

Consolidated Clause in Planning and Transportation Committee Report 5, which was considered by City Council on July 25, 26 and 27, 2006.

14

**Toronto Waterfront Revitalization Initiative
Community Improvement Project Area By-law
East Bayfront, West Don Lands,
Port Lands and South of Eastern Avenue**

City Council on July 25, 26 and 27, 2006, adopted this Clause without amendment.

The Planning and Transportation Committee recommends that City Council adopt the staff recommendations in the Recommendations Section of the report (June 20, 2006) from Fareed M. Admin, Deputy City Manager.

Purpose:

The purpose of this report is to:

1. Recommend the passing of a Community Improvement Project Area By-law for the East Bayfront, West Don Lands, Port Lands, and South of Eastern Avenue; and
2. Seek Council authorization for community consultation on draft Community Improvement Plans within the four areas.

This report has been prepared by the Waterfront Secretariat, working closely with City Planning, and in consultation with Economic Development, Finance, City of Toronto Economic Development Corporation (TEDCO) and Toronto Waterfront Revitalization Corporation (TWRC).

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report. Staff will report on the financial implications of the Community Improvement Plans when they are recommended to Council for approval.

Any municipal financial incentives provided under the Community Improvement Plans would have both positive and negative financial implications for the City. Incentive programs should, however, have a net positive effect on the City's financial position over the long term by increasing the City's assessment base and attracting new development to the City. In the interest of transparency, the cost of the incentive programs in the Community Improvement Plans will be

incorporated within the appropriate program budget and be subject to the City's annual Budget review process.

Under the tri-government Waterfront Accounting Protocol, the cost to the City of municipal financial incentives in the TWRC precincts will be recognized as a City contribution to the Toronto Waterfront Revitalization Initiative.

Recommendations:

It is recommended that Council:

- (1) adopt the draft Community Improvement Project Area By-law for East Bayfront, West Don Lands, Port Lands and South of Eastern Avenue, included as Attachment No. 2 to this report, and authorize the City Solicitor to make such stylistic and technical changes to the draft By-law as may be required;
- (2) receive for information the menu of possible financial incentives identified in this report to be considered during the preparation of the Community Improvement Plans;
- (3) endorse the following principles for the use of incentives in the Community Improvement Plans:
 - (a) Effective City building;
 - (b) Generate jobs/employment;
 - (c) Encourage new commercial investment;
 - (d) Fair and equitable access to incentives;
 - (e) Transparent distribution of incentives;
 - (f) Cost-efficient achievement of objectives;
 - (g) Limited government risk and liability; and
 - (h) Efficient and timely administration;
- (4) request the Province to match the City's incentives by contributing the education tax portion of the property tax within the Community Improvement Project Area;
- (5) direct staff to continue to explore the introduction of Provincial and Federal incentives within the Community Improvement Project Area with the other orders of government;
- (6) direct City and TEDCO staff, in consultation with TWRC, to prepare Community Improvement Plans and schedule community consultation meetings together with the Ward Councillors when appropriate; and
- (7) authorize and direct the appropriate City officials to give effect thereto.

Background:

Community Improvement Project Area

Community Improvement Plans (CIP) enable municipalities to provide financial incentives to property owners and end users, including tenants, to support the improvement and rehabilitation of defined areas called Community Improvement Project Areas. Without the adoption of a CIP, the City is generally prohibited from providing financial incentives to businesses (called 'bonusing') as this could lead to an unfair competition with other jurisdictions. The City of Toronto Economic Development Corporation (TEDCO) is subject to a similar prohibition under its legislation.

Four areas located east of Downtown are proposed to be included in the Community Improvement Project Area- East Bayfront, West Don Lands, Port Lands and South of Eastern Avenue (see Attachment No. 1). The first three areas are located in the Central Waterfront within the mandated area of the Toronto Waterfront Revitalization Corporation (TWRC). The fourth area, South of Eastern Avenue, is located largely outside of TWRC jurisdiction but has been included to support its retention and attractiveness as an employment area.

East Bayfront is a 35 ha precinct located on the Inner Harbour, between Jarvis Street and Cherry Street. City Council adopted the precinct plan for the East Bayfront in December, 2005. A zoning by-law is to be submitted to Council for approval this fall and construction of parks and infrastructure is scheduled to start in 2008.

West Don Lands is a 32 ha precinct situated generally south of Eastern Avenue and King Street East, and north of the CN railway, between Parliament Street and the Don River. City Council adopted the precinct plan for the West Don Lands in May, 2005. Site preparation and the construction of flood protection works started this spring. Residential building construction is scheduled to start in early 2007.

The Port Lands is a 400 ha district extending south from Lake Shore Boulevard to the Outer Harbour, from the Inner Harbour to Leslie Street. The TWRC has prepared a draft Port Lands Implementation Strategy that identifies ten precincts in the Port Lands, not including parks. A 'Concrete Campus' established recently at the east end of the Ship Channel and other existing industrial lands concentrated in the northeast Port Lands are expected to remain in place in the foreseeable future.

Redevelopment of the Port Lands by TWRC for new mixed communities is scheduled to start in the northwest section and be phased. The first precinct plan is to be completed in 2008. TEDCO has reached a tentative agreement for a large film studio project ("Filmport") on lands east of the Don Roadway, which will be the first major new development and employment use in the Port Lands. As well, the Port Lands is the preferred site in the City's bid to hold the 2015 World Expo, which, if successful, would accelerate redevelopment of the area.

The South of Eastern area is between Eastern Avenue and Lake Shore Boulevard, extending from the Don River to Coxwell Avenue. It is located adjacent to, and shares common characteristics with the northeast Port Lands. Both areas are expected to remain in industrial use, unlike other precincts in the CIP area.

