

Authority to Receive Funding from Metrolinx for Eglinton BIAs and Introduction of a new Transit Expansion Construction Mitigation Grant Program

Date: June 21, 2022

To: Economic and Community Development Committee

From: Interim General Manager, Economic Development and Culture

Wards: All

SUMMARY

This report seeks authority to establish a Transit Expansion Construction Mitigation Grant Program for Business Improvement Areas (BIAs) and business associations to support commercial areas impacted by major transit expansion projects across Toronto. The proposed program is based on the success of the Eglinton Crosstown Support Grant, which was developed to assist businesses impacted by the Eglinton Crosstown Light Rapid Transit construction. The report also requests authority to apply for funding for and enter into agreements with the Federal and Provincial government related to the proposed Transit Expansion Construction Mitigation Grant Program.

Finally, authority is requested to receive and allocate funding from Metrolinx to support eleven Business Improvement Areas (BIAs) in the Eglinton Corridor through three programs administered by the BIA Office in the Economic Development and Culture (EDC) division – two existing ones, the BIA Capital Cost-Share Program and the BIA Streetscape Master Plan Program, and the proposed new program.

RECOMMENDATIONS

The Interim General Manager, Economic Development and Culture recommends that:

1. City Council authorize the General Manager, Economic Development and Culture to establish a new Transit Expansion Construction Mitigation Grant Program for Business Improvement Areas (BIAs) and Business Associations in accordance with the Program Guidelines included in Attachment 1.

2. City Council authorize the General Manager, Economic Development and Culture to periodically review and, when necessary, revise the Transit Expansion Construction Mitigation Grant Program Guidelines to ensure alignment with the City of Toronto's

Community Grants Policy and any other applicable City policy, as may be amended from time to time, or reflect changing industry needs and best practices.

3. City Council authorize the General Manager, Economic Development and Culture to receive funds in the amount of \$1.38 million from Metrolinx and allocate the funds to eleven BIAs through the following Economic Development and Culture business support programs: (i) the proposed Transit Expansion Construction Mitigation Grant Program for BIAs and business associations (ii) the existing BIA Capital Cost-Share Program and (iii) the existing BIA Streetscape Master Plan Program, in accordance with the applicable program guidelines.

4. City Council direct the General Manager, Economic Development and Culture, to include the \$1.38 million funding received from Metrolinx in the 2023 Economic Development and Culture operating and capital budgets and report back as part of the 2023 budget process on any additional dedicated funding required or secured for the Transit Expansion Construction Mitigation Grant Program, BIA Capital Cost-Share Program and BIA Streetscape Master Plan Program as described in this report.

5. City Council authorize the General Manager, Economic Development and Culture, to apply for, accept and allocate any additional funding from the federal and provincial governments and their agencies to support the Transit Expansion Construction Mitigation Grant Program.

6. City Council authorize the City Manager, in consultation with the Chief Financial Officer and Treasurer, to receive funds and negotiate and execute any agreements, including any amendments thereto, with the Government of Canada, Government of Ontario and/or federal and provincial agencies related to the Transit Expansion Construction Mitigation Grant Program, in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

Base funding in EDC's 2022 Council Approved Operating Budget for the Eglinton Crosstown Support Grant will be reallocated to the new Transit Expansion Construction Mitigation Grant Program during the 2023 Budget process.

Additional funds of \$1.38 million received from Metrolinx will be dedicated to supporting the eleven BIAs impacted by the Eglinton LRT Crosstown construction through the City of Toronto Transit Expansion Construction Mitigation Grant Program, the BIA Capital Cost-Share Program and the BIA Streetscape Master Plan Program. This will be as follows:

Table 1: Construction Mitigation Supports for BIAs affected by Eglinton Crosstown - Anticipated Expenditures funded by Metrolinx

Metrolinx Funding (millions)	Source	2023	2024	2025	Total
Transit Expansion Construction Mitigation Grant Program	Operating Budget	\$0.200	\$0.200	\$0.200	\$0.600
BIA Capital Cost-Share and Streetscape Master Plan Programs	Capital Budget	\$0.260	\$0.260	\$0.260	\$0.780
Total		\$0.460	\$0.460	\$0.460	\$1.380

This report recommends that additional funds of \$1.38 million received from Metrolinx, as outlined in Table 1 above, to fund the eleven BIAs through the business support programs be included in the 2023 budget submission for Economic Development and Culture as part of the 2023 Budget process.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information presented in the Financial Impact Section.

