

**COMMUNITY IMPROVEMENT PLAN**

**CITY OF THUNDER BAY – PORT OF THUNDER BAY**

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Planning Division  
November 2010

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## **1.0 PLAN BACKGROUND**

### ***1.1 Introduction***

In December 2010, Thunder Bay City Council considered and approved the establishment of development incentive programs for the Port of Thunder Bay. The Port Community Improvement Plan will empower the City to offer incentives for redevelopment at the Port and enable the implementation of certain financial incentive programs for the redevelopment of Port lands.

Section 28 of the *Planning Act* allows municipalities with provisions in their official plans relating to community improvement to designate by by-law a Community Improvement Project area. Once this is done, a municipality may prepare a Community Improvement Plan for the Community Improvement Project Area. The City may engage in the following activities:

- a) Acquire, hold, clear, grade or otherwise prepare land for community improvement (subsection 28 (3));
- b) Construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the Community Improvement Plan (subsection 28 (6));
- c) Sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the Community Improvement Plan (subsection 28 (6)); and
- d) Make grants or loans to the registered owners, assessed owners and tenants of lands and buildings within the Community Improvement Project Area (subsection 28(7)).

### ***1.2 Community Improvement Plan Programs***

This Community Improvement Plan provides eligible property owners or tenants with the following three financial incentive programs, designed to stimulate investment and encourage redevelopment in the Project Area:

- The Port Tax Increment-Based Grant Program provides a grant equal to 100% of the increase in municipal taxes that result from reassessment of improved properties.
- The Port Development Grant/Loan Program makes it possible for the City to offer direct grants or loans, on an individual project basis, to offset the costs associated with major developments on lands in the Project Area.
- The Planning and Building Fee Grant Program provides a grant equal to 100% of the fees paid for most planning approvals and building permits.

Properties to be developed or rehabilitated by the programs include all the land designated as a Community Improvement Project Area under By-law 097-2010.

The adoption of this Community Improvement Plan by Council represents a strong indication to the community at large that the future health and vitality of the Port of Thunder Bay is important to the City as a whole, and that this area deserves special attention. Recognition of this importance is set out in the Official Plan and its policies seek to enhance the Port's operations.

The Port is vital to the economy of the community and region. The Thunder Bay Port Authority promotes water-related transportation and business as a major contributor to regional economic growth. The Port of Thunder Bay has, historically, exported bulk commodities such as grain, coal, and potash, helping power Canada's economy. The importance of such cargoes for the Port remains strong, but with the economic downturn, the Port has been gradually diversifying its portfolio of activities. The emergence of project cargo, consisting to date in the shipping and handling of heavy pieces of equipment destined for oil sands projects or wind farms, provides business opportunities that were unattainable in the past due to the sheer size of the cargo. It is believed that this Community Improvement Plan may help the Port in its transition and in consolidating its position of leader in the transportation of bulk goods.

This Community Improvement Plan will be administered by the City's Development Services Department, with assistance provided by various other Departments and Divisions. The Port Authority Community Improvement Plan will be in effect until December 31, 2021.

### ***1.3 Port of Thunder Bay: Strengths, Weaknesses, Opportunities and, Constraints Analysis (SWOC)***

#### ***Strengths***

- Thunder Bay is the only Port in Canada with direct access to the rails of Canadian National (CN) and Canadian Pacific Railway (CPR).
- The storage capacity of the Port is unsurpassed in North America.
- Keefer Terminal provides world-class facilities – 200-car rail car marshalling yard, paved intermodal yard, 550,000 square feet of storage space, and 10 acres of cargo staging.
- Port has the largest grain storage capacity in North America with 1.2-million tonnes.

### ***Weaknesses***

- Lack of coordination efforts among stakeholders (municipal, provincial, and federal) for the long-term planning activities of the Port.
- Number of grain cargoes dropped due to change in shipping methods and economic downturn.

### ***Opportunities***

- Port of Thunder Bay has large tracts of undeveloped land.
- Local qualified labor and storage capacity provide opportunities to add value to pieces of equipment in transit.
- Diversification of Port activities creates new business opportunities.

### ***Constraints***

- Expenses related to the demolition and removal of obsolete buildings is necessary to make some Port lands a profitable business investment.
- Removal and demolition of obsolete buildings can be quite costly.

