

Community Improvement Plan to Provide Financial Incentives for Woodbine Live!

Date:	September 30, 2008
To:	Planning and Growth Management Committee
From:	Sue Corke, Deputy City Manager Gary Wright, Chief Planner and Executive Director, City Planning Division
Wards:	Ward 2 – Etobicoke North
Reference Number:	pg08181423WPS00TM

SUMMARY

At its meeting of July 15-17, 2008, City Council approved in principle, the Woodbine Live! project as a “Transformative Project”, along with financial incentives to support the development.

This report recommends the adoption of a site-specific Community Improvement Plan, pursuant to Section 28 of the Planning Act, to implement the financial incentives in support of the Woodbine Live! project.

This report also responds to Council’s request that staff report on:

- the local hiring and training program;
- public access to the outdoor open space and amenity features of the project; and
- how these features will be secured through appropriate agreements.

RECOMMENDATIONS

The Deputy City Manager and the Chief Planner & Executive Director, City Planning Division recommend that City Council:

1. Adopt the Community Improvement Plan for the Woodbine Live! Transformative Project, attached as Attachment 1 to this report.
2. Authorize the City Solicitor to make such technical and stylistic changes to the draft community improvement plan by-law as may be required.

3. Authorize City staff to introduce the necessary bill to implement the foregoing.
4. Authorize the General Manager of Economic Development Culture and Tourism to execute financial incentive agreements to implement the financial incentives program for the Woodbine Live! Transformative Project.

Financial Impact

This report recommends the adoption of a site-specific Community Improvement Plan which will implement Council's direction. There are no additional financial impacts to those outlined in the staff report considered by Council when it approved the project in principle.

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

DECISION HISTORY

At its July 15 and 16, 2007 meeting, City Council approved Official Plan and Zoning amendments to permit a proposal by Woodbine Live! to build a multi-phase project with entertainment, retail, hotel, office and residential components. The project is focussed on a "Live District" incorporating a live performance venue, a pedestrian-friendly street layout, outdoor amenity areas, restaurants, bars, night clubs and a hotel. Later phases include a large format retail district and a district incorporating office and residential components.

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

When it approved the application, Council directed staff to report back on the possibility of providing financial incentives for the development.

At its meeting of May 26 and 27, 2008, Council designated the whole City, except certain areas in the Waterfront and the South of Eastern Employment District, as a Community Improvement Project Area. Council also adopted the City-Wide Community Improvement Plan (CIP) to implement a City-Wide Financial Incentives Program, which included the provision of development grants to encourage the development of prescribed employment uses, funded from a portion of the municipal tax increment by way of a tax increment equivalent grant (TIEG). Council further directed staff to report back on the steps that may be necessary to accommodate the Woodbine Live! proposal and to prepare a separate CIP schedule if necessary.

<http://www.toronto.ca/legdocs/mmis/2008/pg/bgrd/backgroundfile-12573.pdf>

The City-Wide CIP included 'Transformative Project' as a use that would be eligible for financial incentives, contingent on Council's approval, on a case by case basis. The expectation was that only a select number of very large and unique projects would meet the Transformative Project criteria, and that these projects would allow the City to achieve multiple goals that have the desired effect of transforming an area's potential. The CIP defined a Transformative Project as:

A large development that must demonstrate the following attributes by way of a business plan:

- a minimum investment of \$250 million;
- a minimum of 75,000 square metres of new space that will be constructed and occupied within a 5 year time period;
- the creation of over 2,500 jobs;
- will occupy a minimum of 4 hectares;
- the ability to link the project to regional transit initiatives;
- the provision of amenities that will be accessible to the public;
- its ability to act as an anchor within its district and stimulate collateral new investment;
- the co-location of activities that will have a regional (GTA) impact creating new wealth in the community; and
- its need for financial incentives in order for the development to be economically viable.

The City-Wide CIP was appealed, but the appeals were withdrawn in September.

At its meeting of July 15 -17, 2008 City Council considered a report from Deputy City Manager - Cluster A, and the Deputy City Manager and Chief Financial Officer. The report recommended that the Woodbine Live! development be approved in principle as a Transformative Project, and proposed financial incentives to support the development. The report showed how the Woodbine Live! project meets the criteria for a transformative project.

The project could not yet technically be approved as a Transformative Project under the City-wide CIP since the City-Wide CIP was not in force as a result of the then pending appeal. The Report recommended that increased financial incentives, in the form of TIEGs, be conditionally provided, over and above the level of incentives provided for in the City-Wide CIP.

<http://www.toronto.ca/legdocs/mmis/2008/ed/bgrd/backgroundfile-14463.pdf>

Council approved the Woodbine Live! project as a Transformative Project, in principle, and directed that increased financial incentives be made available for the entertainment/retail, live venue, outdoor amenity and hotel portion of the Woodbine Live! Phase 1A development as shown in Attachment 1 Map 1, but not the large format retail or parking components of the development, and imposed a number of conditions.

These conditions included:

- a) that the enhanced incentives be provided in a similar manner as the incentives available pursuant to the City-Wide CIP but with a modification of the percentage of the taxes to be granted as follows: 90% in each of the first 5 years, then declining 5% from that level each year from year 6 through year 20;

- b) the eligible uses must be substantially constructed within five years from the date the CIP comes into effect;
- c) a maximum gross floor area of 1.28 million square feet will be eligible to receive enhanced TIEGs;
- d) total TIEGs for retail stores may not exceed 40% of the total TIEG payable for the completed project, based on grants payable for retail stores and other uses being apportioned according to their gross floor areas;
- e) should retail stores comprise more than 40% of the total gross floor area (GFA) of the completed project in any given year then the most recently completed retail store GFA in excess of 40% of the total GFA will not be eligible for TIEGs in that year;
- f) the outdoor amenity space and live venue be substantially constructed within the 5 year time-frame;
- g) a local hiring program must be undertaken by Woodbine Live with respect to initial hiring for Phase 1A, to provide unemployed and underemployed residents of the local area, including Priority Neighbourhoods in the northwest quadrant of the City, preferred consideration for job opportunities with particular priority given to residents of North Etobicoke;
- h) a local training plan will be created, with the assistance of the Province if possible, to improve the ability of local residents to qualify for the above-noted jobs;
- i) should the applicant's proposal change to incorporate a casino or other gaming-related uses, said uses will not be eligible to receive financial incentives pursuant to the CIP.

Council also requested Deputy City Manager Sue Corke to report to Planning and Growth Management Committee on:

- a) the local hiring program and local training plan requirements, including the program components, measures of success, reporting requirements and how these requirements will be secured through appropriate agreements; and
- b) ensuring public access to the privately owned outdoor recreation and amenity features, open spaces, theatre / performing arts venue, and how it will be secured through appropriate agreements.

Other directions respecting the item that arose from the July, 2008 Council meeting are not pertinent for the purpose of this Report. Council's action can be found at <http://www.toronto.ca/legdocs/mmis/2008/ed/reports/2008-07-08-ed15-cr.pdf> (ED15.2).

ISSUE BACKGROUND

Project Summary

The Woodbine Racetrack currently occupies a 293 hectare (724 acre) site bounded by Rexdale Boulevard, Highway 27, the CNR / GO Transit Georgetown line and Highway 427. The Woodbine Entertainment Group (WEG) operates the horse racing facilities as a not-for-profit corporation. WEG has entered a partnership arrangement with the Cordish Company to develop a mixed use “destination retail / entertainment” project that builds upon and supplements the horse racing operation.

The proposed entertainment complex is approximately 77 640 square metres (835,400 square feet) of entertainment and retail uses, 9 290 square metres (100,000 square feet) of live entertainment venue space and a 450 room hotel of approximately 28 850 square metres (or 310,400 square feet). The project also proposes approximately 145 790 square metres (1,568,700 square feet) of offices and ancillary retail; 59 240 square metres (637,400 square feet) of large format retail uses, and approximately 2,500 residential units in later phases.

The entertainment and retail uses are focussed, geographically, on the racetrack operation and located around a public amenity area which will include a pedestrian circulation system and a canal / water fountain that will be converted to public skating venues during the winter months. Woodbine Live! has undertaken to provide public access to these features on an on-going basis. The entertainment area also includes a venue for live theatrical and musical performances.

The Need for Financial Incentives

Hunden Strategic Partners was retained by the City to conduct an independent analysis of the business plan for the Woodbine Live! proposal. This analysis concluded that the incentives are needed to provide an acceptable rate of return on the proposal. The financial incentives proposed in this report are necessary in order for the project to proceed. The proposed incentives assist Woodbine Live! to create a unique destination and provide public facilities that will be of benefit to the surrounding communities.

