



Amendments to the Commercial Façade Improvement Program and Applicable Community Improvement Plan

Date: June 12, 2018

To: Planning and Growth Management Committee

From: Chief Planner and Executive Director, City Planning and General Manager, Economic Development and Culture

Wards: All

SUMMARY

This report brings forward amendments to the Commercial Façade Improvement Program and applicable Community Improvement Plan (CIP) in order to:

- eliminate the five-year wait period for Business Improvement Area (BIA) program eligibility;
- expand the types of eligible improvements to provide greater incentive to industrial properties and commercial strip plazas;
- increase the individual maximum grant value from \$10,000 to \$12,500;
- offer additional financial support for single-owner strip plazas and adjoining properties; and provide an additional financial incentive for improvements that achieve AODA compliance.

The program has been a cost-effective way to improve the attractiveness and economic viability of the city's traditional main streets. The amendments proposed in this report will help to achieve similar results in commercial strip plazas and industrial properties more typical of the inner suburbs and industrial areas.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning and the General Manager, Economic Development and Culture recommend that:

1. City Council approve the by-law in Attachment 1 containing a Community Improvement Plan to enable the Commercial/Industrial Façade and Property Improvement Program.

2. City Council authorize the City Solicitor to make any stylistic and technical changes to the draft by-law as may be required before introducing the necessary bill to City Council for enactment.

3. City Council direct the General Manager, Economic Development and Culture, as part of the 2019 Capital Budget submission, to request an increase to the budget for the Commercial Façade Improvement Program through reallocation within current debt target provisions.

FINANCIAL IMPACT

As this revised program will take effect in 2019, there will be no financial impact in 2018 resulting from the adoption of this report. The 2019 Economic Development and Culture Capital Budget submission is expected to reallocate funding between planned Business Growth Services capital projects within current debt targets.

It is anticipated that proposed changes to the program will result in a higher demand for grant funds. There is already a high demand for grant funds and the number of applications consistently exceeds the available program budget. Elimination of the 5 year waiting period before eligibility, increasing the maximum grant to \$12,500 from \$10,000, and the expansion of the program to strip plazas, commercial and Industrial areas are all expected to increase demand for this funding.

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meetings of September 28, 29 and 30, 2005, Council approved the Commercial Façade Improvement Program guidelines and directed that the necessary documentation and reports be brought forward to initiate a process leading to the designation of Community Improvement Project Areas that coincided with the City's then existing BIAs.

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050928/cofa.pdf>

At its meeting of January 31, February 1 and 2, 2006, Council adopted the necessary by-laws to designate the 44 BIAs in existence at the time as Community Improvement Project Areas and to adopt the required Commercial Façade Improvement Program related Community Improvement Plans (CIPs).

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060131/cofa.pdf>

At its meeting of April 23 and 24, 2007, Council considered item PG3.1 and adopted by-laws designating six (6) new Community Improvement Project Areas and adopting six (6) CIPs to recognize new BIAs that had been formed and become eligible for the program since 2006. Council also authorized amendments to certain Commercial

Façade Improvement Program CIPs to recognize changes to boundaries of five (5) existing BIAs.

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-04-23-cc07-dd.pdf>

At its meeting of May 26 and 27, 2008, Council considered item PG15.2 and adopted By-law 516-2008, thereby designating the entire City of Toronto as a Community Improvement Project Area, with the exception of very limited portions of the waterfront and the South of Eastern Employment Area.

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-05-26-cc21-dd.pdf>

At its meeting of April 12, 2010, Council adopted By-law 499-2010 which extended the Commercial Façade Improvement Grant Program to new BIAs.

<https://www.toronto.ca/legdocs/bylaws/2010/law0499.pdf>

COMMENTS

The Commercial Façade Improvement Grant Program has been in existence since 2005, applying to commercial and industrial buildings within BIAs that have been established for a minimum of five years. The program funds a menu of eligible façade improvements such as: brick cleaning and restoration; the replacement of doors and windows; the replacement or repair of cornices, parapets or other architectural features; the installation and improvement of wall-mounted signage and lighting; and the installation or replacement of awnings or canopies. Grant applications must include a minimum of three eligible improvements. The program provides up to \$10,000 in matching grants for eligible improvements to mid-block buildings, and up to \$12,500 for corner properties where both the front and side façades are proposed to be improved.

Since its establishment, the principal objective of the program has been to encourage the improvement of commercial façades so that they complement the efforts of BIAs to enhance the economic viability of main street commercial areas. These coordinated efforts help to ensure that main streets continue to be sources of commercial activity, employment and neighbourhood pride. This objective remains a critical focus of the program today, as attractive and well-maintained commercial building façades are an impactful feature of vibrant and economically vital retail main streets. As the retail landscape becomes more competitive and fragmented due to on-line shopping, home delivery and large format stores selling an ever broader range of products, the ability of the city's retail main street areas to draw and maintain customers is at least in part dependent on maintaining an appealing physical environment which includes attractive façades and public realm enhancements.

Part of the rationale for reviewing the program is the recognition of strip plazas as places of important commercial and cultural activity. Far from being relics of 1950's and 1960's suburban growth awaiting wholesale redevelopment, strip plazas are often energetic economic and social hubs for both long-established and new Canadian communities. They are typically more affordable locations to start a business than larger, indoor shopping plazas or trendy main streets. Amendments to the applicable CIP proposed in this report will promote the attractiveness and economic vitality of

these locations by offering a more relevant range of improvements eligible under the program.

Further, with the establishment over the past several years of BIAs that are primarily industrial in nature, a more relevant range of eligible improvements for industrial properties are also proposed to enhance the viability of industrial space in the city. These program changes are intended to ensure that industrial uses continue to benefit the city generally, and local communities more specifically, by providing employment opportunities.

