

## PROPOSED POLICY AMENDMENTS

# CITY OF SASKATOON COUNCIL POLICY

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 NUMBER

C09-035

<b>POLICY TITLE</b> <i>Vacant Lot and Adaptive Reuse Incentive Program</i>	<b>ADOPTED BY:</b> <i>City Council</i>	<b>EFFECTIVE DATE</b> <i>March 7, 2011</i>
		<b>UPDATED TO</b> <i>November 20, 2017</i>
<b>ORIGIN/AUTHORITY</b> <i>Planning and Operations Committee Reports 3-2011, 8-2012, 10-2014 and Standing Policy Committee on Planning, Development and Community Services - Item 8.1.2. – June 27, 2016; Item 8.1.3 – September 25, 2017; and Item 8.1.9 – November 20, 2017.</i>	<b>CITY FILE NO.</b> <i>CK. 4110-45 and PL. 4110-35-13</i>	<b>PAGE NUMBER</b> <i>1 of 16</i>

## 1. PURPOSE

To encourage infill development on vacant sites and adaptive reuse of vacant building space in Established Neighbourhoods, including the City Centre, by providing financial and/or tax-based incentives to owners of eligible properties.

## 2. REFERENCE

This Policy supports the direction established in the Official Community Plan Bylaw No. **9700 8769**.

## 3. DEFINITIONS

For the purposes of this program, the following definitions shall be used:

- 3.1 Adaptive Reuse – where a building formerly used for industrial or commercial uses has been vacant for at least one (1) consecutive year and involves the conversion or re-purposing to a different category of use (e.g. conversion from industrial or commercial to residential or from industrial to commercial). Exceptions to this provision for Municipal Heritage Properties, buildings included in “Schedule A” of Demolition Permit Bylaw No. 6770, or buildings listed on the Saskatoon Register of Historic Places may be granted at the discretion of the General Manager, Community Services **Division Department**.
- 3.2 Approval Date – the date the project was approved by the General Manager of Community Services or City Council, as set out in Section **4.8 4.7**.

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- 3.3 Brownfield Site – an abandoned, vacant, derelict or underutilized commercial or industrial property where past activities on the land have resulted in actual or perceived contamination and where there is an active potential for redevelopment.
- 3.4 Cash Grant – a non-repayable incentive as calculated by this policy.
- 3.5 Completion of Construction – the date on which: ~~all Building, Development and Plumbing Permits are officially closed by the City of Saskatoon or as determined by the City of Saskatoon.~~
- (i) All building permits in relation to the development have been fully and properly closed, as determined by the City’s Building Standards Department.**
- 3.6 Derelict Vacant Building – a principal building that has been vacant for at least 12 consecutive months and is **un**inhabitable or structurally unsound and the subject of a property maintenance order, fire order, public health or safety hazard, or has a history of public complaints, and is intended to be demolished for the purpose of redevelopment.
- 3.7 Earned Incentive Amount – that portion of the Maximum Incentive Amount earned through the proposal evaluation.
- 3.8 Existing Housing – currently occupied buildings and structures that contain residential dwelling units.
- 3.9 Existing Property Taxes – the property tax payable in a given year on the assessed value of an eligible property prior to any development.
- 3.10 Heritage Impact Statement - a study that evaluates the impact a development may have on a heritage resource or resources. A Heritage Impact Statement may be required as outlined in Zoning Bylaw No. 8770. Developments can include alterations, additions, partial demolitions, demolitions, relocations, or new construction.

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- 3.11 Incremental Property Taxes – the amount of property tax payable in a given year on the increase in assessed value of the property as a result of new construction.
- 3.12 Maximum Incentive Amount (MIA) – the increment between the existing property taxes (City portion) and the taxes upon completion, multiplied by five (5) years.

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- 3.13 New Construction – includes new development of permanent structures on vacant lots, redevelopment of existing structures that have been vacant **or used for non-residential purposes** for at least one (1) year prior to application to this program, or the conversion of non-residential property to residential use.
- 3.14 Proposal Evaluation – a system that evaluates development proposals to achieve the outlined development features (See Appendix C) and which is scored to a maximum of 100 points.
- 3.15 Residential – any structure or portion thereof consisting of self-contained housing units and support amenities, provided to residents as rental, life-lease or ownership, but not hotel accommodation provided on a day-to-day basis.
- 3.16 Residential Conversion – any conversion project which changes the use of any former commercial or industrial building space for the purpose of developing residential multiple-unit dwellings.
- 3.17 Structured Parking – a parking facility with at least one level above or below grade.
- 3.18 Vacant Site/Building – existing sites, formerly used for an urban use on which there exists no building, or where a building contains mainly vacant space.

