

CIP

City-wide Community Improvement Plan for Employment

March 31, 2021 –
Committee of
Council Meeting

Employment Study prepared by
NBLC



**City of Brampton – Opportunities, City-Wide,
for Appropriate Community Improvement Plan(s) -
Employment**

November 2020
N. Barry Lyon Consultants Limited

nblc
N. Barry Lyon Consultants Ltd.

Strengthening the Economy

- January 23, 2019 - Council directed staff to investigate the potential for a CIP to attract additional employment in key sectors (i.e. Innovation & Tech., Entrepreneurship, Advanced Manufacturing, Health & Life Sciences).
- May 18, 2019 - Council directed staff to prepare an Invitational Request For Proposal hiring a consultant to undertake a study exploring opportunities for a city-wide Community Improvement Plan.
- May 13, 2020 - Council's endorses City's Economic Recovery Strategy.

As the economy re-opens we will support business through the following:



Community Improvement Plan

- Subsection 28(2) of the *Planning Act* allows local municipalities to designate an area as a community improvement project area.
- A Community Improvement Plan (CIP) allows municipalities to offer financial & non-financial incentives to the private sector to achieve a specific objective such as, employment growth.
- CIP incentives alone are not the main driver of attracting new office development to an area.
- CIP can be offered for a prescribed period of time (i.e. 5 years) and reviewed to ensure the goals and objectives of the City's employment needs are being met.
- Aligns with the Term of Council Priorities of a City of Opportunities.



Current State of Employment

Industrial

- Current market conditions in Brampton support the continued investment in new construction in the form of larger sized industrial developments.
- Other sectors such as film, creative industries, advance manufacturing, innovation & technology are not occurring at the same rate or scale of investment.
- Between 2010 to 2020 there were 29 new projects tracked, totaling 8.6 million square feet (sf) of new space, or about 860,000 sf of new space per year.



8875 Torbram Rd. (Complete 2015). Occupied by MEC, TJX, Accuristix. 994,000 sf, 38 ft Clear Heights.



7825 Winston Churchill Blvd (Complete 2015), Occupied by Metro, Emblem Logistics and TLS, Units from 200,000 to 377,000 sf, 36 ft Clear Heights.

Current State of Employment

Office

- As of Q4 2019, Brampton had approximately 4.62 million square feet (sf) of existing office space, excluding public sector investments in downtown Brampton and the South Fletcher's Courthouse.
- 1.76 million sf or 38% of the total office inventory was built over the last twenty years equating to approximately 88,000 sf of new office space per year.
- Significant drop in new office space over the past five years to only 64,000 sf in total equating to about 13,000 sf per year.
- Office vacancy rate has gone from just under 9% in 2016 to just over 1% in 2020.
- Investors/site selectors continue to search for readily available Type A office space with tight turn around times.



CIP - Project Timeline



Grant or rebate to offset the property tax increase as a result of redevelopment over a specified period of time (i.e. 10-years) – year 1 a grant covering the entire tax increase, 90% in year two, and continue to decrease by 10% until extinguished.

Roll-out of their TIEG for Major Office Program which is currently under review and anticipated to be implemented in Q2 2021.

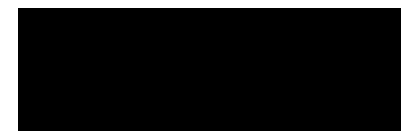
City provides a dedicated staff team to meet with the applicant. It's tenants and/or consultants to ensure the project is delivered as expeditiously as possible.

***Tax Increment
Equivalent Grant
(TIEG)***

***Region of Peel
Offering
Matching Grants***

***Expedited
Planning Review***

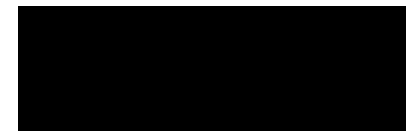
Immediate Implementation Recommendations



- A grant or rebate to offset a portion of the property tax increase the owner will face as a result of the redevelopment, typically over a 10-year period for the office space component of the building.
- Implementing a City-wide TIEG for Employment and potentially supportive uses offering high quality employment such as lab space for a prescribed period of time (i.e. 5 years).
- By implementing the City-wide TIEG for Office Employment the City will be able to access the Region's TIEG being offered through their Major Office Program, expected to launch in 2021.

