and objectives of the CIP over the 5 year term, the funding plan includes recommended funding for the Façade, Landscape and Signage Improvement Grant (Program 1) and the Building and Renovation Grant (Program 2) over this period. As noted previously, no advanced funding is required to implement the Tax Increment Equivalent Grant (Program 3) or Development Charge Deferral (Supporting Program).

A contribution of \$185,000 in Year 1 of the CIP, recognizing the time required for program start up, administration, marketing and implementation. This contribution would provide \$85,000 for the Façade, Landscape and Signage Improvement Grant (Program 1) and \$100,000 to the Building and Renovation Grant (Program 2). Contributions to capital accounts associated with Program 1 and Program 2 are recommended to be “topped up” annually, based on the level of uptake in the program by property owners. In addition, it is recommended that funding for the Façade, Landscape and Signage Improvement Grant (Program 1) and the Building Renovation Grant Program (Program 2) be stepped up from year to year, to provide an annual budget of \$510,000 in Year 4 of the CIP to be disbursed to eligible applicants. The total annual contribution of \$510,000 recommended by Sierra reflects full CIP program implementation and is based upon the experiences of other Greater Toronto Area municipalities operating similar programs. This annual allotment would provide \$260,000 for Program 1 and \$250,000 for Program 2.

It should be noted that the Façade, Landscape and Signage Improvement Grant (Program 1) and the Building and Renovation Grant (Program 2) programs are set up such that, at minimum, every public dollar allocated and disbursed through a program will be matched by equivalent and/or greater amount of private investment. The Tax Increment Equivalent Grant (Program 3) does not require funding and is designed to improve tax assessment over the long term, with certain foregone property tax revenue associated with the local tax increment at the outset of associated grants. The grant that may be given will be based on eligible project costs, to a maximum of the municipal tax increment. The Development Charge Deferral (Supporting Program) does not require funding and defers payment of development charges that are collected in full at the end of the program.

Additional information on this matter is set out in the Financial/Staffing/Other Implications section of this report.

5: Marketing the Plan

Linked to Part 4 of the Implementation Framework, this section of the document sets out the range of regional, provincial and local opportunities and/or strategies that Town staff may undertake to market the CIP within Richmond Hill.

6: Monitoring & Performance

This section outlines strategies which support ongoing monitoring and evaluation of the performance of the CIP and its programs. A number of metrics to assist Town staff with CIP performance have been identified. While these metrics vary by program, they generally include overall uptake of each program and ratios of public versus private investment in improvements.

It is recommended that Town staff report annually to Council in respect to individual program uptake, required updates to phased in funding and/or funding approach, grant disbursement and associated value of private sector investment supported.

It is further recommended that a comprehensive interim review of the CIP be undertaken in Year 3 of implementation, with a detailed review in Year 5, to assess the effectiveness of the plan and its programs.

7: Schedules

This section includes detailed CIP program protocols and eligibility requirements for programs as generally outlined in Section 3 of the Implementation Framework, a glossary of relevant terms for the CIP, draft text for required implementing by-laws to approve the CIPA and CIP (under Section 28 of the *Planning Act*), as well as a pro forma assessment of the financial impact of incentive programs described in the Implementation Framework.

Next Steps:

This report, and the attached Implementation Framework (Appendix A), represent the completion of the third stage of the Richmond Hill CIP Study. Subject to Council's endorsement of this report, Town staff will utilize the Implementation Framework (Appendix A) to prepare a Draft CIP.

Town staff will consult with the Building Industry and Land Development Association (BILD) regarding the recommendations of the CIP Implementation Framework and the development of the CIP. Furthermore, in accordance with the *Planning Act*, Town staff will circulate the Draft CIP to the Ministry of Municipal Affairs for comment.

The Draft CIP will be presented at a joint Open House and Council Public Meeting in late 2017, which will set out the purpose and effect of the Draft CIP. Following the

Council Public Meeting, the Draft CIP will be brought forward for Council's consideration in early 2018.

Financial/Staffing/Other Implications:

It is anticipated that the existing staff complement will be sufficient to accommodate the administration of the CIP and CIP programs. However, uptake of the CIP programs will be monitored to ensure that programs are administered in a timely fashion.

As previously noted, in consideration of the time required to operationalize the CIP in Year 1 and limited funding availability, a phased-in funding approach for the CIP is recommended.

As set out in Figure 3 below, Town staff recommend that the capital account for the existing Village Core Façade Improvement Grant Program be utilized to fund the Façade, Landscape and Signage Improvement Grant (Program 1) and that a contribution of \$15,000 to this account be provided to bring the total account balance to \$85,000 (with an existing account balance of approximately \$70,000). Likewise, Town staff recommend that a new capital account be created and a contribution of \$100,000 for the Building and Renovation Grant (Program 2) be provided. In total, Town staff recommend a combined allocation of \$115,000 to fund Programs 1 and 2 in Year 1 of the CIP, with funding coming from the allocation of a portion of the 2017 Overall Town Operating Surplus, provided there is a sufficient amount in surplus.

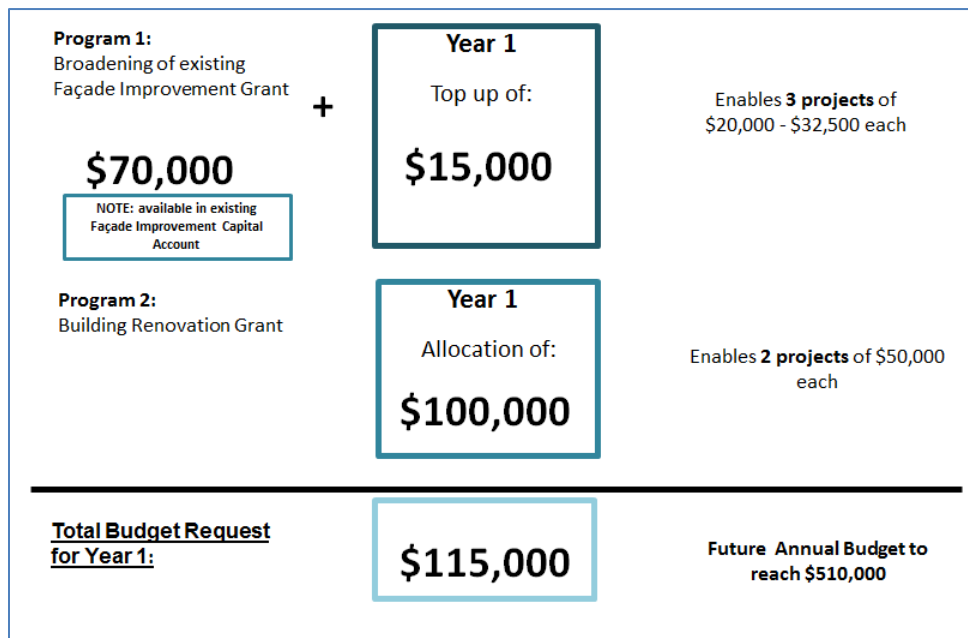


Figure 3 – Recommended funding for Programs 1 & 2 in Year 1 of CIP

Figure 4 (below) sets out the recommended funding approach for the CIP, which is phased in over its 5 year duration. Town staff recommend that Council consider future funding allocations to the CIP as set out in Figure 4. Town staff will monitor interest in

the CIP programs annually and report back to Council regarding additional funding needs as part of the year end Operating Budget reporting. Ultimately, the goal of the phased in funding approach is to reach mature program funding amounts in Year 4 and 5 of the CIP.

Program	Year 1	Year 2	Year 3	Year 4	Year 5
	NOTE: For Year 1, \$70,000 is available through existing Façade Imp. Grant				
Program 1: Façade, Landscape & Signage Improvement Grant	\$15,000	Phase-in TBD (based on monitoring)	Phase-in TBD (based on monitoring)	Phase-in TBD (based on monitoring)	\$260,000
Program 2: Building Renovation Grant	\$100,000	Phase-in TBD (based on monitoring)	Phase-in TBD (based on monitoring)	Phase-in TBD (based on monitoring)	\$250,000
Program 3: Tax Increment Equivalent Grant (TIEG)	Municipal tax increment collected fully after grant program is complete (approx. 10 years)				
Program 4: Development Charge Deferral	Deferred DC revenue collected after 18 months, dependent on project				
Suggested Annual Allocation of Funds	\$115,000	~275,000	~430,000	~\$510,000	\$510,000

Figure 4 - Recommended funding approach for the CIP (5 year duration)

As previously noted, the Façade, Landscape and Signage Improvement Grant (Program 1) and the Building and Renovation Grant (Program 2) programs are set up such that, at minimum, every public dollar allocated and disbursed through a program will be matched by equivalent and/or greater amount of private investment. The Tax Increment Equivalent Grant (Program 3) does not require funding and is designed to improve tax assessment over the long term, with certain foregone property tax revenue associated with the local tax increment at the outset of associated grants. The Development Charge Deferral (Supporting Program) does not require funding and defers payment of development charges that are collected in full at the end of the program.

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 Implementation Framework, as part of the CIP study, will help to establish the framework for a potential CIP, which 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.

Conclusion:

It is recommended that this staff report and the attached CIP Implementation Framework (Appendix A) be endorsed. This report represents the completion of Stage 3 of the CIP Study. Together with the Background Report that was received by the People Plan Task Force (PPTF) on May 17, 2017 (SRPRS.17.074), the Implementation Framework will provide Town staff with the basis to prepare a Draft CIP. Subject to Council's approval of this report, available funds from the 2017 Operating Budget Surplus will be allocated for Program 1 at \$15,000 (in addition to the \$70,000 currently in the Town's capital account for the existing Village Core Façade Improvement Grant Program) and for Program 2 at \$100,000. Town staff will monitor interest in the CIP programs annually and report back to Council regarding additional funding needs as part of the year end Operating Budget reporting. The Draft CIP will be brought forward to a Council Public Meeting in late 2017 and for Council's consideration in early 2018.

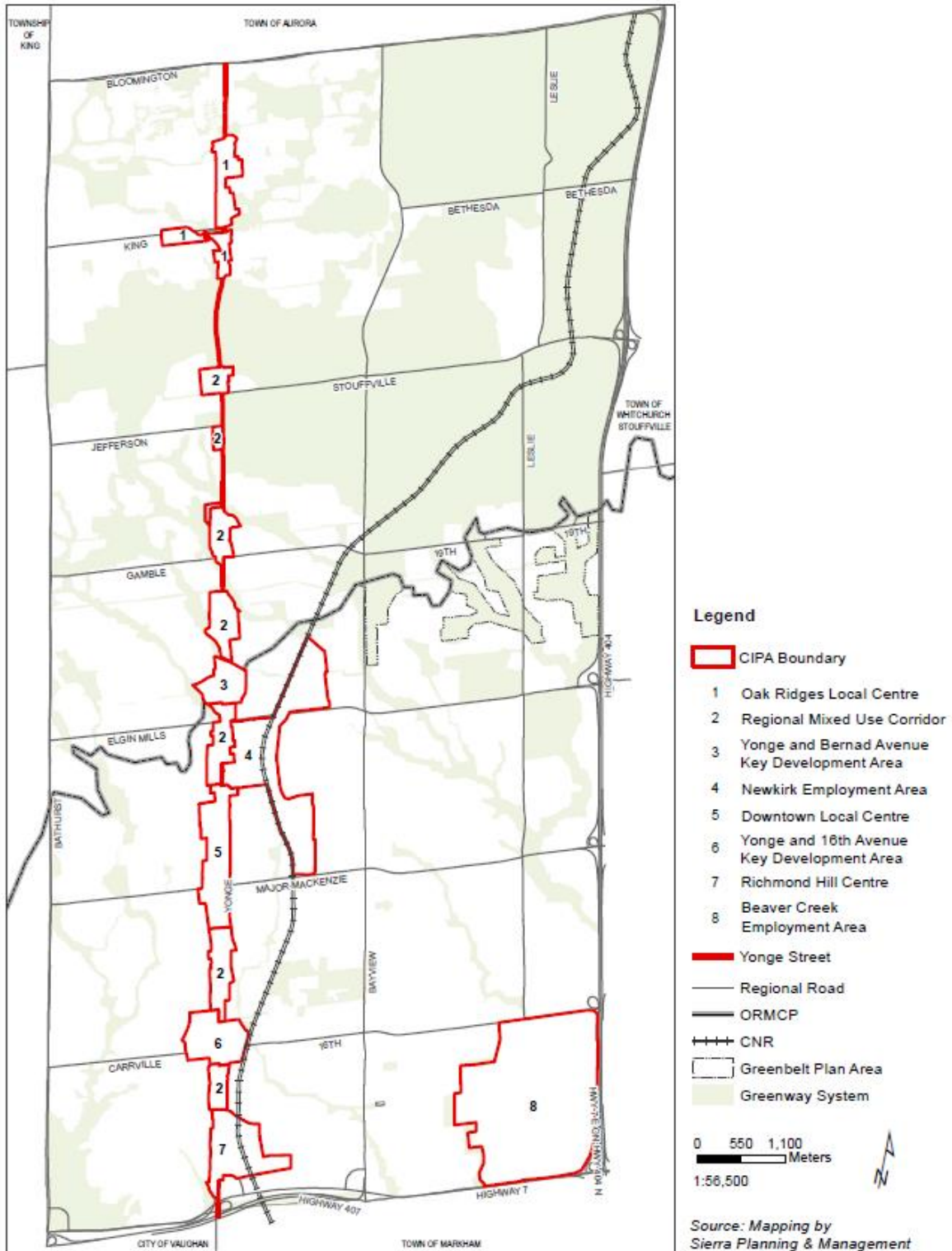
Attachments:

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

- **Map 1** Recommended Community Improvement Plan Areas (CIPA) in Richmond Hill
- **Appendix A** Richmond Hill Community Improvement Plan Implementation Framework

Recommended Community Improvement Plan Areas (CIPA) in Richmond Hill

Map 1
 SRPRS.17.155
 File #D18-17001





COMMUNITY IMPROVEMENT PLAN

IMPLEMENTATION STRATEGY



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1

INTRODUCTION

1 Introduction

1.1 The CIP Project Process

The development of the Community Improvement Plan for the Town of Richmond Hill comprises the following phases:

- **Phase 1:** Background Research and Issues Identification – this included a range of analyses including trends in the historic development of office and related land absorption in Richmond Hill. A risks and benefits analysis which involved matching program options to area-specific needs based on development trends, challenges and policy priorities was also conducted as part of this phase of work and has been summarized in the form of a *Background Report*.
- **Phase 2:** Consultation with regional and local stakeholders as well as development and industry groups. This included discussions with representatives from York Region (Economic Development, Planning and Finance sections), local business association including the Richmond Hill Board of Trade and BILD Toronto – York Region Chapter.
- **Phase 2b:** The identification and delineation of the Community Improvement Project Area (CIPA) within which financial incentive programs will be directed. This was based on a needs-based assessment and area character analysis of a broader geographic study area.
- **Phase 3:** The development of an Implementation Framework for the CIP including the identification of the preferred program suite, program protocols and other specifics of implementation of the financial incentive programs (marketing, application in-take and evaluation etc.).
- **Phase 4:** Development and presentation of the Draft CIP and adoption by By-law.

This report is a culmination of work undertaken as part of Phases 2 and 3 of the project. The Phase 1 *Background Report* along with the *Implementation Framework* will inform the development of the Phase 4 *Draft Community Improvement Plan*.

