

City of North Bay

Airport Industrial Community Improvement Plan

For the development of the Airport Industrial Business Park

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Prepared by: City of North Bay

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## **1.0 Executive Summary**

The City of North Bay's new Official Plan has designated the City-owned airport lands as an Airport Industrial Business Park (Schedule A at the back of this document). The uses to be permitted in the Park will be uses associated directly with the airport (airside uses) and those uses that are not directly associated with the airport (non-airside uses).

The Planning Act permits the City to implement the ACIP as a Community Improvement Project Area to provide private investment incentives. The Plan requires approval by Council. Provincial approval is no longer required.

Over the past seven years, North Bay's supply of developable industrial (employment) lands has substantially decreased as a result of economic growth and the successful attraction, retention and expansion of industry. Both the Gateway and Seymour Industrial Parks are nearing capacity and industrial land availability is at its lowest level in decades with less than 30 acres of municipally-owned industrial lands available (much of which has very challenging topography and soil constraints).

The development of an Airport Industrial Business Park has been identified and supported by Council as a strategic investment in the long-term economic health and prosperity of the City. This Airport Industrial Community Improvement Plan (ACIP) will provide justification and rationale for offering financial incentives as well as providing an implementation framework for the program. The ACIP will have a term of 3 years.

The City of North Bay obtained unrestricted ownership of the North Bay Jack Garland Airport (NBJGA) in February 2008. In conjunction with EBA Engineering Consultants Limited, the City developed a land use plan for the airport which identified airside and groundside development opportunities.

The NBJGA is recognized as a key economic driver and is vital to the economy of North Bay and surrounding area. The airport provides scheduled passenger and cargo services for a number of carriers. It is a critical transportation hub for North-Eastern Ontario. A critical mass of aerospace firms involved in a wide range of assembling, manufacturing, repair and overhaul (MRO), charters, flight services and training activities is already present on the airport lands.

The goal of the ACIP is to successfully develop an attractive Airport Industrial Business Park. The objectives of this Plan to reach this goal are:

- To stimulate the development of new employment lands
- To help facilitate the growth of the aerospace sector and complimentary industrial and industrial service uses
- To ensure North Bay is competitive in attracting new and follow-on investment
- To support and grow the North Bay Jack Garland Airport
- To stimulate sustainable development

- To support our Industrial Diversification Strategy
- To provide employment opportunities needed to retain and attract skilled workers.
- Youth retention

The ACIP investment incentives include:

- Municipal Fee Rebate Program
- Tax Assistance Program
- Landfill Tipping Fee Reduction

The incentives are described in further detail in Section 8 of this Plan.

## **2.0 The Airport Industrial Business Park**

The land associated with North Bay Jack Garland Airport are designated for current and future industrial/business park development within the community in the City's new Official Plan (awaiting Provincial Approval) and by way of a concurrent Official Plan Amendment.

The new Official Plan, through the Airport Industrial Business Park policies, recognizes the importance of promoting and maintaining a viable airport and industrial/business park to the economic and social well-being of Northern Ontario, the region and the City.

With the need for industrial designated lands within the City, and with the unrestricted Municipal ownership of the airport lands, the development of an Airport Industrial Business Park has been identified, and supported by Council, as a strategic investment in the long-term health and prosperity of the community.

The land surrounding the North Bay Jack Garland Airport provides an opportunity to combine the needs for more industrial land and the opportunity to grow and develop the aviation sector.

Permitted uses within the Airport Industrial Business Park include, but are not limited to:

- aeronautical/aerospace research and development facilities;
- manufacturing, fabricating, assembling, repairing, overhauling, testing and maintenance of aircraft or aeronautical/aerospace related products;
- fixed base operations including refueling, flight planning, air ambulance and pilot services;
- technical and professional aeronautical/aerospace industrial and administrative support services;
- aeronautical/aerospace instructional services, flight training and testing;
- air cargo warehousing, value added assembly and distribution; and
- charter/private aircraft and facilities and other flight services.
- groundside industrial uses

### **3.0 The Airport Industrial Community Improvement Plan**

An Airport Industrial Community Improvement Plan is a document that identifies a designated project area within the community, as shown on Schedule A, where the City will stimulate development by offering ACIP incentives to help offset the costs associated with site preparation and construction.