COMMENTS

The attached CIP implements the July 15 - 17th, 2008 direction of Council. This section of the report

- briefly introduces the CIP,
- outlines its legislative and policy framework,
- responds to the matters directed for further report by Council, and
- addresses other matters arising from the preparation of the CIP that warrant further explanation.

Overview of the CIP

In drafting the CIP, staff endeavoured to reflect the approach of the City-Wide CIP, for consistency.

Sections 1 to 4 identify the project area (known as the Woodbine Focus Area), summarize the legislative authority for the City to adopt the plan, provide a discussion of the Woodbine Live project and its need for financial incentives, and summarize the policy basis and objectives of the CIP.

Section 5 defines the municipal tax increment upon which the amount of financial incentives is based.

Sections 6 to 8 describe the incentives and their related conditions and define relevant terms. Two levels of incentives are provided:

- Enhanced development grants are provided for the “entertainment and lifestyle district” component of the Woodbine Live! project. They are available for 20 years, scaling down from 90% of the tax increment during the first 5 year period to 15% in year 20. Casinos and gaming establishments, large format retail stores, warehouse clubs and retail warehouses, residential uses and parking garages and structures are not eligible for enhanced development grants. Development that receives enhanced development grants will not receive base development grants (Section 8 of the CIP).
- Base development grants, totalling 60% of the municipal tax increment over a 10 year period, are provided for those parts of the Transformative Project that do not receive enhanced development grants. Retail (except in office buildings), residential, casinos and parking elements are not eligible for any base development grants. The base grant applies to the whole Woodbine Live! Project site, but excludes the portion of the larger Woodbine Racetrack property that will remain under the control of the WEG (Section 7 of the CIP).

Section 9 sets out general provisions and conditions for grant eligibility and payment. This includes a requirement that Woodbine Live! enter into a Financial Incentives Agreement with the City to be registered on title.

Legislative and Policy Framework

City of Toronto Act

Section 82 of the *City of Toronto Act, 2006* prohibits the City from assisting any manufacturing business or other industrial or commercial enterprise financially. However, the Act provides an exception to this rule when financial incentives are provided pursuant to the Community Improvement provisions of the *Planning Act*.

Planning Act

The *Planning Act* authorizes municipalities to use a CIP to “make grants or loans to the registered owners, assessed owners, and tenants to pay for the whole or any part of the

cost of rehabilitating such lands and buildings in conformity with the community improvement plan”.

Community Improvement is defined in the following manner:

the planning or re-planning, design or redesign, re-subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement 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.

For this initiative, community improvement is principally focussed on community economic development.

Provincial Policy Statement and Provincial Plans

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. The PPS sets the policy foundation for regulating the development and use of land. The key objectives include: building strong communities; wise use and management of resources; and, protecting public health and safety. City Council’s planning decisions are required to be consistent with the PPS.

The Growth Plan for the Greater Golden Horseshoe (Growth Plan) provides a framework for managing growth in the Greater Golden Horseshoe including: directions for where and how to grow; the provision of infrastructure to support growth; and protecting natural systems and cultivating a culture of conservation. City Council’s planning decisions are required by the Planning Act, to conform, or not conflict, with the Growth Plan.

The attached CIP is consistent with both the PPS (Section 1.3, Employment Area policies) and the Growth Plan (Section 2.2.4, Employment Lands), which require planning authorities to promote economic development and competitiveness. The key objectives include the provision of an appropriate mix and range of employment uses, opportunities for a diversified economic base which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses.

Official Plan

The Official Plan targets 1.835 million jobs in the City by 2031, compared with the Growth Plan’s 2031 forecast of 1.640 million. Toronto’s employment stood at approximately 1.3 million jobs in 2007. The tools provided in the attached CIP will assist the City to reach this anticipated employment growth by supporting an estimated 9,400 jobs in the Woodbine Live! Transformative Project as well as indirect employment opportunities in the surrounding area.

The Official Plan further provides that CIPs will be prepared to provide direction regarding the allocation of public funds, in the form of grants, loans or other finance

instruments, for the physical rehabilitation or improvement of private land and/or buildings including rehabilitation of properties. The CIP recommended for approval provides for grants to support the development of the Woodbine Live! Project.

Agenda for Prosperity

At its meeting on January 29 and 30, 2008, City Council adopted the “Agenda for Prosperity: a Prospectus for a Great City”. The report is used to guide major strategic policies impacting Toronto’s economic competitiveness and growth. It identifies sector development and expansion as a priority action. The objective is to maintain and grow employment and investment in key established economic clusters including tourism. The report recommends actions be taken to:

"Strengthen the City's tourism infrastructure. Develop policies, including sustainable financial models to ensure that unique and new attractions, including major international events and local events, are being developed / taking place in Toronto at all times."

The CIP recommended for approval will provide the appropriate financial incentives to assist in achieving this recommendation.

Local Hiring and Local Training

Council requested further information on ‘the Local Hiring Program and Local Training Plan requirements, including the program components, measures of success, reporting requirements and how these requirements will be secured through appropriate agreements.’

The Local Hiring and Training Program requirements are found in Section 8.8 of the proposed CIP.

A Local Hiring and Employment Strategy

The proposed CIP provides that Woodbine Live and the City (Toronto Social Services) will plan and deliver a Local Hiring and Employment Strategy with three main aims:

- to provide local residents priority in accessing employment opportunities in Woodbine Live!, including residents of the Priority Neighbourhoods in the north west quadrant of the city (Rexdale-Jamestown, Weston-Mount Denis and Jane-Finch), with first priority to residents of North Etobicoke;
- to support local residents to prepare for and be able to access employment and training opportunities resulting from the development; and
- to co-ordinate the delivery of employment programs as well as academic institutions to prepare and refer qualified and job-ready candidates.

The main components of the strategy will include an employment centre (discussed below), advance notice of new jobs and priority hiring for residents of North Etobicoke and the Priority Neighbourhoods, an apprenticeship program, and requirements for reporting and monitoring. The employment strategy will be completed in advance of the opening of the employment centre will also focus on sustainable employment for the residents.

An indirect benefit of the employment strategy will be the ability of local residents to obtain other jobs through the employment centre and referrals to employment preparation and training programs.

The Employment Centre

The proposed CIP requires the owner to provide an Employment Centre on the site, or within approximately 2 km of the site. The Employment Centre will be made available to Toronto Social Services as the service manager will include space for individual career counselling, group presentations, computers, job posting boards and interview preparation. It will have a GFA of approximately 930 m² (10,000 square feet) and will be finished and initially outfitted by the owner, including the provision of furniture, furnishings, and office equipment. The owner will be responsible for all operating and maintenance costs. The Employment Centre must be made available for use on the earlier of:

- 12 months after the issuance of the first Building Permit for the Woodbine Live Project, if the Employment Centre is developed within the Project, or
- 6 months after the issuance of the first Building Permit, if the Employment Centre is leased in an off-site location.

Priority Hiring

Among other requirements, Woodbine Live! and/or its tenants will be required to provide 5 months advance notice of jobs for posting in the Employment Centre and elsewhere as appropriate. This will provide residents of northern Etobicoke and the Priority Neighbourhoods in the northwest quadrant of the City with the advantage of early notice of the opportunities and time to acquire or improve their skills, thereby increasing their chances of success as applicants leading to sustainable employment.

The hiring process will give preferred consideration to residents of north Etobicoke and the Priority Neighbourhoods, with first priority being residents of North Etobicoke, and will include:

- interviews for qualified candidates;
- the opportunity for local residents to apply in advance of the general public; and
- priority consideration to candidates referred through the Employment Centre and graduates of customized employment and training initiatives.

This will apply to the construction phase of the project as well as the permanent hiring by Woodbine Live! and its tenants.

Priority hiring and training will also be provided for the construction jobs associated with the project before the employment centre has been built. This will largely be handled by the project's General Contractor, in conjunction with City staff.

Apprenticeship Program

The CIP requires that an apprenticeship program for local residents will be established in partnership with Woodbine Live!, the General Contractor, and other relevant stakeholders such as Ministry of Training Colleges and Universities and local academic institutions.

Measures of Success and Reporting Requirements

Measures of success and other monitoring and reporting requirements will be developed as part of the Employment Strategy. In particular, in order to demonstrate its commitment to local hiring, Woodbine Live! is required to provide reports showing hiring by postal code.