1.2 Purpose of the Implementation Framework

The Implementation Framework outlines the full scope of financial incentive programs provided under the Community Improvement Plan (CIP) for the Town of Richmond Hill and delineates the geographic boundaries within which these programs will operate. The Framework also identifies a range of resource requirements for the successful implementation of the CIP these include, but are not limited to, marketing and administrative requirements. [A proforma assessment of the likely financial impact of individual programs has been provided as an appendix (*See Schedule E: Proforma Assessment*).]

Specifically, the Implementation Framework is divided into 7 parts as follows:

- **Part 1: Introduction:** Describes the project process as well as the rationale and goals of the Community Improvement Plan.
- **Part 2: The Community Improvement Project Area (CIPA):** Defines the geographic boundaries within which programs of the CIP will operate.
- **Part 3: Financial Incentive Programs:** Summarizes the suite of programs offered under the CIP including eligible costs/projects, funding maximums and/or minimums (as well as the terms of disbursement of approved funds).

More detailed program protocols are provided as an appendix (*see Schedule A: Program Details*) and include Municipal/applicant obligations and legal requirements under each program. Based on the nature of programs, and where warranted, financial risk mitigation measures have been prescribed. These include the use of legal agreements for projects involving larger sums of funding.

- **Part 4: Implementation:** This section of the framework outlines the application intake process, the roles and responsibilities of Municipal officials in the approval of applications, annual municipal funding requirements for programs as well as other implementation considerations.
- **Part 5: Marketing the Plan:** Linked to *Part 4: Implementation*, this portion of the document explores the range of regional, provincial and local opportunities/strategies to market the CIP to business/property owners and developers. Lead and support staff/departments required to action identified opportunities have also been acknowledged.
- **Part 6: Monitoring & Performance:** Outlines strategies which support ongoing monitoring and evaluation of the performance of the CIP and its programs. Metrics vary based on the nature of programs but generally include: overall take-up of each program and ratios of public versus private investment in improvements.
- **Part 7: Schedules:** including detailed protocols and eligibility requirements for programs outlined in *Part 3: Financial Incentive Programs*, a glossary of relevant terms, draft text

for required implementing by-laws to approve the CIPA and CIP, as well as a proforma assessment of the financial impact of incentive programs prescribed in this document.

1.3 Rationale & Goals of the Community Improvement Plan

1.3.1. Prioritizing the Need for Investment

York Region forecasts indicate that total employment in Richmond Hill is expected to grow from an estimated 69,300 in 2011 to 109,800 by 2041¹. This represents a 58% increase over the 30-year period. The Town has a limited supply of non-residential lands to accommodate the projected additional 40,500 jobs by 2041. As such, the Town's 2010 Official Plan, in keeping with regional growth planning policy, prioritizes employment intensification along designated Centres and Corridors along Yonge Street.

As of 2011, the Town provided 62,210 jobs locally – of which 11,880 jobs (19%) were based in office-related sectors. A significant portion of the Town's labour force is employed in office-related sectors. Labour flow patterns show that the Town exported over 30,000 jobs to other jurisdictions in 2011 – office-related employment accounted for roughly 50% of jobs exported (approximately 15,470 jobs). Comparatively, Markham and Vaughan (combined) exported only 20,000 jobs². A range of municipal economic development plans and planning policies prioritize growth in office to support employment targets as well as the live-work balance in the Town.

The Economic Development Strategy Update also identifies that most of the Town's future employment will likely occur in office development rather than warehousing or manufacturing facilities. This is in keeping with labour flow patterns that indicate demand for office-related employment may be supported through growth in office development locally. Professional, scientific, and technical services and other office-related sectors continue to be among the top five industries in the Town of Richmond Hill. Notwithstanding the outflow of office jobs, the 2013 office Incentives Study identified that the Town of Richmond Hill will require 125,000 – 150,000 square feet of office space on an annual basis to meet the demand and maintain supply between 2012 and 2022. One of the goals of the CIP will be to incentivize office development to maintain supply and match demand for office space in the Town. Specifically, the CIP and programs outlined within this *Implementation Framework* are geared to support the development and availability of a range of office space (both in terms of size and built form) to address industry needs recognizing that while the majority of enterprises (85%) in the Town are small businesses, the majority of new enterprises that located in Richmond Hill between June 2015 and June 2016 were mid-sized entities employing 50 persons or more (i.e. 40 new businesses). The 2017 Economic Development Strategy Update states that “in addition to supporting the provision of physical space, the Town needs to consider how it can best support the scaling up of its small and medium sized enterprises (SMEs), particularly as it relates to sectors with high growth potential (which can emerge from any sector)”. As York Region promotes its major corporate centres and corridors for office development it will be important

¹ MDB Insight. Key Findings and Directions Report – Town of Richmond Hill Economic Development Strategy Update. 2016.

² Ibid

to leverage this as the Town of Richmond Hill initiates its office attraction program for its centres and corridors. The CIP will form part of this initiative.

A significant portion of growth in office space and supply is planned to be generated through development and intensification along the Yonge Street corridor due to the limited base of vacant employment lands in the Town. The *April 2017 Background Report* for the CIP identified several challenges to urban office development along Yonge Street in Richmond Hill. These include higher land and development costs and relatively low office rental rates which present a lower rate of return on investment for developers. Consequently, the suburban office market – specifically employment lands along Highway 404 - are deemed to be more attractive for new office investment (particularly in the absence of the implementation of the Yonge Subway extension to Highway 7 in Richmond Hill). Additional limitations to development along Yonge Street include the development market's recognition of the value of this area for high-density residential which impacts the cost of lands, a smaller parcel fabric places importance on land assembly, underground parking provision and higher densities to achieve space efficiencies, and fragmented land ownership further challenges or otherwise prolongs the process of land assembly along this corridor. Discussions with York Region and key developers identified some of these trends for Richmond Hill and other communities in York Region.

The above existing issues related to development along Yonge Street challenge municipal strategic plan and Official Plan policy priorities for the intensification of office along this key regional corridor. Portions of Yonge Street are planned to accommodate greater employment density. Section 4.2(8) of the OP identifies that Major office and office development shall be directed to and promoted in the Richmond Hill Centre to support the long-term employee-to-resident target ratio of 1:1 and to promote the Centre as a major business destination in the Town and York Region. This compares to 1 job for every 2 residents for the remainder of the Town. The Richmond Hill Centre is designated as an Urban Growth Centre in the Growth Plan. Urban office development will be important for the Town of Richmond Hill considering its limited base of employment lands which are nearing buildout and is a priority area of focus for the CIP and its programs.

With respect to existing employment lands, newer business parks along Highway 404 – Barker and Headford Business Parks – exhibit fewer developmental challenges. These lands show greater capacity to accommodate new Class A³ office of varying scales and are uninhibited by surrounding development. In part due to the above, the market for these lands continue to be strong particularly when considering lower land costs in these areas compared to urban locations along Yonge Street. This is further validated by office market trends in the Region and GTA.

The Town's older business parks – Newkirk Business Park and Beaver Creek Business Park – exhibit a different range of complexities. These parks comprise the majority of the Town's older employment land-related office supply. The *April 2017 Background Report* identified that additional market-based factors influencing the location of office in the Town include limitations (i.e. the lack of adaptability) of the existing/older building stock (Class B & C office) to support

³ *Class A office* space is generally defined as the most impressive structures competing for premier office users. These buildings typically have state of the art systems, high-quality finishes, a definite market presence and command rents above average for the area.

medium-sized enterprises. In order to protect, enhance and expand the office stock in these locations over the longer-term, opportunities to optimize older buildings via the adaptive reuse of structures for office should be supported. The 2017 Economic Development Strategy Update identifies that “Newkirk Business Park in particular represents a unique opportunity to work with existing landowners to repurpose industrial style buildings as unique and flexible office space close to the downtown, with connections to regional and provincial transit infrastructure”. The nature of these improvements can be of greater complexity when compared to new build projects in the newer business parks and can result in significant development costs.

The development of a CIP and identified priority areas for support, as outlined within this *Implementation Framework*, align with the following key goals and recommendations of the *2017 Economic Development Strategy Update*:

- **Goal 2 (Action 7.D):** Promote the incentives from the Community Improvement Plan and advocate for a regional CIP to support office and industrial development along the Town’s major corridors and in its business parks.
- **Goal 3 (Action 11.A):** Identify business parks, Richmond Hill Centre, and other centres and corridors as priority areas in the rollout of the Community Improvement Plan.
- **Goal 3 (Action 11.B):** Develop a strategy for the Newkirk Business Park that better positions the employment area for technology-based businesses including opportunities to repurpose the existing inventory of industrial buildings as flexible workspace options.

Linked to priorities for the Yonge Street Corridor, Section 10.5.1 of the *Downtown Local Centre Secondary Plan* identifies that “all lands within the Downtown Local Centre are identified as part of a Community Improvement Plan Area” and that the Town of Richmond Hill shall consider the development of a CIP to facilitate the public realm improvement objectives of the Secondary Plan. The existing Village Core Façade Assistance Program (VCFAP) for the downtown was enacted in the 1980s and amended in the early 2000s. The program provides financial support to downtown property owners in the form of matching funds. The development of the CIP for Richmond Hill is aimed at (re)aligning, enhancing and expanding financial incentive support to enable the redevelopment objectives of the Downtown Local Centre Secondary Plan. These include enhancing the viability of the existing building stock to support office uses as well as exterior building enhancements, landscaping and heritage sensitive building improvements to create a pedestrian-friendly environment, animated main street and incentivize the creation of a linked system of courtyards.

1.3.2. Narrowing the Geographic Focus for Financial Incentive Programs

The Community Improvement Plan study area comprised a broader analysis of the office investment challenges across the Town to include newer employment lands along Highway 404. The results of this assessment are provided in the *Phase 1 Background Study* which accompanies this Implementation Framework. Areas considered were based on 2 priorities: 1) incentivizing

office development and 2) revitalizing the downtown. The geographic areas for the CIPA were further defined and are based on a need-based approach to matching community improvement needs to programs and areas:

Exhibit 1: Matching Programs to Community Improvement Needs in the CIP

Issue(s)	Program Choice	Corresponding Area
Downtown Revitalization - Support for heritage sensitive building improvements, addressing the needs of an older building stock - Support the creation of a linked system of courtyards - Support for conversions/investment in office	- Façade, Landscape and Signage Improvement Grant. - Building Renovation Grant for interior renovations (code compliance; retrofitting etc.).	Downtown Local Centre <i>Priorities for support: Properties facing Yonge Street and immediate shoulder areas along the linked system.</i>
Incentivizing office - Support development of office (stand-alone or mixed-use) - Support employment land intensification by supporting appropriate, adaptive reuse of existing structures (industrial or commercial) for office. - Support range of office space available in the employment lands.	- Building Renovation Grant for interior renovations (code compliance; retrofitting etc.). - Development Charge Deferral. - Tax Increment Equivalent Grant (TIEG).	Beaver Creek & Newkirk Business Parks. All Areas within the CIPA for office development only. <i>Priority area: Yonge Street (Regional) Corridor.</i>

1.4 Goals for Community Improvement & Programs

The following goals of the CIP for the Town of Richmond Hill are in keeping with municipal planning and policy priorities:

- To provide targeted support for office development to address slow growth in this form of development in prioritized planning areas – specifically in the Official Plan’s designated Centres and Corridors along Yonge Street and older employment areas – to help meet municipal employment targets and office space forecasts;

- To support the development of office (stand-alone or mixed-use) within designated Centres and Corridors along Yonge Street. Where appropriate, the adaptive reuse of buildings for office in the Downtown Local Centre is also encouraged;
- To facilitate office attraction, retention and development to provide more opportunities for local employment in a manner which supports a live/work balance in designated Centres and Corridors along Yonge Street including the Downtown Local Centre;
- To facilitate employment land intensification by supporting the appropriate adaptive reuse of existing structures (industrial or commercial) for office in the Newkirk and Beaver Creek business parks;
- To ensure the availability of a range of office space in designated Centres and Corridors along Yonge Street and older employment areas to support small to large enterprises;
- Support the planned transit-supportive densities, compact urban form and pedestrian activity via appropriate intensification, infill and redevelopment along Yonge Street;
- To support Downtown revitalization through façade, public realm and signage improvements, as well as street-front redevelopment and the creation of a linked system of courtyards;
- Promote investment in the private building stock in the Downtown Local Centre, to support a dynamic streetscape complete with civic gathering areas (e.g. via storefront patio development) and a linked system of courtyards.



2

THE COMMUNITY IMPROVEMENT PROJECT AREA (CIPA)

2 The Community Improvement Project Area (CIPA)

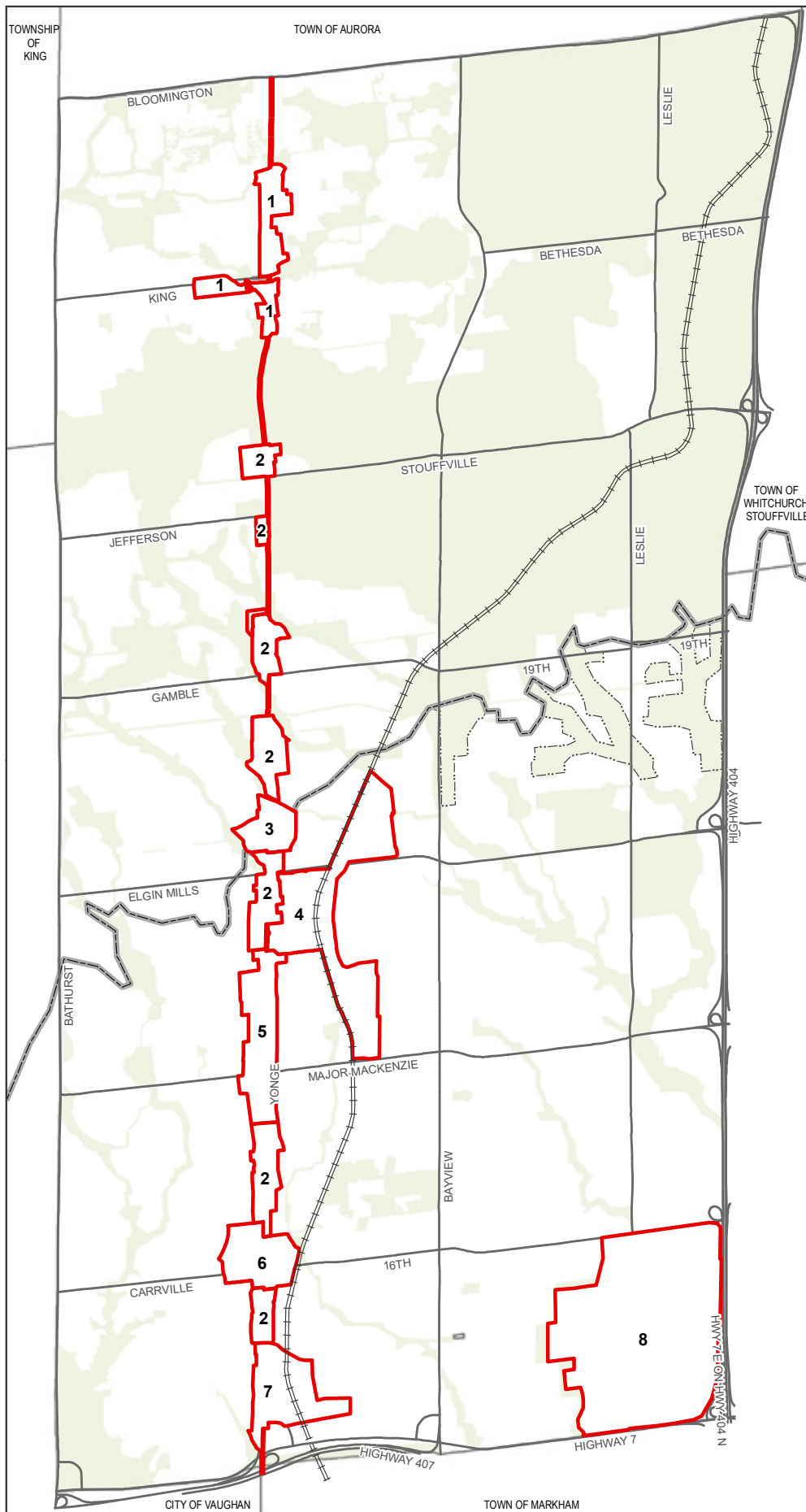
2.1 Geographic Boundaries of the CIPA

Exhibit 1 delineates the geographic boundaries of the Richmond Hill Community Improvement Project Area (CIPA) wherein programs of financial support will operate as directed through this CIP.