The plan provides the justification and rationale for offering incentives and provides an implementation framework as well as the period that incentive will be offered (3 years). The designated project area to which incentives apply, and the terms of the offering of the incentives, requires approval by North Bay City Council before the ACIP can be implemented.

## **4.0 Background**

The City of North Bay retained unrestricted ownership of the North Bay Jack Garland Airport (NBJGA) in February 2008. In 2006 the NBJGA contracted EBA Engineering Consultants Ltd. to develop a land use plan identifying lands that should be retained for future expansion of the Airport Operations as well as parcels for Airside and Groundside Industrial opportunities on the southern portion of the airport property. The northern portion of the airport property was defined as reserve lands.

The Jack Garland Airport is recognized as a key economic driver and vital to the economy of North Bay and surrounding area. The airport provides scheduled passenger and cargo service for a number of carriers and is a critical transportation link for Northeastern Ontario. Current tenants provide North Bay's airport with a critical mass of aerospace related firms involved in a wide range of assembly, MRO, charters, flight services and training activities.



Aerospace has been identified as a growth sector for the City of North Bay. In working with other levels of government, the City, along with the NBJGA is pursuing the long term expansion of this industry

From 2003 to 2008 the City successfully marketed municipally owned industrial land within the Gateway Industrial Park. Having lost approximately 600 acres of employment lands as a result of the Provincially Significant Wetlands Policy introduced in 2005 combined with recent accelerated industrial growth, North Bay's supply of developable employment lands has substantially decreased. Both the established Seymour and Gateway Industrial Parks are nearing capacity and the municipal inventory of employment lands is at its lowest level in decades with less than 30 acres of municipally owned land available, most of which has soil constraints that will drastically impact site preparation costs and make the remaining lands less desirable.

With the need for industrial designated lands and the unrestricted ownership of the Airport property, the development of an Airport Industrial Business Park with the potential of approximately 800 acres has been identified. Given NBJGA is one of only four in Ontario with a 10,000 foot runway the Airport Industrial Business Park offers unique advantages for future development.

#### **4.1 Existing Conditions, Opportunities and Constraints**

The ACIP was developed to be compatible with the Airport Land Sale Policy, the North Bay Jack Garland Airport Mast Land Use Plan and the new City of North Bay Official Plan Airport Industrial Business Park policy.



Using these documents, the City of North Bay, in consultation with Airport staff, is developing an Airport Industrial Business Park Subdivision for Council Approval in 2010. Consideration was given to the highest and best long term use of the land, potential future Airport requirements as well as the potential impacts of development on airport operations. Background material such as the Airport Wildlife Management Plan was also considered.

In November 2008 an *Airport Development Constraints Analysis* identified various environmental, zoning, infrastructure and operational constraints to developing the municipally owned land at the airport. Specific concerns regarding potential interference and aberration of signals transmitted or received by the airport were identified and are being addressed as part of the Plan of Subdivision. Furthermore, any developments within the Airport Industrial Business Park will require analysis to ensure compatibility with existing Airport operations.

North Bay's existing critical mass in the aerospace sector coupled with the infrastructure and assets of the NBJGA provide North Bay with a unique opportunity to develop a large scale business park to help attract aerospace related firms and accommodate future industrial growth.

As the business park develops, there is significant opportunity through the ACIP program to help facilitate the development of the employment lands. A well planned subdivision and site plan controls will ensure the Airport Industrial Business Park develops in a planned, organized manner which maintains North Bay's aesthetic appeal from both the ground and air without compromising the viability of the development.



### **3.2 The Supporting Municipal Role**

North Bay's Official Plan Section 2.7.9 states that to ensure an adequate supply of, and a stable price for, serviced industrial land in the Municipality, the City shall continue to take the necessary steps to acquire, service and offer for lease or sale industrial land.

Development of Employment lands through the use of tools such as a Community Improvement Plan (CIP) is becoming increasingly common in Ontario municipalities and internationally. Lands that had previously been considered surplus airport property are now recognized as desirable locations for both aerospace functions and complimentary industry. NBJGA lands offer several distinct advantages for manufactures including world class airport and telecommunications infrastructure, proximity to transportation networks and relatively low site preparation costs.

Significant capital funding is currently being expended by the City and by local Utilities to upgrade supporting services and utilities in the area. The total value of public sector capital investment in improvements servicing the ACIP area either recently completed or planned over the next 5 years exceeds \$25M.