## ***1.4 Official Plan and Zoning By-law***

The project area subject to this Community Improvement Plan consists of lands in the Port Authority area of the City, currently zoned “HRI” – Harbour Industrial Zone. The area is comprised of lands designated “Heavy Industrial” on Schedule ‘A’, General Land Use, of the Official Plan.

The use and development of lands designated as “Heavy Industrial” in the Port Authority area are intended to support the safe and efficient operation of the Thunder Bay Port Authority. The predominant use of lands within this designation is directly associated with the shipment of cargoes such as grain, coal, potash, forest products, and related manufactured goods. Other uses permitted within the Port Authority area designation include a range of uses related to warehousing, processing and transformative industries.

It is intended that future development of the Port will provide increased opportunities for port-related commercial and heavy industrial activities. The Community Improvement Plan will seek to empower property owners and tenants locating at the Port, and will encourage businesses focused on adding value to goods stored at the Port.

This Community Improvement Plan has been developed in conformity with Section 8 of the Official Plan, which outlines the Community Improvement policies for the City, and with the guidelines offered by the Ministry of Municipal Affairs and Housing. The project area is located within a land use designation considered appropriate in the selection of Community Improvement Project Areas as per the policies of Section 8.2 of the Official Plan.

## **1.5 Project Area Characteristics**

### **1.5.1 Existing Land Uses**

The project area is comprised of a range of land uses and activities associated with the operation of the Port, stretching 45 kilometres along the shore of the Lake Superior and providing quick turn-around time to the more than 400 ships visiting the Port each year. The Port is divided into four areas: Keefer Terminal, Intercity Site, Harbour Park, Grain Terminals. Figure 2 indicate how the lands are zoned at the Port.

- Keefer Terminal occupies the central portion of the project area and is the most intensively used portion of the Port.
- The Intercity Site is located north of Keefer and home to currently unused grain elevators.
- Harbour Park is an industrial park, fully serviced site located on the main artery of the Thunder Bay Port Authority.
- Grain Terminals has eight grain terminals and is adjacent to the Intercity Site.

### **1.5.2 Existing Building Conditions**

The majority of the project area has been used for various port-related and water transportation activities. The decline in the manufacturing sector and the globalizing economy considerably impose pressure on the industries at the port. For instance, obsolete grain elevators pose formidable obstacles to the rehabilitation and revitalization of prime sites along the waterfront.

## **2.0 COMMUNITY IMPROVEMENT PLAN**

### **2.1 Location**

The boundaries of this Community Improvement Plan are shown on Figure 1 and have been identified with the passing of By-law 097-2010.

This Community Improvement Plan has been developed in accordance with Section 28 of the *Planning Act* R.S.O 1990, as amended. The Community Improvement Project Area was designated, by By-law 097-2010, on 20 September, 2010. A public meeting of Council to consider this Community Improvement Plan was held on December 13, 2010,

notice of which was published in The Chronicle-Journal on Saturday, November 20, 2010.

Urban centres are the economic engines of their regions, and indeed the country. One of the key reasons is that business clusters can form and thrive. Thunder Bay will thrive economically if it focuses on its top traded-clusters. These need to be built into world-renowned specialized economic foundations. Thunder Bay's top four traded-clusters, identified using information from the Institute for Competitiveness and Prosperity, are forestry, transportation, tourism and education/knowledge-creation.

In the transportation cluster, water transportation has historically presented itself as a pillar to the local economy. Economic successes hinge on a healthy and diversified economy and therefore Thunder Bay must continue to pursue economic initiatives that will create a favorable climate for business opportunities.

Therefore, the City's role as a transportation hub, including high quality port activities is encouraged, maintained and supported. The City promotes an environment that supports entrepreneurship and business development and supports effort to lead and coordinate programs and initiatives aimed at encouraging new investment and the generation of new employment and tax base expansion.

The Port Community Improvement Plan will empower the City to offer financial incentive programs for the development and redevelopment of Port lands. In order to accomplish this goal, the City intends to implement three programs – a “Port Tax Increment-Based Grant Program,” a “Port Development Grant/Loan Program” and a “Planning and Building Fee Grant Program.”