The Town of Richmond Hill will only accept applications for financial assistance for development or property enhancement projects for properties located in the CIPA for the five-year duration of this CIP. In general, the CIPA boundary is described to include the following designated areas per the *Town of Richmond Hill Official Plan, Land Use Schedule A2*:

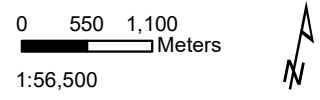
- **Designated Centres and Corridors along Yonge Street (from Highway 7 in the south to Bloomington Road in the north)** to include: Richmond Hill Centre, Regional Mixed-Use Corridors, the Yonge and 16th Avenue Key Development Area (KDA), the Yonge and Bernard Avenue KDA, the Downtown Local Centre and Oak Ridges Local Centre.
- **Newkirk Employment Area;**
- **Beaver Creek Employment Area.**

Exhibit 1: Community Improvement Project Area (CIPA)



Legend

- CIPA Boundary
- 1 Oak Ridges Local Centre
- 2 Regional Mixed Use Corridor
- 3 Yonge and Bernad Avenue Key Development Area
- 4 Newkirk Employment Area
- 5 Downtown Local Centre
- 6 Yonge and 16th Avenue Key Development Area
- 7 Richmond Hill Centre
- 8 Beaver Creek Employment Area
- Yonge Street
- Regional Road
- ORMCP
- CNR
- Greenbelt Plan Area
- Greenway System



Source: Mapping by
Sierra Planning & Management



3

FINANCIAL INCENTIVES PROGRAMS

3 Financial Incentive Programs

3.1 Overview of General Financial Incentive Programs

In general, the following suite of programs is designed to encourage private sector investment in new and existing office buildings (standalone or as part of mixed use developments) within the CIPA and enhance the functionality and exteriors of the building stock/properties in the Downtown. The programs identified below are in effect for the initial five-year period of the CIP (2018-2022), however, Council has the ability to extend, revise or alter this CIP beyond the five-year horizon subject to the objectives of Council and the performance of the Plan:

- 1 Façade, Landscape and Signage Improvement Grant;
- 2 Building Renovation Grant Program;
- 3 Tax Increment Equivalent Grant (TIEG) Program; and
- 4 Development Charge Deferral Program (supporting program).

Projects applications can be expected vary. Council may, at its discretion, determine an appropriate level of financial support for individual applications based on the merits of each project. Grant support is not guaranteed to be approved at the maximum values identified under each respective program. The amount of the grant is subject to and at the discretion of Council and is dependent on the list of “eligible costs”.

Because of the specific nature of program support which ranges from small-scale capital grants to potentially more significant assistance in the form of tax-based financial assistance following the completion of development, the full suite of programs cannot be accessed by a development project at one time. For projects which clearly demonstrate merit, based on a detailed review of the planned development, type of use, level of private sector investment and other community benefits; the option exists to approve funding for these projects in-principle, under each program to which the project may become eligible as a result of investment in and re-assessment of the property. In this instance, final approval of support under each program is deferred until the detailed eligibility criteria and any other conditions of approval have been met as a result of the progress of the project from concept to construction and re-evaluation of the property. This should not be read as approval to access all programs at their maximum amounts.

Prohibition of Retroactive Financial Support

At no time will financial support through the CIP be provided to projects retroactively.

At this time, the Regional Municipality of York is not a participant in the financial incentive programs of the CIP. Should the Regional Municipality of York become a participant during the operational period of the Town of Richmond Hill CIP, applications in progress at the time of such participation will be eligible for consideration under programs of regional municipal assistance. In no event shall approved applications under a particular program for which funds have already been dispersed to the successful applicant, be eligible for retroactive support under regional municipal assistance provisions.

3.2 Incentive Program Summaries

Program 1: Façade, Landscape & Signage Improvement Grant Program

<p>Description</p>	<p>Under the Façade, Landscape and Signage Improvement Grant Program, matching grants may be offered to eligible property owners within the Downtown Local Centre area of the CIPA for building facing, rear and front lot landscaping (i.e. publicly accessible parts of private properties), exterior signage improvements, the creation of a linked system of courtyards, or any combination of these 3 categories of property enhancement.</p> <p>The grant is meant to be applied for improvements and upgrades to the street fronts of properties but it may also be applied to the rear or side of a property only in cases where the rear or side of a property is facing a street or public park or public gathering space or parking area that is accessible to the general public.</p> <p>Per 10.5.1 Community Improvement Plan of the Downtown Local Centre Secondary Plan, properties with non-residential uses within the Downtown wishing to participate in this program must be located within the Richmond Hill Downtown Business Improvement Area.</p>				
<p>Program Specifics</p>	<p>Applicants may apply for one or any combination of the following:</p> <table border="0"> <tr> <td data-bbox="488 1129 630 1612"> <p>Façade</p> </td> <td data-bbox="667 1129 1398 1612"> <ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$15,000 per property, whichever is less. • Matching grant of up to 50% of eligible improvement costs or a maximum grant of \$25,000 per property, whichever is less for façade improvement projects involving more than one façade. This includes buildings located on a corner lot (that is, a property with frontage on two municipal streets) or on a lot with access onto the linked system of courtyards. • The minimum grant is \$2,500 per property. Project applications including matching assistance of less than \$2,500 will not be considered. </td> </tr> <tr> <td data-bbox="488 1623 630 1808"> <p>Signage</p> </td> <td data-bbox="667 1623 1398 1808"> <ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$2,500 per property, whichever is less. • The minimum grant is \$1,000 per property. Project applications including matching assistance of less than \$1,000 will not be considered. </td> </tr> </table>	<p>Façade</p>	<ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$15,000 per property, whichever is less. • Matching grant of up to 50% of eligible improvement costs or a maximum grant of \$25,000 per property, whichever is less for façade improvement projects involving more than one façade. This includes buildings located on a corner lot (that is, a property with frontage on two municipal streets) or on a lot with access onto the linked system of courtyards. • The minimum grant is \$2,500 per property. Project applications including matching assistance of less than \$2,500 will not be considered. 	<p>Signage</p>	<ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$2,500 per property, whichever is less. • The minimum grant is \$1,000 per property. Project applications including matching assistance of less than \$1,000 will not be considered.
<p>Façade</p>	<ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$15,000 per property, whichever is less. • Matching grant of up to 50% of eligible improvement costs or a maximum grant of \$25,000 per property, whichever is less for façade improvement projects involving more than one façade. This includes buildings located on a corner lot (that is, a property with frontage on two municipal streets) or on a lot with access onto the linked system of courtyards. • The minimum grant is \$2,500 per property. Project applications including matching assistance of less than \$2,500 will not be considered. 				
<p>Signage</p>	<ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$2,500 per property, whichever is less. • The minimum grant is \$1,000 per property. Project applications including matching assistance of less than \$1,000 will not be considered. 				

- Landscaping**
- Matching grant of up to 50% of eligible costs or a maximum grant of \$2,500 per property, whichever is less.
 - For combined street-front and side-lot landscaping improvements: Matching grant of up to 50% of eligible costs or a maximum grant of \$5,000 per property, whichever is less. The minimum grant is \$2,000 per property. Project applications including matching assistance of less than \$2,000 will not be considered.

This program excludes owner-occupied residential dwellings. However, it does include multi-unit residential properties and former residential buildings now used, in part or in whole, for commercial/office use (that is, commercial/office at-grade). Applications for Program 1 may also be eligible for support under the Town of Richmond Hill’s *Heritage Grant Program*.

Implementation Specifics Applications for façade, landscape and signage improvements should support principles of the Downtown Local Centre Secondary Plan and any Municipal Design Guidelines for this area.

Façade, Landscape and Signage Improvement Grants will be disbursed as follows:

- a) 60% on Substantial Completion⁴;
- b) 40% on Final Completion⁵.

Eligible costs include (but are not limited to): costs associated with the enhancement, replacement and rehabilitation of commercial/office doors, windows, street-front patio development, upgrading of paving materials along the linked system of courtyards, building exterior lighting and facings and signage replacement/enhancement. A detailed list of eligible costs is provided in *Schedule A: Program Details*.

Recommended Annual Budget \$260,000

⁴ *Substantial Completion* refers to near completion of construction of a proposed building or other works as determined by the Town at its sole discretion

⁵ *Final Completion* is defined to mean the conclusion of proposed building/construction work in its entirety as well as subsequent final payments (including hold-backs) for which proof of payment may be provided by the applicant to the Town

Program 2: Building Renovation Grant Program

Description	<p>This program is designed to promote the adaptive re-use of existing structures (industrial, commercial or other) for office in the Downtown Local Centre, Newkirk Business Park and Beaver Creek Business Park areas of the CIPA.</p> <p>This grant program has the potential to leverage significant private sector investment in interior building renovations and improvements, and may help address the costs involved with a range of matters, such as:</p> <ul style="list-style-type: none"> • Building, fire and other code compliance upgrades linked to the development of office space; • Expansion/additions for office; • Retrofitting space for office (upper and ground floors); • Interior structural works and upgrades (including electrical, mechanical, HVAC and other building systems.) • As it relates to the business parks eligible projects for support will be the conversion space for office (general tenant fit-up⁶ and systems upgrades etc. will not be supported).
Program Specifics	<p>The grant is equivalent to a proportion of the work value and provided on a matching funds basis to a maximum of 50% of eligible costs:</p> <p>Secured Interest-free Forgivable Loan⁷:</p> <ul style="list-style-type: none"> • Maximum grant of \$50,000 per property (minimum grant of \$10,000 per property); • Grant is a secured loan, forgivable over 5 years at an annual rate of 20%. <p>Program eligibility is limited to existing properties located in the following areas:</p> <ul style="list-style-type: none"> • Downtown Local Centre (priority will be given to projects/properties fronting onto Yonge Street);

⁶ This refers to standalone projects for wall partitions, finishes, fixtures, lighting, power, equipment, etc. for the general purpose of enhancing space and which are not part of a substantial building conversion project for office

⁷ *Loan Forgiveness* is defined as the incremental accretion of grant status of funds dispersed to approved applicants under Program 2: Building Renovation Grant. This translation from interest free loan to grant status (and hence non-repayable to the Town) is earned on the basis of 20% at the end of each calendar year following the execution of the Agreement. In the event of sale or transfer of interest of the property within the 5-year period, loan forgiveness ceases to accumulate and the remaining loan repayment is calculated on a prorated basis

- Newkirk Business Park; and
- Beaver Creek Business Park.

Conditions of approval will be established by the Town and may extend to any reasonable consideration to ensure the interests of the Town as funder are upheld. Generally, all approvals under this program will require that construction commence within 6 months of an approved building permit, and Final Completion within 18 months. Council may at its discretion adjust these requirements based on the particular circumstances of the construction project which may necessitate approvals from other agencies and/or delays in construction which are not in the control of the applicant to overcome.

Where the property is sold or interest in the property is transferred to another entity within the 5-year loan forgiveness period, the remaining principal of the grant (after annual forgiveness) is repayable to the Town. Upon sale or transfer, all outstanding loan obligations remain payable to the Town based on the approved loan repayment agreement signed by both the Town and the applicant in advance of program assistance. Year 1 of the repayment period commences upon Final Completion of the project.

Applicants will be required to enter into an agreement as to the above terms and conditions of the grant/loan elements of the program.

Implementation Specifics	<p>Eligible Costs include (but are not limited to): costs associated with materials, labour, equipment, insurance, regulatory approvals and professional fees related to internal building works, including major fit-up for properties in the downtown. As it relates to the business parks eligible projects for support will be the conversion of space for office (general tenant fit-up and systems upgrades etc. will not be supported). In addition, the program includes the development of additional gross floor area for office where such development is a part of an office renovation/rehabilitation project.</p> <p>Building Renovation Grants will be disbursed as follows:</p> <ul style="list-style-type: none"> a) 10% on approval; b) 80% on Substantial Completion; c) 10% on Final Completion.
Recommended Annual Budget	\$250,000

Program 3: Tax Increment Equivalent Grant (TIEG) Program

Description	<p>The Tax Increment Equivalent Grant (TIEG) program is designed to support the development/intensification of office (stand-alone or as part of mixed-use developments) across the entire CIPA.</p>	
	<p>The TIEG program leverages the increased assessment and property taxation generated by site (re)development to reduce the financial costs of property rehabilitation and redevelopment for office by:</p>	
	<ul style="list-style-type: none"> • Providing a grant equivalent to the Municipal portion of the property tax for a property; and • Limiting such grants to annual payments for a maximum period of 10 years or equivalent to the maximum cost of rehabilitation, renovation and/or redevelopment. 	
	<p>This grant focuses on net municipal taxation gain which represents unrealized revenue if the development or enhancement of the property had not occurred. At the end of the grant program (a maximum of 10 years or the dollar limit of eligible costs whichever is reached first, or earlier at the discretion of the Town), the Town realizes the full extent of the property taxes.</p>	
	<p>The grant is based on the “Reimbursing Developer” approach. The property owner/developer pays for the full cost of renovation, rehabilitation or redevelopment as well as the resulting annual increase in property tax. Thereafter, the Town reimburses the Owner or assigned recipient by way of an annual grant equivalent to the agreed Municipal Portion of the incremental property tax increase over an established “base” assessment.</p>	
Program Specifics	<p>New Office Space (standalone or as part of mixed use)</p>	<ul style="list-style-type: none"> • The maximum amount of the grant is 90% of the annual tax increment over the agreed base assessment and property tax liability in Year 1 declining by 10% per annum. The maximum duration of this program is 10 years. • In the case of Mixed-use developments, the grant would only apply the tax increment applicable to the office portion of a development.
	<p>Program eligibility is limited to those projects/proposals that will result in a minimum of 1,600 square metres of new office space.</p>	

Illustrative Annual Grant-Back Share/Amount				
Duration/Period	Grant Share	Annual Tax Increment on Municipal Portion	Grant Value Payable	Taxes Retained by Town
Year 1	90%	\$50,000	\$45,000	\$5,000
Year 2	80%	\$50,000	\$40,000	\$10,000
Year 3	70%	\$50,000	\$35,000	\$15,000
Year 4	60%	\$50,000	\$30,000	\$20,000
Year 5	50%	\$50,000	\$25,000	\$25,000
Year 6	40%	\$50,000	\$20,000	\$30,000
Year 7	30%	\$50,000	\$15,000	\$35,000
Year 8	20%	\$50,000	\$10,000	\$40,000
Year 9	10%	\$50,000	\$5,000	\$45,000
Year 10	0%	\$50,000	\$0	\$50,000
Total		\$500,000	\$225,000	\$275,000

Implementation Specifics

The Town reimburses the Owner or assigned recipient by way of an annual grant equivalent to the agreed Municipal Portion of the incremental property tax increase over an established “base” assessment value and Tax Liability⁸. This defined increment is calculated after:

- Any phase-in agreements to soften tax increases that may exist through existing policy or programs;
- Or any tax rebates granted to charitable organizations as owners or tenants; and
- Any other rebate which lessens the overall initial (pre-Program 3: Tax Increment Equivalent Grant) tax liability of the property.