## 4. POLICY

The City may offer financial or tax-based support to projects that meet the following criteria:

### 4.1 General Eligibility Criteria

- a) Projects supported by the policy must be located within the Established Neighbourhoods Map (see Appendix A) or the City Centre Boundary Map (see Appendix B).

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- b) Projects supported by the policy under the Vacant Lot and Adaptive Reuse Incentive Program must be located on a vacant site, contain a derelict principal building, or be within a vacant building and meet the following conditions:
  - i) If within the Established Neighbourhoods Map, be vacant for a period of at least 48 consecutive months;
  - ii) If within the City Centre Boundary Map, no vacancy period is required.
- c) Special projects developed for the purpose of creating developable vacant sites are not eligible for incentives under this program. Exceptions to this provision may be granted at the discretion of the General Manager, Community Services **Division Department**.
- d) River Landing is excluded from the vacant lot incentive program. However, any housing development within River Landing is eligible for a five-year tax abatement equal to the Maximum Incentive Amount.
- e) Except for the rebate of existing property taxes paid during construction (adaptive re-use only), cash incentives under this policy are paid following completion of construction.
- f) Projects assisted under this policy may be eligible for support under other incentive policies or programs (i.e. affordable housing).
- g) Projects that do not incur a tax increment upon completion may receive a grant equal to no more than one year's worth of existing taxes.
- h) Properties that are in tax arrears or under an Order to Remedy with the City of Saskatoon are not eligible for support under this policy. Exceptions to this provision may be granted at the discretion of the General Manager, Community Services **Division Department**.
- i) Property taxes will be assessed each year of the program. Properties that are deemed to be in arrears by the City of Saskatoon will immediately be terminated from this program.

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- j) Any housing project located in the City Centre, which does not otherwise meet the criteria of this policy, is eligible for a five-year tax abatement equal to the Maximum Incentive Amount.
- k) Any office project located in the City Centre, which does not otherwise meet the criteria of this policy, is eligible for a five-year tax abatement equal to the Earned Incentive Amount.
- l) Any Structured Parking located in the City Centre, which does not otherwise meet the criteria of this policy, is eligible for a five-year tax abatement equal to the Maximum Incentive Amount.
- m) Properties that have been subject to a Heritage Impact Statement are only eligible for the Adaptive Reuse Incentive under this policy. Exceptions to this provision may be granted at the discretion of the General Manager, Community Services **Division Department**.
- n) **In order to be eligible for grant assistance, Completion of Construction must occur within a maximum of three years from the Approval Date.**

## 4.2 Vacant Lot and Adaptive Reuse Incentive

- a) This program is only available for the new construction on a vacant site or the redevelopment/renovation of a vacant building in Established Neighbourhoods of Saskatoon (see Appendix A- Established Neighbourhoods Map) or in the City Centre (see Appendix B – City Centre Boundary Map).
- b) The applicant is given a choice of:
  - i) assistance in the form of a tax abatement, equal to the Earned Incentive Amount, determined by the Proposal Evaluation; or
  - ii) assistance in the form of a cash grant, equal to the Earned Incentive Amount. Projects approved for a cash grant shall not exceed the following amounts:
    - a) Commercial, Industrial, and Mixed Use: \$200,000; **or**
    - b) Multiple-Unit Dwellings: \$75,000; **or**
    - c) **One- and Two-Unit Dwellings: \$15,000.**

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- c) Developers may contribute cash to an appropriate streetscape reserve in lieu of providing on-site Public Realm Improvements (see Appendix C) in order to earn additional points in the proposal evaluation.
- d) All monies received through c) will be directed to the appropriate streetscape reserve and used by the Urban Design Manager to provide an opportunity response towards other streetscape or public realm improvements (e.g. leverage or match private donations).

#### 4.3 City Centre Housing Renovation Incentive

- a) This incentive applies only to the renovation of existing **multiple-unit** housing in the City Centre.
- b) Priority will be given to projects that provide significant improvement in the quality and amenity of existing housing or provide increased accessibility to populations currently not being served, including addressing barrier-free housing for people with disabilities.
- c) The incentive shall be in the form of a tax abatement of 25 percent of the annual value of **municipal** property taxes to a maximum of \$10,000 per year, for five (5) years.
- d) Funds for the City and Library portion of the property tax abatements will be provided from the Vacant Lot and Adaptive Reuse Incentive Reserve.