North Bay has a proven track record in developing and implementing Community Improvement Plans. The City's Downtown Community Improvement Plan (DCIP) spurred an injection of \$25M in private investment and 297.5 new jobs in the downtown.

Building on the successes of the DCIP program, the City of North Bay implemented the Brownfield Community Improvement Plan (BCIP) in 2008 to help stimulate rehabilitation and redevelopment of contaminated lands throughout the central area. Both the DCIP and the BCIP programs have provided the City of North Bay with the tools to assist in attracting new investment to the community. The successes of the CIP programs have been realized through new investment, new jobs and job retention and new assessment.

## **4.2 The Goal and Objectives of the Airport CIP**

The goal of this Airport Industrial Community Improvement Plan is to support employment growth and economic development by allowing the City of North Bay to rebate by way of grants, for a period of time, supplemental increases in the municipal portion of property taxes resulting from the introduction, expansion or improvement of any development, as approved by the City, located in the Airport Industrial Business Park.

The objectives of the ACIP are consistent with 2005 Provincial Policy Statement and the policies of the City's new Official Plan. These objectives are:

- To stimulate the development of new employment lands
- To help facilitate the growth of the aerospace sector and complimentary industrial and industrial service uses
- To ensure North Bay is competitive in attracting new and follow-on investment
- To support and grow the North Bay Jack Garland Airport
- To stimulate sustainable development
- To support our Industrial Diversification Strategy
- To provide employment opportunities needed to retain and attract skilled workers.
- Youth retention

## **5.0 The Legislative Framework and Planning Policies**

### **5.1 The Planning Act**

Section 28 of the Planning Act, Chapter P. 13 R.S.O. 1990, as amended, permits municipalities, where the municipality has appropriate policy in its Official Plan, to pass a by-law designating a “Community Improvement Project Area” and to devise a “Community Improvement Plan.”

The Planning Act, in Subsection 28(1), provides the following definitions for “community improvement plan” and “community improvement project area (C.I.P.A.)”:

“Community Improvement Plan” means a plan for the community improvement of a community improvement project area;”

“Community Improvement Project Area” 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.”

The Planning Act allows municipalities, when carrying out a Community Improvement Plan within a community improvement project area, to:

- (a) construct, repair, rehabilitate or improve buildings on land acquired or held by it in the community improvement project area in conformity with the community improvement plan, and sell, lease or otherwise dispose of any such buildings and the land appurtenant thereto;
- (b) sell, lease or otherwise dispose of any land acquired or held by it in the community improvement project area to any person or governmental authority for use in conformity with the community improvement plan.

Provincial approval is not required for the approval of a Community Improvement Plan.

For the purpose of carrying out a municipality’s community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan.

Eligible costs of a community improvement plan may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

## **5.2 Provincial Policy Statement (PPS)**

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development.

Section 1.3.1 of the PPS identifies that Planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment (including industrial, commercial and institutional uses) to meet long-term needs;
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- c) planning for, protecting and preserving *employment areas* for current and future uses; and
- d) ensuring the necessary *infrastructure* is provided to support current and projected needs.

The City has continuously worked to ensure the availability of industrial land (employment areas) for potential industrial developments to allow for the continued economic growth of the community.

As the City has unrestricted ownership of the NBJGA, which included approximately 1600 acres of land, it is appropriate to consider these lands as a location for future industrial growth and development. Of the 1600 acres of land, approximately 800 acres would be available for a range of industrial uses.

Section 1.6.7.1 of the PPS states that Planning for land uses in the vicinity of *airports* shall be undertaken so that:

- a) the long-term operation and economic role of *airports* is protected; and
- b) *airports* and *sensitive land uses* are appropriately designed, buffered and/or separated from each other to prevent adverse effects from odour, noise and other contaminants.

1.6.7.2 *Airports* shall be protected from incompatible land uses and development by:

- a) prohibiting new residential *development* and other sensitive land uses in areas near *airports* above 30 NEF/NEP, as set out on maps (as revised from time to time) that have been reviewed by Transport Canada;
- b) considering redevelopment of existing residential uses and other sensitive land uses or infilling of residential and other sensitive land uses in areas above 30 NEF/NEP only if it has been demonstrated that there will be no negative impacts on the long-term function of the *airport*; and
- c) discouraging land uses which may cause a potential aviation safety hazard.

All development proposals will be required to meet all NavCanada regulations around airports. The uses that are being considered are industrial in nature, and are not considered a sensitive land use under the Ministry of Environment D-Series Guidelines.