Grant approval is required in principle prior to the commencement of construction/development.

Eligible project costs supported under this program include (but are not limited to) the following works related to new office construction:

- Site development and infrastructure work including demolition and disposal off-site, improvement or reconstruction of existing on-site public infrastructure (water services, sanitary and storm sewers, other);

⁸ Tax Liability means the annual real property taxes levied by the Town of Richmond Hill including the Municipal and Education Portions of the taxes

- Major building rehabilitation, and significant renovation and rehabilitation;
- Costs associated with the assessment of environmental conditions and the remediation of environmental contamination, and environmental protection;
- Design, engineering, legal, insurance, and other professional fees (at the discretion of the Town of Richmond Hill) directly related to the design and development and commissioning of the completed building(s);
- Eligible costs exclude both construction financing and long-term debt financing principal and interest costs.

The Town of Richmond Hill will determine the existing “base” assessment for the property – this will normally be defined as being either at the time of approval of the application for Tax Increment Equivalent Grant support and is based on the assessment and tax class at that time. The Town may, at its discretion, establish an alternate date for purposes of establishing the base assessment and property tax liability. Where a project is phased over several years the grant will be based on the property re-assessment and taxable status of the project in each of the interim years before project completion. At project completion, the grant (as applicable) will be based on the assessed property value provided by the Municipal Property Assessment Corporation (MPAC).

**Recommended
Annual Budget**

Tax assessment growth resulting from a project is forgone income for the Town over the duration of this program. As such, the Town, as part of the application evaluation process, will need to determine whether or not it is in the best interest of the Town to approve a grant based on the likely community improvement benefits of a given project.

Supplementary (Program 4): Development Charge Deferral Program

Description	<p>The authority to operate this program is not provided under Section 28(7) of the <i>Planning Act (R.S.O. 1990, c. P.13)</i>. This Development Charge Deferral is a supporting program to the CIP and is to be considered through the 2018/19 Development Charges Update.</p> <p>Section 27 (1) of the <i>Development Charges Act, S.O. 1997</i> provides that a municipality may enter into an agreement to provide for a deferral of all or part of a development charge.</p> <p>This Development Charge Deferral Program is designed to encourage new office development (stand-alone or mixed use) as part of High-rise developments.</p> <p>Separately, standalone High-rise office Development projects may also be eligible for a Development Charge Deferral from York Region on the regional portion of the development charge for office.</p>	
Program Specifics	<p>High-rise Office⁹ (Standalone or Mixed-use):</p>	<p>This program provides for the deferral of 75%¹⁰ of Richmond Hill's Town-wide non-retail development charge levied on High-rise office developments within the CIPA for up to a maximum of 18 months after building permit issuance.</p> <p>In the case of High-rise <i>mixed-use</i> developments, the deferral would apply to office portion of the development only.</p> <p>Interest on the deferred fees will not accrue or be charged.</p> <p>Payment will be deducted from an Irrevocable Letter of Credit 18 months after the building permit is issued.</p> <p>The deferral shall be dependent upon the applicant/developer providing an Irrevocable Letter of Credit to the Town of Richmond Hill (named as the beneficiary) at the time of the Building Permit issuance.</p> <p>This Development Charge Deferral program (Program 4) does not apply to Development Charges as follows:</p>

⁹ High-rise office is defined to mean an office building that is 4 or more storeys above grade or a mixed-use building comprising 4 or more floors of office space above grade

¹⁰ 25% of Town-wide non-retail development charge payable on High-rise office developments is required to be paid in cash up-front

- Town of Richmond Hill Residential and Retail Development Charges;
- Town of Richmond Hill Area-Specific Development Charges;
- Boards of Education Development Charge;
- Region of York Development Charges.

Separate and apart from this CIP, York Region provides and administers a Development Charge Deferral option for High-rise office development. At the point of application, the Town will notify York Region of applicant interest in the deferral of the regional portion of the DC where projects are deemed to be eligible based on the Region's criteria.

Implementation Specifics	Applicants for the Development Charge Deferral program (Program 4) will not be precluded from consideration for support under Program 3 (Tax Increment Equivalent Grant).
Recommended Annual Budget	Municipal deferment of Development Charge revenues will result in the Municipality realizing the full benefits of this income over time (i.e. within 18 months of building permit issuance) and does not warrant funding from a CIP Reserve.

3.3 General Eligibility Requirements

The following are General Eligibility Requirements that must be met by all applications before being considered by the Evaluation Committee. **The General Eligibility Requirements must be read in association with the program-specific eligibility requirements detailed in Schedule A.** The decision to fund and the amount of funding will generally be determined through the application of minimum criteria which measure each application based on the quality of the proposed property enhancement and/or development project. Eligibility will be on a discretionary basis and based on the merits of each application. Screening criteria include:

- Only eligible properties located within the boundary of the CIPA, as defined in Section 2 of this Plan, are eligible for financial incentive programs offered under this CIP.
- Applications which are in default of any By-law of the Town of Richmond Hill as well as applicants with any property tax arrears, or who are involved in ongoing litigation with the Town will be screened from further consideration, until such time as these defaults are remedied.
- Applications must be in conformity with the Town's Official Plan and any relevant Secondary Plan.
- All applicants shall also be in good standing with regard to any other municipal fees and levies liable on the property. Applicants will be given the opportunity to reinstate their applications once tax arrears and outstanding municipal bills have been cleared.
- Under Section 28(7) of the *Planning Act*, eligible applicants must be either a registered property owner, assessed property owner or a tenant of a property to whom the owner has assigned consent to receive assistance under the CIP.
- The decision to fund, and the amount of funding, will generally be determined through the application of minimum criteria which measure each application based on the quality of the proposed property enhancement and/or development project. Such criteria will be determined by the Evaluation Committee, based on this CIP, and adjusted from time to time as required. The development of these criteria and their use in evaluation of applications which have successfully passed the screening will be at the sole discretion of the Evaluation Committee in performing its mandate under this Plan.
- Recipients of program assistance from the Town of Richmond Hill who are deemed by the Town to be in default of the requirements of the program for ongoing program support, will, at the discretion of Council, receive notice of intention to terminate program assistance. At the discretion of Council, applicants will be provided with the opportunity to remedy the default. Should such remedy not be forthcoming within a period stipulated by Council, program assistance will be terminated.

The decision by Council to fund property (re)development through the instrument of this CIP is entirely at the discretion of the Town of Richmond Hill. The Council reserves the right to determine the level of funding which shall be received by an applicant, whether to fund at all or

in part, and what conditions, obligations and other requirements are attached to funding allocations.

Additionally, Council reserves the right to amend the process of application and evaluation, at any time and for any reason, without the requirement to amend the approved Community Improvement Plan. If during the course of construction, the applicant is in default of relevant By-laws or payments to the Town, and fails to remedy this within a reasonable period determined by the Town, the applicant will be required to repay any received grant assistance in part or in whole at the discretion of the Town. Such a requirement will be a condition of approval of funding, signed and acknowledged by the applicant.

In all cases of program funding assistance, the Town of Richmond Hill reserves the right to limit or refuse funding where applicants have successfully applied for and received funding for similar purposes from other sources of grants or preferential loan assistance – this includes, for example, any other building-related grant or loan incentive provided by upper levels of government and agencies of government.

Notwithstanding this provision, where Council determines that full access to Town funding sources in addition to funding from other public sources is merited by virtue of the particular circumstances, nature or scope of the project, Council may choose, in its sole discretion, to waive this provision.



4

IMPLEMENTATION

4 Implementation

4.1 Administration and Staff Resourcing

4.1.1. Establishing an Application Evaluation Committee

In implementing the CIP for the Town of Richmond Hill, an Evaluation Committee will be established to administer the application evaluation process and preparation of reports with recommendations to Council. The CIP Evaluation Committee should be comprised of staff from the following departments:

- Strategic Initiatives;
- Policy Planning;
- Development Planning;
- Financial Services; and
- Other sub-disciplines as may be required from time-to-time based on the nature of applications (Legal Services, By-law Enforcement Services, Building Review/Compliance, etc.)

4.1.2. Roles and Responsibilities for Program Implementation

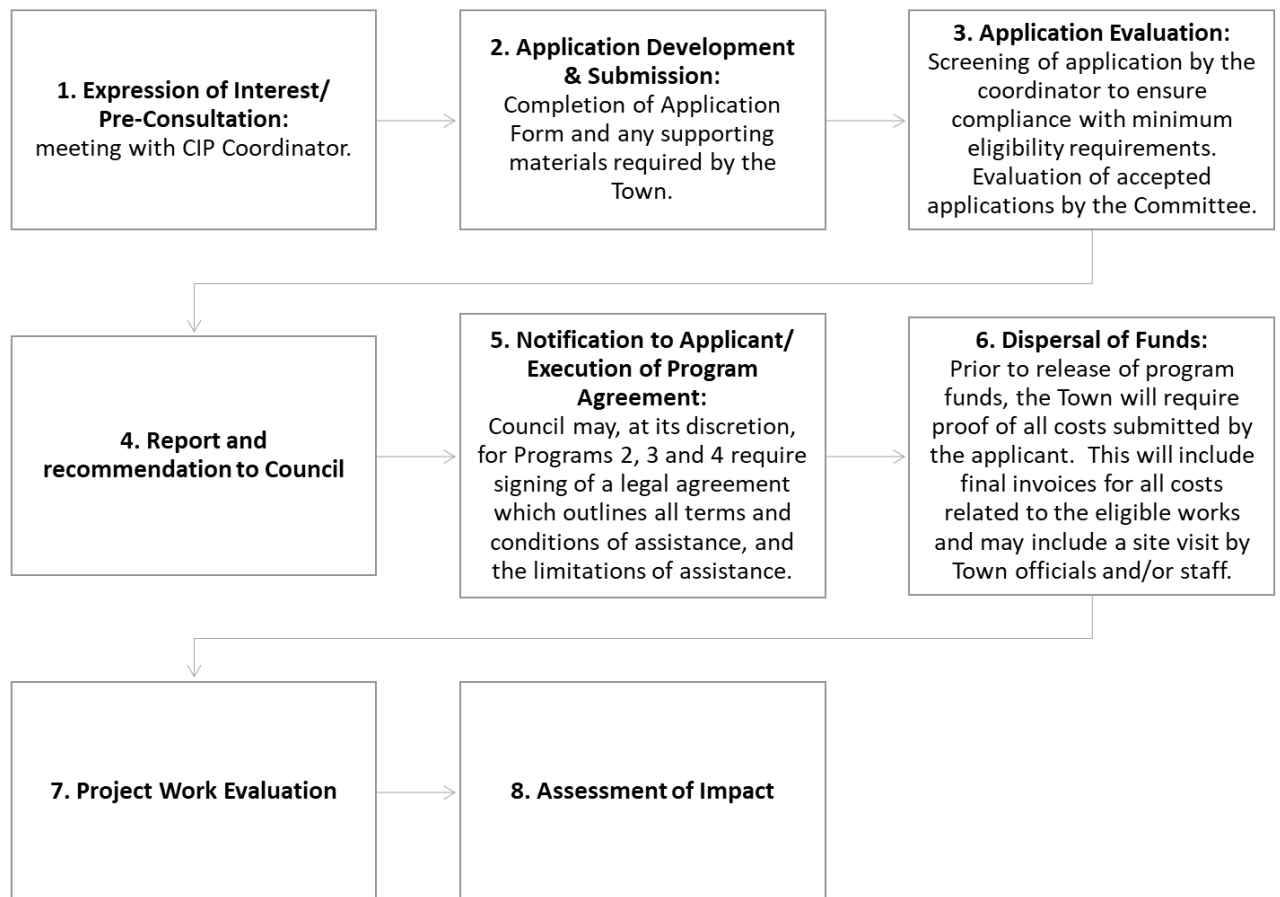
Key tasks in implementing the CIP are as follows and will be shared among staff in Strategic Initiatives, Planning and Regulatory Services, Financial Services and Legal:

- *Staff education:* A number of municipal departments are expected to play a role in apprising developers and business/property owners of available program opportunities under the CIP and navigating persons to key sources of information in this regard. This includes Development Planning staff in receipt of site plan applications as well as Heritage Planning staff.
- *Marketing and promotion:* Section 5 of this document outlines the marketing plan for the CIP. Departments that are expected to play a key role in supporting the effective marketing of the CIP include Strategic Initiatives (via existing economic development channels) and Development Planning (at the time of application discussion (i.e. pre-submission meeting) and eventual take-in).
- *Organizing and hosting a pre-application consultation meeting:* with each potential applicant to clarify the nature of program options available to the interested party based on the nature of the development proposal.
- *Managing the operationalization of the CIP* as it relates to:
 - *Financial/Administrative:* including application intake and pre-screening as well as monitoring the dispersal of funds from a CIP Reserve.
 - *Co-ordination of the Evaluation Committee:* the timely issuance of pre-screened applications to the Evaluation Committee for review as well as the organization

of regular committee meetings to vet applications (that is, quarterly or as required based on the volume of applications).

- *Preparation of recommendation reports:* for Council consideration.
- The preparation and execution of *legal agreements*.
- *CIP performance monitoring:* Expected to involve site visits to photograph and review improvements to ensure that works completed are in keeping with the respective applications. This will also involve annual CIP performance reporting to Council via staff report (see *Section 6: Monitoring & Performance* for metrics of evaluation).