South of Eastern is an important employment area that the City wishes to retain by encouraging employment uses, including the retention and expansion of the film business. In July, 2005, Council requested City Planning, in consultation with Economic Development and Corporate Finance, to report on incentives for employment uses to promote new investment for employment purposes and to maintain and grow the City's job base in the South of Eastern area. City Planning is studying future employment uses for South of Eastern and expects to report to Council this year.

East Bayfront, West Don Lands and the northwest Port Lands will be completely transformed from their current industrial use into new mixed communities. Employment and commercial uses are desired in these communities to balance the substantial amount of residential development expected. Approximately 200,000 m² of new commercial space in East Bayfront is targeted for information and communications technology, general office, media, retail and tourism uses. In the West Don Lands, 100,000 m² of new commercial space is proposed including general office, retail, services, and businesses such as film, media and design.

The Port Lands could accommodate a total of roughly 800,000 m² of new commercial space according to the TWRC draft implementation strategy. Of this total, approximately 86,000 m² of the new space would be located in the film district and 100,000 m² would be in the rest of the northwest Port Lands. The target businesses in the Port Lands would include knowledge-based and "green" industries, bio-tech, film, as well as general office and retail uses.

'Green' development is proposed by the TWRC in East Bayfront, West Don Lands and the Port Lands in accordance with its Sustainability Framework. TWRC is currently developing specifications for green building technologies (e.g. energy, water, wastewater) for the West Don Lands to be used in its developer proposal calls.

Applicable City Policies

The Official Plan, Central Waterfront Secondary Plan, and the Economic Development Strategy support the designation of Community Improvement Project Areas and the preparation of CIPs in the Central Waterfront.

The Official Plan addresses the use of CIPs across the City to "...promote the maintenance, rehabilitation and/or conservation of selected lands, building and communities facing challenges of transition, efficiency or deterioration or for any other environmental, social or community economic development reason". The Secondary Plan applies to East Bayfront, West Don Lands and the Port Lands but not to South of Eastern. It provides for the use of CIPs to focus funding and investment for such purposes as brownfield redevelopment; soil and groundwater remediation; heritage restoration; affordable housing; infrastructure provision; building façade improvements; and/or general community beautification projects. The Economic Development Strategy identifies tools and incentives to stimulate investment in strategic areas across the City, including the use of CIPs.

In 1996, Council adopted the King-Parliament Community Improvement Plan which includes the West Don Lands. In 1999, Council adopted the South Riverdale and Lake Shore Boulevard East Community Improvement Plan, which was amended in 2002 to incorporate the Leslie-Eastern Community Improvement Plan. As the focus of these CIPs was limited to providing grants for

façade improvement and heritage restoration, they would not conflict with the adoption of a new CIP affecting the West Don Lands or South of Eastern for the purpose of attracting businesses and jobs and facilitating construction of office and industrial buildings.

A more detailed description of the applicable provisions of the Planning Act, Official Plan, Central Waterfront Secondary Plan, King-Parliament CIP, South Riverdale and Lake Shore Boulevard East CIP, and zoning for East Bayfront, West Don Lands, Port Lands and South of Eastern, is included in Attachment 3 to this report.

Roles of TEDCO and TWRC

In 2002, Council approved a new mandate for TEDCO which, among other things, authorized it to use its assets to explore, pilot and implement incentives and redevelopment tools in the City as permitted under applicable laws, and gave TEDCO authority to explore, pilot and implement incentives and redevelopment tools in the City as permitted by Ontario.

In February, 2006, Council approved a Memorandum of Understanding (MOU) between the City, TEDCO and TWRC that sets out their roles and responsibilities in revitalizing East Bayfront and the Port Lands. TEDCO has the lead role in implementing its projects that are in advanced stages of planning. In the East Bayfront, TEDCO is responsible for the potential development of two commercial employment uses at the foot of Jarvis Street if the required leases are in place by September 30, 2006. In the Port Lands, its projects include the film and media production complex 'Filmport', the Concrete Works campus, and Polson Quay. TEDCO can also pursue interim uses in the Port Lands. TWRC is responsible for marketing the remaining public lands in East Bayfront and the Port Lands.

The MOU calls for the City, TEDCO and TWRC to work together to develop financial incentives for revitalizing and improving properties in East Bayfront and the Port Lands. TWRC is to report any financial incentives funded by the City or TEDCO to the three governments.

The MOU does not apply to the West Don Lands and South of Eastern as TEDCO has no land holdings in the West Don Lands and the South of Eastern area is largely outside of the TWRC mandated area.

Business Climate Report

In October, 2005, Council adopted the recommendations of the "Enhancing Toronto's Business Climate – It's Everybody's Business" report prepared by Finance and Economic Development.

The report found that one of the principal challenges in attracting non-residential development to targeted areas is overcoming Toronto's unfavourable business tax rate differential relative to neighbouring GTA municipalities. Property taxes may be a deciding factor in the location choice of firms provided amenities are comparable.

The Business Climate report sets a new policy direction for the competitiveness of the City's property tax system. A key initiative is a fifteen year plan to rebalance the ratio between the City's commercial and residential tax rates.

Council also approved several other measures to enhance Toronto's business competitiveness:

- Engage the Province to reduce Toronto's business education tax rates to the average of the Toronto region to create a 'level playing field'.
- Accelerate a phase-in over 10 years starting in 2007 of the reduction of the municipal tax rate for neighbourhood retail to 2.5-times the residential tax rate.
- Lower the municipal tax rate for five years for new office and hotel commercial development and major expansions.
- Lower the municipal tax rate for fifteen years for industrial development and major expansions.
- Enhance the vacancy rebate/tax abatement for new, never occupied office space.
- Waive building permit and planning application fees after due consideration of its feasibility given the legal and budgetary implications.
- Expand the use of Tax Increment Equivalent Grants (TIEG) into more areas.