Other measures of success are yet to be developed, but overall they will be intended to assess whether or not hiring of local residents within the project meets reasonable expectations, taking into account the demographic and social make up of the local population. For example, they could measure the extent to which available and qualified local residents are getting the jobs; and the extent to which local residents are getting jobs and skills through the employment centre and training program.

Agreements

Details will be spelled out and secured through the Financial Incentives Agreement that Woodbine Live! must sign in order to receive the grants.

Public Access and Amenity Features

Council also requested further information on ‘ensuring public access to the privately owned outdoor recreation and amenity features, open spaces, theatre / performing arts venue, and how it will be secured through appropriate agreements.’

Public access to the privately owned outdoor recreation and amenity features, open spaces, and theatre / performing arts venue is a pre-condition to eligibility for enhanced grants.

The CIP also requires Woodbine Live! to make the live entertainment venue available to the City for public events from time to time, at nominal cost to the City.

The requirements for public access and the City’s use of the live entertainment venue will be echoed in the Financial Incentives Agreement, which will also provide for limits on public access for such reasons as public safety, illegal behaviour, or interference with the public’s reasonable enjoyment of the public amenity space.

Access to public amenity areas, including the outdoor recreation and amenity features, the indoor theatre/performing arts venue, and areas featuring public art, was previously incorporated as a condition of subdivision approval for the project. Provisions respecting the terms of public access and precisely what lands will constitute the public amenity space, will also be secured within the subdivision agreement and if necessary within the site plan agreement. Other agreements for public access to privately owned space (for example, the PATH system) may be used to provide guidance for these agreements. (<http://www.toronto.ca/legdocs/mmis/2007/ey/bgrd/backgroundfile-4936.pdf>)

Other Matters

Five-year Development Period

In order to qualify for the enhanced development grants, the development must meet a number of terms and conditions, one of which is that it must be substantially constructed within five years. Council's July direction was for the five-year period to begin on the date the CIP comes into effect. In order to address the realistic timing challenges facing Woodbine Live!, given the project's complexity, the proposed CIP departs slightly from this direction. The five year period (to be known as the "Development Period") has been defined as either:

- five years following the issuance of the first building permit for the project, as long as a complete building permit application is received within 10 months of the CIP coming into effect; or
- five years and 10 months after the CIP comes into effect.

Furthermore, the development must meet the general criteria for a Transformative Project including a minimum investment of \$250 million in development-related costs, a minimum of 75,000 square metres of new GFA; occupancy of at least 4 hectares; and the creation of at least 2,500 jobs.

Phased Development

The proposed CIP provides for the phased payment of grants, which may allow the applicant to receive TIEGs within the five-year Development Period. This is designed to assist with cash flow for an extended construction period during which substantial incremental taxes will be paid as initial phases of the project come on line.

The earliest that Woodbine Live! could begin to receive grants is after the following minimum development requirements have been met:

- at least 75,000 square metres of eligible floor space has been substantially constructed within the Enhanced Grants Area;
- at least 2,500 jobs (full time equivalent) have been created;
- the outdoor amenity space is substantially completed, proportionate to the substantially constructed buildings;
- all necessary Building Permits for the Live Entertainment Venue have been paid for and issued; and
- the Local Hiring and Training Strategy is in place and the Employment Centre is substantially constructed or provided in an off-site location.

The Financial Incentive Agreement will outline the requirements for phased grants that may be provided prior to the expiry of the Development Period. In addition, the Agreement will contain clear terms requiring that, if the project does not meet the Transformative Project criteria at the end of the five-year Development Period, then grants made before the end of the Development Period must be repaid. Should the owner fail to repay the grants, the City could initiate court action to recover the grants based on breach of contract.

Accounting for the 2,500 jobs

The City-wide CIP requires that a Transformative Project demonstrate by way of a business plan that it will create over 2,500 jobs. Woodbine Live! expects that the full project (including the office and large format retail) will create 9,400 jobs, and the live entertainment phase of the project will create 6,400 jobs. As now proposed the project more than meets the 2,500 jobs criterion.

The live entertainment portion will have to meet the 2,500 job minimum for the length of the grant. The CIP includes the following requirements:

- The 2,500 jobs are to be ‘full time equivalents.’
- Woodbine Live! must demonstrate annually that the live entertainment portion continues to provide 2,500 jobs, using best commercial efforts to collect this information from tenants of the project.
- The City may conduct audits to confirm the accuracy of Woodbine Live!’s information.
- If the project provides less than 2,500 jobs Woodbine Live! will be required to provide a business plan demonstrating how it will return to the 2,500 job threshold.
- Ultimately, if Woodbine Live! is unwilling to meet these requirements, the City may withhold a portion of the annual grant.

The number of jobs offered by the project over the next 25 years will be affected by circumstances that are difficult to anticipate today, such as changing economic conditions. The City’s overall intention is that the project should prosper for a long time and provide economic and social benefits to northern Etobicoke and indeed the entire City.

Smaller live venue

The proposal considered by Council in July envisaged 119,000 square metres (1.28 million square feet) of GFA, including a 6,000 seat live venue. The Council direction reflected this proposal by setting 119,000 square metres as the maximum GFA to be subsidized. After further market analysis, Woodbine Live! now considers a seating capacity of 3,000 to be more realistic, which may reduce the size of the Live Venue by 3,000 to 4,000 square metres (32,000 – 43,000 square feet). This may reduce the total size of the live entertainment portion of the project, but the proposed CIP does not reduce the maximum GFA to be subsidized. Economic Development staff have consulted throughout the process with Woodbine Live! and are agreeable to this modification.

Implementing the requirement for green development

When it approved financial incentives for Woodbine Live!, Council also stipulated that the Woodbine Live CIP contain the same Green Development Standards policies as the City-wide CIP. The City-wide CIP requires that all development receiving grants must conform to the minimum requirements of the City's Green Development Standards. The proposed Woodbine CIP provides that the Financial Incentives Agreement will set out the Green Development Standards to which Woodbine Live! must conform in order to receive grants. This will allow the City to incorporate current thinking on Green

Development Standards in the Financial Incentives Agreement while tailoring the standards to Woodbine Live!'s particular development characteristics.

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ATTACHMENTS

Attachment 1: The Woodbine Community Improvement Plan for the Development of a Transformative Project

Attachment 1:

*The Woodbine Community Improvement Plan
for the Development of a Transformative Project*

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The Woodbine Community Improvement Plan
for the Development of a Transformative Project

1 PROJECT AREA & SUMMARY

1.1 Project Area

This Community Improvement Plan (CIP) applies to certain lands within the City-wide Community Improvement Project Area. The area to which the plan applies is shown in Map “1” attached hereto, and is referred to as the Woodbine Focus Area.

1.2 Summary

This CIP provides financial incentives to encourage the development of a Transformative Project, to be referred to as the Woodbine Live! Transformative Project (and from time to time, the “Project”).

2 AUTHORITY

2.1 Authority for CIP and the provision of Development Grants

Section 28 of the *Planning Act* authorizes municipalities to designate a Community Improvement Project Area (CIPA) where there is an Official Plan in effect that contains provisions relating to community improvement in the municipality. The *Planning Act* further authorizes Council to prepare a plan suitable for adoption as a Community Improvement Plan (CIP) for the CIPA.

The Woodbine Focus Area is situated within the larger City-wide Community Improvement Project Area, designated by City of Toronto By-law 516-2008.

The *Planning Act* authorizes municipalities to use a CIP to “make grants or loans to the registered owners, assessed owners, and tenants to pay for the whole or any part of the cost of rehabilitating such lands and buildings in conformity with the community improvement plan” (Section 28(7)).

Section 5.2.2 of the Official Plan states that “Community Improvement Project Areas will be designated by by-law, and CIPs will be prepared to promote the maintenance, rehabilitation, revitalization and/or conservation of selected lands, building and communities facing challenges of transition, deficiency or deterioration or for any other environmental, social or community economic development reason”.

The Official Plan further provides that CIPs will be prepared to provide direction regarding the following:

- allocation of public funds, in the form of grants, loans or other finance instruments, for the physical rehabilitation or improvement of private land and/or buildings including rehabilitation of contaminated properties;
- other municipal actions, programs or investments for the purpose of stimulating production of affordable housing, strengthening neighbourhood stability, facilitating local physical or economic growth, improving social or environmental conditions, or promoting cultural development.

Further discussion of the Official Plan and the Provincial Policy Statement as the basis for this CIP is contained in Section 4.