Exhibit 3: The General Application and Approval Process for Financial Incentive Programs 1 (Façade, Landscape & Signage Grant) & 2 (Building Renovation Grant)



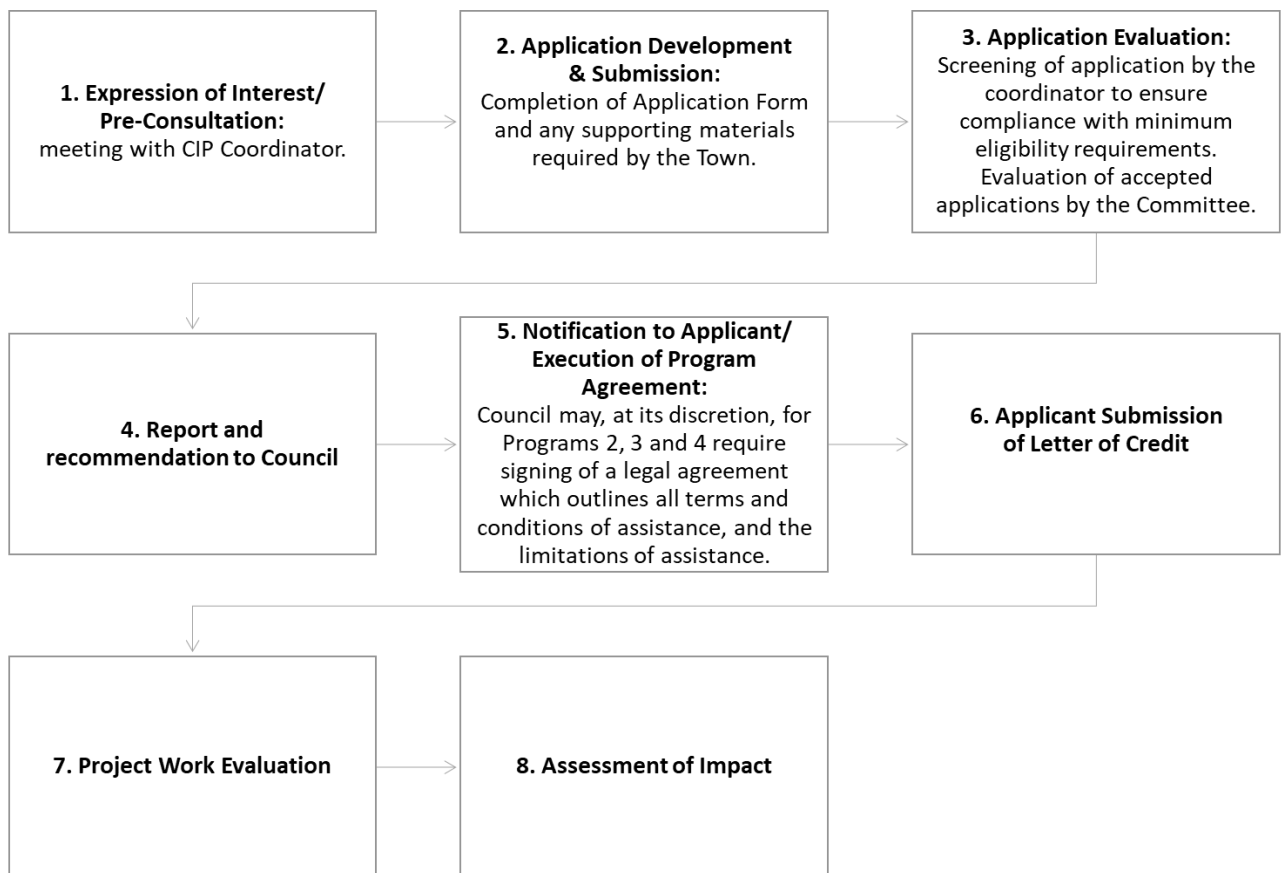
4.2 Application Intake & Approval Process

Application intake will occur on a scheduled-basis (e.g. quarterly) to encourage the timely submission of development and rehabilitation requests of property owners/developers. Applications will be prescreened by the Coordinator for completeness and further consideration by the Evaluation Committee. The Evaluation Committee will meet once per quarter and will forward recommendations to Council via a staff report. At this time, Council will make the final approval decisions on all applications.

All applications that require annual funding under Programs 1 and 2 will be accepted, evaluated and determined on a scheduled basis based on set submission deadlines.

Applications for façade improvement support and building renovation grants should be assessed separately from the other programs (i.e. these projects vary in scale and should not be compared to more substantive development proposals when considering approval for funding support under the CIP). Each program should have a funding cap in place as recommended in Section 4.4 of this document.

Exhibit 4: The General Application and Approval Process for Financial Incentive Program 3 (Development Charge Deferral)



All funds committed in any one year (based on calendar years) will be assumed to be drawn down from the annual funding limit each program (excluding tax-based programs which

represent foregone revenue and deferred Development Charge payments) during the year of approval for funding, even where funds are disbursed in the following calendar year. Applications are encouraged for projects which are eligible for funding under more than one program.

4.3 Rights and Discretion of Council

The Council of the Town of Richmond Hill (or sub-delegate approval authority) reserves the right to limit access to funding from multiple CIP programs if, in its determination, there is a degree of overlap of funding that is not an appropriate use of scarce resources or the value of individual project funding is deemed to unduly limit the availability of community improvement funding to other projects in the CIPA. At all times, the principle of matched funding necessitates that Council will not fund more than 50% of eligible costs or stated funding caps, whichever is less (save and apart from tax-based programs which represent foregone revenue and deferred Development Charge payments).

Council also has the right to extend, revise or alter the CIP beyond the initial five-year horizon subject to the objectives of Council and the performance of the plan in the opinion of Council.

Programs approved under the CIP may be offered at the discretion of Council and also rescinded by Council without an amendment to the CIP. These programs may apply, at the discretion of Council, to the whole or to part of the Community Improvement Project Area. The CIP does not limit the right of the Town of Richmond Hill and its Council to undertake any other initiatives provided for under the Town's Official Plan to facilitate community improvement.

Council also has the right to extend, revise or alter the CIP beyond the initial five-year horizon subject to the objectives of Council and the performance of the plan in the opinion of Council.

4.4 Annual Funding Plan for Incentive Programs

The Town of Richmond Hill is to establish a Community Improvement Plan Reserve Fund into which capital account funds will be provided on an annual basis for the 5-year plan. Funding of the reserve will be on a top-up basis, such that annual contributions to the fund will be based on the level of unspent reserve at the end of each fiscal year and subject to annual allocations established by this Plan.

The maximum funding amounts are subject to annual review and approval by the Town and can be changed by the Town acting in its sole discretion. At maturity, the recommended funding allocation to implement Program 1 (Façade, Landscape and Signage Improvement Grant) and Program 2 (Building Renovation Grant Program) of the CIP would be \$510,000 at the beginning of each fiscal year. This would provide \$260,000 for Program 1 (Façade, Landscape and Signage Improvement Grant) and \$250,000 for Program 2 (Building Renovation Grant Program). As previously noted, The Tax Increment Equivalent Grant (Program 3) does not require funding and is designed to improve tax assessment over the long term, with certain foregone property tax

revenue associated with the local tax increment at the outset of associated grants. The grant that may be given will be based on eligible project costs, to a maximum of the municipal tax increment. The Development Charge Deferral (Supporting Program) does not require funding and defers payment of development charges that are collected in full at the end of the program. The funding for these programs should be stepped up from year to year, recognizing the time required for program start up, administration, marketing and implementation.

The amount of funding for *Program 1: Facade, Landscape and Signage Grant* and *Program 2: Building Renovation Grant* represent a guideline, as does the recommended annual funding.

Annual funding allocations are subject to review and approval by Council in each year of the CIP. The CIP is subject to an annual funding allocation of 185,000 in year 1. Step up in the amount of funding in each year is contingent on demonstrated demand for program support as well as growth in CIP program awareness supported by estimates of likely take-up based on program inquiries (See *Section 5: Marketing Plan*). The maximum permissible funding for any application under each program is as previously described in *Section 3.2: Incentive Program Summaries* and is further detailed in *Schedule A: Program Details*.

Draws on the overall funding limit will be monitored annually. The Town of Richmond Hill may adjust the overall level of CIP funding, as well as the distribution of funding between programs, based on the annual performance of each program.

A formal evaluation of programs for public review will occur at the end of Year 3, and again in Year 5 prior to the termination or extension of the CIP and associated funding programs. The Council of the Corporation of the Town of Richmond Hill may alter the amount of annual funding to the Plan and its constituent programs.



5

MARKETING THE PLAN

5 Marketing the Plan

Marketing the CIP will warrant a series of approaches to effectively target what is expected to be two (2) primary audiences for programs:

- Mid to Large office Developers/Investors (provincial and national conglomerates, businesses, real estate developers, etc.).
- Small Businesses (regional/local community).

Core tools to facilitate marketing and implementation include the development of a web-based presence on the Town of Richmond Hill website, as well as print and electronic marketing brochures/booklets which provide an easy to read snapshot of available support under the CIP. Broader opportunities for engagement and marketing are outlined in the promotion and engagement framework on the subsequent pages of this document.

5.1 Evaluating the Impact of Marketing Initiatives

The following are general metrics for evaluating the success of marketing efforts recommended in Exhibit 3:

- Total number of marketing initiatives undertaken/completed (annually);
- Total number of calls and/or expressions of interest received (annually) from potential applicants via varying media (via telephone, online submission requests etc.);
- Total number of pre-application consultation sessions completed (annually) and the nature of interest in programs (e.g. Façade Grant versus DC Deferral);
- Number of application forms downloaded from the Town's website (annually);
- Total number of applications received as a result of marketing initiatives/tools (this information may be gathered at the point of application/pre-consultation); and
- Webpage visits and downloads of CIP marketing and application materials.

Exhibit 5: Marketing and Promotions Framework

Audience		Outreach		Suggested Departmental/ Other Support
Larger Office Developers/ Investors	Small Businesses	Geography	Opportunity(ies)	
✓		Broad/ International/ Provincial	<p>Conference Exhibits/Presentations:</p> <ul style="list-style-type: none"> • Example: Economic Development Council of Ontario (EDCO) conference. <p>Web-based Marketing:</p> <ul style="list-style-type: none"> • Example: EDCO Investors Guide/Marketing Package. • Develop informational videos about vacant/potential sites and CIP (potential promotional collaboration with Real Estate agents/Municipal Real Estate division/staff for international/ national draw). 	<p>Strategic Initiatives; Corporate Communications; Real Estate agents; Municipal Real Estate division/ staff</p>
✓	✓	Broad/ International to Local	<p>Point-of-Contact Engagement at:</p> <ul style="list-style-type: none"> • Site selection/enquiry. • Development/site planning application. • Site tours could be organized for prospective developers. 	<p>Strategic Initiatives; Development Planning</p>
✓	✓	Scoped/Local	<p>Promotional Mail-outs (of hardcopy/electronic CIP brochures and application interest forms):</p> <ul style="list-style-type: none"> • With annual tax-bills. • Economic Development E-Newsletter – Opportunity to highlight success stories and profile businesses/successful CIP-supported projects in the CIPA. • Via partner communications: Board of Trade, local business associations etc. 	<p>Strategic Initiatives; Corporate Communications; Revenue Services; Board of Trade and other Partners</p>

Audience		Outreach		Suggested Departmental/ Other Support
		Geography	Opportunity(ies)	
Larger Office Developers/ Investors	Small Businesses	Scoped/Local	<p>Identifier on site where CIP program is offered:</p> <ul style="list-style-type: none"> Placing signs/plaques on properties where CIP is being implemented for community improvement <p>Pre-submission meetings where CIP programs are identified based on preliminary discussions.</p> <p>Promotional Opportunities via Awards/Presentations:</p> <ul style="list-style-type: none"> Creativity Connected Awards. Presentations to BILD Toronto (York Region/GTA). Business Breakfasts/Education Session(s) with small businesses. Proactive measures: Zoning 101 sessions (potentially as part of Business Breakfast sessions) geared to small businesses to improve understanding of land development requirements. 	Strategic Initiatives
		Scoped/Local		
		Broad/Local to Regional		Strategic Initiatives; Policy/ Development Planning; Corporate Communications
		Scoped/Local	<p>Web-based Outreach:</p> <ul style="list-style-type: none"> CIP Video profile on Economic Development and Planning portals of Municipal website. Online availability of CIP brochure(s) and application(s). CIP Program 'Notification of Interest' Online Submission tool (with staff follow-up within 1-2 working days). 	Strategic Initiatives, Policy/Development Planning Corporate Communications; Information Technology
		Scoped/Local	<p>Promotional Partnerships:</p> <ul style="list-style-type: none"> Dissemination of marketing information via Board of Trade and other networks. 	



6

MONITORING & PERFORMANCE

6 Monitoring & Performance

6.1 Establishing Performance Metrics

Effective monitoring of CIP warrants the establishment of performance metrics for the Plan as a whole as well as individual programs. In so doing it is important to develop baseline data against which progress may be measured. This includes inventorying the current conditions of the CIPA (as has been initiated in the *CIP Background Study*) to include:

- The development of an inventory of vacancies in the CIPA at the onset of implementation (building on baseline vacancy mapping completed by consultants). Shifts in vacancies may be monitored annually or at strategic plan review periods (See *Section 6.3: Evaluating and Updating the Plan*);
- A database of assessment values of the properties within the CIPA at the onset of implementation. Growth in property assessment in the CIPA may be evaluated in the later years of the Plan and should be tracked on a program/project basis for Programs 2, 3 and 4 through the CIP application process.

6.1.1. Employing Qualitative and Quantitative Measures

Post implementation the Town should employ a mix of qualitative and quantitative measures to assess the impact of the CIP and its programs. These should recognize both the measurable impacts of programs as well as the intangible benefits of community improvement programs (such as enhancements to aesthetic appeal of the public realm within the CIPA and improved built form). The following variables should be measured and recorded for each of the financial incentive programs:

- Total amount of committed funding annually;
- The number of applications submitted;
- The number of successful applications (overall take-up of each program);
- Total amount of private-sector investment that resulted; and
- Qualitative assessment as to the quality of improvements when work is completed (i.e. before and after photos).

Though not required, it is recommended that a post-development/post-program follow-up interview be held with each applicant to confirm levels of satisfaction with application process as well as provide insight on the effectiveness of communication channels, materials and protocols employed to market the CIP. Information gathered should form part of the qualitative assessment of the CIP and is expected to facilitate proactive marketing and implementation solutions as may be required to enhance areas of performance.

Additional program-specific performance measures include:

CIP/Supplemental Program	Program-specific Variables
Façade, Landscape and Signage Improvement Grant Program	Total amount of funds disbursed by type of improvement (façade and/or signage); Total cost of façade and signage improvements.
Building Renovation Grant Program	Total amount of grant; Total value of work; Type of work (building code compliance, conversion, etc.).
Tax Increment Equivalent Grant (TIG) Program	Total amount of the tax increment; Total value of construction; Total square footage of office space constructed; Increase in assessed property value.
Development Charge (DC) Deferral	Total value of construction; Number of jobs created; Total square footage of office space constructed.

6.2 Staff Reporting to Council

Monitoring of the CIP will occur annually as a means of assessing (on an ongoing basis) individual program take-up and the scale of private sector investment leveraged by each approved funding allocation (that is, by application). A published estimate of private-sector investment (and/or ratio of private-public investment) is to be provided via an annual Staff Report to Council.

6.3 Evaluating and Updating the Plan

A more comprehensive interim review of the CIP is to be undertaken in Year 3 of implementation (and a detailed review in Year 5) to determine whether each program has met the goals of the Community Improvement Plan, evaluating 1) the effectiveness of the funding and organizational structure of the CIP process 2) the composition and operation of the Evaluation Committee and 3) the effectiveness of staff other resources to administer, monitor and market the Plan.

Changes to the provisions of this CIP which are considered to represent a material change which necessitates a formal amendment to the Plan include the following:

1. A significant change to the boundary of the geographic area subject to the CIP;
2. The addition of new programs of financial assistance operationalized within this CIP;
3. An extension to the approved term (duration) of the CIP;
4. A significant, order of magnitude increase in the maximum amount of financial assistance offered as part of the guidelines for funding contained in this plan; and
5. A significant change in the eligibility criteria for access to program support under this CIP.