#### 4.4 City Centre Housing Conversion Incentive

- a) Projects which involve the conversion of former commercial and industrial building space to multiple-unit residential dwellings may also be eligible for additional incentives as listed below:
  - i) a rebate of up to 75 percent of any applicable Offsite Development Levies as calculated by the Transportation and **Construction Utilities Division Department**;

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- ii) a rebate of up to 75 percent of any applicable Direct Servicing Charges as calculated by the Transportation and Construction Utilities Division Department; and
- iii) a rebate of existing property taxes paid during construction, up to a maximum of a two year construction period.

#### 4.5 City Centre Office Building Incentive

- a) This incentive applies to all office space on a site in the City Centre.
- b) When new construction occurs on a lot that has not been vacant for 48 consecutive months, the tax rate, at time of demolition, will be used in place of the existing property taxes to determine the Maximum Incentive Amount.
- c) The incentive shall be in the form of a five-year tax abatement, or a cash grant equal to the Earned Incentive Amount, determined by the Proposal Evaluation. Projects approved for a cash grant shall not exceed the following amounts:
  - i) Commercial, Industrial, and Mixed Use: \$200,000; **or**
  - ii) Multiple-Unit Dwellings: \$75,000; **or**
  - iii) ~~One- and Two-Unit Dwellings: \$15,000.~~

#### 4.6 City Centre Structured Parking Incentive

- a) Projects must meet the design guidelines outlined in Zoning Bylaw No. 8770.
- b) The incentive shall be in the form of a five-year tax abatement, equal to the Maximum Incentive Amount.
- c) No incentives are available for any surface parking.



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## 4.7 Gardens as Interim Use Incentive

- a) All vacant land within the VLAR boundary is eligible for this incentive, excluding AG districts. The 48 month vacancy requirement will be waived for interim garden use.
- b) The incentive is an annual grant for the property owner equal to 50% of municipal land tax, for up to five years.
- c) A written agreement is required between the property owner and gardener(s) if they are not one and the same. A sample agreement can be supplied upon request.
- d) A vacant lot with an interim garden will continue to be considered vacant under this Policy. A garden use will not affect the eligibility for future VLAR incentives.
- e) The property would be eligible for the garden incentive one time, for a period of up to five years, and the grant would be provided after the first year that the garden was productive.
- f) The grant would be offered annually, for up to five years, providing that the garden remain productive during that time and that the owner provide a copy of the annual agreement. The City will conduct site visits to ensure compliance.
- g) A building permit could be issued, if development occurred on the site prior to the end of five years, but construction could not start until the completion of the current growing season (April 1 – October 15).
- h) Garden projects approved for a cash grant shall not exceed the following amounts:
  - i) Residential Sites: \$2,500 (\$500 annually); and
  - ii) Commercial, Industrial, Mixed Use, or Other Sites: \$6,000 (\$1,200 annually).

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## 4.8 Approval

- a) Applications for tax abatement assistance under this program are subject to City Council's approval.
- b) Applications for grant assistance under this program are subject to the approval of the General Manager, Community Services **Division. Department. Completion of construction must occur within 24 months from the approval date. One additional year may be granted at the discretion of the General Manager, Community Services Department.**

## 4.9 Timing of Abatements

**The tax abatement start date will be specified at the time of City Council's application approval and must commence within a maximum of three calendar years from the Approval Date. The tax abatement start date is not dependent upon Completion of Construction, and the tax abatement period will commence to run from the tax abatement start date regardless of whether there has been Completion of Construction.**

## 5. RESPONSIBILITIES

### 5.1 General Manager, Community Services **Division Department**

- a) Receive and review all applications for incentives under this program;
- b) Submit any necessary reports to City Council, including an Annual Report on the performance of this program; and
- c) Market this program as required.

### 5.2 Corporate Revenue

- a) Administer all approved applications for tax abatements and repayment of grants through redirection of incremental property taxes.