3 BASIS

3.1 Financial Incentives for Transformative Projects

This CIP is based on the principle that the Woodbine Focus Area would likely not be developed with desirable uses but for the introduction of the financial incentives provided for herein. Council recognizes that on rare occasions projects of a truly significant magnitude may come forward that allow the City to quickly achieve a number of its planning and economic development objectives and have the desired effect of transforming the functioning, image and growth potential of a district. These types of developments are termed “Transformative Projects” and are identified based on a number of criteria including the size and cost of the project, their ability to provide jobs and to act as a regional draw.

The Woodbine Live! Transformative Project has been approved by Council as a Transformative Project, eligible for financial incentives.

3.2 The Woodbine Live! Transformative Project

The Woodbine Live! Transformative Project is proposed to be a mixed-use development containing a potential mix of entertainment, retail, and hotel uses along with offices and housing on 72.8 hectares (180 acres) of land at Rexdale Boulevard and Highway 427.

It is anticipated that the Woodbine Live! Transformative Project will be developed in phases. The following details the proposed elements of the Project as at the time that this CIP was adopted by Council. It is noted that the proposal is subject to change. The description of the project’s elements is grouped according to the expected development phases. All numbers are approximate.

- i) Phase 1: Entertainment and Lifestyle District

An Entertainment and Lifestyle District, made up of:

<u>Type of use</u>	<u>GFA (m²)</u>	<u>GFA (ft²)</u>
Entertainment/Specialty Retail	77,6405	835,400
Live Entertainment Venue (3000 person capacity)	9,290	100,000
Hotel(450 rooms)	28,850	310,400
Total Floor Space	115,780	1,245,800

The Entertainment and Lifestyle District shall contain an associated outdoor amenity area consisting of a canal, a pond / skating rink, plazas, landscaped open space, streets and sidewalks, to be shown on the approved site plan.

ii) Phase 2: Large Format Retail and Parking

<u>Type of use</u>	<u>GFA (m²)</u>	<u>GFA (ft²)</u>
Large Format Retail	59,240	637,400
Parking Garages and Structures serving Phases 1, 2 and 3	94,330	1,015,000
Total Floor Space	153,570	1,652,400

iii) Phase 3: Mixed Use Offices and Ancillary Retail

<u>Type of use</u>	<u>GFA (m²)</u>	<u>GFA (ft²)</u>
Offices and Ancillary retail	145,790	1,568,700
Entertainment/Retail	12,360	133,000
Residential/office	35,610	383,200
Total Floor Space	193,760	2,084,900

iv) Phase 4: Residential

<u>Type of use</u>	<u>Capacity</u>
Residential	2,500 residential units

Not all elements will be eligible for Development Grants. Eligibility is dictated by Sections 7, 8 and 9 of this CIP.

3.3 Creating Revenue

The Woodbine Live! Transformative Project will result in the development of up to 180 acres of land that is currently used in part for parking and is otherwise largely vacant. This land has remained underutilized and undeveloped for 50 years.

The Woodbine Live! Transformative Project will significantly raise the assessed value of the property. It is estimated Phases 1 and 2, being the Entertainment and Lifestyle District Phase and the Large Format Retail and Parking Phase, are expected to yield an additional \$291 million in municipal property taxes over 20 years (with a present value of

\$147 million). Of this, about \$120 million (present value \$71 million) is proposed to be granted back by way of the Development Grants contemplated herein, yielding a net benefit to the City of \$171 million (present value \$76 million). In addition, these components will yield an additional \$179 million in school taxes (present value \$97 million) for the Provincial government over the same 20-year period.

In addition, it is projected that the federal government would receive \$37 million in income taxes from new employees, \$16 million in Canada Pension Plan Contributions and \$4 million in Employment Insurance contributions as a result of the increased employment at Woodbine Live!. The federal government would also receive a projected \$39 million in Goods and Services Tax revenues.

It is projected that the provincial government would benefit from an estimated \$14 million in income taxes and \$4 million in Ontario Health Insurance Plan payments from new employees of the Project.

Finally, it is expected that the Project will lead to an increase in clientele at the adjacent Woodbine Racetrack thereby increasing its gaming revenue and thereby associated revenues to the province and City.

3.4 Economic Development in North Etobicoke

The North Etobicoke area would benefit from economic development and job growth to support its residents. Compared with Toronto as a whole it has:

- relatively high unemployment levels,
- relatively lower income levels,
- a high proportion of lone-parent families, and
- a high proportion of at-risk youth.

The area has traditionally had a solid manufacturing base, but it has seen the loss of about 7,400 jobs between 2001 and 2007. The proposed Woodbine Live! Transformative Project will provide an estimated 9,400 jobs and generate indirect employment opportunities in the surrounding area.

Furthermore, the adjacent Woodbine Racetrack and its associated operations is a key component of Ontario's horse-racing industry, accounting for 25% of race days and 75% of horse racing wagers in the province. In recent years, the adjacent Woodbine Racetrack has seen a decline in income. Woodbine Entertainment Group, owner of the Woodbine Racetrack has concluded that it must diversify in order for the core horse-racing operation to survive. An effective way to diversify is to use its surplus property, being the Woodbine Focus Area, for uses that are complementary to and compatible with the current racing operations. The development of the Woodbine Live! Transformative Project is expected to accomplish this goal by introducing new visitors to the property thereby bringing in additional income so as to make the Woodbine Racetrack's continued

operation viable. Continued viability means retention of the over 5000 jobs currently generated by the Woodbine Racetrack.

3.5 Tourism Development

The City's Agenda for Prosperity identifies tourism as a targeted sector. It identifies actions to be taken to strengthen the City's tourism infrastructure including the development of "policies including sustainable financial models to ensure that unique and new attractions ... are being developed in Toronto at all times". The Woodbine Live! Transformative Project (specifically Phase 1) will be a major tourism attraction. It will increase the number of visitors to the Racetrack and encourage them to spend more time in the City. The local area will become more attractive to a wider range of tourists, conferences, conventions and trade shows, which will also benefit the existing concentration of hotels and conference facilities in the local area.

3.6 Employment Growth in the City

The City of Toronto Official Plan targets 1.835 million jobs by 2031. The Growth Plan for the Greater Golden Horseshoe also forecasts Toronto's employment to be 1.64 million in 2031¹. Toronto's employment stood at approximately 1.30 million jobs in 2007. The tools provided in this CIP will assist the City to reach this anticipated employment growth by supporting an estimated 9,400 jobs in the Woodbine Live! Transformative Project as well as indirect employment opportunities in the surrounding area.

4 OBJECTIVES OF THE COMMUNITY IMPROVEMENT PLAN

4.1 Primary Objective to Improve Local Social and Economic Conditions

The primary objective of this CIP is to improve social and economic conditions in the northwest section of the City. By encouraging the development of the Woodbine Live! Transformative Project, the CIP will:

- provide job opportunities for residents of the local area including the Priority Neighbourhoods of Rexdale-Jamestown, Jane-Finch and Weston-Mount Dennis (see Map "2");
- support tourism in the area; and
- support the continuing viability of the Woodbine Racetrack.

4.2 City-wide Objectives

It is also expected that this CIP will achieve broader objectives for the City. It will:

¹ These employment forecasts are based on the Census 'Place of Work' data, which count more jobs in the City than the Employment Survey.

- i) Help Toronto to reach the Official Plan’s employment target and the employment forecast in the Growth Plan for the Greater Golden Horseshoe.
- ii) “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.” (Provincial Policy Statement 2005, Section 1.3.1)
- iii) Support the Official Plan’s view of the City’s future as one where diverse employment areas can adapt to changing economic trends and are poised to capture new business opportunities.(OP, p1-3)
- iv) Help enhance Employment Districts in order to ensure they are attractive and function well, through actions such as investing in key infrastructure, or facilitating investment through special tools, programs or partnerships, in order to ... facilitate the development of vacant lands. (OP, Sec 2.2.4.2 b)
- v) Encourage “the establishment of key clusters of economic activity with significant value-added investment and employment.” (OP, Sec 4.6.6 b)
- vi) Improve the built form and physical character of underutilized spaces.
- vii) Improve air quality, energy efficiency and reduce water consumption by requiring development to meet the minimum requirements of Toronto’s Green Development Standards before being eligible for development grants.