Preferred Incentive

**Tax Increment Equivalent
Grant (TIEG)**



Office Building Grant Estimates

Taxation Year	Estimated City Tax of Vacant Office Land		Estimated City Taxes on Developed Office Land	City Grant Estimate (TIEG)	Estimated City Taxes Post Grant
2024	\$ 102,761.07		\$ 253,028.64	\$ 150,267.58	\$ 102,761.07
2025	\$ 104,816.29		\$ 258,089.22	\$ 137,945.64	\$ 120,143.58
2026	\$ 106,912.61		\$ 263,251.00	\$ 125,070.71	\$ 138,180.29
2027	\$ 109,050.86		\$ 268,516.02	\$ 111,625.61	\$ 156,890.41
2028	\$ 111,231.88		\$ 273,886.34	\$ 97,592.67	\$ 176,293.67
2029	\$ 113,456.52		\$ 279,364.07	\$ 82,953.77	\$ 196,410.29
2030	\$ 115,725.65		\$ 284,951.35	\$ 67,690.28	\$ 217,261.07
2031	\$ 118,040.16		\$ 290,650.38	\$ 51,783.06	\$ 238,867.31
2032	\$ 120,400.97		\$ 296,463.38	\$ 35,212.48	\$ 261,250.90
2033	\$ 122,808.99		\$ 302,392.65	\$ 17,958.37	\$ 284,434.28
2034	\$ 125,265.17		\$ 308,440.50	\$ -	\$ 308,440.50
2035 - 2044	\$ 1,399,050.99		\$ 3,444,884.21	\$ -	\$ 3,444,884.21
Total:	\$ 2,649,521.15		\$ 6,523,917.76	\$ 878,100.17	\$ 5,645,817.59

* Sample table provided for comparison purposes only and based on general assumptions*

Office land development scenario based on a 3.9 hectare (9.6 acres) site valued at \$18,310,300 (\$1.9M/ac based on city-wide average land values) and building size estimate of 120,000 square feet

Preferred Incentive

Tax Increment Equivalent Grant (TIEG)

- The tax increase will pay for the grant after the 10-year period.
- Following the TIEG the amount of taxes collected will be **2.5x greater** than if the lands were to remain vacant office.

Enhancements to the current DC By-Law exemption (considered at the next DC Study update) by lowering the eligibility size of the building to 25,000 sf and including the office component of a mixed use project.

Potentially used to off-set underground parking in strategic areas of the City where underground parking is the desired outcome and more cost effective solutions (i.e. surface or podium) are not possible.

A grant to offset 100% of the costs associated with rezoning and site plan application could be offered.

A grant to offset 100% of the costs associated with cash-in-lieu of parkland requirement could be offered.

Development Charge Grant

Capital Grant

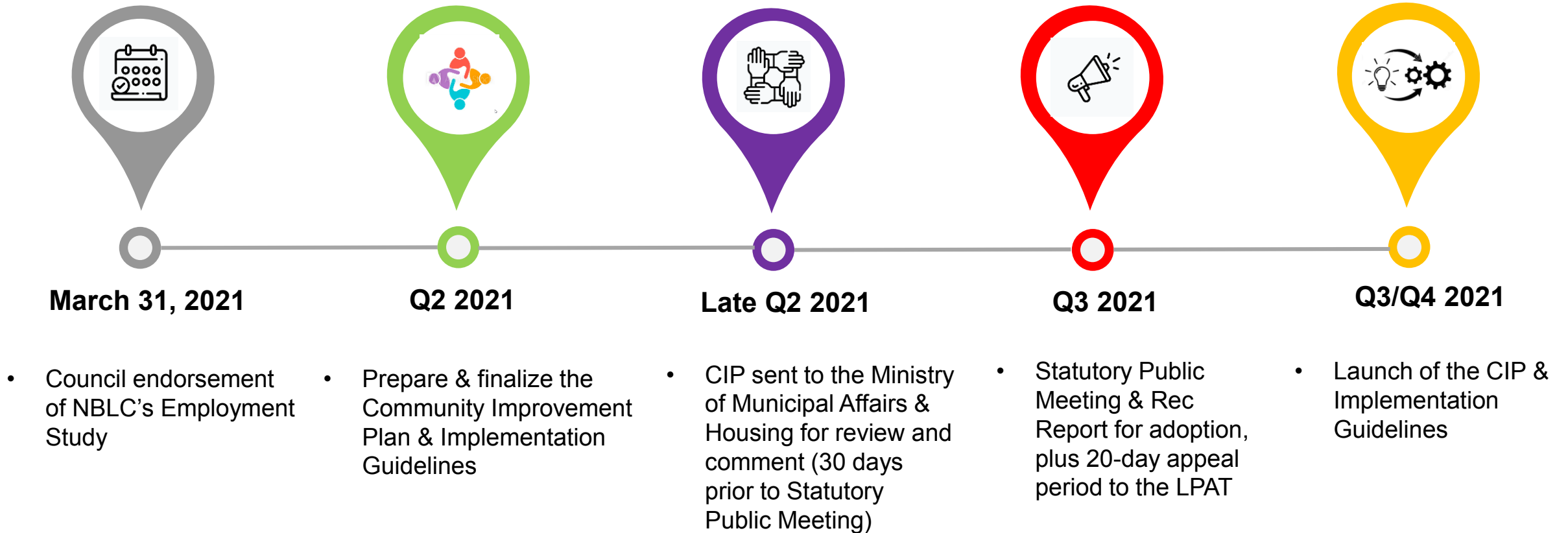
***Development Application/
Building Permit
Fee Grant***

***Cash-in-lieu
Parkland Grant***

Additional Incentive Tools

* Not being considered until further studies are completed

CIP Implementation Timeline



Questions and Comments

Project Lead

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Planning, Building & Economic Development

*Thank
you*