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## 5.3 City Council

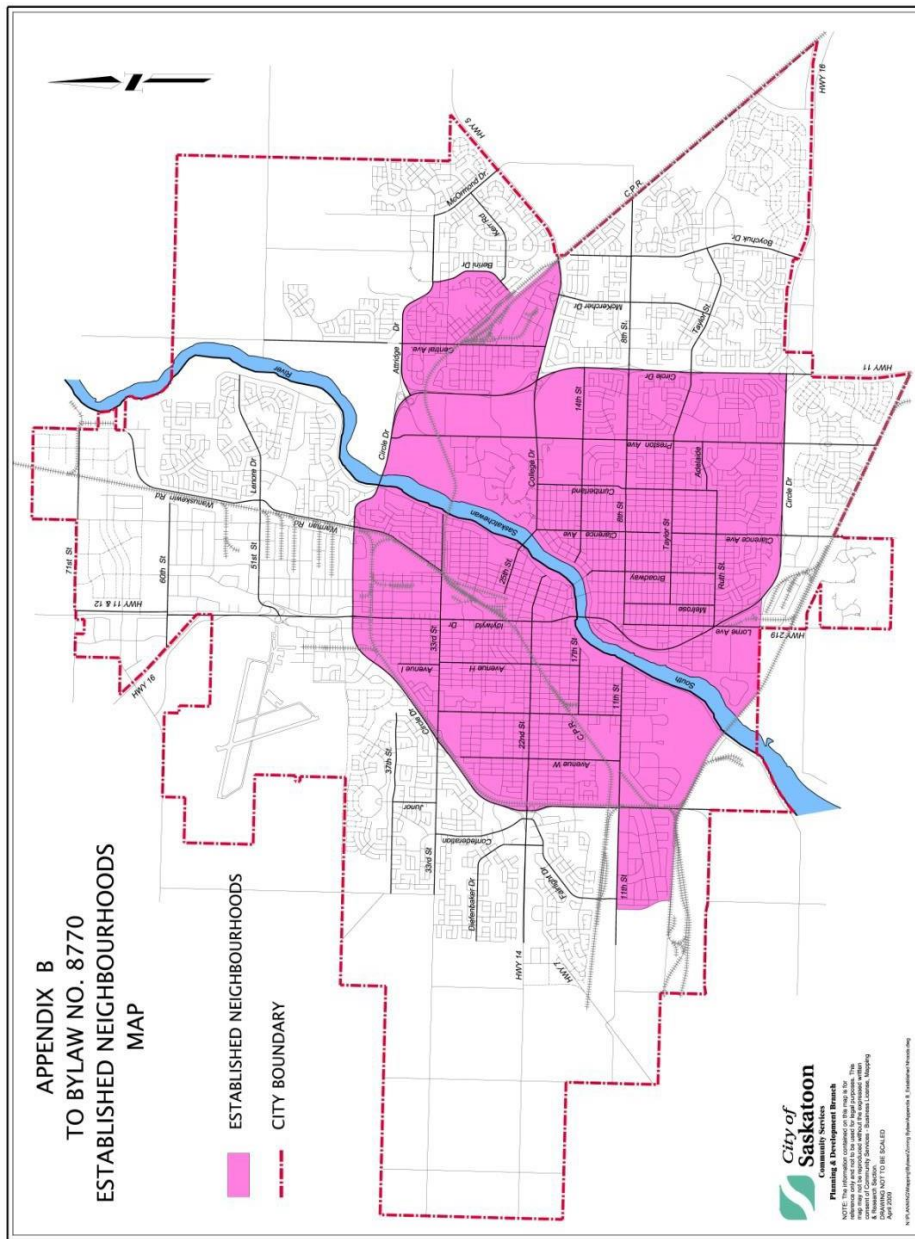
- a) Approve/reject recommendations for all tax abatement applications;  
and
- b) Review and approve amendments to this Policy.

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## Appendix A – Established Neighbourhoods Map

