

Committee Meetings Agenda

July 6, 2021

Call to Order 4pm

Planning Board

- 1) 515 Central Street - Major Subdivision

Technical Services

- 1) Ditch infill
- 2) Traffic Management – Water Street East and vicinity
- 3) French School request/South Drive

Police, Fire and Emergency Services

- 1) School Resource Officer
- 2) Speed bumps

Bylaw and Policy Review

- 1) Treatment of vacant properties
- 2) Electric utility policy re: requirement for second meter

Special Council

- 1) Resolution COS 21-128 Zoning Bylaw amendment 194, 129 South Drive second reading
- 2) Resolution COS 21-129 Zoning Bylaw amendment 194, 129 South drive formal adoption
- 3) Resolution COS 21-130 Official Plan amendment 129, 515 Central Street formal adoption
- 4) Resolution COS 21-131 Zoning amendment 200, 515 Central Street second reading
- 5) Resolution COS 21-132 Zoning amendment 200, 515 Central Street formal adoption

Planning Board Agenda

July 6, 2021

- 1) Call to Order 4:00pm
- 2) Approval of the Agenda
- 3) 515 Central Street - Major Subdivision
- 4) Adjournment

July 6, 2021

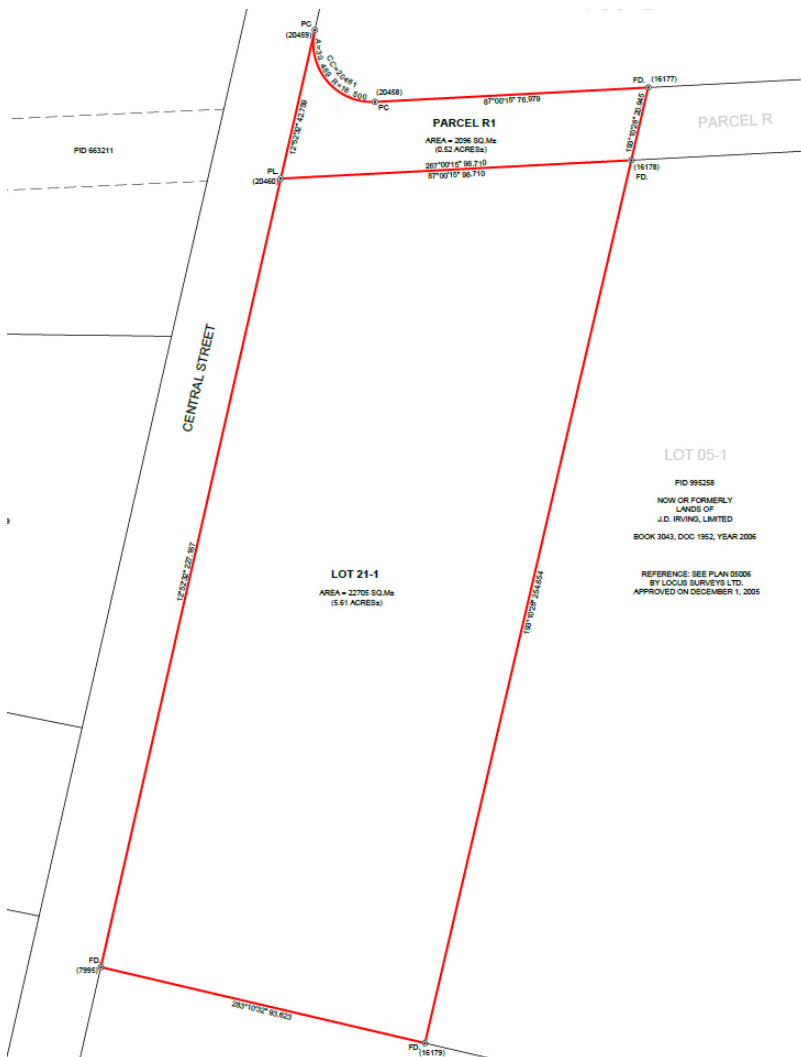
Department/Committee: Planning Board

Subject: 515 Central Street Subdivision – Preliminary Approval

SUPPORTING EXPLANATION:

Purpose: To subdivide a portion of PID #663211 at 515 Central Street, creating 1 new lot (21-1), Parcel R1 and the remainder of PID #663211, as shown on the preliminary subdivision plan prepared by Locus Survey Ltd., drawing number 21123-S01, dated June 2, 2021.

Background: An application was received from Enterprise Venture Group Inc. for a portion of PID #663211, to subdivide this parcel into 3 parcels, Lot 21-1, Parcel R1 and the remainder of PID #663211. Lot 21-1 is intended to be for an Automobile Sales Establishment (OP and ZB amendments for lot 21-1 are in process). Parcel R1 is intended for a future street to connect from Central street to Granville Street. The remaining portion of PID #663211 will remain undeveloped at this time. The proposed lot/parcels are indicated on preliminary survey plan prepared by Locus Survey Ltd., drawing number 21123-S01, dated June 2, 2021.