Council also requested staff to report back on the feasibility of expanding the City's Tax Increment Equivalent Grant (TIEG) program. This report is a first step in addressing this request. A TIEG program, the first in Ontario to provide for new employment construction, was piloted in 2003 as part of the Community Improvement Plan for the New Toronto Employment Area.

The City has begun to implement its new policies by limiting the 2006 tax increase on industrial and commercial firms to 1% (one third of the residential increase) and accelerating the elimination of tax caps and claw backs.

The other reforms recommended in the Business Climate report to stimulate new development and reduce the tax imbalance require Provincial legislative authority.

Waterfront Financial Incentives Study

In May, 2005, a Financial Incentives Study was completed for East Bayfront, West Don Lands and northwest Port Lands. The study was prepared by Hemson Consulting for the City, in partnership with the Toronto Waterfront Revitalization Corporation (TWRC). It was coordinated by the Waterfront Secretariat with a steering group of staff from City Finance, Economic Development, Legal and Planning, TEDCO, TWRC as well as the Provincial and Federal governments.

The purpose of the study was to assess the need for financial incentives to 'level the playing field' to attract business investment to the three precincts for knowledge-based anchor businesses and 'first in' retail and commercial uses. It also dealt with how to encourage 'green' energy, water and waste technologies in new development.

The results of the study indicate that the three precincts face market challenges, especially in the short term, to attract targeted end users and the related investment in building construction. The key challenges for new businesses are a lack of amenities, limited accessibility, lack of customer base, competition from the 905 region and “first in” uncertainty. For green technologies, construction cost premiums, limited design experience, market resistance and existing regulations are impediments. Development in the precincts is also challenged by contaminated soils and groundwater, soil stabilization and high water table.

Menu of Possible Incentives

As part of the Waterfront Financial Incentives Study, possible incentives targeted to owners and ‘end users’, including tenants, were identified:

1. **Tax Increment Equivalent Grant (TIEG)** – owners receive a grant based on the increase in municipal property tax (tax increment) from new investment associated with the rehabilitation of a site over a specific period of time.
2. **Brownfields Financial Tax Incentive** – Provincial tax assistance to owners or developers up to an amount matching the municipal property tax assistance for brownfield rehabilitation. The Provincial assistance is funded from the education portion of the property tax and is provided only during the rehabilitation period.
3. **Project Land Price or Lease Rate** – public lands are sold or leased to developers at a price that reflects requirements placed on the new development to achieve public objectives.
4. **Public Sector as Developer** – the public sector develops a property and leases space to targeted businesses at affordable rents. Another option is to make available public infrastructure (e.g. parking facilities) to reduce the capital cost of new development.
5. **Public Sector as Head Lessee/Lease Guarantor** – the public sector leases private space and sublets to targeted businesses at reduced rent, and may act as guarantor for the subleases.
6. **Redevelopment Grants and Below Market/Interest Free Loans** – grants and loans to property owners or tenants toward the cost of rehabilitation of their properties.
7. **Start-up Grants** – one-time incentives from the Federal or Provincial governments to attract strategic businesses.
8. **Land Transfer Tax Rebate**- one-time Provincial tax relief to developers when acquiring land.
9. **Tax Credits**- Provincial or Federal incentives to reduce the upfront capital or operating costs for developers and builders e.g. green buildings, job training, etc.
10. **Business Education Tax Reduction/Abatement**- enhanced reduction in Provincial education tax rate for businesses for specific period of time.

11. **Municipal Fee Reduction/Abatement-** reduce or eliminate fees for building permits, planning applications and other municipal approvals for eligible projects.
12. **Insured Savings Finance Package-** cost to use energy efficient technologies is funded up-front by a third party and repaid by building/unit owners from future utility savings.
13. **Lease and Lease/Purchase Agreements for New Sustainable Technologies-** environmental equipment is leased to a building owner by a third party e.g. mini-utilities, leasing corporations, financing companies, banks, equipment manufacturers, etc.

Comments:

Community Improvement Plans (CIPs) have been used by municipalities for many years to help rejuvenate commercial, residential and employment areas. In the West Don Lands, East Bayfront, and northwest Port Lands, CIPs would be used in a different context to support the transformation of these industrial areas into mixed use communities by helping to attract strategic new businesses, particularly office development. South of Eastern is the main area within the Community Improvement Project Area where the incentives under a CIP would be used to support the rejuvenation and retention of an existing employment area.

The \$1.5 billion public investment through the Toronto Waterfront Revitalization Initiative in substantial improvements to hard services, roads, transit, community facilities, and parks and public spaces will greatly enhance the ability of the waterfront precincts to attract private investment in new employment uses. The City-wide measures already introduced from the Business Climate report will also contribute significantly towards attracting new employment development in Central Waterfront over the longer term. However, in the short term as waterfront revitalization gains momentum, additional incentives will be required to attract international and other new investment, offset the tax differential with other municipalities and overcome localized market challenges. Similarly, the findings of the Waterfront Financial Incentives Study indicate that incentives would help to support the use of innovative green technologies in new development until these practices become more widely accepted.

A wide range of incentives has been identified for consideration to address the circumstances of the individual precincts as their development proceeds in the coming decades, but not all of these incentives will necessarily be needed. These incentives, and potentially others identified later, would be considered for inclusion in the incentive packages for the Community Improvement Project Area. Subject to further analysis of their affordability and effectiveness, some of the incentives may prove not to be feasible. For instance, municipal fee abatement would reduce front end costs of new development but significantly impacts City divisions that rely on cost recovery from fees in their operating budgets.