Since 2007, the City has approved on average 63 grants per year. The program budget has been fully utilized each year with many applications turned away due to budget limitations.

The City's BIA Office commenced a review of the program in the fourth quarter of 2017, with an intent to expand its scope and address the following objectives:

- to make the program more relevant within BIAs containing multi-unit strip plazas and industrial areas;
- to address issues facing commercial and industrial property owners not contemplated by the existing program, such as property safety and security;
- to encourage more significant and impactful improvements to buildings and properties as a means of enhancing their competitiveness to accommodate businesses and generate employment;
- to assist property owners to achieve compliance with Accessibility for Ontarians with Disabilities Act (AODA) requirements; and
- to better facilitate building and property improvements within new BIAs, especially those that may be established within the City's Neighbourhood Improvement Areas.

To this end, staff propose a series of changes to the existing program's eligibility criteria and funding maximums. The program is proposed to be renamed the Commercial/Industrial Façade and Property Improvement Program.

With respect to the relevance of the program to those BIAs containing multi-unit strip plazas and industrial areas, staff propose to add a series of eligible improvements to both buildings and properties, specifically the installation or improvement of:

- exterior decorative or security lighting;
- solar panels;
- security fencing;
- ground-mounted signage;
- lighting for on-site parking areas; and
- on-site landscape features visible from a public street.

Other site and exterior building improvements which enhance the viability of the property for commercial or industrial purposes may also be funded, subject to the consideration of the General Manager of Economic Development and Culture or their designate.

The addition of these eligible improvements helps meet community benefit objectives by assisting property owners in maintaining the competitiveness of their buildings so that they are able to better accommodate new or expanding businesses and provide local employment. In addition, the program contributes to other community benefit objectives such as improved site safety and security, energy efficiency, signage that complies with existing regulations, and landscape features which enhance the appearance of the property and general area.

In order to encourage more significant and impactful improvements, and enhance building competitiveness, staff propose to eliminate the distinction in maximum grant available between mid-block and corner properties so that all applicants are eligible for a maximum grant of \$12,500.

In addition, multi-unit strip plazas under single ownership, or adjoining buildings on separate properties under one ownership, will be eligible for an additional matching grant of up to \$2,500 per unit or building improved to a maximum of \$25,000, including the \$12,500 "base" grant. A minimum of three eligible improvements must be made to each unit or building.

Further, as a means of supporting commercial and industrial property owners as they strive to meet accessibility requirements, the program will provide up to \$2,500 in matching grant funding (in addition to the base \$12,500 grant maximum noted above), towards the installation of ramps, handrails and other exterior accessibility devices which meet AODA design standards.

Also, to better, and more expeditiously, facilitate building and property improvements within new BIAs, especially those that may be established within the City's Neighbourhood Improvement Areas, staff propose to eliminate the five-year waiting period for commercial and industrial properties within new BIAs to be eligible for the Program.

Community Improvement Project Area

The provision of grants by a municipality to commercial enterprises are permitted through Section 28 of the *Planning Act* within areas designated as a Community Improvement Project Area, if there is a CIP in effect that contemplates the provision of grants for the purpose of community improvement. The entirety of the geographic boundaries of the City of Toronto have been designated as a Community Improvement Project Area. Proposed amendments to the CIP will allow the program to be offered to commercial and industrial property owners, and business tenants of such properties, within all city BIAs, subject to eligibility criteria.

Public Consultation

The proposed changes to the existing program were presented to the March 20, 2018, meeting of the Toronto Association of Business Improvement Areas (TABIA) - Interdepartmental Committee. In addition, the proposed changes were presented in detail to three BIA Boards of Management whose BIAs include strip plazas and/or

industrial areas. Staff received positive feedback on the proposed changes through this consultation process.

A statutory public meeting will be held concurrently with the consideration of this report, in accordance with the *Planning Act* to consider the recommended CIP.

Provincial Land-Use Policies: Provincial Policy Statement and Provincial Plans

The Community Improvement Plan which provides for the Commercial Façade Improvement Program has been reviewed for consistency with the Provincial Policy Statement (2014) (the "PPS") and The Growth Plan for the Greater Golden Horseshoe (2017) (the "Growth Plan").

The PPS provides policy direction province-wide on land use planning and development to promote strong communities, a strong economy, and a clean and healthy environment. The PPS includes specific policies that align with the Commercial Façade Improvement Program, including those related to economic development and competitiveness (Section 1.3.1).

The Growth Plan provides a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe region, of which the City forms an integral part. The Growth Plan contains policies related to economic development and competitiveness that align with the Commercial Façade Improvement Program (Section 2.2.5.1). In addition, the Growth Plan also includes policies regarding the intensification of retail and the achievement of complete communities (Section 2.2.5.12).

Provincial Plans are intended to be read in their entirety and relevant policies are to be applied to each situation. The policies of the Plans represent minimum standards. Council may go beyond these minimum standards to address matters of local importance, unless doing so would conflict with any policies of the Plans.

Consultation with Province

The *Planning Act* requires that the City consult with the provincial government on the proposed amendments to the CIP. City staff communicated the proposed changes to the Ministry of Municipal Affairs on May 17, 2018.

CONTACT

Mike Major, Manager, BIA Office, Economic Development and Culture, 416-392-0623, Mike.Major@toronto.ca

David Fitzpatrick, Project Manager, Strategic Initiatives, Policy & Analysis, City Planning, 416-392-9419, David.Fitzpatrick@toronto.ca

SIGNATURE

Gregg Lintern, MCIP, RPP
Chief Planner and Executive Director
City Planning

Mike Williams
General Manager
Economic Development and Culture

ATTACHMENTS

Attachment 1: Commercial/Industrial Façade and Property Improvement Program
Community Improvement Plan