5 MUNICIPAL TAX INCREMENT

5.1 Municipal Tax Increment

The programs described in this plan will provide financial incentives utilizing a portion of the “Municipal Tax Increment”, arising from the development of Eligible Development for which Development Grants are payable, on the vacant land, excess land and farmlands in the Focus Area, which, for the purpose of this CIP shall be defined and calculated as follows:

Municipal Tax Increment = Destination Municipal Current Value Assessment (CVA) Taxes – Base Municipal CVA Taxes.

5.1.1 First Development

- i) First Development means all Eligible Development reflected in the returned roll following the first reassessment that occurs after either:
 - a. the cessation of the Development Period, or
 - b. at least 75,000 m² of Eligible GFA has been Substantially Constructed within the Enhanced Grant Area, if the terms in Section 5.1.1(ii) of this CIP have been met, as determined by the Owner.
- ii) Should the Owner exercise its option pursuant to Section 5.1.1(i)(b) of this CIP, Development Grants will only be paid if:
 - a. the outdoor amenity space, including hard and soft landscaping, as shown on the approved site plan, is substantially completed, proportionate to the Substantially Constructed buildings within the Enhanced Grant Area;
 - b. all necessary Building Permits have been paid for and issued for the purpose of the development of the Live Entertainment Venue;
 - c. the City is satisfied that the Owner's obligations pursuant to Section 8.8 of this CIP have been met; **and**
 - d. the Other Conditions as per Section 9.3 of this CIP have been satisfied, as applicable.
- iii) Should the Owner exercise its option pursuant to Section 5.1.1(i)(b) of this CIP, if upon the cessation of the Development Period, the Project does not meet the Minimum Eligibility Requirements listed in Section 7.3 of this CIP, the Owner must repay, in full, the sum of all Development Grants paid.
- iv) Should the Owner exercise its option pursuant to Section 5.1.1(i)(b) of this CIP, if upon the cessation of the Development Period, the Completed Project does not meet the Minimum Eligibility Requirements listed in Section 8.4 of this CIP, but does meet the eligibility requirements for Base Development Grants, the Owner must repay difference in the sum of all paid Development Grants and the Base Development Grants for which the project might otherwise be eligible.
- v) For the purpose of the First Development, Base Municipal CVA Taxes and Destination Municipal CVA Taxes shall be determined as follows:

Base Municipal CVA Taxes means the amount calculated by multiplying the CVA(s) applicable for the 2008 taxation year for the vacant land, excess land and/or farmlands, and/or portion(s) thereof, upon which the First Development is

constructed, by the 2008 municipal tax rate(s) applicable for those lands. The Base Municipal CVA Taxes shall be fixed in this manner for the purposes of determining the Municipal Tax Increment for the First Development only, subject to any adjustment arising from assessment appeals, and shall remain unchanged for the duration of the term of the payment of Development Grants for the First Development.

Destination Municipal CVA Taxes means the amount calculated by multiplying the CVA(s) directly attributable to the First Development and the land upon which it is constructed, as reflected in the returned assessment roll applicable to the first full taxation year following reassessment of the First Development, multiplied by the municipal tax rates(s) applicable, at that time, to the land upon which the First Development is constructed and the First Development.

5.1.2 Subsequent Developments

- i) Subsequent Development(s) means all stages of Eligible Development(s) other than the First Development.
- ii) For the purpose of Subsequent Development(s), Base Municipal CVA Taxes and Destination Municipal CVA Taxes shall mean:

Base Municipal CVA Taxes means the amount calculated by multiplying the CVA(s) for the vacant land, excess land and/or farmlands, and/or portion(s) thereof upon which the Subsequent Development is constructed, as reflected in the returned assessment roll applicable to the taxation year immediately preceding the first year the Subsequent Development (or stage thereof) is reassessed, by the municipal tax rate(s) applicable for those lands at that time. The Base Municipal CVA Taxes shall be fixed for the purposes of determining the tax increment for each stage of Subsequent Development, subject to any adjustment arising from assessment appeals, and shall remain unchanged for the duration of the term of the payment of Development Grants for each stage of Subsequent Development.

Destination Municipal CVA Taxes means the amount calculated by multiplying the CVA(s) directly attributable to the Subsequent Development and the land upon which it is constructed, as reflected in the returned assessment roll applicable to the first full taxation year following the first year in which the Subsequent Development (or stage thereof) is reassessed, multiplied by the municipal tax rates(s) applicable at that time to the land upon which the Subsequent Development is constructed and the Subsequent Development.

5.2 Assessment Appeals

If at any time the Owner appeals any assessment relating to the Eligible Development, with the intent of reducing the taxes payable on the Eligible Development the City may

withhold a portion of the Development Grant to be provided for under this program for the First Development or Subsequent Development(s), such withholding to be based on a reasonable estimate of the reduction in assessment being sought, pending final disposition of the appeal. If as a result of the decision of the appeal body, the Destination Tax is reduced below that determined in calculating the Municipal Tax Increment for either First Development or Subsequent Development(s), then the reduced Municipal Tax Increment shall be the basis of the financial incentive under this program.

6 THE CIP PROGRAM

6.1 Development Grants

In order to achieve the objectives of this CIP, the City will offer Development Grants, which are designed to provide assistance in the form of a series of annual grants to the Owners of the Woodbine Live! Project. Development Grants are funded from a portion of the Municipal Tax Increment. The grants are referred to as Tax Increment Equivalent Grants (TIEGs).

There are two levels of Development Grants that will be offered, as further described in Sections 7 and 8 below:

- a. **Base Development Grants** will be available for eligible uses developed within the Woodbine Focus Area, except for uses receiving Enhanced Development Grants, gaming-related, residential, parking, and certain retail uses.
- b. **Enhanced Development Grants** will be available for eligible uses within the Enhanced Grants Area.

6.2 Definitions

- i) **Ancillary Outdoor Gross Floor Area:** the total area of any outdoor space that extends from the front or side wall of a building or structure that constitutes Eligible Development, that is leased exclusively to a User of that building or structure, to the extent that the boundaries of said outdoor space are clearly demarcated by semi-permanent structures or landscaping during at least the summer months.
- ii) **Building Permit:** a permit to construct a building or structure, pursuant to Section 8 of the *Building Code Act*, S.O. 1992, c.23, as amended, that is issued to the owner or developer of a stage of the development as opposed to a permit issued for the construction of any improvements for any actual or potential User of such development.
- iii) **Complete Building Permit Application:** an application for a Building Permit that meets all requirements of the *Building Code Act*, S.O. 1992, c.23, and its

- regulations, as amended, such that a Building Permit would issue in accordance with Subsection 8(2) of said Act, as further evidenced by a Declaration of completion, in accordance with Chapter 363 of the City of Toronto's Municipal Code, as amended.
- iv) Completed Project: development within the Enhanced Grants Area that is Substantially Constructed within the Development Period.
 - v) Development Period: a 5 year period commencing on the date that the first above-grade Building Permit is issued, provided that a Complete Building Permit Application for such above-grade Building Permit is made within 10 months of the date that this CIP comes into full force and effect. If no such application is made within the 10 month period, the 5 year period shall commence 10 months after the date that this CIP comes into full force and effect.
 - vi) Eligible Development: all development eligible for Development Grants in accordance with sections 7, 8 and 9, and subject to 8.6(i), of this CIP, as applicable, to which the Municipal Property Assessment Corporation attributes an assessed value.
 - vii) Eligible Gross Floor Area: all Gross Floor Area and Ancillary Outdoor Gross Floor Area that is eligible for Development Grants in accordance with sections 7, 8, and 9 of this CIP, as applicable.
 - viii) Enhanced Grant Area (EGA): that area within the Woodbine Focus Area shown on Map "1", attached hereto.
 - ix) Financial Incentives Agreement: an agreement entered into between the Owner(s) and the City, pursuant to Subsections 28(7) and 28(11) of the *Planning Act* R.S.O. 1990 c. P.13, as amended, setting out the terms and conditions of the Development Grant Program. Terms and conditions of the Financial Incentives Agreement will complement and may expand upon, but in no way will detract from the conditions set out in this CIP. The Financial Incentives Agreement will include terms respecting the assignment of Development Grants.
 - x) Gross Floor Area (GFA): the total area of all wholly enclosed floors in a building, above and below grade, measured from the exterior of the main walls at the level of each floor, including stairwells and escalators; but excluding areas used by vehicles for purposes of parking or loading, or both.
 - xi) Large Format Retail Store: a building or portion of a building, operated as a single store exceeding a Gross Floor Area of 8,000 square metres, for the sale of products displayed and stored in a warehouse format.
 - xii) Live Entertainment Venue: the live entertainment venue within the Enhanced Grant Area having a capacity for at least 3,000 seats.