It is anticipated that not all employment uses permitted under current zoning within the proposed Community Improvement Project Area would be eligible for financial incentives. Uses such as heavy industrial, stand alone retail (“big box”) and cement batching plants, for example, will normally be ineligible for incentives unless relocated pursuant to an approved revitalization plan. Residential uses would also be ineligible for incentives except to foster the use of green technologies.

Staff is exploring with the Provincial and Federal governments, as partners in waterfront revitalization, their funding of several tax incentives. For instance, the Province could match the tax relief from the City for the education portion of the property tax under TIEG and Brownfield Financial Tax Incentive programs. The Federation of Canadian Municipalities (FCM), through funding from the Federal Government, currently offers low interest loans to municipalities to support brownfield projects.

Other Provincial and Federal incentives could include land transfer tax rebates, reduced education taxes for businesses, grants to attract target business sectors, and tax credits for job training, green buildings, etc. Given the greater taxation capacity of the other orders of government compared to the City, their incentives could play a major role in achieving the employment strategy for the revitalized waterfront. A contribution from the other governments to new employment in Toronto's waterfront supports the implementation of Provincial Smart Growth and Federal environmental objectives.

Implementation of CIPs

The adoption of CIPs is required to authorize the City and TEDCO to offer incentives to businesses. The other orders of government and TWRC, however, can provide incentives to businesses without CIPs.

The application of incentives will vary among the precincts within the Community Improvement Project Area. More substantial incentives may be required in the East Bayfront and northwest Port Lands to attract international business investment and footloose 'first in' businesses. In other precincts such as the West Don Lands, where virtually all of the land is in public ownership, 'project land pricing' through the TWRC developer proposal call process may be the major incentive tool. For the South of Eastern area, the goal is to retain an existing employment area so incentives such as TIEGs could be used to support rehabilitation of existing properties.

It is expected that the need for incentives will diminish as the market viability of the areas improves due to development. Incentives are also more likely to have an immediate impact if they are time-limited. Staff will report with the recommended CIPs on the time limits and phasing out of the incentives.

Roles and responsibilities for the administration of the CIPs will be defined when the incentive package for each CIP has been established. Financial incentives provided by the City and TEDCO would need to be coordinated with TWRC initiatives.

All incentives provided in the precincts by any party should comply with a single set of criteria developed in accordance with the principles shown below:

- (a) Effective City building;
- (b) Generate jobs/employment;
- (c) Encourage new commercial investment;
- (d) Fair and equitable access to incentives;
- (e) Transparent distribution of incentives;
- (f) Cost-efficient achievement of objectives;
- (g) Limited government risk and liability; and
- (h) Efficient and timely administration.

Under the Accounting Protocol for the waterfront approved by Council in September, 2005, any financial incentives funded by the City will be recognized as a contribution to the Toronto Waterfront Revitalization Initiative. The protocol addresses when land is to be valued and notes that the three governments must agree on the valuation process and parameters. The governments, through the Intergovernmental Steering Committee, are working to develop this process and ensure that in-kind contributions are considered equitably and fairly.

Next Steps

Draft Community Improvement Plans for the East Bayfront, West Don Lands, Port Lands and South of Eastern Avenue will be prepared by City and TEDCO in consultation with TWRC. The draft CIPs will be brought forward for community consultation, and a public meeting under the Planning Act, before their recommendation to Council for approval. Staff will report with the recommended CIPs on roles and responsibilities for their administration.

The draft Community Improvement Project Area by-law to delineate the boundaries of the CIP area is attached to this report as Attachment No. 2. The boundaries may be amended if required when the final CIPs are submitted to Council.

It is expected that CIPs for the West Don Lands, East Bayfront, northwest Port Lands and the South of Eastern Area will be prepared first and submitted to Council as soon as possible.

Conclusions:

While the waterfront precincts will become attractive to private business investment over the long term, financial incentives are needed to overcome market conditions in the short term.

Incentives will help start of the transformation of the East Bayfront, West Don Lands and the Port Lands into new waterfront communities, and support the retention and enhancement of the South of Eastern employment area.

A number of incentives identified in the Waterfront Financial Incentives Study could be piloted in the four areas under CIPs. The form and level of the incentives for each area will be addressed in by City and TEDCO staff, in consultation with TWRC and the government partners during the preparation of the CIPs.

Staff will report back on the proposed incentive packages, their financial implications, and the roles and responsibilities for their administration, when the recommended CIPs are submitted to Council.

It is proposed that a Community Improvement Project Area by-law for the East Bayfront, West Don Lands, Port Lands and South of Eastern areas be adopted, and that the first CIPs be brought back for consideration by Council following public consultation.

