

Guideline for the Regional Revitalization Program Regional Municipality of Durham

1.0 Purpose and Key Elements of the Program

- The Regional Revitalization Program (RRP) is a partnership between the Region of Durham and participating area municipalities and aims to strategically target Regional investment towards key areas of Durham Region's area municipalities that achieve positive economic and community objectives. **Overall, the RRP is founded on the premise that the general public will benefit from municipalities providing financial support to redevelopment and intensification projects that otherwise would not be initiated without municipal financial assistance.**
- Eligible Community Improvement Plan (CIP) projects must be supported by the area municipality. In addition, the participating area municipality must provide a significant financial contribution to the project, pursuant to the CIP. Regional financial assistance will not be greater than the area municipality's financial contribution. The Region's approval of any financial assistance under this program will be conditionally on the approval and sufficient funding by the area municipality.
- Program eligibility will be determined through the submission of an application, including a business case, by the supporting area municipality, which demonstrates the benefits of the project and the need for Regional financial assistance. Eligible projects must entail significant and substantial revitalization. Development and construction of the project cannot already be underway. Eligible projects include: new construction; additions to existing buildings; redevelopment; and, brownfield redevelopment.
- Recommendations regarding project selection will be presented to Committee of the Whole and Regional Council during the annual business planning cycle. Final funding approval will be contingent upon the Regional Business Plan and Budget process.

1.1 Role of Area Municipalities

- At the outset, it is recognized that the preparation and implementation of CIPs has traditionally been the responsibility of the area municipalities. To build on this approach, the RRP will focus only on CIP projects supported by area municipalities. The RRP will be a partnership between the Region and the area municipality, with the Region providing financial assistance to qualified area municipal CIP projects.

- The area municipality must provide a significant financial contribution to the project, pursuant to the CIP. Regional financial assistance will not be greater than the area municipality's financial assistance.
- The area municipality will be responsible for disbursing Regional financial assistance to qualified projects of the RRP.

1.2 Advancing Goals

- To make effective use of Regional investment, the RRP will focus on initiatives that advance the goals of achieving positive economic and community objectives. A focused approach is essential to ensure the effective use of Regional resources that are limited relative to the larger overall needs of the Region's eight area municipalities.
- Consistent with this approach, the RRP will encourage both residential and employment growth in the Region's key urban locations, including Urban Growth Centres, Regional Centres, Regional Corridors, and brownfield sites throughout the Region. These locations will be given preference provided they are within a CIP area. Urban Growth Centres and Regional Centres in Durham's Urban Areas are to be focal points of urban development in the Region. It is the Region's intent to create people-oriented places that are accessible by public transit and active transportation. Supportive corridors are then intended to link Urban Growth Centres/Regional Centres, with a focus on transit routes.

1.3 Submission of Application and Business Case

- Program eligibility will be determined through the evaluation of a business case detailing the proposed project. Area municipalities must submit an application, including a business case, to the Regional Commissioner of Finance.

1.4 Evaluation of Projects

- Applications will be reviewed and evaluated by the Commissioners of Community Growth and Economic Development, Works and Finance to ensure that program eligibility and business case requirements are addressed (refer to Section 2.0 for further details).
- Applications must address all the eligibility criteria and business case requirements in order to be considered for Regional funding. Additional information may be required by Regional staff to evaluate the application and

such requests shall be communicated to the project proponent through the participating area municipality.

1.5 Selection and Recommendation of Projects

- Regional staff recommendations regarding project selection will be presented to the Committee of the Whole and Regional Council, with financing subject to availability of funds in the Regional Revitalization Reserve Fund.

1.6 Regional Development Charges and Other Fees

- Projects will be required to fully pay all applicable Regional fees and charges, including Development Charges.

1.7 Financing the Program and Flow of Funds

- Increased property tax revenue generated from the increased current value assessment of approved projects of the RRP will be used to replenish the Regional Revitalization Reserve Fund for a time period after substantial occupancy to be determined by Regional Council at project approval.
- In recognition of the need for upfront direct financial assistance, funds for approved CIP projects will be transferred to the applicable area municipality at the following milestones:

Building permit issued by area municipality:	50%
Framing inspection, or equivalent structural completion, passed by the area municipal building inspection authority:	40%
Occupancy permit received from area municipal building authority or passed preoccupancy inspection of those municipalities which do not issue an occupancy permit:	10%

1.8 Monitoring the Program

- The Region will monitor the impact of the RRP to ensure that the Regional financial assistance offered remains effective in facilitating approved redevelopment projects, providing the rationale for continued Regional Council support of the RRP.