## **2.2 *Port Tax Increment-Based Grant Program***

As previously discussed, the Port is recognized as being important to both the citizens and the economy of Thunder Bay and the region. It is anticipated that this program will stimulate investment and encourage redevelopment at the Port. Under this program, the City of Thunder Bay will exempt businesses (owners and tenants) from all incremental increases in municipal taxes resulting from new development. Forgiving the incremental increases in taxes is an ideal way to provide an incentive because it does not erode the existing tax base and the incentives are self-financing. The Port Tax Increment-Based Grant Program allows the City to grant back any increases in tax revenues that result from new development on the Port lands. It is important to note that the total amount of the grant will be limited to the amount that the taxes go up.

Specifically, this program will provide grants to property owners and tenants who undertake the development or rehabilitation of their properties that will result in a reassessment of the properties. The amount of the grant will be determined based upon the incremental increase in the municipal taxes that result from the work being done. The total amount of the grants provided will not exceed the value of the work done that

resulted in the reassessment. For this reason, the total value of the work done, plus the amount of the municipal taxes paid prior to, and after the redevelopment, will have to be known. "Municipal taxes" under this program refers to only the general portion of municipal taxes of the total taxes paid, and will not include any other taxes or amounts, including but not limited to education, all urban service levies or public transportation. Business taxes are not intended to be included in the calculation of this program.

In terms of program duration, the tax increment-based grant program will commence on the date this Plan is approved by City Council. Municipal taxes may be granted back to owners and tenants for a period of ten years following reassessment.

The eligibility requirements for this program will be as follows:

- (a) Eligible works will include any development that is consistent with the City's Official Plan and permitted in the Zoning By-law. Eligible program costs include the costs of:
  - Environmental Studies;
  - Environmental Remediation;
  - Demolition and Removal of Debris;
  - Site Preparation including construction/improvement of on-site public works, e.g., water services, private sanitary and storm drains and/or private sewers; and
  - Construction and General improvements to structures
- (b) Any property owner desiring to be considered for a grant under this program shall make an application in writing to the City's Planning Division, at the time of making an application for a building permit or prior to commencement of site work;
- (c) To qualify, property owners or tenants must satisfy the following conditions:
  - The property must be located within the boundaries of the Port Community Improvement Plan project area;
  - The property shall be developed/rehabilitated such that the amount of the work undertaken is sufficient to result in a reassessment of the property;
  - The total value of the grants provided under this program shall not exceed the value of the work done;

- In the case of the redevelopment of vacant or cleared sites within the Port for new buildings, to determine the pre-development assessment base for these projects, the assessment shall be based upon the property as it existed on December 13<sup>th</sup>, 2010, the date of the public meeting at City Council to consider this Community Improvement Plan;
- Proof of actual costs associated with the development or rehabilitation of lands and buildings must be submitted to the Planning Division;
- If the building(s) subject to the grant is demolished before the rebate period elapses, the grants shall be forfeited and repaid to the City;
- Outstanding work orders from the City's Fire & Protective Services or the Building Division, and request to comply from Licensing & Enforcement Division, must be addressed prior to grant approval;
- The subject property shall not be in a position of property tax arrears at the application process; and,
- The subject property shall not be in a position of property tax arrears for the duration of the entire programme.

### ***2.3 Port Development Grant/Loan Program***

The Port Development Grant/Loan Program will make it possible for the City to make direct grants or loans to owners and tenants (developers) to offset the costs associated with rehabilitation of the Port lands.

Under this program, the City may enter into agreements with the developers of the Port lands. This incentive program will require a source of funds as, unlike the Port Tax Increment-Based Grant Program, it is not self-financing as the program is not tied to an increase in municipal taxes.

Development commencing between the date this Plan is approved by City Council and December 31, 2021 is eligible for consideration.

It is intended that this program be only enabling. The City shall be under no obligation to enter into agreement to give grants or loans to any development under this program. Each application will be judged on its own merits and support for each application will be based on the employment that it generates, the City's ability to pay, subject to budget approval, and the positive economic impact the City anticipates the community will enjoy as a result of the project.