Contacts:

Elaine Baxter-Trahair
Director, Waterfront Secretariat
Phone: 416-397-4083
Fax: 416-392-8805
ebaxter@toronto.ca

Gary Wright
Director, Community Planning, South District
Phone: 416-392-0427
Fax: 416-392-1330
gwright1@toronto.ca

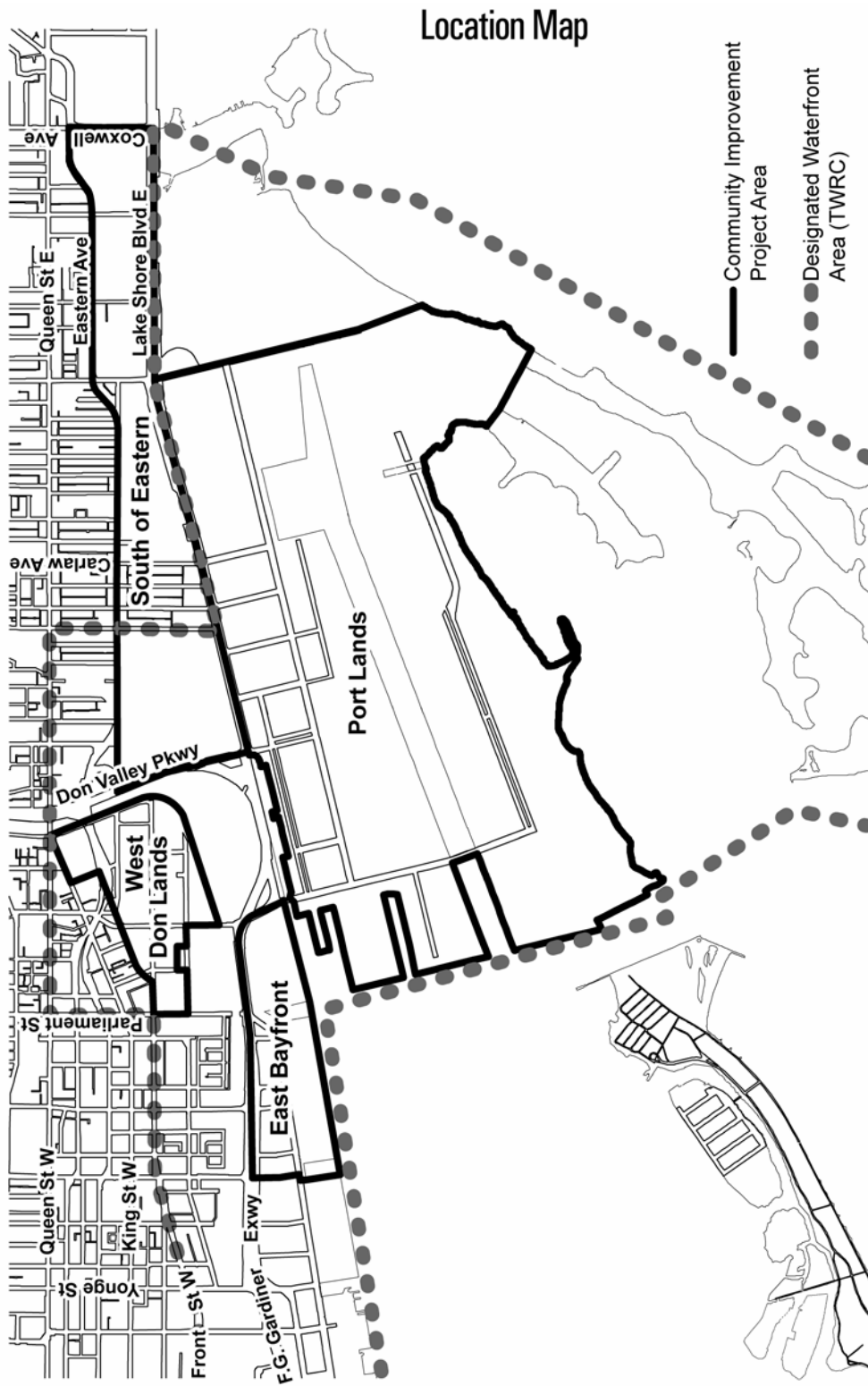
Jeff Steiner
President & CEO
TEDCO
Phone: 416-214-4641
jsteiner@tedco.ca

Joe Farag
Director
Special Projects
Phone: 416-392-8108
jfarag@toronto.ca

Kyle Benham
Director
Business Development & Retention
Phone: 416-397-5309
kbenham@toronto.ca

Christine Raissis
Director
Economic Research & Business Information
Phone: 416-392-9488
craissis@toronto.ca

Attachment No. 1



Proposed Community Improvement Project Area for East Bayfront, West Donlands, Port Lands and South of Eastern

Not to Scale
06/06/06

File # 05_104354

Attachment No. 2

Enacted by Council:

CITY OF TORONTO

Bill No.

DRAFT BY-LAW No. _____ - 2006

To designate the area generally bound to the north by the Gardiner Expressway, to the south by the Toronto Inner Harbour, to the west by Jarvis Street and the Jarvis Street Spit, and to the east by Cherry Street (East Bayfront); the area generally bound to the north by Front Street East, Eastern Avenue and King Street East, to the south by the Canadian National Railway Corridor, to the west by Parliament Street and to the east by the Don River (West Don Lands); the area generally bound to the north by Lakeshore Boulevard, to the south by the Inner Harbour, to the west by the Toronto Inner Harbour, and to the east by Leslie Street (the Port Lands); and, the area generally bound to the north by Eastern Avenue, to the south by Lakeshore Boulevard, to the west by the Don Valley Parkway, and to the east by Coxwell Avenue (South of Eastern); as a community improvement project area, to be called the East Bayfront, West Don Lands, Port Lands and South of Eastern Community Improvement Project Area.