### **5.3 Municipal Act**

Section 106(1) and (2) of the Municipal Act, 2001 prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. Prohibited actions include:

- a) giving or lending money or municipal property;
- b) guaranteeing borrowing;
- c) leasing or selling any municipal property at below fair market value; and
- d) giving a total or partial exemption from any levy, charge or fee.

Section 106(3) of the Municipal Act, 2001 provides an exception to this bonusing rule for municipalities exercising powers under the provisions of Section 28(6), (7) or (7.2) of the Planning Act or Section 365.1 of the Municipal Act, 2001.

Section 365.1 (21) of the Municipal Act indicates that a Municipality may refund or credit for the purposes of tax assistance:

In providing tax assistance for an eligible property, the local municipality may,

- (a) refund the taxes to the extent required to provide the tax assistance, if the taxes have been paid; or
  - (b) credit the amount to be refunded to an outstanding tax liability of the owner of the eligible property with respect to the property, if the taxes have not been paid.
- 2004, c. 31, Sched. 26, s. 8 (2); 2005, c. 31, Sched. 17, s. 1 (15).

Section 28 of the Planning Act allows municipalities with provisions in their official plans relating to community improvement to designate by by-law a “community improvement project area” and prepare and adopt a community improvement plan for the community improvement project area. Once the community improvement plan is approved, the Municipality may exercise authority under Section 28(6), (7) or (7.2) of the Planning Act or Section 365.1 of the Municipal Act, 2001 in order that the exception provided for in Section 106(3) of the Municipal Act, 2001 will apply.

It is proposed that the ACIP program will be in effect for a period of three (3) years with opportunity for extension. The only properties that can benefit from this program are those properties that are shown on Schedule A to this plan. Any benefits attributed to these properties shall be in compliance to provincial policy specifically section 365.1 of the Municipal Act, 2001. Any requests under this program that contravene any provincial legislation will be denied.

#### **5.4 Tax Increment Financing Act, RSO 2006**

Tax Increment Base Grant (TIF) - Municipal Portion of Property Tax

Tax assistance will be available to property owners who, with the approval of the City, undertake a specific program to introduce, expand or improve any development located in the Airport Industrial Business Park that would result in a reassessment of the properties, so as to recognize the increased value arising from such improvements.

A property owner would register their intent to participate in the TIF program by filing an application at the time of Building Permit application.

The amount of municipal taxes paid would be determined, and upon completion of the works, the municipal taxes to be paid as a result of the reassessment by the Municipal Property Assessment Corporation would be calculated. The difference between the municipal taxes prior to the works being undertaken and the municipal taxes after the completion of the works would be the portion eligible for a grant under this program. By using the Building Permit as the "trigger" for establishing participation in the program, the approximate value of the work to be undertaken can also be determined. The total value of the TIF grant, in addition to other incentives, will not exceed the value of the work that resulted in the reassessment. The grant amount for this program would equal 100% of the increase in the Municipal portion of the taxes in year one of the program, decreasing to 66% in year-two and 33% in year-three, with the owner paying the full amount of taxes in year-four.

#### **5.5 Official Plan Policies**

The current City of North Bay's Official Plan has a number of supportive policies related to Community Improvement Plans.

The Official Plan for the North Bay Planning Area was adopted by City Council on October 22, 1973 and approved by the Minister of Housing on December 20, 1974 and has had successive reviews approximately every 5 years to date.

Part 10, the Implementation section of the current City of North Bay Official Plan, states in Subsection 10.16.1 *"that before passing a Community Improvement Plan, Council shall insure that adequate information is made available to the public including a planning staff report"*.

The City of North Bay has undertaken a new Official Plan for the community which was adopted by City Council on September 8, 2009. The new Plan is currently undergoing review and approval by the Ministry of Municipal Affairs and Housing. The new Official Plan for the City has supportive policies for the development of an Airport Industrial Business Park on the North Bay Jack Garland Airport lands.

A concurrent Official Plan Amendment is being processed at the same time as the subject Community Improvement Plan. The Industrial Air Park policies are being amended to include additional groundside industrial uses as well as the following new section related to a Community Improvement Plan.

Section 2.2.1.1 of the Official Plan is to be amended by adding the following new section:

2.2.1.1.11 Lands identified on Schedule E-2, known as the Airport Community Improvement Area, are permitted to benefit from an Airport Industrial Community Improvement Plan. The Airport Industrial Community Improvement Plan should demonstrate how the City will benefit through the development and redevelopment of the Airport lands.