DECISION HISTORY

At its meeting of October 2, 3 and 4, 2017, City Council directed the City Manager to report back on various matters pertaining to supporting a vibrant Eglinton Avenue during the construction of the Crosstown LRT. The direction includes recommendations for City, Metrolinx and Crosslinx, and Parking Authority actions to assist local businesses and Business Improvement Areas on Eglinton Avenue during the next phases of construction.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.MM32.44>

At its December 5, 2017 meeting, City Council directed the General Manager of Economic Development and Culture, in consultation with the Chief Engineer and Executive Director of Engineering and Construction Services, Acting Chief Financial Officer and the City Solicitor to report to the Executive Committee in the second quarter of 2018 on a construction mitigation program to support small businesses on retail main streets affected by major infrastructure projects.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED25.6>

At its meeting of February 2, 2021, City Council adopted a motion requesting Metrolinx to provide funding to the City to hire one staff position to assist local BIAs impacted by Ontario Line construction.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.IE19.10>

COMMENTS

Several major multi-year transit construction projects are currently in progress in Toronto, including the Eglinton Crosstown LRT as well as the Ontario Line. While investments in transit infrastructure are essential for Toronto's continued growth and prosperity and provide benefits that are recognized by a broad cross-section of the city's population, the negative impacts of construction sometimes fall disproportionately upon retailers and other small businesses near construction zones. Business disruption resulting from construction may fall into a number of different categories: the temporary, partial access or blocking of sidewalks and roadways; traffic detours; parking restrictions; the reconfiguration of road lanes, traffic signals, transit stops, and sidewalks; temporary utility shutoffs; as well as impacts such as noise, vibration, dust, and visual impacts.

The extent to which these disruptions affect business revenues can be moderate or severe, depending upon a number of factors including the type of business activity. Small businesses without the financial flexibility to rely on reserves may possibly close or relocate with the resulting effect of lost employment, vacancies and reduced vibrancy in the public realm.

To assist BIAs and other local business organizations to deliver projects and programs that mitigate the impact of major transit construction projects, it is recommended to establish a city-wide Transit Expansion Construction Mitigation Grant Program for BIAs and business associations, modelled after the Eglinton Crosstown Support Grant.

Eglinton Crosstown Support Grant

The Eglinton Crosstown Support Grant was established in 2019 to assist BIAs significantly impacted by the Eglinton Crosstown LRT Project. This granting program, operated by the BIA Office, has funded 22 projects valued at \$926,300 in six rounds to date. Projects supported include local business area magazine production "ShopLocal2 Win", a hyperlocal program driving clients to local businesses with rewards for both businesses and clients; a public art project that connected 38 artists with 38 utility poles to beautify the business area; a parking strategy; rebranding and communications and marketing campaigns targeted to keep customers engaged during LRT construction; data collection; as well as project-specific salaries and wages, amongst others.

The specific goals of the program are to support local businesses and BIAs impacted by the Eglinton Crosstown LRT Project, as well as to encourage both the development and testing of innovative and effective construction mitigation solutions that are scalable and applicable to other major and sustained construction work in Toronto.

New Transit Expansion Construction Mitigation Grant Program

Based on the success and flexibility of the Eglinton Crosstown Support Grant in supporting BIA initiatives during LRT construction, and considering the anticipated impact of major upcoming construction work across Toronto due to the Ontario Line, amongst others, this report recommends the creation of a new city-wide Transit

Expansion Construction Mitigation Grant Program, encompassing but not limited to the localized Eglinton Crosstown Support Grant funded by Metrolinx.