WHEREAS subsection 28(2) of the *Planning Act* provides that the council of a municipality that has an Official Plan containing provisions relating to community improvement may by by-law designate the whole or any part of an area covered by such an Official Plan as a community improvement project area;

AND WHEREAS Section 15 (Section 15.3(k)) of the former City of Toronto Official Plan allows for the designation of community improvement areas and the preparation of community improvement plans;

AND WHEREAS subsection 28(4) of the *Planning Act* provides that once a by-law designating an area as a community improvement project area has been passed, the council may provide for the preparation of a plan suitable for adoption as a community improvement plan for the community improvement project area;

The Council of the City of Toronto HEREBY ENACTS as follows:

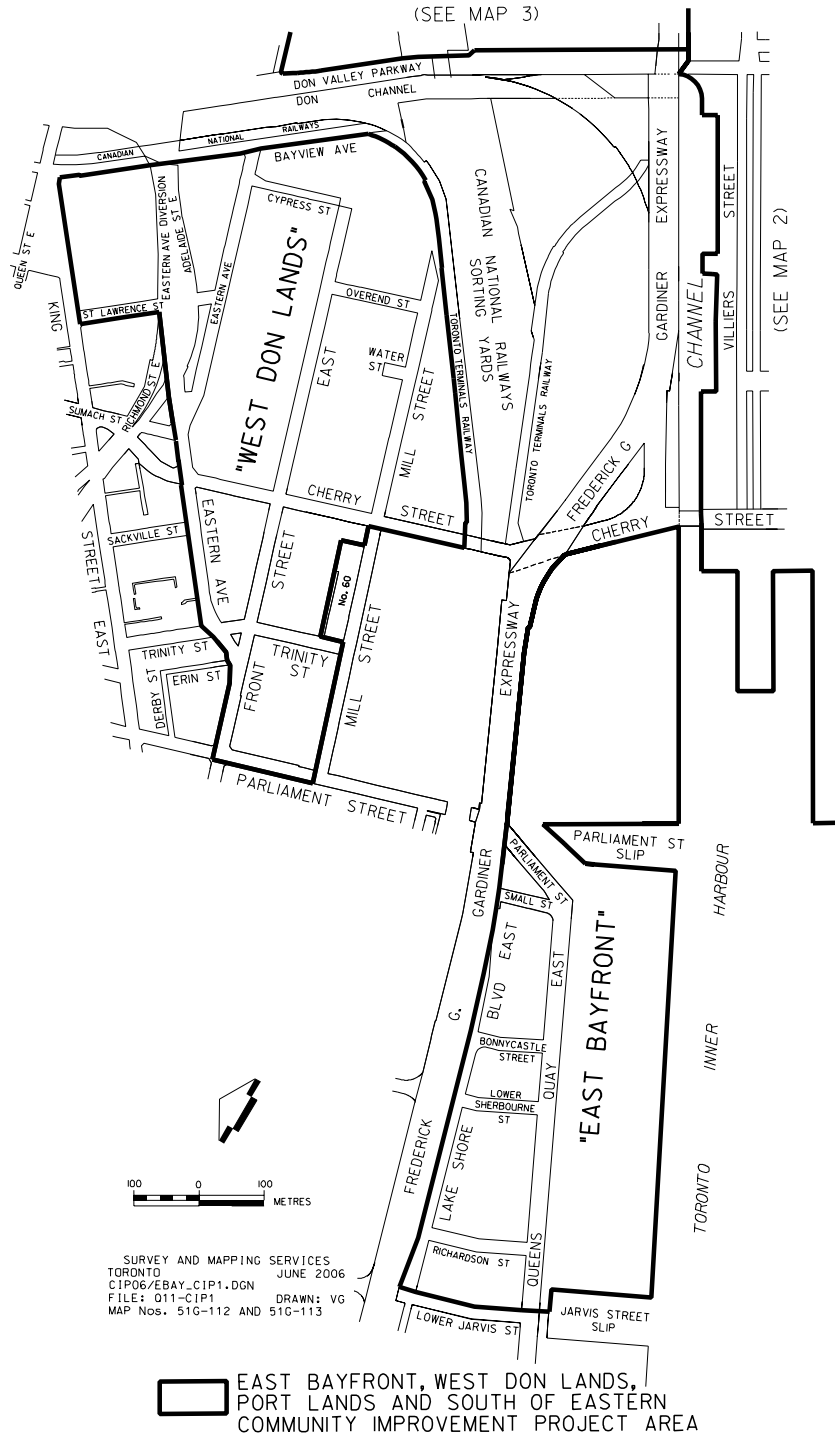
1. The area shown outlined by heavy lines shown on Maps 1 to 4 attached to and forming part of this By-law is designated as a community improvement project area, to be called the East Bayfront, West Don Lands, Port Lands and South of Eastern Community Improvement Project Area within the meaning of section 28 of the *Planning Act*.

ENACTED AND PASSED this ____ day of ____, A.D. 2006.