SCHEDULE A: PROGRAM DETAILS

Schedule A: Schedule of Program Details

This schedule forms part of the Community Improvement Plan (CIP) Implementation Framework. Grant support is not guaranteed to be approved at the maximum values identified under each respective program. The amount of the grant is subject to and at the discretion of Council and is dependent on the list of “eligible costs”.

PROGRAM 1: FAÇADE, LANDSCAPE & SIGNAGE IMPROVEMENT GRANT PROGRAM

Rationale and Objective(s)

This is an “all-Inclusive” grant intended to support comprehensive improvements to properties in Richmond Hill’s Downtown Local Centre in keeping with the design objectives of the Downtown local Centre Secondary Plan.

The grant is designed to promote façade, landscape and signage improvements and to encourage private sector property owners to implement aesthetic improvements to their property(ies) that otherwise may not occur due to cost-related issues.

Under the Façade, Landscape and Signage Improvement Grant Program, matching grants may be offered to eligible property owners within the Downtown Local Centre area of the CIPA for building facing, side and front lot landscaping (i.e., publicly accessible parts of private properties), exterior signage improvements, the creation of a linked system of courtyards, or any combination of these 3 categories of property enhancement.

Benefits

- Grant supports the enhance aesthetic appeal of downtown through façade, public realm and signage improvements, as well as street-front redevelopment. This is expected to result in visitation and economic impacts.
- Potential to leverage private sector investment in moderate building improvements which have a direct benefit to the architectural quality of the Downtown Local Centre (DLC) in Richmond Hill.
- Public and private space design improvements may contribute to job creation in the downtown.
- Potential to encourage the creation of a linked system of courtyards in keeping with priorities of the *Downtown Local Centre Secondary Plan*.

Legislative Provision

Section 28(7) of the *Planning Act* (R.S.O. 1990, c. P.13) provides for grant assistance “for the purpose of carrying out a municipality’s community improvement plan.”

Target Group	Private sector property owners, with an emphasis on commercial retail, office, and mixed-use properties within the Downtown Local Centre in the Community Improvement Project Area (CIPA).
Program Specifics and Limitations	<p>Applicant may apply for one or any combination of the following:</p> <p>Façade</p> <ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$15,000 per property, whichever is less. • Matching grant of up to 50% of eligible improvement costs or a maximum grant of \$25,000 per property, whichever is less for façade improvement projects involving more than one façade. This includes buildings located on a corner lot (that is, a property with frontage on two municipal streets) or on a lot with access onto the linked system of courtyards. • The minimum grant is \$2,500 per property. Project applications including matching assistance of less than \$2,500 will not be considered. <hr/> <p>Signage</p> <ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$2,500 per property, whichever is less. • The minimum grant is \$1,000 per property. Project applications including matching assistance of less than \$1,000 will not be considered. <hr/> <p>Landscaping</p> <ul style="list-style-type: none"> • Matching grant of up to 50% of eligible costs or a maximum grant of \$2,500 per property, whichever is less. • For combined street-front and side-lot landscaping improvements: Matching grant of up to 50% of eligible costs or a maximum grant of \$5,000 per property, whichever is less. The minimum grant is \$2,000 per property. Project applications including matching assistance of less than \$2,000 will not be considered. <p>The grant is meant to be applied for improvements and upgrades to the street fronts of properties but it may also be applied to the rear or side of a property only in cases where the rear or side of a property is facing a street or public park or public gathering space or parking area that is accessible to the general public.</p>
Eligibility	<ul style="list-style-type: none"> • Per 10.5.1 <i>Community Improvement Plan</i> of the <i>Downtown Local Centre Secondary Plan</i>, properties with non-residential uses within the

Downtown wishing to participate in this program must be located within the Richmond Hill Downtown Business Improvement Area.

- All non-residential and mixed-use buildings (commercial/retail/office at-grade) within the Downtown Local Centre.
- This program excludes owner-occupied residential dwellings. However, it does include multi-unit residential properties and former residential buildings now used, in part or in whole, for commercial/office use (that is, commercial/office at-grade).
- Private property owners for costs associated with materials, labour, equipment and professional fees related to external building works specifically for façade improvement or signage development and implementation of landscape improvements consistent with any applicable Municipal Design Guidelines for Richmond Hill (professional quotes from multiple contractors (minimum 2) operating at arm's length from the applicant will be required).
- Eligible façades include both the front and side façades (the latter only in cases where the side of a property is facing a street or public park or public gathering space). Rear façade improvement is included only in cases where the rear of a property is facing a street or public park or public gathering space or parking area that is accessible to the general public. The same applies to rear landscape areas. In all cases, rear façades/landscapes are secondary for purposes of allocation of funding under this program.
- The General Eligibility Requirements outlined in Section 3.3 of the Implementation Framework also apply.

Approval Process

- The General Application Process outlined in Section 4.2 of the Implementation Framework applies.
- The applicant should demonstrate that the intended enhancements are in keeping with the design objectives of the *Downtown Local Centre Secondary Plan*, as well as any municipal design guidelines applicable to the DLC. It is anticipated that this will include the submission of plans, elevations and details of materials pertaining to each project under application. At the discretion of the Town of Richmond Hill, urban design expertise may be required to assess whether applications conform to guidelines.
- Façade, Landscape and Signage Improvement Grants disbursed as follows:
 - a) 60% on Substantial Completion;
 - b) 40% on Final Completion.

Schedule A: Schedule of Program Details

Duration	<ul style="list-style-type: none"> • Program application duration – 5 years (2018-2022). • The program will be monitored for effectiveness on an annual basis with an interim review in year 3 (and detailed review in Year 5) to determine whether the program has met the goals of the Community Improvement Plan.
Other Restrictions	<ul style="list-style-type: none"> • The Town of Richmond Hill has the right to review any and all aspects of the program, including the purpose, form, method of application, evaluation and amount of funding of the program, from time to time, or at any time, for any reason, and at the sole and absolute discretion of the Town. • As necessary, the Town may amplify or adjust the application and approval protocols associated with this program. • The Town may refuse an application if it deems project feasibility to be limited or for any other reason, at the sole discretion of the Town. • If the completed project proves to be inconsistent with the proposed project that was approved and detailed in the application form and supporting documentation, the Town retains the right to delay (pending correction of building work), withhold or cancel the disbursement of funds.
Fiscal Implications	Recommended budget: \$260,000 annually
Other Government/Non-Profit Organization Investment	Applicants who identify other sources of financial assistance for exterior building renovations will be given preference in the allocation of funds. The Town of Richmond Hill retains the right to limit funds to reflect impacts of other sources of funding.
Examples of Eligible Costs	<p>Examples of eligible costs:</p> <ul style="list-style-type: none"> • Enhancement, replacement and rehabilitation of commercial/retail/office doors, windows, and facades; • Restoration of existing façade and surfaces (woods, tuck pointing, cleaning); • New surface materials in conformity with any Municipal Design Guidelines for the Downtown Local Centre; • Architectural design fees; • Creation of approved patios; • Enhancement or replacement of existing exterior lighting fixtures; • Upgrading of paving materials that support the development and enhancement of a linked system of courtyards;

Schedule A: Schedule of Program Details

- Improvements and enhancements to street front landscaping and signage; and
- Other similar enhancements and improvements that may be approved.

PROGRAM 2: BUILDING RENOVATION GRANT PROGRAM

Rationale and Objective(s)

To encourage the adaptive re-use of existing structures (industrial, commercial or other uses) for office in the downtown and older business park areas of the CIPA through the provision of matching funding for interior building renovations.

To promote functional improvements, accessibility and upgrades to an older building stock as well as change of use as permitted under zoning (or as may be amended through Zoning By-Law Amendment application); and

Property improvements can include any identified and eligible improvements to the building, its structure, building systems, and major internal fit-up.

Benefits

Program will support building improvements resulting in higher property assessment(s) and supports the Town's objectives to create jobs and reduce out-commuting of residents who work within the office sectors.

This grant has the potential to leverage significant private sector investment in interior building renovations and improvements, and help address the costs involved with a range of matters, such as:

- Building, fire and other code compliance upgrades linked to the development of office space;
- Expansion/additions for office;
- Retrofitting space for office (upper and ground floors);
- Interior structural works and upgrades (including electrical, mechanical, HVAC and other building systems.);
- As it relates to the business parks eligible projects for support will be the conversion space for office (general tenant fit-up¹ and systems upgrades etc. will not be supported).

Legislative Provision

Section 28(7) of the *Planning Act* (R.S.O. 1990, c. P.13) provides for grants and loan assistance "for the purpose of carrying out a municipality's community improvement plan."

Target Group

Private sector property owners of properties within the following areas of the Community Improvement Project Area (CIPA):

- Downtown Local Centre (priority will be given to projects/properties fronting onto Yonge Street);
- Newkirk Business Park; and

¹ This refers to standalone projects for wall partitions, finishes, fixtures, lighting, power, equipment, etc. for the general purpose of enhancing space and which are not part of a substantial building conversion project for office

- Beaver Creek Business Park.

Program Specifics and Limitations

The grant is equivalent to a proportion of the work value and provided on a matching funds basis to a maximum of 50% of eligible costs:

Secured Interest-free Forgivable Loan²:

- Maximum grant of \$50,000 per property (minimum grant of \$10,000 per property);
- Grant is a secured loan, forgivable over 5 years at an annual rate of 20%.

Conditions of approval will be established by the Town and may extend to any reasonable consideration to ensure the interests of the Town as funder are upheld. Generally, all approvals under this program will require that construction commence within 6 months of an approved building permit, and Final Completion within 18 months. Council may at its discretion adjust these requirements based on the particular circumstances of the construction project which may necessitate approvals from other agencies and/or delays in construction which are not in the control of the applicant to overcome.

Where the property is sold or interest in the property is transferred to another entity within the 5-year Loan Forgiveness period, the remaining principal of the grant (after annual forgiveness) is repayable to the Town. Upon sale or transfer, all outstanding loan obligations remain payable to the Town based on the approved loan repayment agreement signed by both the Town and the applicant in advance of program assistance. Year 1 of the repayment period commences upon Final Completion of the project.

Applicants will be required to enter into an agreement as to the above terms and conditions of the grant/loan elements of the program.

Eligibility

- All office properties in the Downtown Local Centre are eligible for assistance under the program. Program eligibility also includes industrial, commercial and residential buildings in these areas that are subject to plans for conversion to office as permitted by the *Official Plan* or relevant Secondary Plan.

² Loan Forgiveness is defined as the incremental accretion of grant status of funds dispersed to approved applicants under *Program 2: Building Renovation Grant*. This translation from interest free loan to grant status (and hence non-repayable to the Town) is earned on the basis of 20% at the end of each calendar year following the execution of the Agreement. In the event of sale or transfer of interest of the property within the 5-year period, Loan Forgiveness ceases to accumulate and the remaining loan repayment is calculated on a prorated basis

Schedule A: Schedule of Program Details

- As it relates to the Newkirk and Beaver Creek business parks, eligible projects for support will be the conversion space for office (general tenant fit-up³ and systems upgrades etc. will not be supported).
- For those applications which pass the application screening process, eligibility will be determined through the application of criteria, developed and adjusted from time to time by the Evaluation Committee. These objectives will seek to relate each application to the downtown renewal and office development goals and objectives of the Town of Richmond Hill including maximizing the leverage of private investment from the use of public investment. In general terms, the following criteria will be used as a basis for determining the amount of funding:
 - Location and scale of the property;
 - Square footage of new office space proposed to be created;
 - Long-term viability of the property (long term use versus shorter term use);
 - Highest and Best use of the site;
 - Quality and extent of submitted plans, cost schedules, and, in the case of additional development, business case rationale, if any provided;
 - Existence or otherwise of professional quotes from multiple contractors (minimum 3) operating at arm's length from the applicant;
 - Estimated timing of works to be completed.
- Final criteria will be determined by the Evaluation Committee upon commencement of the CIP.
- The General Eligibility Requirements outlined in Section 3.3 of the Implementation framework also apply.

Approval Process

- The General Application Process outlined in Section 4.2 of the Implementation Framework applies.
- Building Renovation Grant will be disbursed as follows:
 - a) 10% on approval;
 - b) 80% on substantial completion;
 - c) 10% on final completion.

Duration

- Program application duration – 5 years (2018-2022).

³ This refers to standalone projects for wall partitions, finishes, fixtures, lighting, power, equipment, etc. for the general purpose of enhancing space and which are not part of a substantial building conversion to office

Schedule A: Schedule of Program Details

	<ul style="list-style-type: none">• The program will be monitored for effectiveness on an annual basis with an interim review in year 3 (and detailed review in Year 5) to determine whether the program has met the goals of the Community Improvement Plan.
Other Restrictions	<ul style="list-style-type: none">• The Town of Richmond Hill has the right to review any and all aspects of the program, including the purpose, form, method of application, evaluation and amount of funding of the program, from time to time, or at any time, for any reason, and at the sole and absolute discretion of the Town.• As necessary, the Town may amplify or adjust the application and approval protocols associated with this program.• The Town may refuse an application if it deems project feasibility to be limited or for any other reason, at the discretion of the Town.• If the completed project proves to be inconsistent with the proposed project that was approved and detailed in the application form and supporting documentation, then the Town has the right to delay (pending correction of the building works), withhold or cancel the disbursement of funds.
Fiscal Implications	Recommended budget: \$250,000 annually
Other Government/Non-Profit Organization Investment	Applicants who identify other sources of financial assistance for interior building renovations will be given preference in the allocation of funds. The Town retains the right to limit funds to reflect impacts of other sources of funding.
Examples of Eligible Costs	Eligible Costs include (but are not limited to): <ul style="list-style-type: none">• Costs associated with materials, labour, equipment, insurance, regulatory approvals and professional fees related to internal building works, including major fit-up to meet the future needs of office tenants in the downtown.• As it relates to the business parks eligible projects for support will be the conversion of space for office (general tenant fit-up⁴ and systems upgrades etc. will not be supported).• The development of additional gross floor area for office where such development is a part of an office renovation/rehabilitation project.

⁴ This refers to standalone projects for wall partitions, finishes, fixtures, lighting, power, equipment, etc. for the general purpose of enhancing space and which are not part of a substantial building conversion to office

Schedule A: Schedule of Program Details

The program is intended to be a flexible interest free loan and forgivable loan program to assist primarily office property owners with undertaking long term investment in their properties to ensure their functionality and attractiveness as income producing properties.

PROGRAM 3: TAX INCREMENT EQUIVALENT GRANT (TIEG) PROGRAM

Rationale and Objective(s)

The Tax Increment Equivalent Grant (TIEG) program is designed to support the new development and intensification of office (stand-alone or as part of mixed-use developments) in designated Centres and Corridors along Yonge Street within the CIPA and in the Newkirk and Beaver Creek Business Parks.

This program leverages the increased assessment and property taxation generated by site (re)development to reduce the financial costs of property rehabilitation and redevelopment for office by:

- Providing a grant equivalent to the Municipal portion of the property tax for a property; and
- Limiting such grants to annual payments for a maximum period of 10 years or equivalent to the maximum cost of rehabilitation, renovation and/or redevelopment.