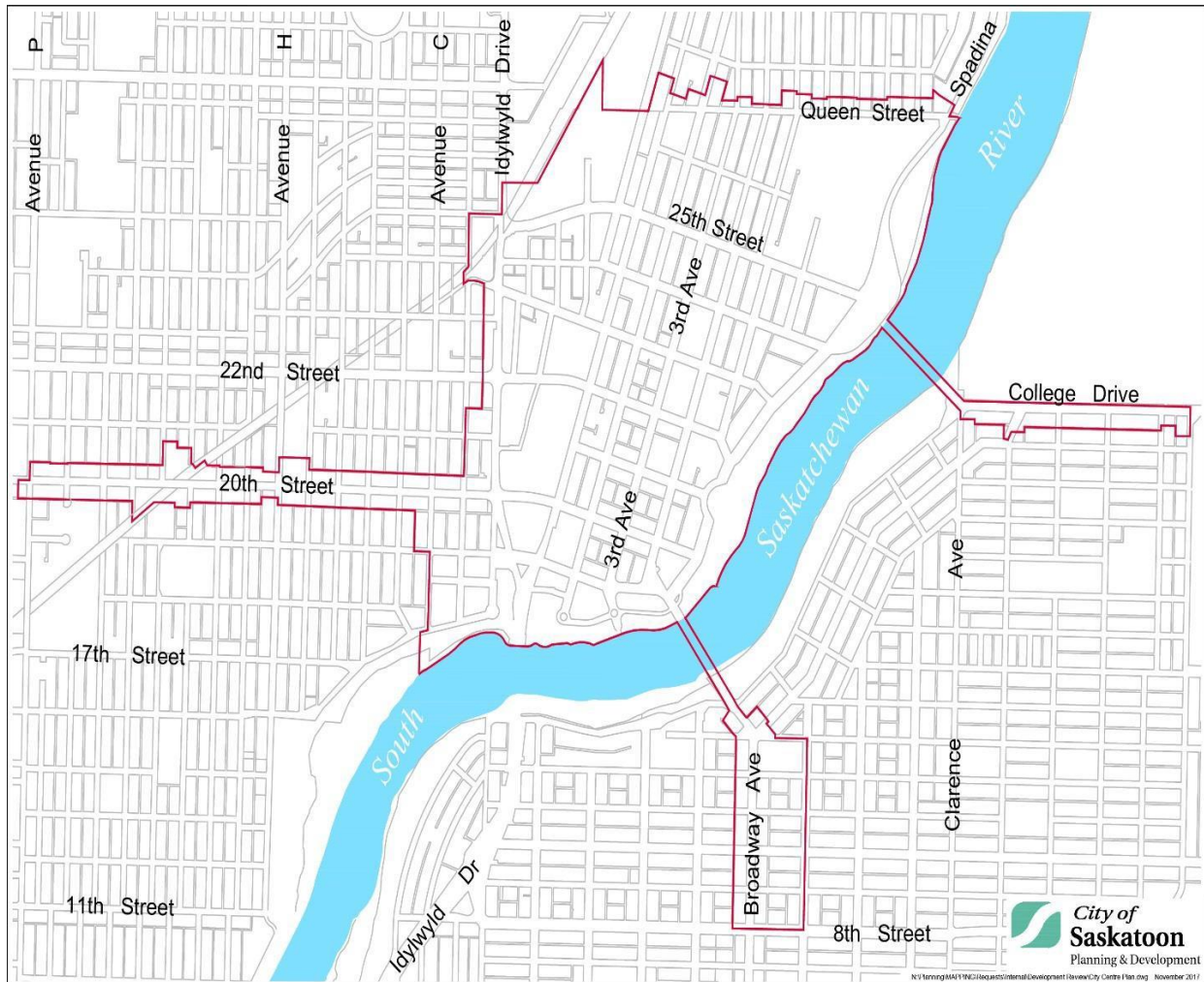


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## Appendix B – City Centre Boundary Map



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## Appendix C – Proposal Evaluation

All eligible proposals will automatically be granted 50 base points. Additional points will be provided when a proposal includes development features that achieve a range of policy objectives defined in the following table:

Residential - Development Feature		Additional Points
<b>Housing</b>	<b>ODD(s) / TUD(s)</b>	<b>10</b>
	Multi-unit Housing	20
	City Centre Housing (greater than 4 Storeys)	30
<b>Mixed Use Development</b> (combines two or more different types of land uses, such as residential, commercial, and office uses)	Live/Work Units	5
	Mixed Use (no residential use)	10
	Mixed Use (with residential)	15
<b>Parking Facilities</b> (excludes residential under six-units)	Secure Bicycle Parking Facility	5
	Structured Parking	10
<b>Adaptive Reuse of Building</b>	A building that has been vacant for at least one year and will be repurposed to fit another use.	20
	For Heritage Properties, sensitive adaptive reuse subject to approval of a Heritage Impact Statement	20
<b>Contributes to Public Realm</b>	Provide publicly accessible open space on private property. (applicant may contribute money to appropriate streetscape reserve in lieu of on site improvements)	10
<b>Environmental Remediation (site and/or building)</b>	To Commercial Standard	15
	To Residential/Park Standard	25
<b>Energy Efficient Design</b>	Third Party recognized Green Building Certification	20
	Other energy efficient features, above industry standards	10