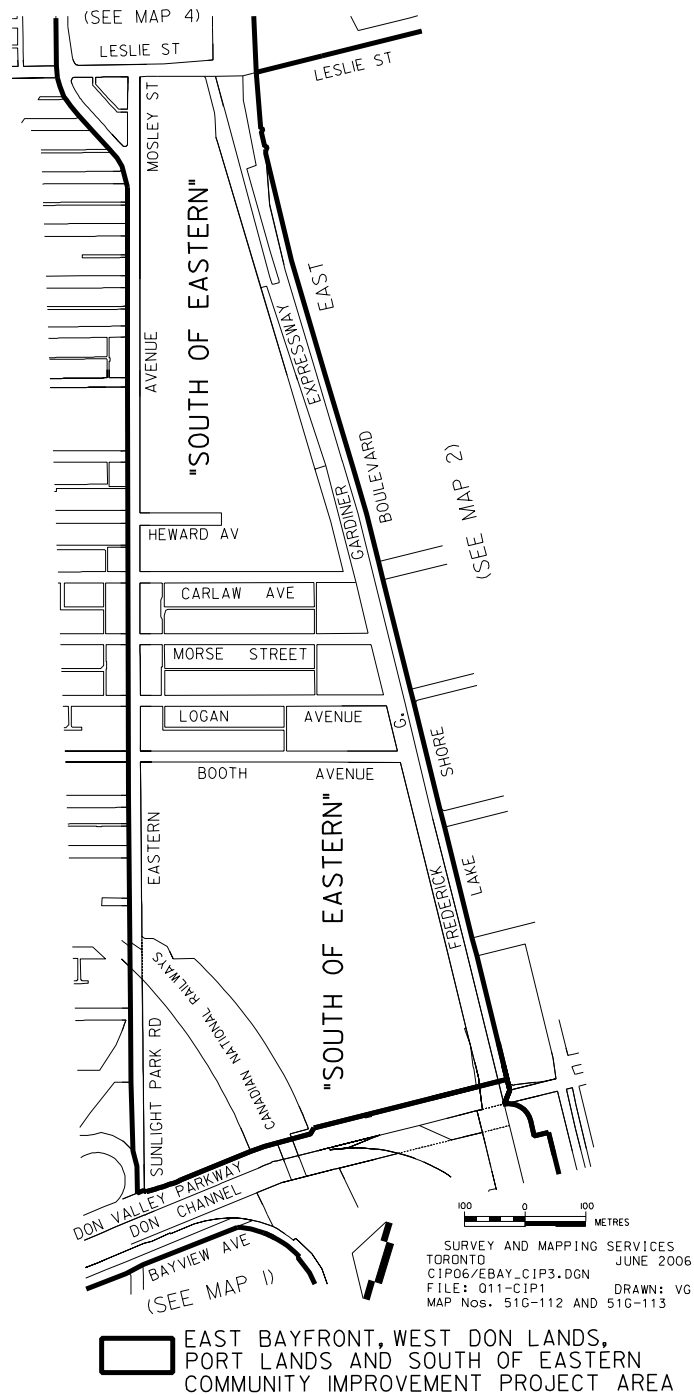
Mayor

City Clerk

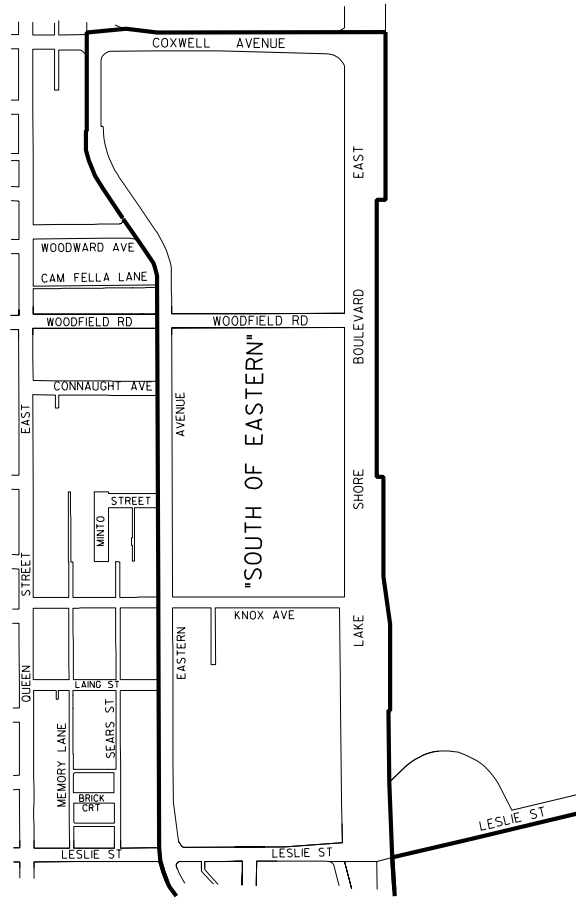
MAP 1 of 4



MAP 3 of 4



MAP 4 of 4



(SEE MAP 3)

 EAST BAYFRONT, WEST DON LANDS,
PORT LANDS AND SOUTH OF EASTERN
COMMUNITY IMPROVEMENT PROJECT AREA



SURVEY AND MAPPING SERVICES
TORONTO JUNE 2006
CIP06/EBAY_CIP4.DGN
FILE: 011-CIP1 DRAWN: VG
MAP Nos. 516-112 AND 516-113

Attachment No. 3

Legislative, Official Plan, CIP and Zoning Provisions

Legislative Authority

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”. A municipality may adopt a “community improvement plan” for the community improvement area which is approved by the Minister of Municipal Affairs and Housing.

According to Section 28(1) of the *Planning Act*, a “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* also states that within the framework of the local official plan, once a municipality has approved community improvement policies and a designated community improvement project area, it may make grants or loans to the registered owners, assessed owners, and tenants to pay for the cost of rehabilitating lands and/or buildings in conformity with the community improvement plan.

Former City of Toronto Official Plan

Section 15 of the Official Plan provides the authority to designate community improvement areas and prepare community improvement plans, pursuant to Section 28 of the *Planning Act* as amended, and specifies several objectives for community improvement programs and activities. Section 9 of the Plan regarding “Economic Activity” generally states that it is the objective of Council to develop and implement a competitive economic strategy that gives appropriate support and recognition to a range of employment activities.

New Official Plan

At its meeting of November 26, 2002, Council adopted the new Official Plan for the City of Toronto. The Minister of Municipal Affairs and Housing approved the new plan, in part, with modifications. The Minister’s decision has been appealed in its entirety. The Official Plan is now before the Ontario Municipal Board.

The new Official Plan designates the portion of the East Bayfront area north of Queens Quay as a Regeneration Area, with the balance as Parks and Open Space. Similarly, lands in the West Don Lands are designated as Regeneration Area with the lands abutting the Don River as Parks and Open Space. In the Port Lands, lands are designated Regeneration Area except for the Don Greenway and Lake Ontario Park which are Parks and Open Space, and the Port which is Employment Area. The South of Eastern Avenue area is designated Employment Area.