The City's Official Plan is also being amended to include a new Schedule E-2 which identifies the NBJGA as a Community Improvement Area.

## **6.0 Public Participation**

To be successful, those that will be impacted by the development of the Airport Industrial Business Park need to be engaged in the planning process to ensure that their interests are protected. Therefore the planning process needs to be “open” with ample opportunities to both disseminate information as it develops and to receive public feedback. Community buy-in to this plan is required for implementation of the Plan.

Public input and buy-in will be solicited by:

- Affected abutting land owners to be contacted directly and encouraged to attend the public meeting before Council
- Holding a public meeting to present a draft version of the City of North Bay ACIP
- Revisions to the Plan may be made as a result of public input as agreed to by Council



## **7.0 Airport Industrial Community Improvement Plan Designated Area**

In 2009/2010 the timing is considered “strategic” to offer a package of incentives to help encourage development of select airport lands for the following reasons:

- Low municipal industrial lands inventory
- Growth opportunities in aerospace sector
- Capitalize on existing airport assets including the planned resurfacing of the runway
- Considerable municipal and partner investment in the immediate area (standpipe, etc.)
- Compliment the completion of Hwy 11 four laning project

The ACIP area is considered to encompass the North Bay Jack Garland Airport lands, which includes both air side and ground side parcels in each development area as shown on Schedule A, with the exception of the Airfield Reserve Area.

## **8.0 Financial Incentives**

There are three main financial incentive programs available through the ACIP. These include Municipal Fee Rebate Program, Landfill Tipping Fee reduction and Municipal Tax Assistance. The purpose of the financial incentives is to facilitate and spur adaptive re-use and new construction activity on sites in high priority areas.

### **Municipal Fee Rebate Program**

The City would provide a refund of the municipal fees including Planning, Legal and Building Permits related to development approval, they are:

- Demolition Permit
- Building Permit (including occupancy permits) – up to a maximum permit value of \$250,000 for qualified applicants
- Official Plan and Zoning By-law Amendments
- Plans of Condominium
- Minor Variances
- Consents to Sever
- Site Plan Control Agreement preparation

### **Landfill Tipping Fees**

The City would provide a reduction in the Landfill Tipping Fees associated with the clean up of the site. Assistance would be in the form of a reduction in the tipping fees paid at the City's Landfill Site.

### **Tax Assistance Program**

Tax Increment Base Grant (TIF) - Municipal Portion of Property Tax

Tax assistance will be available to property owners who, with the approval of the City, undertake a specific program to introduce, expand or improve any development located in the Airport Industrial Business Park that would result in a reassessment of the properties, so as to recognize the increased value arising from such improvements.

A property owner would register their intent to participate in the TIF program by filing an application at the time of Building Permit application.

The amount of municipal taxes paid would be determined, and upon completion of the works, the municipal taxes to be paid as a result of the reassessment by the Municipal Property Assessment Corporation would be calculated. The difference between the municipal taxes prior to the works being undertaken and the municipal taxes after the completion of the works would be the portion eligible for a grant under this program. By using the Building Permit as the "trigger" for establishing participation in the program,

the approximate value of the work to be undertaken can also be determined. The total value of the TIF grant, in addition to other incentives, will not exceed the value of the work that resulted in the reassessment. The grant amount for this program would equal 100% of the increase in the Municipal portion of the taxes in year one of the program, decreasing to 66% in year-two and 33% in year-three, with the owner paying the full amount of taxes in year-four.

## **8.1 Eligible Costs**

To be eligible to receive incentives, the development costs that can be recovered must be clearly defined pursuant to Section 28 of the Planning Act.

The eligible costs for purposes of this Plan are as follows and should be considered in conjunction with the general program conditions.

Site Preparation and Construction costs including:

- Building Permit Fees
- Planning Application Fees
- Site Plan Control Fees
- Waste transfer to landfill and tipping fees
- Demolition
- Site development and infrastructure work including improvement or reconstruction of existing on-site infrastructure
- Site servicing
- Environmental Site Assessments (Phase I, II and Phase III ESAs and/or Risk Assessments).

The final decision as to the total level of eligible costs and the inclusion of specific costs within the categories listed herein will rest with the City of North Bay.