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<b>Residential - Development Feature</b>		<b>Additional Points</b>
<b>Sustainable Development</b>	<b>Transit Oriented Development</b> - located within 175m from an existing transit stop	5
	<b>Walkable Community</b> - A minimum Walk Score of 70	5
	<b>Legal Secondary Suite</b>	5
	<b>Communal Garden</b> - designated area and appropriate facilities for a Communal Garden	5
<b>Primary use non-residential - Development Feature</b>		<b>Additional Points</b>
<b>Mixed Use Development</b> (combines two or more different types of land uses, such as residential, commercial, and office uses)	Mixed Use (no residential use)	10
	Mixed Use (with residential)	15
<b>Parking Facilities</b>	Secure Bicycle Parking Facility	5
	Structured Parking	10
<b>Adaptive Reuse of Building</b>	A building that has been vacant for at least one year and will be repurposed to fit another use	20
	For Heritage Properties, sensitive adaptive reuse subject to approval of a Heritage Impact Statement	20
<b>Contributes to Public Realm</b>	Provide publicly accessible open space on private property. (applicant may contribute money to appropriate streetscape reserve in lieu of on site improvements)	10
<b>Environmental Remediation (site and/or building)</b>	To Commercial Standard	15
	To Residential/Park Standard	25
<b>Energy Efficient Design</b>	Third Party recognized Green Building Certification (example LEED)	20
	Other energy efficient features, above industry standards	10
<b>Heritage</b>	Restoration of Heritage Features	5

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<b>City Centre Office Building - Development Feature</b>		<b>Additional Points</b>
<b>Parking Facilities</b>	Secure Bicycle Parking Facility	5
	Structured Parking	10
	Minimum 10% of Parking Available to Public	15
<b>Mixed Use Development</b> (combines two or more different types of land uses, such as residential, commercial, and office uses)	Mixed Use	10
<b>Adaptive Reuse of Building</b>	A building that has been vacant for at least one year and will be repurposed to fit another use	20
	For Heritage Properties, sensitive adaptive reuse subject to approval of a Heritage Impact Statement	20
<b>Contributes to Public Realm</b>	Provide publicly accessible open space on private property. (applicant may contribute money to appropriate streetscape reserve in lieu of on site improvements)	10
<b>Environmental Remediation (site and/or building)</b>	To Commercial Standard	15
	To Residential/Park Standard	25
<b>Energy Efficient Design</b>	Third Party recognized Green Building Certification (example LEED certified)	20
	Other energy efficient features, above industry standards	10
<b>Heritage</b>	Restoration of Heritage Features	5
<b>City Centre Structured Parking - Development Feature</b>		<b>Points</b>
<b>Parking Facilities</b>	2 or more levels, with at least <b>one level above or below</b> grade	<b>100</b>



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## Appendix D – Criteria for Gardens on Vacant Lots

1. Any vacant lot within the VLAR boundary is eligible for incentives, although vacant lots within agricultural (AG) districts are excluded.
2. To be eligible for the incentive, a minimum of 50% of the lot, or 100m<sup>2</sup>, whichever is smaller, must be used as garden space.
3. Trees on the site are not permitted to be cut down or pruned beyond a reasonable level.
4. The garden must be maintained in a safe and orderly manner, and all noxious weeds must be controlled.
5. The garden must not generate odour, dust, drainage impacts, or noise that may impact neighbouring properties or the right of way.
6. Accessory buildings greater than 10m<sup>2</sup> in total are not permitted on the site of a garden in a residential area. Compost bins, low hoop houses, and one garden shed (less than 10m<sup>2</sup>) are permitted. Any temporary structures such as low hoop houses or cold frames, which are used for the extension of the growing season, will not be considered accessory buildings provided they are less than 1.5m in height.
7. Any temporary structures on non-residential sites, such as hoop houses or greenhouses, will be considered accessory buildings if they are larger than 10m<sup>2</sup>. These accessory buildings may require seasonal building permits.
8. Compost must only consist of plant-based material, and compost bins must not cause any odour or visual impact.
9. Property owners are responsible to ensure that the land is suitable for gardening. Contaminated sites are not to be used for gardens, unless raised beds with clean soil are used.
10. If the produce is to be sold or donated, the gardener(s) must abide by all health and safety regulations.

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11. Sales of garden produce are only permitted on-site from residential districts if they are sold by non-profit organizations in accordance with garage sale regulations. On-site sales are permitted in all non-residential districts.