The land use policies for a Regeneration Area include a broad mix of commercial, residential, light industrial, institutional and live/work uses, and are meant to revitalize areas of the City that are underutilized, and promote the environmental clean up and re-use of contaminated lands, among other policies.

The Employment Area designation permits a range of business and employment activity consisting of offices, manufacturing, warehousing, distribution, research and development facilities, utilities, media facilities, parks, hotels, retail outlets ancillary to preceding uses, and restaurants and small scale stores and services that serve area businesses and workers.

The South of Eastern area is included within an Employment District shown on the Urban Structure map (Map 2). Employment Districts play an important role in the Plan's growth management strategy. They are large districts comprised exclusively of lands where the Employment Areas land use designation applies. These lands can accommodate substantial growth in jobs and meet the needs of some of the key economic clusters that are the focus of the City's Economic Development Strategy.

The Plan states that Employment Districts will be protected from the encroachment of non-economic functions. The Plan therefore contains policies to protect and promote Employment Districts exclusively for economic activity in order to ensure a stable environment for investment, maintain and grow the City's tax base, offer suitable locations for a variety of employment uses and nurture key economic clusters that benefit from these strategic locations.

Section 5.2.2 of the Plan provides for the use of Community Improvement Plans to "...promote the maintenance, rehabilitation and/or conservation of selected lands, building and communities facing challenges of transition, efficiency or deterioration or for any other environmental, social or community economic development reason".

Areas such as South of Eastern and north Port Lands are located within flood plain of the Don River. A Special Policy Area in the Official Plan allows for their redevelopment subject to flood proofing to at least the 350-year flood level. TRCA review and approval of development applications under Ontario Regulation 166/06 is required.

Central Waterfront Secondary Plan

On April 16, 2003, Council approved the Central Waterfront Secondary Plan (CWP) which provides the framework for comprehensive redevelopment of the entire waterfront area. The Plan is currently before the Ontario Municipal Board.

The CWP designates the East Bayfront, West Don Lands and the majority of the Port Lands as a Regeneration Area permitting a range of land uses including industry, housing, community services, parks, offices, hotels and restaurants. Section 5 of the CWP identifies the entire Central Waterfront Area as a proposed Community Improvement Project Area. No by-law has been adopted, however, to give effect to this policy.

The CWP recognizes the need for public sector intervention in terms of financial assistance towards the rehabilitation of both land and buildings. Further, in order to expedite revitalization efforts, it provides that Community Improvement Plans may be developed to focus funding and

investment for such purposes as brownfield redevelopment; soil and groundwater remediation; heritage restoration; affordable housing; infrastructure provision; building façade improvements; and/or general community beautification projects.

King-Parliament Secondary Plan and Community Improvement Plan

The King-Parliament area is bounded by Jarvis Street in the west, Queen Street East in the north, the Don River in the east and the Canadian National Rail Corridor and the St. Lawrence neighbourhood to the south, and includes the West Don Lands Community Improvement Project Area.

In 1996, City Council adopted the King-Parliament Secondary Plan that included new Official Plan and Zoning By-law policies for King-Parliament. The goal of the Secondary Plan was to stimulate revitalization of the area by attracting new investment, increasing business and property tax assessment and promoting a wide range of land uses in a mixed-use environment which respects the existing built character of the area, among other objectives.

When these new planning regulations were adopted, Council also designated the entire King-Parliament area as a Community Improvement Project Area, and a Community Improvement Plan for King-Parliament, which included the West Don Lands, was prepared (By-law No. 1997-0483).

The King-Parliament Area has a large stock of high quality, architecturally distinctive and heritage buildings. Given this, the focus of the K-P Community Improvement Plan was to provide grants towards façade improvement and heritage restoration.

South Riverdale and Lake Shore Boulevard East Community Improvement Plan

The South Riverdale-Lake Shore Boulevard area is bounded by the Don Valley Parkway, Queen Street East (except from Logan to Carlaw where it extends north to Gerrard), Coxwell Avenue and Lake Shore Boulevard East. In 1991, Council established the Leslie-Eastern Community Improvement Project Area and adopted a Community Improvement Plan. In 1999, Council adopted a Community Improvement Plan for the South Riverdale and Lake Shore Boulevard East Community Improvement Project Area which overlapped the area of the Leslie-Eastern Community Improvement Plan. In 2002, the Leslie-Eastern Avenue Community Improvement Plan was incorporated into the South Riverdale and Lake Shore Boulevard East Community Improvement Plan.

The South Riverdale-Lakeshore Boulevard area is within an Employment District on Map 2 of the new Official Plan. The Employment Area is generally bounded by the Don Valley Parkway, Eastern Avenue, Leslie Street and Lake Shore Boulevard. The area has an existing stock of film and other employment uses. The Toronto Film Studio site on Eastern Avenue is the subject of development applications for residential/commercial/employment uses.

Zoning

Lands within the East Bayfront, Port Lands and South of Eastern are currently zoned Industrial, which permits a wide range of industrial uses. The uses set out in Zoning By-law 438-86, as amended, under Section 9 “Industrial” are permitted as of right in this area.

In the West Don Lands, as part of the Official Plan and zoning policy changes which resulted from the King-Parliament Secondary Plan, lands are zoned “Reinvestment Area” “RA(h)” with a holding designation. Permitted uses in this zoning category are consistent with the uses permitted in a “Regeneration Area”. A holding symbol has been used in order to secure appropriate legal agreements between the City and the owner of the lands to ensure that redevelopment occurs in a consistent, co-ordinated and comprehensive manner.