- xiii) Office Building: a building in which at least 80% of the Gross Floor Area is used for offices, including Gross Floor Area attributable to hallways, washrooms and other common areas located on floors of the building predominantly occupied by offices.
- xiv) Owner: the registered owner of the subject parcel of land within the Woodbine Focus Area at the time that this CIP is adopted by Council, and shall include any Owner-authorized lessee/tenant of such parcel of land, or joint venture developer of such parcel of land; and, may include any other individual, secured lender, or entity as determined in accordance with the Financial Incentives Agreement.
- xv) Priority Neighbourhoods: those neighbourhoods shown on Map “2”, attached hereto.
- xvi) Retail Use: lands, buildings or structures or parts thereof used, designed or intended for use for the primary purpose of the sale or rental of services, goods, foods, wares, merchandise, substances, articles or things to the public, and includes offices in connection with, related or ancillary to such retail uses, and includes, but is not limited to, the following:
 - a. Restaurants, fast food restaurants, banquet halls;
 - b. Night clubs;
 - c. Cinemas, movie houses and drive-in theatres;
 - d. Automotive fuel stations with or without service facilities, commercial parking structures, specialty automotive shops, automotive repairs, collision services, car or truck washes, and auto dealerships;
 - e. Regional shopping centres, community shopping centres and neighbourhood shopping centres, including more than two stores attached and under one ownership;
 - f. Department stores and discount stores;
 - g. Bank branches and similar financial institutions, including credit unions but excluding freestanding bank kiosks;
 - h. Warehouse clubs and retail warehouses, including commercial establishments which have as their principal use the sale of goods and merchandise to the public in a warehouse format;
 - i. Personal service stores and establishments.

Concert halls and theatres are not a retail use for the purposes of this CIP.

- xvii) Retail Store: stores devoted primarily to the sale of goods to the public, but not including restaurants, bars, places of entertainment, personal service stores and establishments, farmers markets, craft markets, fitness centres and spas and their ancillary retail GFA.

- xviii) **Substantially Constructed:** means that construction of a building or structure has been substantially performed in accordance with the minimums set out in Section 2(1) of the *Construction Lien Act*, R.S.O. 1998, c. C.30, as amended or re-enacted from time to time. For the purpose of this CIP, a building or structure will be deemed to be Substantially Constructed notwithstanding that certain features relating to the building or structure may not be fully completed. Related features may include sidewalks, final asphalt topping, or landscaping, and will be identified by the City, acting reasonably. Improvements made to the interior of a building or structure for the purpose of a specific User whether by the Owner, such User or a third party, shall not be deemed part of any work required to be completed in order for a building or structure to be Substantially Constructed.
- xix) **Termination Date:** the tenth year anniversary date of this CIP coming into full force and effect.
- xx) **User:** any tenant, licensee or other occupant, or any owner of a commercial condominium unit within the Woodbine Live! Transformative Project.
- xxi) **Woodbine Focus Area:** that area shown on Map “1”, attached hereto.

7 BASE DEVELOPMENT GRANTS PROVISIONS

7.1 Base Development Grant Calculation

Annual Base Development Grant amounts for Eligible Development of the Woodbine Live! Transformative Project are calculated each year as the following declining percentage of the equivalent of the Municipal Tax Increment:

Year	Grant (as % of tax increment)
1	100
2	91
3	82
4	73
5	64
6	56
7	47
8	38
9	29
10	20

7.2 Eligible Uses

- i) Base Development Grants will be available for development within the Woodbine Focus Area, as outlined in Section 3.2 of this CIP, which does not receive

Enhanced Development Grants and meets the applicable eligibility requirements and conditions of this CIP, **excluding** the following uses:

- a. Casinos and other uses primarily devoted to gaming;
- b. Retail Uses, except those in Office Buildings;
- c. Residential uses; and
- d. Parking garages and structures.

7.3 Minimum Eligibility Requirements

- i) To receive Base Development Grants the Project must meet the following minimum requirements within the Development Period:
 - a. a minimum investment of \$250 million in Building Permit and other development related costs, as determined in the Financial Incentives Agreement, related to Eligible Development;
 - b. Substantial Construction of a minimum of 75,000 m² (807,000 ft²) of new Eligible GFA;
 - c. the creation of at least 2,500 jobs (full time equivalent);
 - d. at least 4 hectares (9.88 acres) of land within the Woodbine Focus Area, have been developed; and
 - e. the Other Conditions listed in Section 9.3, herein, are satisfied.
- ii) No Base Development Grants will be paid until the above criteria have been satisfied, subject to the terms of Section 5.1.1(i)(b), (ii), and (iii) of this CIP.
- iii) Development within the Enhanced Grant Area may contribute to or may satisfy these Minimum Eligibility Requirements.
- iv) If Minimum Eligibility Requirements are met, further development may be eligible for Base Development Grants, in accordance with all relevant terms and conditions of this CIP, if Substantially Constructed prior to the Termination Date.

7.4 Limits

- i) The total Base Development Grants provided may not exceed the lesser of:
 - a. 60 percent of the total cumulative Municipal Tax Increment resulting from Eligible Development for which Development Grants are payable, or
 - b. the total cost of the development of Eligible Development for which Development Grants are payable, which includes the following costs:
 - the construction costs incurred by the Owner, developer, or authorized tenant of any Eligible Development for which Development Grants are

paid, or portion thereof, but not including costs of renovation or refurbishment; and

- the costs of associated studies and surveys, development of plans and specifications, implementation and administration of the project including staff and professional service costs for architectural, engineering, legal, financial, and planning services incurred by the Owner or developer.

8 *ENHANCED DEVELOPMENT GRANTS PROVISIONS*

8.1 **Calculation**

Annual Enhanced Development Grants are calculated as the following declining percentage of the equivalent of the Municipal Tax Increment:

Year	Grant (as % of tax increment)
1	90
2	90
3	90
4	90
5	90
6	85
7	80
8	75
9	70
10	65
11	60
12	55
13	50
14	45
15	40
16	35
17	30
18	25
19	20
20	15

8.2 **Eligible Uses**

- Enhanced Development Grants will be available for development within the Enhanced Grant Area as outlined in Section 3.2 of this CIP, that meets applicable eligibility requirements and conditions of this CIP, **excluding** the following uses:

- a. Casinos and other uses primarily devoted to gaming;
- b. Large Format Retail Stores;
- c. Warehouse clubs and retail warehouses, as per Section 6.2 (xv)(h) of this CIP;
- d. Residential uses; and
- e. Parking garages and structures.

8.3 Limits

- i) Enhanced Development Grants will only be available for the Completed Project, subject to the terms of Section 5.1.1(i)(b), (ii), and (iv) of this CIP.
- ii) Development that receives Enhanced Development Grants will not be eligible for Base Development Grants.

8.4 Minimum Eligibility Requirements for Enhanced Grants

- i) To receive Enhanced Development Grants, the Completed Project must meet the following minimum requirements:
 - a. a minimum investment of \$250 million in Building Permits and other development related costs, as determined in the Financial Incentives Agreement, relating to Eligible Development;
 - b. a minimum of 75,000 m² (807,000 ft²) of Eligible GFA;
 - c. the creation of at least 2,500 jobs (full time equivalent);
 - d. at least 4 hectares (9.88 acres) of land, including common areas, have been developed;
 - e. the Live Entertainment Venue is Substantially Constructed;
 - f. the outdoor amenity space, including hard and soft landscaping, as shown on the approved site plan is substantially completed proportionate to the Completed Project, providing that it is Substantially Constructed within one year of the cessation of the Development Period;
 - g. the Employment Centre is Substantially Constructed or provided off-site, in accordance with the applicable provisions of Section 8.8 of this CIP;
 - h. the requirements of Section 8.7, Public Access and Live Entertainment Venue, of this CIP;
 - i. the requirements of Section 8.8, Local Hiring and Training Program, of this CIP;
 - j. the Other Conditions, as contained in Section 9.3 of this CIP.
- ii) No Enhanced Development Grants will be paid until the above criteria have been satisfied, subject to the terms of Section 5.1.1(i)(b), (ii), and (iv) of this CIP.

8.5 Maximum Eligible Development

A maximum of 119,000 m² of Eligible Development will be eligible to receive Enhanced Development Grants. Any further development may be eligible for Base Development Grants in accordance with Section 7 and Section 9, herein.