This grant focuses on net municipal taxation gain which represents unrealized revenue if the development or enhancement of the property had not occurred. At the end of the grant program (a maximum of 10 years or the dollar limit of eligible costs whichever is reached first, or earlier at the discretion of the Town), the Town realizes the full extent of the property taxes.

The grant is based on the “Reimbursing Developer” approach. The property owner/developer pays for the full cost of renovation, rehabilitation or redevelopment as well as the resulting annual increase in property tax. Thereafter, the Town reimburses the Owner or assigned recipient by way of an annual grant equivalent to the agreed Municipal Portion of the incremental property tax increase over an established “base” assessment.

Benefits

- Leverages increased property tax assessment and helps reduce financial costs of property redevelopment or major rehabilitation for office.
- The Town benefits by the resulting revaluation and increase in tax liable on the property over the long term.
- Supports the Town’s objectives to create jobs and reduce out-commuting of residents who work within the office sectors.

Legislative Provision

Section 28(7) of the *Planning Act (R.S.O. 1990, c. P.13)*.

Target Group

Private sector landowners/developers who are actively seeking the rehabilitation, renovation, (re)development or re-use of properties within the Community Improvement Project Area (CIPA) for office and provide:

- (i) Site plan/floor plans for rehabilitation, renovation, or (re)development; and

Schedule A: Schedule of Program Details

- (ii) Estimated costs of renovation, rehabilitation or (re)development.
- (iii) Given the nature of the grant program as achievable only on completion and revaluation of the property, the Town of Richmond Hill will enable the approval in principle for accessing this grant subject to necessary conditions. This approval in principle can be provided at the same time as approval for other programs of assistance is provided.

Program Specifics and Limitations

Office Space (standalone or as part of Mixed-Use)

- The maximum amount of the grant is 90% of the annual municipal tax increment over the agreed base assessment and property tax liability in Year 1 declining by 10% per annum. The maximum duration of this program is 10 years.
- In the case of Mixed-use developments, the grant would only apply the tax increment applicable to the office portion of a development.

Illustrative Annual Grant-Back Share/Amount				
Duration/Period	Grant Share	Annual Tax Increment on Municipal Portion	Grant Value Payable	Taxes Retained by Town
Year 1	90%	\$50,000	\$45,000	\$5,000
Year 2	80%	\$50,000	\$40,000	\$10,000
Year 3	70%	\$50,000	\$35,000	\$15,000
Year 4	60%	\$50,000	\$30,000	\$20,000
Year 5	50%	\$50,000	\$25,000	\$25,000
Year 6	40%	\$50,000	\$20,000	\$30,000
Year 7	30%	\$50,000	\$15,000	\$35,000
Year 8	20%	\$50,000	\$10,000	\$40,000
Year 9	10%	\$50,000	\$5,000	\$45,000
Year 10	0%	\$50,000	\$0	\$50,000
Total		\$500,000	\$225,000	\$275,000

- Program eligibility is limited to those projects/proposals that will result in a minimum of 1,600 square metres of new office space.
- This program does not apply to the portion of the tax rate levied by York Region.
- This program does not apply to the Education Portion of the tax rate.

Eligibility

- Grant available for all sites within the Community Improvement Project Area (CIPA) subject to office development.
- Eligible renovation and rehabilitation costs will be determined as final by the Town of Richmond Hill in reference to the submitted schedule of development-related costs.
- Final eligibility will be determined through the demonstrated success of the project through all stages of application (as required) for planning approval, building permit issuance and building code compliance, construction, occupancy, financial viability (as evidenced by the capacity of the owner to pay all required property taxes on the property) and finally revaluation by the Ontario Municipal Property Assessment Corporation (MPAC).
- The General Eligibility Requirements outlined in Section 3.3 of the Implementation Framework also apply.

Approval Process

The Town reimburses the Owner or assigned recipient by way of an annual grant equivalent to the agreed Municipal Portion of the incremental property tax increase over an established “base” assessment value and Tax Liability⁵. This defined increment is calculated after the reduction of:

- Any phase-in agreements to soften tax increases that may exist through existing policy or programs;
- Or any tax rebates granted to charitable organizations as owners or tenants; and
- Any other rebate which lessens the overall initial (pre-Program 3: Tax Increment Equivalent Grant) Tax Liability of the property.

Grant approval is required in principle prior to the commencement of construction/development.

The Town of Richmond Hill will determine the existing “base” assessment for the property – this will normally be defined as being either at the time of approval of the application for Tax Increment Equivalent Grant support and is based on the assessment and tax class at that time. The Town may, at its discretion, establish an alternate date for purposes of establishing the base assessment and property Tax Liability. Where a project is phased over several years the grant will be based on the property re-assessment and taxable status of the project in each of the interim years before project completion. At project completion, the grant (as applicable) will be based on the assessed

⁵ Tax Liability means the annual real property taxes levied by the Town of Richmond Hill including the Municipal and Education Portions of the taxes

Schedule A: Schedule of Program Details

property value provided by the Municipal Property Assessment Corporation (MPAC).

Final approval of grant funding in each year occurs after:

- a) Conditions as stated in the Tax Increment Equivalent Grant Agreement have been fulfilled;
- b) Submission of eligible costs as required;
- c) Receipt of assessed value of the property by MPAC in each year; and
- d) Final approval of amount of grant by Council.

For multi-phase/multi-year projects, approval is based on completion and final costing of each phase, and revaluation in each year by MPAC.

The commencement date for Program 3 (for purposes of calculating the increment) will be at the discretion of the Town of Richmond Hill following discussions with the applicant based on the merits of the development project and resulting estimates of tax increment grant created by the development project over time.

The General Application Process outlined in Section 4.2 of the Implementation Framework also applies.

Duration	<ul style="list-style-type: none">• Program application duration – 5 years (2018-2022).• The program will be monitored for effectiveness on an annual basis with an interim review in year 3 (and detailed review in Year 5) to determine whether the program has met the goals of the Community Improvement Plan.
Other Restrictions	<ul style="list-style-type: none">• The Town of Richmond Hill has the right to review any and all aspects of the program, including the purpose, form, method of application, evaluation and amount of funding of the program, from time to time, or at any time, for any reason, and at the sole and absolute discretion of the Town;• As necessary, the Town may amplify or adjust the application and approval protocols associated with this program.• The Town may refuse an application if it deems project feasibility to be limited or for any other reason, at the discretion of the Town.
Fiscal Implications	<p>The potential exists for fiscal impacts to the Town arising from what is effectively a deferment of a portion of tax revenues. As such, the Town, as part of the application evaluation process, will need to determine whether or not it is in the best interest of the Town to approve a grant based on the likely community improvement benefits of a given project.</p>

Eligible Costs

Eligible project costs supported under this program include (but are not limited to) the following works related to new office constructed:

- Site development and infrastructure work including demolition and disposal off-site, improvement or reconstruction of existing on-site public infrastructure (water services, sanitary and storm sewers, other);
- Major building rehabilitation, and significant renovation and rehabilitation;
- Costs associated with the assessment of environmental conditions and the remediation of environmental contamination, and environmental protection;
- Design, engineering, legal, insurance, and other professional fees (at the discretion of the Town of Richmond Hill) directly related to the design and development and commissioning of the completed building(s);
- Eligible costs exclude both construction financing and long-term debt financing principal and interest costs.

SUPPLEMENTARY (PROGRAM 4): DEVELOPMENT CHARGE (DC) DEFERRAL PROGRAM

Rationale and Objective(s)

The authority to operate this program is not provided under Section 28(7) of the *Planning Act (R.S.O. 1990, c. P.13)*. This Development Charge Deferral is a supporting program to the CIP and is to be considered through the 2018/19 Development Charges Update.

This Development Charge Deferral Program is designed to encourage new office development (standalone or Mixed-use) as part of High-rise developments in designated Centres and Corridors.

Applicants seeking assistance under Program 4 for a High-rise office Development project may also be eligible for a Development Charge Deferral on the regional portion of the development charge for office.

Benefits

- This program reduces the immediate capital outlay required for a project through a deferral of all of the municipal Development Charge applicable to new office space construction.
- Supports capital/cash flow associated with development of new office (stand-alone or mixed-use).
- The Municipality stands to benefit from development which raises assessment and brings vacant lands into new/productive uses.

Legislative Provision

Section 27 (1) of the *Development Charges Act, 1997, S.O. 1997* provides that a municipality may enter into an agreement to provide for a deferral of all or part of a development charge.

Target Group

Private sector landowners or developers seeking development of properties for office within the Community Improvement Project Area (CIPA).

Program Specifics and Limitations

High-rise Office (Standalone or Mixed-use):

This program provides for the deferral of 75% of Richmond Hill's Town-wide non-retail development charge levied on High-rise office development within the CIPA for up to a maximum of 18 months after building permit issuance.

In the case of High-rise *mixed-use* developments, the deferral would apply to office portion of the development only.

Interest on the deferred fees will not accrue or be charged.

Payment of 75% of the Town-wide Non-Retail Development Charge for eligible office projects may be deferred up to a maximum of eighteen (18) months⁶. Payment will be deducted from an Irrevocable Letter of Credit 18 months after the building permit is issued.

This Development Charge Deferral program (Program 4) does not apply to Development Charges as follows:

- Town of Richmond Hill Residential and Retail Development Charges;
- Town of Richmond Hill Area-Specific Development Charges;
- Boards of Education Development Charge;
- Region of York Development Charges.

Separate and apart from this CIP, York Region provides and administers a Development Charge Deferral option for High-rise office development. This may be accessed in conjunction with the Program 4 of this CIP. At the point of application, the Town will notify York Region of applicant interest in the deferral of the regional portion of the DC where projects are deemed to be eligible based on the Region's criteria.

Eligibility

- Properties within the Community Improvement Project Area (CIPA) subject to office Development as part of High-rise buildings. High-rise office is defined to mean an office building that is 4 or more storeys above grade or a mixed-use building comprising 4 or more floors of office space above grade.
- This program does not absolve an applicant of the responsibility for funding studies and site technical reviews, or executing actions to remove other conditions of approval as may be required by the Municipality.
- The General Eligibility Requirements outlined in Section 3.3 of the Implementation Framework also apply.
- Eligibility/approval for a Development Charge deferral shall be at the sole discretion of the Council of the Town of Richmond Hill.
- Applications will be deemed ineligible for a deferral if the subject planning application is appealed by the applicant and becomes subject to evaluation by the Ontario Municipal Board (OMB).

⁶ 25% of Town-wide non-retail development charge payable on High-rise office developments is required to be paid in cash up-front

Schedule A: Schedule of Program Details

Approval Process

- The General Application Process outlined in Section 4.2 of the Implementation Framework also applies.
- The deferral shall be dependent upon the applicant/developer providing an Irrevocable Letter of Credit to the Town of Richmond Hill (named as the beneficiary) at the time of the Building Permit issuance.
- Payment will be deducted from the Letter of Credit 18 months after building permit issuance. In the case of multi-phased projects, payment will be deducted from the Letter of Credit 18 months after the first building permit is issued.
- If, for any reason, a deferred DC payment is not received in accordance with the deferral period/schedule, interest will be charged/applied from the time that the charges/fees were originally payable. Interest will be charged based on the current interest rate applied to defaulted taxes (as applicable at the time of the failure to pay).
- This program does not absolve an applicant of the responsibility for funding studies and site technical reviews, or executing actions to remove other conditions of approval as may be required by the municipality.
- Applicants for the Development Charge Deferral program (Program 4) will not be precluded from consideration for support under Program 3 (Tax Increment Equivalent Grant).

Duration

- Program application duration – 5 years (2018-2022).
- The program will be monitored for effectiveness on an annual basis with an interim review in year 3 (and detailed review in Year 5) to determine whether the program has met the goals of the Community Improvement Plan.

Other Restrictions

- The Town of Richmond Hill has the right to review any and all aspects of the program, including the purpose, form, method of application, evaluation and amount of funding of the program, from time to time, or at any time, for any reason, and at the sole and absolute discretion of the Town.
- As necessary, the Town may amplify or adjust the application and approval protocols associated with this program.
- The Town may refuse an application if it deems project feasibility to be limited or for any other reason, at the discretion of the Town.

Schedule A: Schedule of Program Details

- If the completed project proves to be inconsistent with the proposed project that was approved and detailed in the application form and supporting documentation, the Town retains the right to cancel the disbursement of funds.

Fiscal Implications

Municipal deferment of Development Charge revenues will result in the Municipality realizing the full benefits of this income over time (i.e. within 18 months of building permit issuance) and does not warrant funding from a CIP Reserve.

Eligible Costs

New office construction



SCHEDULE B: GLOSSARY

Schedule B: Glossary of Terms

Building Permits are issued by the local body responsible for enforcing Ontario's Building Code and are required for the construction, renovation, demolition and certain changes of use of buildings.

Community Improvement Plan (CIP) is a planning tool under Section 28 of the *Ontario Planning Act* which permits planning and financial assistance programs involving lands, buildings, loans, grants and tax assistance for designated community improvement project areas.

Community Improvement Project Area (CIPA) "means 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 (*Ontario Planning Act, Section 28*)."

Development Charges are fees levied on new development to help finance the infrastructure required to service new growth. Under the *Development Charges Act, 1997*, as amended, local municipal councils may pass a by-law imposing development charges

Education Portion means taxes arising from that element of the total tax rate set annually, which is collected by the Province of Ontario to support the provincial school By-Laws.

Eligible Costs includes all capital cost categories for which the Owner is entitled to Program Assistance from the Town of Richmond Hill as may be approved and as may be provided for in the CIP and further specified in any Agreement that may be required to execute funding. Eligible costs do not equate to the maximum levels of financial assistance under individual programs.

Final Completion (i.e. project completion) is defined to mean the conclusion of proposed building/construction work in its entirety as well as subsequent final payments (including hold-backs) for which proof of payment may be provided by the applicant to the Town.

High-rise Office is defined to mean an office building that is 4 or more storeys above grade or a mixed-use building comprising 4 or more floors of office space above grade.

Loan Forgiveness is defined as the incremental accretion of grant status of funds dispersed to approved applicants under *Program 2: Building Renovation Grant*. This translation from interest free loan to grant status (and hence non-repayable to the Town) is earned on the basis of 20% at the end of each calendar year following the execution of the Agreement. In the event of sale or transfer of interest of the property within the 5-year period, loan forgiveness ceases to accumulate and the remaining loan repayment is calculated on a prorated basis.

Mixed-use means buildings incorporating a mix of uses including residential with street-related retail, commercial and office at-grade or at street-level.

MPAC means the Municipal Property Assessment Corporation.

Municipal Portion means taxes arising from that element of the total tax rate, set annually, which supports expenditures by the Town of Richmond Hill.

Office includes both 'Office' and 'Major Office' uses as defined under the Town of Richmond Hill's Official Plan as is allowable under Commercial and Industrial zoning classes per presiding parent Zoning Bylaws. The Town's 2010 Official Plan defines 'Office' and 'Major Office' uses as follows:

- "Office means any building or part thereof with a gross floor area less than 10,000 square metres used for the practice of a profession, the carrying on of a business such as the management or direction of an agency or organization, public administration, or administration of an industry including research and development."
- "Major Office means an office building that has a gross floor area of 10,000 square metres or greater used primarily for the practice of a profession or the carrying on of a business such as the management or direction of an agency, organization, public administration, or administration of an industry including research and development."