The eligibility requirements for this program will be as follows:

a) Eligible works will include any development that is consistent with the City's Official Plan and permitted in the Zoning By-law. Eligible program costs include the costs associated to:

- Environmental Studies;
- Environmental Remediation;
- Demolition and Removal of Debris;
- Site preparation including construction/improvement of on-site public works, e.g. water services, private sanitary and storm drains and/or private sewers; and
- Construction and General improvements to structures.

b) Any property owner or tenant desiring to be considered for a grant under this program shall make an application in writing to the City's Planning Division, at the time of making an application for a building permit or prior to commencement of site work;

c) To qualify, property owners or tenants must satisfy the following conditions:

- The property must be located within the boundaries of the Port Community Improvement Plan project area (see Figure 1);
- The total value of the grants provided under this program shall not exceed the value of the work done;
- Proof of actual costs associated with the development or rehabilitation of lands and buildings must be submitted to the Planning Division; and,
- Outstanding work orders from the City's Fire & Protective Services or the Building Division, and request to comply from the Licensing & Enforcement Division, must be addressed prior to grant approval.

#### ***2.4 Planning and Building Fee Grant Program***

The intent of this program is to stimulate investment by business property owners or tenants in the Port lands through the provision of a grant to those who wish to invest. The grant would apply to most municipal fees associated with planning applications (Official

Plan and Zoning By-law Amendments, Minor Variances, Consent to Sever, Site Plan Control and Development Agreements) and to building permit applications.

Assistance will be in the form of a grant that has the effect of refunding the fee for a planning approval or a building permit. Assistance will be provided to a property owner or tenant, depending on who paid the original application fee. This program will commence upon approval of this Community Improvement Plan by City Council and continue for a period ending December 31, 2021. Payment of fees will be required by the City at the application stage for a planning approval(s) or building permit. In the case of applications other than those relating to agreements, or building permits, the grant will be paid upon a decision on the application being made by Council or the Committee of Adjustment. In the case of applications for agreements to provide works or facilities, or for building permits, the grant would be paid once final inspections and clearances by the City are approved. This program will not apply to any performance or maintenance guarantees (ie. letters of credit) posted by the proponent, required professional studies, or to expenses including deposits incurred by the applicant because of the City's participation at the Ontario Municipal Board or Court proceedings. The cost of any required newspaper notices will also not be included.

The eligibility requirements of this program will be as follows:

- a) Any property owner or tenant may apply to the City's Development Services Department at the time of making an application(s) for a planning or building permit approval.
- b) To qualify, property owners or tenants must satisfy the following conditions:
  - The property must be located within the boundaries designated by by-law as Community Improvement Plan project area;
  - The subject property shall not be in a position of property tax arrears; and
  - Outstanding work orders from the City's Building Division or Thunder Bay Fire & Rescue Services, and requests to comply from the Licensing & Enforcement Division, must be addressed prior to a rebate being given.

## **2.5 *Implementation and Administration***

Funds whether in the form of tax exemptions or direct grants or loans, made to applicants under the programs described in this Community Improvement Plan, shall not exceed the costs incurred for the rehabilitation of lands and buildings.

The details of the three programs, together with the eligibility criteria, though outlined generally in this Plan will be set out specifically in any agreement entered into between owners or tenants and the City.

The actual costs of the work done will be supplied to the City upon completion of the project. Payment of the grant or loan will be based on the City's review and satisfaction with all reports and documentation submitted outlining the full scope and cost of the work completed. Any and all of these costs may be subject to an independent audit at the request of the City and at the expense of the property owner or tenant.

For the Port Tax Increment-Based Grant Program, the Planning Division in consultation with the Finance Department will be responsible for the administration of the program. The implementation of this program and the calculation of the grants will be in the sole discretion of the City. All grants will be awarded on an individual basis. The City may cancel or amend this program from time to time. Applications for this program on the date the Community Improvement Plan – Port of Thunder Bay is approved will be accepted by Council.

Details for the implementation and administration of the Port Development Grant/Loan Program are similar to the Port Tax Increment-Based Grant Program with a few exceptions. Since the Port Development Grant/Loan Program is only enabling, the City shall be under no obligation to enter into agreements to give grants or loans to any development under this program. Specific funding for this program has not been identified at this time. Applications under this program shall be considered on a case by case basis at which time the benefits of the proposed development will be determined.