In addition to providing clear program guidelines to support the fair and effective administration of funds, Metrolinx has committed funds for Eglinton LRT construction business area mitigation purposes, as well as funding for the City of Toronto to support business areas impacted by construction of the Ontario Line. Creating the proposed Transit Expansion Construction Mitigation Grant Program may also make it easier in the future to secure additional funding for construction business mitigation purposes from other sources, including the provincial and federal governments. The program will be open to BIAs and other organizations that can demonstrate strong local business involvement and the willingness and ability to work with local businesses, including business associations and not-for-profit organizations in areas impacted by major, multi-year transit infrastructure projects in advance of, during and following the active construction phase. Proposed Transit Expansion Construction Mitigation Grant Program Guidelines are included in Attachment 1.

Funding has been secured from Metrolinx for one additional staff position in the BIA Office who will be responsible for supporting BIAs and businesses impacted by Ontario Line construction, which can include the administration of the Transit Expansion Construction Mitigation Grant Program.

Metrolinx Funding

As part of Metrolinx's Eglinton LRT construction, started in 2011, regular updates and ongoing site meetings with area BIAs and businesses were established to address issues related to business disruption, traffic, parking, area cleanliness and other construction related issues. Metrolinx also provided ongoing marketing support to area BIAs and businesses like the Experience Eglinton campaign, supplemented by direct funding to the affected BIAs. Due to construction delays announced in 2020, Metrolinx agreed to provide \$3 million in support to area businesses. Metrolinx increased the frequency of window washing services (via a local social enterprise) to businesses across Eglinton Avenue, increased street cleaning and litter collection through a partnership with the City's Solid Waste Department, doubled direct funding supports to Eglinton BIAs, and rolled out marketing and promotion support to individual businesses. These efforts have been valued at \$1.62 million.

Opportunities to discuss suitable options to allocate the remaining \$1.38 million have been considered by a Business Support Table (BST). This Business Support Table includes representatives from the Eglinton Alliance (representing BIAs impacted by Eglinton LRT construction), the Toronto Association of Business Improvement Areas (TABIA), Metrolinx, the Economic Development and Culture division, area Members of Provincial Parliament and a Toronto Councillor. The BST also uses the meetings as an opportunity to explore measures to provide future support to businesses in areas slated for, or undergoing, new major transit infrastructure or enhancements and associated disruptions.

Metrolinx, through the Business Support Table, and its stakeholders, has agreed to an allocation of the remaining \$1.38 million, as identified by Table 1, to be provided to the Authority to Receive Funding from Metrolinx and Establish a New Grant Program

City of Toronto and apportioned to the eleven BIAs impacted by Eglinton LRT construction, through three City business support programs: the Eglinton Crosstown Support Grant (to be replaced by the Transit Expansion Construction Mitigation Grant Program beginning in 2023, pending Council approval), the BIA Capital Cost-Share Program and the BIA Streetscape Master Plan Program. Access to these funds will continue to be in accordance with the program guidelines and application processes. These funds will be administered by the City and dedicated to the three programs.

Allowing the remaining (\$1.38 million) Metrolinx funding earmarked for BIAs impacted by the Eglinton Crosstown LRT to be allocated among any of these three programs provides flexibility for the identified BIAs to undertake research, marketing, promotion and other creative initiatives specific to their area needs, or invest in streetscape master plans or capital initiatives. This approach is supported by the Eglinton Alliance and by stakeholders represented at the Business Support Table.

Table 2: Allocation of \$1.38 Million Metrolinx Funds by BIA and Program

Table 2 identifies funding that is dedicated and reserved for specific BIAs. Capital funding may be used by BIAs for Capital Cost-Share Program projects or Streetscape Master Plan Program expenditures, at the discretion of the BIA.