Owner means the registered Owner of the Lands and includes any successors, assigns, agents, partners and any affiliated corporation. Financial assistance through tax-based funding is provided to the registered owner of the property irrespective of any assignment of those funds to another party by the owner under separate agreement between the owner and a third party.

Program Assistance means all or any of the programs contained in and provided for by the CIP.

Tax Increment means the difference between the property tax liability for the lands in any year of the Program and the existing "base" tax liability. The Tax Increment is limited to the Municipal Portion of the tax liability in those instances where program assistance is limited to the Municipal Portion of taxation as provided for in the CIP.

Tax Increment Equivalent Grant Agreement means an agreement, with the force of law, that establishes the terms of the tax assistance program and the obligations of both the applicant and the Town of Richmond Hill, as well as remedies for default by the applicant. At the discretion of the Town of Richmond Hill, these provisions can be made part of a broader funding agreement that can include involvement by the Region of York (if such support is approved). Any combined support by the Town of Richmond Hill and the Region of York will be based on agreed protocols and obligations of all parties that may take the form of a separate legal agreement(s) between the parties.

Schedule B: Glossary of Terms

Tax Liability means the annual real property taxes levied by the Town of Richmond Hill including the Municipal and Education Portions of the taxes.

TIEG means Tax Increment Equivalent Grant as provided for under Section 28(7) of the *Ontario Planning Act*.

Substantial Completion refers to near completion of construction of a proposed building or other works as determined by the Town at its sole discretion.



SCHEDULE C & D: IMPLEMENTING BY-LAWS

Schedule C: By-law to Approve CIPA

The Corporation of the Town of Richmond Hill

By-law Number XXXX-XX

BEING A BY-LAW to Designate a Community Improvement Project Area for the Town of Richmond Hill

WHEREAS Section 28(2) of the *Planning Act*, R.S.O. 1990, c. P.13, empowers the Council of a municipality in which an Official Plan is in effect to designate the whole or any part of the municipality covered by the Official Plan as a Community Improvement Project Area;

AND WHEREAS the Council of The Corporation of the Town of Richmond Hill has adopted an Official Plan which covers all the land within its boundaries and which contains provisions relating to community improvement;

AND WHEREAS Section 28(1) of the *Planning Act*, defines a “Community Improvement Project Area” 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”;

AND WHEREAS the Council of The Corporation of the Town of Richmond Hill deems it in the interest of the municipality to designate land hereinafter described as a Community Improvement Project Area;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF RICHMOND HILL PURSUANT TO SECTION 28 OF THE *PLANNING ACT*, R.S.O. 1990, C. P.13, HEREBY ENACTS AS FOLLOWS:

1. That pursuant to Section 28(2) of the *Planning Act*, the lands illustrated on Schedule “A” to this By-law attached hereto and forming part of this By-law are hereby designated as a Community Improvement Project Area.
2. This By-law shall come into force and take effect as of XXXX XX, 2018.

READ A FIRST AND SECOND TIME THIS XX^{XX} DAY OF XXXX 2018.

READ A THIRD TIME AND FINALLY PASSED THIS XX^{XX} DAY OF XXXX 2018.

XXXXXXXXX

(Mayor)

XXXXXX

(Town Clerk)

Schedule D: By-law to Approve CIP

The Corporation of the Town of Richmond Hill

BY-LAW XXXX-XXX

Being a By-law to adopt a Community Improvement Plan for the Town of Richmond Hill

WHEREAS Section 28(2) of the *Planning Act*, R.S.O 1990, c. P.13, empowers the Council of a municipality in which an Official Plan is in effect to designate the whole or any part of the municipality covered by the Official Plan as a Community Improvement Project Area;

AND WHEREAS Section 28(1) of the *Planning Act*, defines a “Community Improvement Project Area” 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”;

AND WHEREAS the Council of The Corporation of the Town of Richmond Hill has adopted an Official Plan which covers all the land within its boundaries and which contains provisions relating to community improvement;

AND WHEREAS **By-law XXXX-XXX** designates the boundaries of a Community Improvement Project Area for the Town of Richmond Hill per requirements of Section 28(1) of the *Planning Act* and in keeping with policies of the Official Plan of Town of Richmond Hill;

AND WHEREAS the Community Improvement Plan for the Town of Richmond Hill conforms to the Official Plan of Town of Richmond Hill;

Now therefore the Council of The Corporation of the Town of Richmond Hill pursuant to Section 28 of the *Planning Act*, R.S.O 1990, c. P.13, hereby enacts as follows:

1. That the Town of Richmond Hill Community Improvement Plan consisting of the attached explanatory text, tables, maps and schedules, is hereby adopted. The Community Improvement Plan is attached hereto as Schedule “A” to this By-law.
2. This By-law shall come into force and take effect on the date of enactment.

ENACTED THIS XX^{XX} DAY OF XXXX, 2018.

XXXXXXXXXX
(Mayor)

XXXXXX
(Town Clerk)



SCHEDULE E: PROFORMA ANALYSIS

Scenario #1: Annual DC Deferral Impact on Debt Servicing for New Office

Assuming an annual rate of 150,000 sq. ft. of new Office development, the following illustrates the resulting Development Charges generated by the Town of Richmond Hill on an annual basis. The assessment below also illustrates the resulting benefit (i.e. reduction) on required debt financing on the part of a Developer due to the receipt of a deferral.

New Office Constructed 150,000 Sq. Ft. *Projected annual requirement for the Town per 2013 Office Incentives Study*
 Applicable Town DC rate \$ 5.98 per Sq. Ft. *Based on 2017 Non-Residential, Non-Retail DC rate*

A	DCs Deferred by the Town (@ 75%)	\$ 672,769	<i>Deferred for 18 months under CIP Program 4</i>
Debt Servicing Impact to Office Developer/Property Owner			
B1	Indicative Financing Costs (Debt Servicing)		<i>4% over 12 months</i>
B2	Total Financing Costs (A*(1+B1)^1.5)	\$ 713,536	<i>prorated based on 18 months financing (i.e. 1.5 years)</i>
C	Net Savings to Developer (B2-A)	\$ 40,767	<i>resulting from DC Deferral Program</i>

Note: Based on a municipal rate of \$64.37 per square metre of G.F.A as of July 1, 2017

Richmond Hill Community Improvement Plan
 Proforma/Impact Assessment

Scenario #2: Tax Increment Equivalent Grant Impacts (Standalone Mid-rise Office)

Assumption that development occurs on a vacant, non-contaminated site in Beaver Creek Business Park.

Site Area	1.7
Existing Site Assessment Class	Industrial - IX Vacant Industrial land
Existing Tax Rate (Municipal Component)*	0.00194787
Existing Base Assessment (est.)	\$ 1,870,000
Existing Annual Tax	\$ 3,643

New Office Constructed	74,052 Sq. Ft. (equivalent to a 7 storey building with a 10,000+ Sq. Ft. floorplate.)
Replacement Costs	\$ 20,459,324
Re-valued Assessment Adjusted to 85% = Likely Market Value	\$ 17,390,426
Post-Development Tax Rate (Municipal Component)*	0.00249848 Office Building (New Construction) YT
New Annual Tax	\$ 43,450

Resulting Annual Taxes	Total Taxes Generated from Development	Annual Tax Increment (i.e. Less Base/Existing Assessment)	Value of Grant to Owners	% of Increment to Owners	Additional/New Taxes Retained by the Town
Year 1	\$ 43,450	\$ 39,807	\$ 35,826	90%	\$ 3,981
Year 2	\$ 43,450	\$ 39,807	\$ 31,846	80%	\$ 7,961
Year 3	\$ 43,450	\$ 39,807	\$ 27,865	70%	\$ 11,942
Year 4	\$ 43,450	\$ 39,807	\$ 23,884	60%	\$ 15,923
Year 5	\$ 43,450	\$ 39,807	\$ 19,904	50%	\$ 19,904
Year 6	\$ 43,450	\$ 39,807	\$ 15,923	40%	\$ 23,884
Year 7	\$ 43,450	\$ 39,807	\$ 11,942	30%	\$ 27,865
Year 8	\$ 43,450	\$ 39,807	\$ 7,961	20%	\$ 31,846
Year 9	\$ 43,450	\$ 39,807	\$ 3,981	10%	\$ 35,826
Year 10	\$ 43,450	\$ 39,807	\$ -	0%	\$ 39,807
Total	\$ 434,500	\$ 398,070	\$ 179,132		\$ 218,939

Total Value of Property Taxes Retained by the Town of Richmond Hill	
Base Assessment Retained over 10 Years	\$ 36,425
New Taxes Retained over 10 Years	\$ 218,939
Grand Total Taxes retained by the Town of Richmond Hill	\$ 255,364
Retained % of Total Taxes Generated	59%

* based on Municipal Tax Rates for 2017

Scenario #3: Tax Increment Equivalent Grant Impacts (Small Office as part of Mixed-use or Standalone)

Assumption that development occurs on a vacant, non-contaminated site on Yonge Street.

Site Area	1.7
Existing Site Assessment Class	Commercial - CX Vacant Land
Existing Tax Rate (Municipal Component)*	0.00174893
Existing Base Assessment (est.)	\$ 5,100,000
Existing Annual Tax	\$ 8,919.54
New Office Constructed	20,735 Sq. Ft. (equivalent to a 2 storey building or 2 floors of office as part of podium development with a 10,000+ Sq. Ft. floorplate)
Replacement Costs (for Office Portion Only)	\$ 5,598,357
Re-valued Assessment Adjusted to 85% = Likely Market Value	\$ 4,758,603
Post-Development Tax Rate (Municipal Component)*	0.00249848 Office Building (New Construction) Yr
New Annual Tax	\$ 11,889.28

Resulting Annual Taxes	Total Taxes Generated by Office Portion of Development ONLY	Annual Tax Increment (i.e. Less Base/Existing Assessment)	Value of Grant to Owners	% of Increment to Owners	Additional/New Taxes Retained by the Town
Year 1	\$ 11,889	\$ 2,970	\$ 2,673	90%	\$ 297
Year 2	\$ 11,889	\$ 2,970	\$ 2,376	80%	\$ 594
Year 3	\$ 11,889	\$ 2,970	\$ 2,079	70%	\$ 891
Year 4	\$ 11,889	\$ 2,970	\$ 1,782	60%	\$ 1,188
Year 5	\$ 11,889	\$ 2,970	\$ 1,485	50%	\$ 1,485
Year 6	\$ 11,889	\$ 2,970	\$ 1,188	40%	\$ 1,782
Year 7	\$ 11,889	\$ 2,970	\$ 891	30%	\$ 2,079
Year 8	\$ 11,889	\$ 2,970	\$ 594	20%	\$ 2,376
Year 9	\$ 11,889	\$ 2,970	\$ 297	10%	\$ 2,673
Year 10	\$ 11,889	\$ 2,970	\$ -	0%	\$ 2,970
Total	\$ 13,364	\$ 13,364	\$ 16,334		\$ 16,334

Total Value of Property Taxes Retained by the Town of Richmond Hill	
Base Assessment Retained over 10 Years	\$ 89,195
New Taxes Retained over 10 Years (Office Only)	\$ 16,334
Grand Total Taxes retained by the Town of Richmond Hill	\$ 105,529
Retained % of Total Taxes Generated	89%

* based on Municipal Tax Rates for 2017

Detailed Pro-forma (Scenario 2)

Schematic Illustration of Community Improvement Plan Support Programs

Example: Standalone Mid-Size Office Development On Vacant Land

Site Area	1.7	Acres
Site Acquisition and Development Costs		
Land Costs		
Land Cost per Acre	\$1,100,000	
Total Land Cost	\$1,870,000	
Environmental Remediation Costs incl. demolition/fill as required (incl. Phase 1 and Phase 2 Environmental Site Assessment Confirming No Contamination)		
	\$0	Phase 1 and 2 ESA
Site Development/Serviceing Costs	\$289,000	\$170,000 per acre
Parking and Landscaping Costs	615 spaces \$861,074	1 space per 28 sq. m. (301 sq. ft.)/\$3500 per space
Construction Costs¹		
Site Coverage (F.S.I.)	1.0	
GFA Constructed	74,052	
Hard Cost per Sq. Ft.	\$200	
Total Hard Construction Cost	\$14,810,468	
Soft Costs		
Building Permit and other Permits	\$87,372	
Planning and Development Fees ²	\$23,631	Zoning By-Law Amendment and Site Plan Approvals
	As % of hard costs	
Architect and Engineering		
Design Phase	1.50%	\$222,157
Construction Phase	4.50%	\$666,471
Legal and Accounting/Overhead	1.50%	\$222,157
Construction Management	4.00%	\$592,419
Contingency for Cost Over-Run	5.50%	\$814,576
Total Soft Costs		\$2,628,783
Total Development Costs		\$20,459,324
Financing Costs		
Invested Equity (14%)	\$2,864,305	
Indicative Financing Costs (75%) over 12 months at 4% p.a.	\$351,900	
Total Costs (excl. tenant fit-up and lease commissions)		\$20,811,225
Revenues		
Return Based on 20 Year Amortization of Costs		
Class A Lease Rate (Triple Net) ³		\$23.0
Present Value of Income Stream		\$17,274,420
Equity Invested		\$2,864,305
Return on Investment	20.6%	
Impacts of Potential CIP Support Programs		
TIEG (municipal portion only) at 90% in Yr 1	see calc. below	\$179,132 Note: Over 10 years
Development Charge Deferral	100%	\$443,006 \$5.98 per Square ft GFA - Town portion only
Total Development Cost Savings		\$622,138
Prior to Development		\$0
Year 1 (at building permit)		\$443,006
Year 2 (at occupancy)		\$179,132
Impact on Return on Investment	21.5%	(equity investment unchanged)

Detailed Pro-forma (Scenario 2)

Schematic Illustration of Community Improvement Plan Support Programs

Example: Office Development on Non-Contaminated Site

Tax Increment Grant Calculation

Existing Site Assessment Class	Industrial - IX Vacant Industrial land
Existing Assessment	\$1,870,000
Tax Rate (Richmond Hill Municipal Component), 2017	0.00194787
Existing Annual Tax	\$3,643
Post-Redevelopment Assessment Class	Office Building (New Construction) YT
Replacement Costs	\$20,459,324
Re-valued Assessment Adjusted to 85% = Likely Market Value	\$17,390,426
Applicable Tax Rate (Municipal Component), 2017	0.00249848
Annual Tax	\$43,450 Assumes 100% occupancy
Redevelopment-Based Increment (excl. escalation and increase arising from potential changes to tax rates)	\$35,826 90% of increment
Maximum Eligible Costs (excludes land)	\$18,498,218
Max Years of Grant	10.0

¹ Based on Altus Group Construction Cost Guide, 2017

² Based on Planning Fee and Building Permit Fee schedule, Town of Richmond Hill for 2017

³ Analysis assumes generic tenant fit-up and lease commissions are recovered from gross rent. Lease revenue shown above is triple net.

Note:

Proforma excludes annual inflation in costs/revenues which may occur.

Parking Requirement Per Town of Richmond Hill Zoning By-Law No.150-80, as amended does not provide parking rates for "General Office" uses, but rather for "Commercial and Other" uses at a rate of one (1) parking space for 28 square metres.

Source:

Sierra Planning and Management



Sierra Planning and Management
advice • strategy • implementation

