CONFIDENTIAL APPENDIX A

Proposed Modifications
IMIT Program CIP By-law 1207-2018

Proposed additions are shown with a red underline.
Proposed deletions are shown with a ~~red strikethrough.~~

By-law 1207-2018, adopting a Community Improvement Plan for Brownfield Remediation and Development of Prescribed Employment Uses is modified as follows:

5 MUNICIPAL TAX INCREMENT

The programs described in this CIP will provide financial incentives utilizing all or a portion of the "Municipal Tax Increment", which, for the purpose of this plan shall be defined and calculated as follows:

Formula: Municipal Tax Increment = Destination Municipal CVA Taxes – Base Municipal CVA Taxes.

Base Municipal CVA Taxes means the amount calculated by multiplying the Current Value Assessment(s) ("CVA") applicable for the taxation year in which a Financial Incentive Agreement is signed for the Property upon which the Eligible Development is to be constructed, by the municipal tax rate(s) applicable for the Property, for that taxation year. The Base Municipal CVA Taxes shall be fixed in this manner for the purpose of determining the Municipal Tax Increment, subject to any adjustment arising from assessment appeals or changes to the CVA made by the Municipal Property Assessment Corporation ("MPAC") through requests for reconsideration, equity changes or gross error, and shall remain unchanged for the duration of the term of the payment of Development Grants.

Properties that are exempt from taxation prior to redevelopment will have the Base Municipal CVA Taxes calculated as though the property were taxable, based on the methodology set out herein and the appropriate municipal tax rate(s) being applied to the pre-development use of the property.

Destination Municipal CVA Taxes means the amount calculated by multiplying the CVA~~'s~~ attributable to the Eligible Development on the Property, once it is fully completed and assessed, as reflected in the returned assessment roll applicable to the first full taxation year following the completion of the Eligible Development and reassessment of the Property, by the municipal tax rate(s) applicable to the Property and the Eligible Development, at that time. The Destination Municipal CVA Taxes shall remain fixed for the purpose of determining the Municipal Tax Increment, subject to any adjustments to taxes arising from assessment appeals or changes to the ~~Destination Municipal~~ CVA made by MPAC through requests for reconsideration, equity changes or gross error, and shall remain unchanged for the duration of the term of the payment of Development Grants.

For greater certainty, the Municipal Tax Increment formula is intended to capture the taxes attributable only to the portion of the Property that was improved by the Eligible Development and is not intended to capture any increases or decreases in taxes arising from a change in assessed value associated with any other portion of the Property. Accordingly, how the Base and Destination Municipal CVA Taxes are calculated will depend on the specifics of each project.

9 DEFINITIONS

xi. 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~~ excluding major vertical penetration openings for stairwells, elevators and escalators~~; but excluding~~, as well as areas used by vehicles for purposes of parking or loading, or both. For greater certainty, GFA may be determined using BOMA standards or other appropriate methods of measurement.

xxiii. Transformative Project: a large development that must be approved by City Council as a Transformative Project and that must demonstrate the following attributes by way a business plan:

- a minimum investment of $1.5 billion;
- a minimum of 200,000 square metres net new space that will be constructed and occupied within 7 years (or in the case of a multi-phase project, such alternative time period as Council may deem appropriate);
- create a minimum of 3,000 net new jobs to the City of Toronto;
- be of superior architectural design that includes unique and exceptional attributes;
- have the ability to act as an anchor within its district and to stimulate collateral new investment;
- demonstrate a clear need for financial incentives in order for the development to be financially viable, verified by a qualified third-party satisfactory to the Chief Financial Officer of the City, in consultation with the applicant;
- must be linked to regional transit;
- provide significant amenities that are accessible to the public and will transform the nature of the area; and
- meet all the criteria for a standard IMIT application;

APPENDIX 2: DEVELOPMENT GRANTS (TIEGS)

3.2 Targeted Sectors – General Grants

Development Grants will be available for buildings and facilities that are wholly occupied by one of the following sectors or uses, including ancillary offices, storage and repair (but excluding residential units), or for the GFA they occupy in multiple-tenant buildings and facilities:

- Call Centres;
- Computer Systems Design and Services;
- Information Services and Data Processing;
- Scientific Research and Development;
- Software Development;
- Tourism Attractions; and
- Transformative Projects (including within the Financial District), subject to approval by City Council.

In order to receive General Development Grants, eligible GFA in wholly occupied or multiple-tenant buildings and facilities will be required to meet all Development Grant program conditions, including the requirement that the development of the eligible uses must have a total minimum construction value of $3,000,000 and add at least 500 square metres of new eligible GFA.

4 GRANT CALCULATION

4.4 Adjustments

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

~~i. the proportion of gross floor area occupied by the eligible use(s) or user(s) in the first year in which the Development Grant is payable; or~~

~~ii. the proportion occupied by the eligible use(s) or user(s) for the year in which the grant is calculated.~~

Grant amounts will be adjusted to reflect:

- any eligible GFA that is not occupied by the eligible use(s) or user(s) for the year in which the grant is calculated (grants will be reduced accordingly);
- the amount of any applicable rebate of municipal taxes paid to the property owner; and
- any subsequent changes in the total municipal taxes payable in any year due to reductions resulting from assessment appeals. Where such tax changes occur after

grant amounts have been paid, future year grant entitlements will be reduced accordingly. Any overpayment of grant amounts arising from subsequent reassessment or tax reductions will be deemed to be a debt owing to the municipality.

5 OTHER CONDITIONS

iii. Office developments must conform, at a minimum, to the Tier 2 requirements of the Toronto Green Standard, or to such other equivalent standard identified in the Toronto Green Standard as an alternative compliance option for energy performance as may be accepted by the Chief Planner. All other developments must meet the Tier 1 requirement. Details on the Green Development standard can be found at: https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/toronto-green-standard/