BIAs Eligible for Metrolinx Allocations	Metrolinx \$1.380 M Allocations to City Programs		Metrolinx Funding Structure for 3 City Programs				Total Funding
			Eglinton Crosstown Support Grant (Operating)	Capital Cost-Share Program and Streetscape Master Plan Program			
				Metrolinx Share	City Share	Total	
	\$	%	\$	\$	\$	\$	\$
Bayview Leaside	10,000	flat rate	-	10,000	10,000	20,000	20,000
Midtown Yonge	10,000	flat rate	-	10,000	10,000	20,000	20,000
Oakwood Village	10,000	flat rate	-	10,000	10,000	20,000	20,000
Uptown Yonge	10,000	flat rate	-	10,000	10,000	20,000	20,000
Sub-Total	40,000						
Eglinton Hill	223,333	16.7%	100,000	123,333	123,333	246,667	346,667
Eglinton Way	223,333	16.7%	100,000	123,333	123,333	246,667	346,667
Fairbank Village	223,333	16.7%	100,000	123,333	123,333	246,667	346,667
Mount Dennis	111,667	8.3%	50,000	61,667	61,667	123,333	173,333
Mount Pleasant Village	111,667	8.3%	50,000	61,667	61,667	123,333	173,333
Upper Village	223,333	16.7%	100,000	123,333	123,333	246,667	346,667
York-Eglinton	223,333	16.7%	100,000	123,333	123,333	246,667	346,667

Sub-Total	1,340,000						
TOTAL	1,380,000	100%	600,000	780,000	780,000	1,560,000	2,160,000

BIA Capital Cost-Share Program

The Capital Cost-Share Program provides BIAs with funding and project management services to implement capital projects above city standard treatment, including lighting, street furniture, trees, paving, art installations and other elements within the City's right-of-way. Eligibility and access to this program is subject to program guidelines. BIAs that take advantage of this Streetscape Improvement Program will be eligible to use their Metrolinx allocation to cover their portion of the project cost – effectively doubling the value and impact of their Metrolinx allocation.

BIA Streetscape Master Plan Program

The Streetscape Master Plan Program provides BIAs with funding to secure professional design and engineering services to develop a long-term vision for streetscape improvements and investments that can be implemented through the BIA Capital Cost-Share Program and other funding mechanisms. Developed with significant input from City staff, Streetscape Master Plans provide a framework for the goals and aspirations of the BIA and a point of reference for City Divisions and Agencies when capital works is considered for the area. Additionally, Streetscape Master Plans allow BIAs to create a unique and consistent identity for their district through streetscape improvements. Applications for the Streetscape Master Plan Program must be consistent with program guidelines. Similar to the Capital Cost-Share Program, BIAs will be eligible to have their Metrolinx allocation cover their portion of the project cost – effectively doubling the value and impact of their Metrolinx allocation.

Construction Mitigation Program Metrolinx BIA Allocations

Funds allocated to the Eglinton Crosstown Support Grant in Table 2 are dedicated and reserved for seven of the eleven BIAs to access through the new Transit Expansion Construction Mitigation Grant Program, with the same objectives and goals of the Eglinton Crosstown Support Grant. BIAs will have access to funding subject to the application submission, approval requirements and consistency with program guidelines.

Conclusion

Investments in transit infrastructure are essential for Toronto's continued growth and prosperity. However, the negative impacts of construction fall disproportionately upon retailers and other small businesses in and adjacent to construction zones.

Several major multi-year transit construction projects are currently in progress in Toronto, including the Eglinton Crosstown LRT as well as the Ontario Line. The success of the Eglinton Crosstown Support Grant in supporting local businesses and BIAs impacted by the Eglinton Crosstown LRT Project has shown the importance of a grant Authority to Receive Funding from Metrolinx and Establish a New Grant Program

program that encourages innovative and effective construction mitigation solutions. Accordingly, this report recommends the creation of a new Transit Expansion Construction Mitigation Grant Program for BIAs and Business Associations. The objective of the new program would be to provide opportunities city-wide for BIAs and other organizations to research and develop innovative strategies and programs to help local businesses mitigate some of the impact of major transit infrastructure projects in their area, as well as to secure funding from other sources, including the provincial and federal government and their respective agencies.

The establishment of the new Transit Expansion Construction Mitigation Grant Program will provide a mechanism for local BIAs and other organizations to implement creative strategies and initiatives to offset the impacts of construction on local businesses.

CONTACT

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SIGNATURE

Cheryl Blackman, Interim General Manager
Economic Development and Culture

ATTACHMENTS

Attachment 1 - Transit Expansion Construction Mitigation Grant Program for BIAs and Business Associations - Program Guidelines

Attachment 1 - Transit Expansion Construction Mitigation Grant Program for BIAs and Business Associations - Program Guidelines

(As of July 2022)

The Transit Expansion Construction Mitigation Grant Program for BIAs and Business Associations ("The Grant Program") provides grants to Business Improvement Areas (BIAs) and other business and community organizations in the city of Toronto to deliver projects and initiatives that address the negative impacts of major construction on local businesses.