- The participating area municipalities will be required to provide relevant project information to the Region for all projects approved through the RRP on an annual basis for the five years after substantial occupancy of each project. A summary of these monitoring reports will be presented to Regional Council on a periodic basis for consideration.

2.0 Application Requirements

- The RRP outlines mandatory criteria that must be satisfied as a prerequisite for program eligibility and consideration of Regional participation and financial support. This eligibility criteria forms the basis of the Program and includes the following:
 - 1) The CIP project must be approved by the area municipality (either at the time of application or before any Regional funding is provided);
 - 2) The project must support the development of people-oriented places that are accessible by public transit and active transportation;
 - 3) RRP projects must encourage both residential and employment growth in the Region's key urban locations, including Urban Growth Centres, Regional Centres, Regional Corridors, and brownfield sites throughout the Region, which will be given preference;
 - 4) The project must entail significant and substantial revitalization. Development and construction cannot already be underway. Examples of eligible project types are:
 - New construction
 - Addition to existing
 - Redevelopment
 - Brownfield Redevelopment

Please note that projects involving façade improvements, streetscaping, etc. will not be eligible under the RRP.

- 5) The area municipality must provide a significant financial contribution to the project, pursuant to the CIP. Regional financial assistance will not be greater than the area municipality's financial assistance.

- 6) The area municipality must submit an application to the Region's Commissioner of Finance, including a business case (see section 1.3) for the development and implementation of the CIP project by the proponent, which details the proposed project and demonstrates the need for Regional financial assistance.
- 7) The proponent's property tax and utility accounts must be current and the proponent must not be in debt or involved in litigation with the Region or any area municipality;
- 8) The participating area municipality must be willing to enter into a legal agreement with the Region that outlines the terms and conditions for the funding and ensures accountability for the Regional funding; and
- 9) The participating area municipality must also agree to conduct periodic post-project reviews for five years after substantial occupancy in conjunction with the Region to provide accountability and ensure effective utilisation of Regional resources.

2.1 Business Case

- As part of the application by the area municipality, proponents will be required to include a business case for each initiative seeking Regional financial assistance. The business case must provide the details of the proposed project, while demonstrating the need for Regional financial assistance. The business case will address the eligibility criteria detailed above, as well as the following:
 - 1) Proponent Qualifications:
 - The proponent's experience and qualifications for undertaking revitalization/community improvement initiatives;
 - The proponent's experience with projects of a similar nature (i.e. size and type); and
 - Details of a partnership or joint venture.
 - 2) Revitalization Plan:
 - How does the project relate to the area municipality's CIP and advance policy objectives, including:
 - a) Location;

- b) Property ownership (e.g. offer to purchase or leasehold);
 - c) Anticipated change in Current Value Assessment;
 - d) Land use compatibility;
 - e) Planning approvals required;
 - f) Potential redevelopment of a Brownfield site;
 - g) Potential for live/work opportunities for occupants/tenants;
 - h) Economic spin-offs; and
 - i) Accessibility to public transit and other key services, e.g. community facilities.
- 3) Revitalization Timetable:
- A detailed development schedule (e.g. GANNT chart); and
 - Whether the project is redevelopment-ready (e.g. all planning approvals are in place).
- 4) Project Financing & Feasibility:
- A capital budget, including estimates for project design, land acquisitions, hard and soft costs, equity contribution and financial incentives;
 - Information on all additional funding partners and details on their financial commitments to the project over time (including other government and/or stakeholder financial assistance, if applicable); and
 - Identify mortgage financing amount, interest rate, term and amortization period (if applicable).

3.0 EVALUATION

- Program eligibility will be determined through the submission of an application by the area municipality to the Region's Commissioner of Finance. A business case must also be submitted by the supporting area municipality, which demonstrates the benefits of the project and the need for Regional financial assistance with the applications to be reviewed and evaluated by the Commissioners of Community Growth and Economic Development, Works and Finance

to ensure that program eligibility and business case requirements are addressed.

- Recommendations regarding project selection will be presented to Committee of the Whole and Regional Council.

4.0 CONTACT INFORMATION

Director of Risk Management, Economic Studies and
Procurement, Regional Finance Department

OR

Director of Community Growth,
Regional Community Growth Division