8.6 Limits on grants for Retail Stores

- i) Despite the limits on Development Grant payment for Retail Stores set out in this Section, all Retail Stores within the Enhanced Grant Area shall constitute Eligible Development.
- ii) Notwithstanding Section 8.6(i) of this CIP, total Development Grants paid for Retail Stores may not exceed 40% of the Development Grant payable for GFA in the Completed Project, based on grants payable for Retail Stores and other uses being apportioned according to their Eligible GFA.
- iii) If a portion of Eligible GFA within a Retail Store brings the percentage of the total Development Grant attributable to Retail Stores in excess of 40% of the total Development Grant payable in a given year, then the most recently completed Retail Store Eligible GFA will not be eligible for Development Grants in that year.

8.7 Public Access and Live Entertainment Venue

- i) The Owner shall provide public access to at least all of the outdoor amenity space within the Woodbine Focus Area. The Owner shall make the Live Entertainment Venue available to the City for public events from time to time, at a nominal cost to the City. More specific provisions relating to public access and limits on public access for such reasons as public safety, illegal behaviour, or interference with the public's reasonable enjoyment of the public amenity space, as well as the City's use of the Live Entertainment Venue, will be set out in the Financial Incentives Agreement, and ultimately, the Subdivision Agreement for the development.

8.8 Local Hiring and Training Program

The Owner shall, in cooperation with the Service Manager (TSS), participate in the ongoing planning and delivery of a Local Hiring and Employment Strategy that will aim to:

- o Provide local residents priority in accessing employment opportunities in Woodbine Live!, including residents of the Priority Areas in the north west quadrant of the city (Rexdale-Jamestown, Weston-Mount Dennis and Jane-Finch) with first priority to residents of North Etobicoke;

- To support local residents to prepare for and be able to access employment and training opportunities resulting from the development;
- Ensure local employment services and agencies are delivering an appropriate range of employment services and supports to prepare and refer qualified and job-ready candidates.

The Local Hiring and Employment Strategy will include, but not be limited to, the following components:

i) An Employment Centre

The Owner shall provide premises to be used as an Employment Centre, with Toronto Social Services (TSS) acting as the sole service manager. The Employment Centre will include space suitable to deliver services to individuals, large groups and employers. Individual and group services will include: career counselling, employment preparation, employer orientation sessions, access to job posting boards and use of computers.

The Employment Centre shall have a GFA of approximately 930 m² (approximately 10,000 ft²), and must be finished and initially outfitted by the Owner, including the provision of furniture, furnishings, office equipment, including computers and other chattels, incidental to an employment centre. The Employment Centre will include space for at least 3 offices each having a minimum of 14 m² (approx. 150 ft²) GFA. The Employment Centre shall be located within approximately 2 kilometres of the Woodbine Focus Area, within the City of Toronto in a location with suitable visibility and accessibility, to the satisfaction of TSS. The Owner will be responsible for all operating and maintenance costs. The design and location of the Employment Centre must be satisfactory to the City. More specific requirements will be included in the Financial Incentives Agreement.

The Employment Centre shall be made available to TSS for sole service management on the earlier of the following dates:

- a. 12 months after the issuance of the first Building Permit, if the Employment Centre is developed within the Woodbine Focus Area, or
- b. 6 months after the issuance of the first Building Permit, if the Employment Centre is leased in an off-site location.

The Employment Centre shall remain available to TSS, for the purposes described above, for the duration of the payment of Enhanced Development Grants. However, should the General Manager of TSS determine, in its sole discretion, that the Employment Centre is no longer necessary, that it can be reduced in size and/or scope of operation, or that it can be relocated, then the Employment Centre may be reduced in size, or otherwise altered, relocated, or closed, in accordance with the decision of TSS.

ii) Advance notice of new jobs

The Owner shall provide residents of North Etobicoke (first priority) and the Priority Neighbourhoods advance notice of all new positions by providing advance posting of jobs in the Employment Centre, and elsewhere as appropriate, at least 5 months in advance of the opening of each stage of the development which will allow for:

- The planning and development of strategies to prepare local residents to compete for jobs (including customized training initiatives).
- Local residents time to acquire or improve their skills, thereby increasing potential success in securing employment.

iii) Priority hiring process

A priority hiring process for qualified candidates will give preferred consideration to residents of North Etobicoke (first priority) and the Priority Neighbourhoods and will include:

- Interviews for qualified candidates;
- The opportunity for local residents to apply in advance of the general public; and
- Priority consideration to candidates referred through the Employment Centre and graduates of customized employment and training initiatives.

iv) Apprenticeship Program

An apprenticeship program for local residents will be established in partnership with Woodbine Live!, the General Contractor, and other relevant stakeholders

v) Monitoring and Reporting

Measures of success and other monitoring and reporting requirements will be established.

In particular, the Owner, in order to demonstrate its commitment to local hiring, shall provide reports to the City (TSS) on all hiring, by postal code, in a form and frequency satisfactory to the City, acting reasonably.

Additional components of the local hiring and training model, and the full range of Employment Centre services that will be delivered in the Employment Centre, will be determined in the Financial Incentives Agreement including mechanisms to establish measures of success for the various initiatives including targeted training and development programs to support long term employment.

9 GENERAL PROVISIONS

The following General Provisions have general application to the Development Grant Program for the Woodbine Focus Area. Where any of the General Provisions conflict in any manner with the Enhanced Development Grant Provisions, the Enhanced Development Grant Provisions shall prevail.

9.1 Relationship with Other Grants

- i) Development Grants may be reduced to reflect the amount of direct financial assistance received by the Owner from other federal, provincial or municipal sources to the extent that such grants are for the purpose of funding the construction of any stage of the Project.
- ii) Development Grants will not be reduced should the Owner receive heritage grants, tourism grants, energy efficiency grants and other environmental grants, infrastructure grants, training grants, or other such indirect grants as determined by the City.

9.2 Adjustments

- i) Grants Based on Floor Space Occupied by Eligible Uses

The proportion of the Municipal Tax Increment upon which the annual grant will be based will be the lesser of:

- a. the proportion of total floor space occupied by Eligible Development for which Development Grants are payable in the first year in which the Development Grant is payable for the Completed Project; or
 - b. the proportion occupied by Eligible Development for which Development Grants are payable for the year in which the grant is calculated.
- ii) Grant amounts will be adjusted to reflect:
 - a. the amount of any rebate of municipal taxes paid to the property Owner, including rebates to reflect vacancy, charitable status, and/or heritage status.
 - b. any subsequent changes in the total municipal taxes payable in any year due to increases or reductions resulting from assessment appeals. Where such tax changes occur after grant amounts have been paid, future year grant entitlements may be adjusted accordingly. Any overpayment of grant amounts arising from subsequent assessment or tax reductions will be deemed to be a debt owing to the municipality.

9.3 Other Conditions

- i) The Owner shall demonstrate, annually, that the Project has created at least 2,500 jobs (full time equivalent) by way of a survey of employers, in a form satisfactory to the General Manager of Economic Development. The City will maintain the right to conduct audits to confirm the accuracy of the Owner's numbers respecting jobs. Every five years, if the City asks, the Owner will be required to use all reasonable commercial efforts to provide the General Manager a complete accounting of actual employment. If the Project provides less than 2,500 jobs, the Owner shall demonstrate by way of a business plan that it will return to the 2,500 job threshold in a timely fashion, to the satisfaction of the General Manager. If the Owner is unwilling to demonstrate the potential for restoring job numbers, the City may withhold further Development Grants. The Financial Incentives Agreement will provide further detail respecting reporting requirements, as well as remedies.
- ii) All proposed development must conform to all applicable City by-laws, and must substantially comply with all policies, and processes, and all improvements must be made pursuant to an approved Building Permit, and must conform to the *Ontario Building Code* and applicable zoning requirements and development approvals.
- iii) Development must meet the requirements of the Toronto Green Development Standards (GDS) as set out in the Financial Incentives Agreement.
- iv) The applicant must be the registered Owner or have the Owner's authorization to apply for the grant.
- v) Every Owner must enter into a Financial Incentives Agreement with the City to be registered on title.
- vi) The property must not be in arrears of property taxes or other fees and charges on the day the Financial Incentives Agreement is signed.