The program provides funding to local business communities significantly impacted by transit expansion projects, assisting BIAs and other organizations in their efforts to implement effective, innovative, and creative solutions to local business challenges posed by sustained major construction.

Program Goals

- 1) The goals of the Grant Program are as follows:
 - a. Support local businesses impacted by major construction works;
 - b. Encourage the development and testing of innovative and effective solutions to the business impacts of sustained major construction, for use in the City of Toronto;
 - c. Support new, unique and previously untested major construction mitigation solutions for Toronto BIAs and local business communities;
 - d. Expand the range of construction mitigation solutions that are available to Toronto BIAs and local business communities;
 - e. Showcase innovative, scalable construction mitigation solutions to challenges faced by BIAs and local business communities related to major and sustained construction work;
 - f. Pilot highly creative and exceptional projects in the city of Toronto.

Eligible Organizations

- 2) Eligible Applicants:
 - a. Business Improvement Areas (BIAs) in the city of Toronto; and
 - b. Other organizations demonstrating strong local business involvement and willingness to work with local businesses, including business associations, not-for-profit organizations, registered charities and social enterprises. Non-BIA applicants are encouraged to discuss their eligibility with the Program Manager.

- 3) Ineligible Applicants:
 - a. Individual Businesses

Eligible Construction Projects

- 4) Applicants may apply to the Grant Program in order to address the impacts of construction projects that meet the following criteria:
 - a. Major transit infrastructure projects with multi-year impact and scope;

- b. Construction zones that pass through a commercial area comprised of a contiguous row of smaller retail and service establishments, where work is likely to have a disruptive impact on businesses;
- c. Projects likely to deter pedestrian traffic and to affect businesses ability to attract walk-in trade;
- d. Project that result in reconfiguration of traffic lanes and that impede vehicular traffic;
- e. Construction that is likely to impact access to parking and public transit.

5) Ineligible projects:

- a. Routine city of Toronto utility cut repair projects to restore roads and sidewalks;
- b. Routine TTC track replacement;
- c. Routine asphalt shave-and-pave asphalt projects;
- d. Projects lasting less than one calendar year.

Construction Timeframes

6) Construction mitigation initiatives may be required before, during and/or after major construction. Support is available at the different stages of construction, subject to the following criteria

- a. Applicants are eligible to apply to the Grant Program no more than two years (730 days) in advance of planned construction;
- b. Applicants may apply during the construction period;
- c. Applicants may apply no later than 1 year (365 days) after the conclusion of construction activities;
- d. All projects must be to be completed no later than 2 years (730 days) after the conclusion of construction activities;

Not all types of projects are appropriate for all stages of construction. Applicants must demonstrate how the project is relevant for the respective construction stage (before, during or after).

Use of Funding

7) The Grant Program may be used to fund:

- a. Advertising;
- b. Public art projects;
- c. Community events;
- d. Consulting services;
- e. Project-specific salaries and wages;
- f. Technical assistance;
- g. Research including data collection, surveying, etc.;
- h. Communications;
- i. Workshop/consultation facilitation;
- j. Design fees;
- k. Honorariums for volunteers;
- l. Other expenses approved by the Toronto BIA Office.

8. The following costs are not funded:

- a. Projects that are eligible for funding under the following BIA financial incentive programs: BIA Capital Cost-Share Program, Mural Street Art Program, Commercial-Authority to Receive Funding from Metrolinx and Establish a New Grant Program

Industrial Façade and Property Improvement Program, Streetscape Improvement Program, Streetscape Master Plan Program;

b. Cost of any project-related services completed prior to grant application approval;

c. Cost of any consulting services for any changes of scope of work after the awarding of the contract that is not consented to by the Manager, Toronto BIA Office.

Grant Amounts

9) Grant amounts are available in the following denominations:

a. \$50,000;

b. \$25,000;

c. \$10,000.