The following costs are NOT eligible:

- Any costs incurred prior to the written approval of the ACIP application
- General maintenance and supply costs
- Land acquisition
- Operating expenses
- Administration costs
- In-kind labour costs
- Employee wages
- Equipment related to the normal operation of a business
- Refinancing and Bank charges
- Costs associated to the development of a Business Plan

## **8.2 Planning, Building and Legal Fee Rebate**

### **8.2.1 Background**

- 8.2.1.1 This program would provide financial relief to property owners or businesses who undertake development projects. The program is intended to stimulate investment by business and property owners in the ACIP Area through the provision of a rebate to those who wish to invest.

### **8.2.2 Target Area**

- 8.2.2.1 The Airport Industrial Business Park is the target area for this program.

### **8.2.3 Program Assistance**

- 8.2.3.1 Assistance will be in the form of a refund of the fees for a Planning approval, legal fees related to the preparation of the Site Plan Control Agreement (excluding registration fees).
- 8.2.3.2 Demolition or Building Permit fee rebates are available to a maximum permit value of \$250,000.
- 8.2.3.3 This program will commence on the day following the date of Council adoption of the Plan and continue for three years.

### **8.2.4 Eligibility Requirements**

- 8.2.4.1 Any property owner within the ACIP target area may apply in writing at the time of making an application(s) for planning approval, building permit approval or site plan approval.
- 8.2.4.2 The applicant and/or subject property shall not be in a position of property tax arrears.
- 8.2.4.3 Outstanding Work Orders from the City's Fire Department or Building Services Division and requests to comply must be addressed prior to grant approval.
- 8.2.4.4 For Building Permit Fees, the City will request the payment of fees at the application stage for Building Permit. Upon final inspection of the completed and occupied project, all Building Permit fees collected will be refunded to the property owner, to a maximum of \$250,000.
- 8.2.4.5 For Planning and Legal Fees, the City will request payment of fees at the application stage of the project for the request approval. Upon

release of the Building Permit, all collected fees will be refunded to the property owner.

- 8.2.4.6 The total value of the refund provided under this program plus any other program of this Plan shall not exceed the value of the work done as declared on the Application for Building Permit.
- 8.2.4.7 This program does not apply to any required performance securities (i.e. Letters of Credit) posted by the proponent, required professional studies, or to expenses incurred by the applicant because of an Ontario Municipal Board Hearing or Court proceedings. The cost of any newspaper notices would also not be included.
- 8.2.4.8 A maximum of one rebate is permitted per property (one planning fee rebate, one legal fee rebate, one building permit fee rebate and one demolition fee rebate). If the development is phased, any rebate qualified under this program will be paid for the initial phase only.

### **8.3 Landfill Tipping Fees Reduction**

#### **8.3.1 Background**

8.3.1.1 This program would provide financial relief to property owners who undertake development projects. The program is intended to stimulate investment by both business and property owners in the ACIP area through the provision of a rebate to those who wish to invest.

8.3.1.2 The reduction would apply to tipping fees at the City's Landfill Site to help lower site preparation costs.

#### **8.3.2 Target Area**

8.3.2.1 The Airport Business Park is the target area for this program.

#### **8.3.3 Program Assistance**

8.3.3.1 Assistance will be in the form of a reduction in the tipping fees paid at the City's Landfill Site for soil removal from \$20/tonne to \$10/tonne.

8.3.3.2 The reduction in the tipping fees applies only to the removal of contaminated soil associated with the clean up of the site.

#### **8.3.4 Eligibility**

8.3.4.1 Any property owner within the ACIP target area may apply in writing at the commencement of the site clean up to have the tipping fees at the City's Landfill reduced from \$20/tonne to \$10/tonne for contaminated soil.

## **8.4 Tax Incentive Financing (TIF)**

### **8.4.1 Background**

- 8.4.1.1 The intent of this program is to facilitate and spur adaptive re-use and new construction activity on sites in high priority areas.
- 8.4.1.2 The City of North Bay may offer Tax Increment Base grants to property owners by rebating the municipal portion of the increased property taxes after the property develops or redevelops. The grant, rebated annually to the property owner uses the increased assessment generated by the project to reimburse the developer for eligible development costs. This tax rebate can be offered for any period up to 3 years and can be scaled from 100% of the property tax increment in the first year, decreasing to 0% of the tax increment in the last year of the period selected.
- 8.4.1.3 The property owner shall enter into an ACIP Agreement with the City of North Bay and the City shall pay annual Grant payments to the Owner, only if all terms and conditions of the ACIP Agreement are met and adhered to.

