

City of Mississauga

Corporate Report



<p>Date: January 20, 2023</p> <p>To: Chair and Members of Planning and Development Committee</p> <p>From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building</p>	<p>Originator's files: CD.22-LAK</p> <hr/> <p>Meeting date: February 13, 2023</p>
--	---

Subject

PUBLIC MEETING RECOMMENDATION REPORT (WARD 1)

Lakeview Innovation District Community Improvement Project Area

Recommendation

1. That a by-law be enacted to designate the Innovation District within the Lakeview Waterfront Major Node and Lakeview Neighbourhood Character Areas as a Community Improvement Project Area, as identified in Appendix 1 of the report titled, "Lakeview Innovation District Community Improvement Project Area" dated January 20, 2023 from the Commissioner of Planning and Building.
2. That a future public meeting be held to consider the Community Improvement Plan for the Innovation District within the Lakeview Waterfront Major Node.

Executive Summary

- The Innovation District is the key location for economic activity in the Lakeview Waterfront Major Node. Its development will help create a complete community with a balance between population and employment.
- The vision for the Innovation District will not be achieved under current market conditions – intervention is required to shrink the development gap.
- Designating a Community Improvement Project Area is required before a Community Improvement Plan (CIP) can be considered. A CIP allows the City to provide financial and non-financial incentives, subject to Council approval, for the desired sectors and uses.

Background

The Inspiration Lakeview Master Plan, received by City of Mississauga (City) Council in 2014, envisions a world class, destination urban waterfront community. The Inspiration Lakeview

Innovation Corridor (Innovation District) will be the economic driver for the new community delivering an environment where people can research and develop innovative solutions that help to educate and drive behavioural change, and, help to generate prosperity.

District energy is a major green technology planned for Lakeview Village and will be anchored in the Innovation District. In June 2022, both City Council (GC-0459-2022¹) and Regional Council (Regional Resolution 2022-591²) authorized staff to enter into agreements with Enwave Energy Corporation to advance the implementation of a district energy system throughout the Lakeview Village development.

The City's Economic Development Office (EDO) has completed a Market Analysis and Feasibility Study, Land Development Plan and an Operation Plan for the Innovation District. On June 1, 2022, EDO provided an update to General Committee³ resulting in Council adopted (June 8, 2022) Recommendation GC-0345-2022:

2. That City Planning Strategies be directed to prepare a Community Improvement Plan for the Lakeview Innovation District in accordance with the key strategic City-building and economic development goals as outlined in the report titled the "Lakeview Innovation District – Operational Plan Update" dated May 16, 2022 from the Commissioner of Planning and Building.

A Community Improvement Plan (CIP) is a tool under section 28 of the *Planning Act* that enables the City to provide incentives to encourage and direct development without contravening the *Municipal Act's* bonusing rules. The City currently has one active CIP which is designed to attract office development to the Downtown Core. The Region has a complementary Major Office Incentives (MOI) program, which matches City Tax Increment Equivalent Grants (TIEGs) for eligible major office developments. Currently the City and Region only incentivize office uses.

Comments

SITE CONTEXT & VISION

The Innovation District capitalizes on the mandatory buffer zone adjacent to the G.E. Booth Water Resource Recovery Facility, where employment is the appropriate use. Its development will allow the City to create a complete community with a balance between employment and population.

The City is in ownership of two anchor sites within the Innovation District: the Small Arms Inspection Building/Arsenal Lands and Serson Campus along the waterfront. The remaining

¹ <https://pub-mississauga.escrimemeetings.com/Meeting.aspx?Id=df90a17e-30f1-4a68-8536-8c8ed9151067&Agenda=PostMinutes&lang=English&Item=16&Tab=attachments>

² <https://pub-peelregion.escrimemeetings.com/Meeting.aspx?Id=8e4d14ce-0eae-4a6a-95de-0f1b37d56bca&Agenda=PostMinutes&lang=English&Item=89&Tab=attachments>

³ <https://pub-mississauga.escrimemeetings.com/Meeting.aspx?Id=09d647b7-1604-4983-ab8b-29766b7fba4f&Agenda=PostMinutes&lang=English&Item=37&Tab=attachments>

lands are owned by Lakeview Community Partners Limited and existing businesses as identified in Appendix 2.

The Innovation District will focus on Clean Technology, Life Sciences, and Information and Communications Technology sectors and be based upon the following guiding principles:

1. Environmental Sustainability;
2. Entrepreneurship and Innovation; and
3. Equitable and Inclusive Growth

In alignment with the sectors above, the built form in the Innovation District is planned to comprise office, flex-office, and lab uses. These uses currently face a significant gap between the development cost and revenue (rental) stream and intervention is required to achieve the vision. In the absence of zoning and CIP policies targeting these uses, the market would likely favour low intensity industrial uses (e.g. distribution, self storage, industrial multiples, etc.).

COMMUNITY IMPROVEMENT PLAN (CIP)

The establishment of a CIP for the Innovation District will allow the City to provide financial and non-financial incentive tools to encourage desired development (e.g. Clean Technology, Life Sciences, Information and Communications Technology, and District Energy) as well as facilitate opportunities for Public-Private partnerships.

While incentives have an impact on City revenue, they are premised on the “but for” argument: but for the provision of incentives, the desired development would not likely have occurred. The CIP could partially bridge the current development gap, but it is unlikely to fully close the gap. More importantly, the CIP demonstrates the City’s commitment to the vision and it can be combined with other funding opportunities (e.g. Provincial and Federal funding).

The entire Innovation District is being proposed for inclusion in the Community Improvement Project Area (Appendix 1), however a CIP may be phased in geographically and/or through the activation of individual tools. The incentive tools currently being considered include:

- Tax Increment Equivalent Grants (TIEGs);
- Development Charge (DC) Grants and/or Deferrals;
- Planning Application Fee Relief;
- Municipally Funded Parking; and
- Municipal Property Acquisition or Disposal

Office developments that successfully secure a City TIEG may also qualify for the Region’s MOI matching grant, subject to eligibility criteria. The Region currently only incentivizes office, however City staff have engaged the Region in considering an expansion to their existing MOI and/or complementary program(s).

NEXT STEPS

Staff will present the proposed Innovation District CIP, including financial tools and eligibility requirements, to the Planning and Development Committee at a public meeting for final approval in Q2 2023.

Strategic Plan

The Lakeview Innovation District provides a unique opportunity to advance the Prosper visionary action: We will create a model sustainable community on the waterfront.

Financial Impact

Approval of the Community Improvement Project Area does not commit Council to any financial expenditures or obligations at this time.

Staff's next report on proposed CIP program details will describe potential revenue implications. A CIP is intended to stimulate desired development that will not occur "but for" the provision of incentives. In the long term, CIPs result in a tax uplift as lands are developed, but a loss of revenue is experienced in the short-term. The overall extent of the financial impact will be determined by the financial tools utilized and participation in the CIP by the private sector.

Conclusion


Establishing a Community Improvement Project Area is required before a CIP can be enacted. A CIP would allow the City to grant incentives to identified sectors locating within the designated area. A CIP would help advance the vision for the Innovation District and achieve the objectives of balancing growth, creating a complete community and supporting infrastructure investments. Proposals received under the program must meet the established criteria, and align with the strategic objectives and priorities of the City.

Should the Community Improvement Project Area be approved by Council, a CIP program will be brought forward to Council in Q2 2023.

Attachments

Appendix 1: Lakeview Innovation District Community Improvement Project Area Map

Appendix 2: Lakeview Innovation District Overview: Ownership Map



Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building

Prepared by: Melissa Slupik, Planner