Funding Limit

10) The maximum total value of grants that any eligible Recipient may receive through the Grant Program in any fiscal year is no more than \$50,000 (i.e. the "Funding Limit").

Application Package

11) Applications for the Grant Program must include the following completed documents:

a. Application form provided by the Toronto BIA Office;

b. Project proposal consisting of a 10-slide slide deck describing the proposed project (including itemized budget);

c. Letters of support from any additional funders (if applicable).

Application Review

12) Applications for the Grant Program will be reviewed by the BIA Office in the Economic Development and Culture (EDC) division. Following initial review, the City may take further steps to assess the applications, such as:

a. Involve individuals with appropriate expertise in the grant review process, which may include a peer/citizen review mechanism.

b. Share applications under the Construction Mitigation Grant with other funding providers to obtain feedback and evaluate potential partnership opportunities.

13) The Toronto BIA Office at its sole discretion may approve funding for any project in whole or in part.

14) The Toronto BIA Office at its sole discretion may defer portions of Round 1 funding applications for consideration in Round 2, so as to ensure that access to Grant Program funds is equitable to all eligible applicants.

15) Applications for the Grant Program will be evaluated by the Toronto BIA Office based on the following selection criteria:

a. The application adequately meets the goals of the program;

b. The scope of work is clear, can be completed by the estimated project completion date, and falls within the resources and capacity of the applicant;

Authority to Receive Funding from Metrolinx and Establish a New Grant Program

- c. The application clearly responds to unmet needs within the local community and provides a straightforward approach to addressing these issues;
- d. The application will contribute to building capacity and innovation related to major sustained construction projects within the city of Toronto;
- e. An appropriate methodology has been described for measuring the results of the project;
- f. The project can be packaged into a replicable toolkit to be shared with other stakeholders;
- g. The degree to which the applicant has been and/or will be impacted by major and sustained construction.

16) Additional eligibility requirements:

- a. The applicant must have a Board of Management or Board of Directors in place;
- b. BIA applicants must have an operating budget, adopted at a general meeting of the BIA and approved by Council, for the year the project is to implemented;
- c. BIA applicants must be in good standing with the City Auditor and the City's Finance Department with respect to the preparation and audit of the BIA annual financial statements.

17) To obtain grant approval to begin work under the Grant Program, the applicant must receive, sign, and return the 'Letter of Understanding' issued by the Manager, Toronto BIA Office.

Project Management

18) The following requirements are made of the Recipient's Board of Management or Board of Directors:

- a. Appoint a sub-committee to oversee the development and implementation of the Grant Program project;
- b. Formally receive the project deliverable;

19) Projects that will use any type of consulting service:

- a. The Recipient organization must adopt or maintain policies pertaining to the purchase of goods and services.
- b. Consulting services funded through the Grant Program must be secured through a Request for Proposals (RFP) process in accordance with the purchasing policies;
- c. The Recipient will be responsible for project management including monitoring the progress of work and progress payments upon completion of project milestones;
- d. The Recipient must enter into a contract with the chosen consultant with a project plan and timeline which describes project milestones and the payable amounts attached to the completion of each project milestone;
- e. The contract shall grant the Recipient ownership of any designs, reports, research, deliverables, images, and all other content developed as part of the project.

20) For projects that use consultant services, the following additional requirements are made of the Recipient's Board of Management:

- a. Approve the Request for Proposals for the consulting services;
- b. Approve the selection of the chosen consultant;
- c. Enter into a consulting contract with the chosen consultant.

Grant Payments

21) If funding is approved, the Recipient will be advised in writing of the funding amount. Payments of 50% each are issued in two installments in the form of direct deposit or cheque.

22) The first installment of the grant is paid upon receipt of a Letter of Understanding signed by the Recipient and the Manager, Toronto BIA Office.

23) The second installment of the grant is paid after the completion and delivery of the Final Report Package.

Final Report Package

24) The Final Report Package must include:

- a. One copy of the final project deliverable in both print and digital format;
- b. Minutes of the Board meeting receiving the final project deliverable;
- c. A one-page 'toolkit' document describing how to implement the project;
- d. Copies of all invoices, receipts, and paid expenses for the project.