### **8.4.2 Target Area**

- 8.4.2.1 The Airport Industrial Business Park is the target area for this program.

### **8.4.3 Program Assistance**

- 8.4.3.1 This program would provide a grant to property owners who undertake the introduction, expansion or improvement of any development located in the Airport Industrial Business Park that would result in a reassessment of the properties. The amount of the grant would be determined based upon the incremental increase in the municipal taxes that result from the work being completed. The amount of the grant or the total amount of funding when combined with any other Airport Industrial Community Improvement Plan program will not exceed the value of the work that resulted in the reassessment. For this reason, the total value of the work, plus the amount of the municipal taxes paid prior to and after the redevelopment, would have to be known. "Municipal taxes" under this program refers to only the general portion of municipal taxes of the total taxes paid and would not include any other taxes or amounts, including but not limited to, education and all urban service levies.
- 8.4.3.2 It is proposed that this program would be implemented over a three year period. Owners of properties participating in this grant program

who apply in any year of the program will be eligible for the full grant subject to meeting specific criteria outlined in the ACIP Agreement.

- 8.4.3.3 The grant amount for this program would equal 100% of the increase in the municipal portion of the taxes in year one of the program, decreasing to 66.67% in year two, 33.33% in year three, and with the owner paying the full amount of taxes in year four.
- 8.4.3.4 The property owner would be responsible for the full payment of taxes, after which the City would provide the grant. For that period beyond three years, the owner would be required to pay the full amount of the taxes with no grant provisions.
- 8.4.3.5 A property owner would register their intent to participate in the grant program by filing an application at the time of Building Permit application. The amount of municipal taxes paid would be determined, and upon completion of the works, the municipal taxes to be paid as a result of the reassessment by the Municipal Property Assessment Corporation would be calculated. The difference between the municipal taxes prior to the works being undertaken and the municipal taxes after the completion of the works would be the portion eligible for a grant under this program. By using the Building Permit as the “trigger” for establishing participation in the program, the approximate value of the work to be undertaken can also be determined. As indicated above, the total value of the grant will not exceed the value of the work done. At the Building Permit stage, the construction value of the project is known, since this is what establishes the cost of the permit. In some cases, an audit may be required to confirm the construction value.
- 8.4.3.6 This program would not exempt property owners from an increase in municipal taxes due to a general tax rate increase or a change in assessment for any other reason after the property has been improved, except by reason of an assessment appeal.

#### **8.4.4 Eligibility Requirements**

- 8.4.4.1 Any property owner within the target area may apply in writing at the time of making an application(s) for a Planning or Building Permit approval.
- 8.4.4.2 The subject property shall not be in a position of property tax arrears.
- 8.4.4.3 Outstanding Work Orders from the City’s Fire Department or Building Services Division and requests to comply must be addressed prior to grant approval.



- 8.4.4.4 Improvements made to the buildings or land shall be made pursuant to a Building Permit, and constructed in accordance with the Ontario Building Code and all applicable Zoning requirements, Council approved design guidelines and any other necessary approvals.
- 8.4.4.5 The development of the land shall be to an extent that such investment will result in an increased assessment of the property.
- 8.4.4.6 In the case of the development of vacant land within the target area for new buildings, to determine the pre-development assessment base for these projects, the assessment shall be based upon the property as it existed on the date of Building Permit issuance.
- 8.4.4.7 The grant shall be forfeited by the owner and repaid to the City if the property is demolished before the grant period elapses.
- 8.4.4.8 If a participating property is sold before the grant period elapses, the City may, at its discretion, continue the program for the prescribed timeframe and/or accept a new application from any subsequent owners of the property for additional works to be undertaken.