9.4 Payment

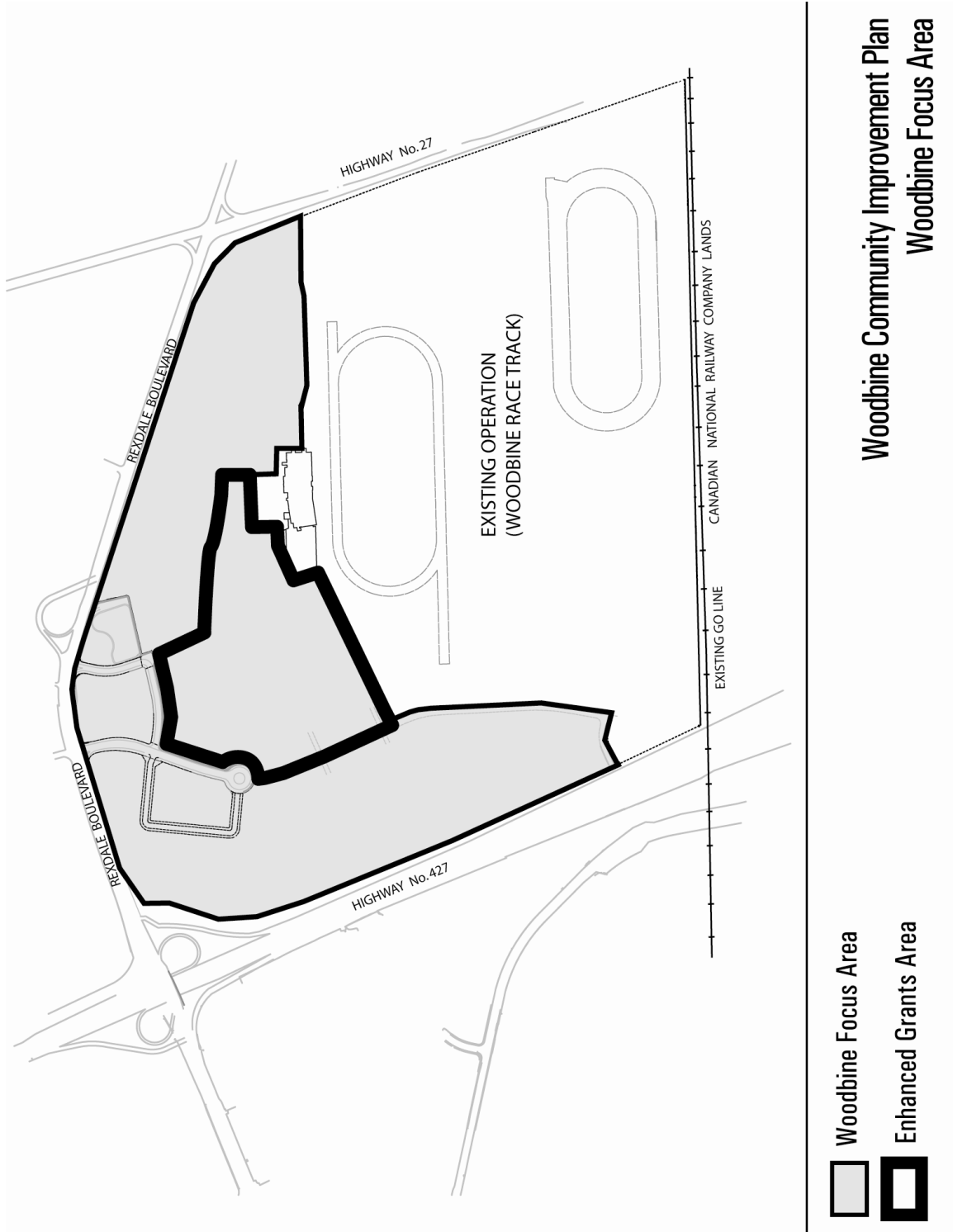
- i) Development Grants for any year shall be paid no later than 90 days after all property tax for that year has been paid, provided that:
 - a. there are no outstanding taxes, water rates, or other sums owed to the City with respect to the property;
 - b. there are no outstanding work orders and/or orders or requests to comply from any municipal or provincial entity; and
 - c. all other eligibility criteria and conditions are met.
- ii) Development Grants will not be applied as tax credits against property tax accounts.

- iii) Development Grants will only become payable after the property is first reassessed by Municipal Property Assessment Corporation (MPAC) to fully reflect the development that is receiving the grant.
- iv) Development Grants will cease for any year(s) in which the development or part there of is converted to an ineligible use or if the building is demolished except to expand an eligible use. Grant amounts that would have been payable in the year in which the demolition occurs or the ineligible use commences will be adjusted on a pro-rated basis to reflect the date of the demolition or ineligible use.

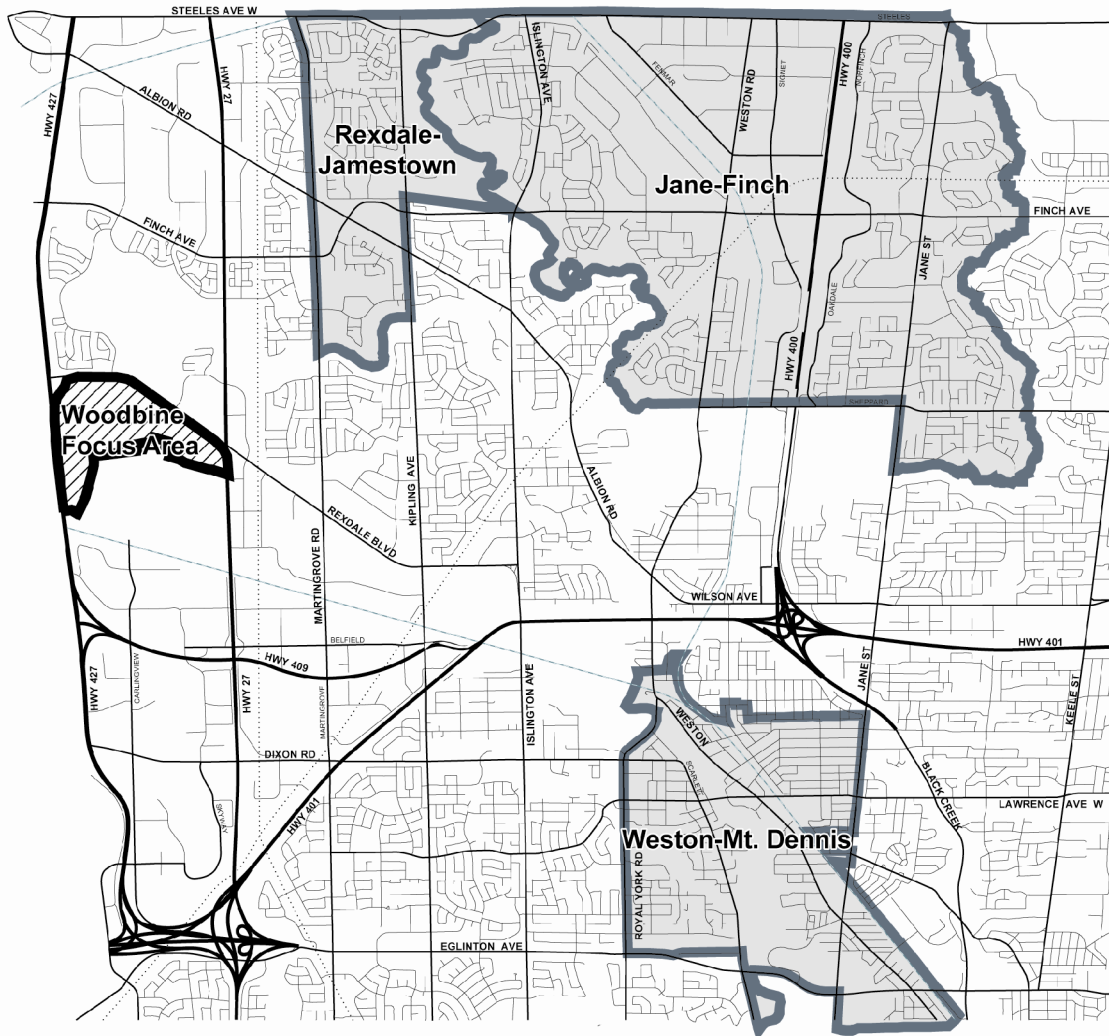
9.5 Conflict

- i) To the extent that any of the provisions of this CIP conflict with the provisions of any other CIP, the provisions of this CIP shall prevail, unless otherwise specified.

Map 1



MAP 2



-  Woodbine Focus Area
-  Priority Neighbourhoods

Woodbine Community Improvement Plan Proximity to Priority Neighbourhoods

Not to Scale ↗