### **3.0 REVISIONS TO THE PLAN**

From time to time, the City may review and amend any of the terms of the programs described in this Community Improvement Plan without amendment to the Plan.

Program additions to this Plan will require a formal amendment in accordance with subsection 28 (4) of the *Planning Act*, requiring notice of a public meeting of Council and adoption by Council.

### **4.0 CONCLUSION**

This Community Improvement Plan provides a framework designed to achieve community improvement in the Community Improvement Project Area. Within this planning framework, funding tools are provided through the municipal financing incentives described in Section 2.3 and 2.4 of this Plan.

Issues outside the purview of this plan, but supportive of further development in the Port of Thunder Bay, such as amendments to the Zoning By-law and land use compatibility have been and will continue to be examined.

# FIGURES

## FIGURE 1 – COMMUNITY IMPROVEMENT PROJECT AREA

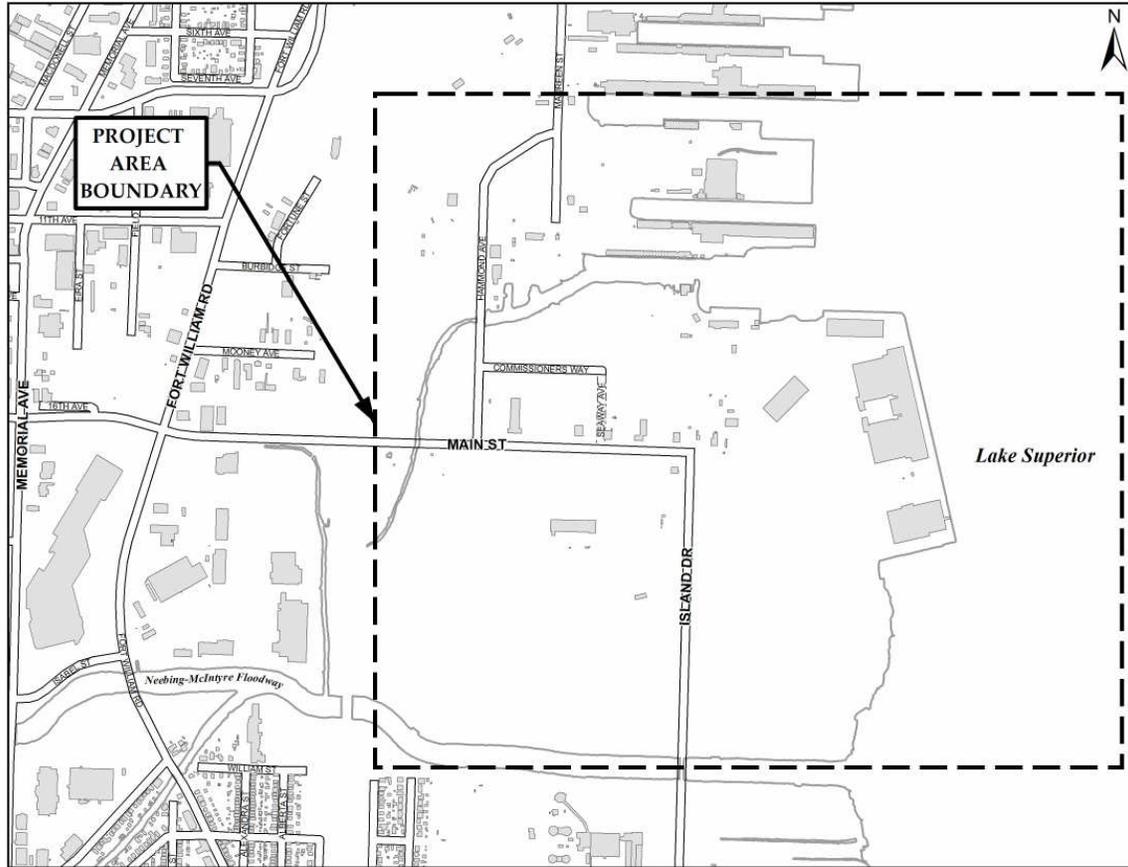


FIGURE 2 – COMMUNITY IMPROVEMENT PROJECT AREA – ZONING