## **9.0 General Program Conditions**

The conditions outlined below relate to all financial incentive programs offered through the Airport Industrial Community Improvement Plan. The conditions include:

- i) All grants and rebates will be approved at the sole discretion of the City. All application for assistance under this program will be considered subject to the availability of funding.
- ii) Costs incurred prior to the written approval of the City will be deemed ineligible and will not be reimbursed.
- iii) The City is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant and/or tax assistance.
- iv) If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the City may delay, reduce or cancel the approved grant and/or tax assistance.
- v) The City may discontinue any of the programs at any time, but applicants with approved grants and/or tax assistance will still receive said grant and/or tax assistance, subject to meeting the general and program specific requirements.
- vi) All proposed works approved under the incentive programs and associated improvements to buildings and/or land shall conform to all municipal by-laws, policies, procedures, standards and guidelines, including applicable Official Plan and zoning requirements and approvals.
- vii) The improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code.
- viii) Outstanding work orders, and/or orders or requests to comply, and/or other charges from the City (including tax arrears) must be satisfactorily addressed prior to grant and/or tax assistance payment.
- ix) City staff, officials, and/or agents of the City may inspect any property that is the subject of an application for any of the financial incentive programs offered by this program.
- x) The applicant may only have one active application in process per property.

- xi) Any significant changes in design or scope of the project must be approved by the City.
- xii) The City will withhold 10% of its total contribution for a minimum of 45 days following the project's completion.
- xiii) The project must commence construction within one (1) year of formal notification of approval under the program. An extension to an approval will only be granted, where in the opinion of the City, there are reasonable unforeseen circumstances.

## **10.0 Glossary of Terms**

Airport Industrial Business Park	Municipally owned land within a specified area, with emphasis on site design and property maintenance, available for sale/lease to qualified industrial and industrial support projects that are compatible with airport land uses.
City	The City of North Bay.
Community Improvement	Unless otherwise specified, this term is as defined and used in accordance with its meaning under Section 28 of the Planning Act, and means the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary.
Community Improvement Plan	Unless otherwise specified, this term is as defined and used in accordance with its meaning under Section 28 of the <i>Planning Act</i> and means a plan for the community improvement of a community improvement project area.
Community Improvement Project Area	Unless otherwise specified, this term is as defined and used in accordance with its meaning under Section 28 of the <i>Planning Act</i> and 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.
Specified property	Unless otherwise specified, is a property (including land and buildings) that is within the Community Improvement Project Area as defined in this Plan, and shown on Schedule A.
Tax Assistance	Means with respect to an eligible property, the cancellation or deferral of taxes pursuant to a by-law passed providing for the cancellation of all or a portion of the taxes for municipal and school purposes for a ACIP befitting property on such conditions as the Municipality may determine.

## **11.0 Monitoring**

The purpose of the Monitoring Program is to monitor the performance and impact of the incentive programs and to utilize this information to make adjustments to the incentive programs in order to help ensure that the goals of the Airport CIP are successfully accomplished.

It is recommended that an internal Advisory Committee be formed to monitor the implementation of the Airport CIP, and to review and make decisions on applications submitted as part of the ACIP.

Monitoring of the implementation of the ACIP should:

- Provide an annual report to Council in December of each year documenting the nature and extent of projects for which applications are made under each program. This will include the number and type of applications or studies, the value of private sector investment leveraged and value of municipal investment leveraged.
- Identify the contribution of assistance under each program to the success of the development projects - specifically, analysis of the achieved and projected leveraged impacts of municipal funding via each of the programs should be undertaken to determine the overall payback to the City from its Airport investment strategy.
- An annual staff report to Council should document funding by program and anticipated benefits including non-financial benefits to the community.
- Ensure City staff continue to monitor changes to applicable Provincial and Federal legislation to ensure programs remain applicable and utilize all available legislative and funding resources, consistent with the overall priorities of the City.

In Year 3 of the program, a full review of the success of the Plan will be undertaken. Based on the review, staff will make recommendations to Council regarding the continuation, adjustment, amendment or discontinuance of part or the entire Plan at the end of the current plan period (2013).

## **12.0 Revisions to the Plan**

Council may review and make minor adjustments to any of the terms of any of the programs prescribed in this Community Improvement Plan and their application to specific target areas, and make minor modifications to the boundaries of the target areas without amendment to the Plan, provided that the general intent of the Plan is maintained.

Program additions and major changes to the Plan will require a formal amendment in accordance with Subsection 28(4) of the Planning Act, and include notice of a public meeting at Council, adoption by Council or the Ontario Municipal Board.

## **13.0 Conclusion**

This Airport Industrial Community Improvement Plan provides a mechanism to promote investment at the NBJG Airport. New investment will result in generating employment and increased assessment.

The approval of this Airport Industrial Community Improvement Plan will provide the legislative basis and planning context for certain programs which have been identified to foster development and investment in the Airport Industrial Business Park.

Schedule A – ACIP Designated Areas