Report: As required under Section 3.6 of the *Subdivision and Site Development Bylaw*, Council Planning Board and the Development Officer shall consider the following general criteria when reviewing development applications under this Bylaw, as applicable:

a. *Conformity with this Bylaw.*

Staff Comment: This subdivision promotes “smart growth” making effective use of the land and applies to the principle of “orderly and following”. As a result of the public meeting for the rezoning of this land, a public meeting was held on June 22, 2021. At this meeting the property owner stated that the land would be developed as an automobile sales establishment.

b. *Conformity with the Official Plan.*

Staff Comment: This subdivision of land conforms to the Official Plan (5.4.2 -North Granville Commercial Area) and the criteria (e, f, g and h) identified in the Parks and Greenspace plan (Section 8.4). The proposed amendments have no impact on the Parks and Green Space Plan.

Objective **To support development in the North Granville Street commercial area**

Policies	The following are Council’s statements of policy
1. Reserve the area primarily for retail commercial uses, together with supporting service commercial uses.	
2. Promote good transportation access to the area by:	<ul style="list-style-type: none"> a) retaining both the Central Street and Granville Street accesses onto Highway No.2 to all forms of traffic, including pedestrians and cyclists; b) improving east-west road access across the City along the Pope Road axis, with connections south to Water Street East; c) Consider requiring rear access roads for all new commercial developments along Highway No.2.
3. Require that future, east-west road access is reserved through the designated commercial area north-east of Granville Street and Walker Avenue, to allow for further commercial expansion over the very long term (ie. 15+ years).	
4. Provide for convenient pedestrian access to the commercial area from surrounding housing areas.	
5. Promote high urban design standards for commercial buildings and spaces.	
6. Require and promote more landscaping and tree planting to improve the appearance of Granville Street and to break up the monotony of large parking lots.	

c. *Conformity with the Zoning Bylaw.*

Staff Comment: The proposed subdivision will meet the criteria for the proposed Service Commercial (C2) zoning. The rezoning is in process.

d. *The orderly and following nature of the development.*

Staff Comment: This development promotes residential growth and is an example of infilling vacant land.

- e. *Physical suitability of the site for the proposed development, including avoidance of natural hazards, undue water run-off, or environmental damage.*

Staff Comment: The site is suitable for development. The development will have no impact regarding natural hazards or environmental damage as these matters are not applicable with this development. Water run-off will be directed to City storm drainage system.

- f. *Compatibility of the proposed development with the present and future surrounding patterns of streets, lots and services, including conformity with any City concept plans.*

Staff Comment: This development promotes the pattern of streets in the area, the lots and servicing will be designed to meet City standards.

- g. *Adequacy of the applicant's proposals for traffic circulation, parking, pedestrian access, water supply, sewage disposal and storm drainage, including the adequacy of City streets and services to handle increased loads.*

Staff Comment: Vehicular access will be limited to meet TAC standard setbacks from the future street intersection (Roy Boates extension). Parking requirements will be review upon site plan submittal. There is currently no sidewalk in this area. There is a future greenway (740, Platte River) to the south of the subject property, intended to be a connection from Greenwood Drive area to Granville St. Central Street has a 250mm distribution water main on the east side of the street that can handle the water requirements for this development. The developer is responsible for any service requirements and the connection to the City water distribution system. Central Street has a 300mm trunk sewer main just north of Walker Avenue that will have to be extended as a sewerage collection main to service this property and properties on the other side of the road. The Developer will be responsible for the design and installation of this new sewer main. Other property owners who will benefit as a result of the sewer main extension will be applied a latecomer charge based on applicable frontage, with Council approval. The frontage breakdown and map overview for cost allocation and latecomer breakdown fees are attached (please note the costing provided is an estimated cost). The city's trunk sewer main can handle the additional sewer loading from this development. There is an existing ditched storm drainage system on Central Street abutting the property. The development will be required to have an onsite drainage system to be piped to the existing ditch system. The on-site system will be required to be designed to only allow drainage to drain to the system based on the R1 designation. The system will have to retain the additional drainage and slowly allow it to flow into the City system based on the R1 rate calculations.

- h. *Suitability of parkland provisions*

Staff Comment: Parkland dedication is not required for commercial development.

- i. *Impacts on City finances and budgets.*

Staff Comment: The impact has been included in this report

- j. *Proof of conformity with any applicable Provincial legislation and regulations.*

Staff Comment:

- k. *Other matters as considered relevant.*

Staff Comment: The proposed street name will be submitted by the developer.

STAFF REVIEW: City Staff supports the application from Enterprise Venture Group Inc. for a major subdivision as per the preliminary subdivision plan prepared by Locus Survey Ltd., drawing number 21123-S01, dated June 2, 2021.

As per Section 8.5 of the Subdivision and Site Development Bylaw, the Planning Board shall make a recommendation to Council on this application before it is approved or denied.

The planning board recommendation whether carried or defeated will be brought forward for Council for a final decision.

PLANNING BOARD RECOMMENDATION: The application from Enterprise Venture Group Inc. for preliminary subdivision of the subject property, being subdivided into 3 parcels, Lot 21-1, Parcel R1 and the remainder of PID #663211, as shown on the preliminary subdivision plan prepared by Locus Survey Ltd., drawing number 21123-S01, dated June 2, 2021, be recommended to be approved by Council, subject to the following:

1. The developer shall satisfy all municipal servicing requirements.
2. The developer enters into a development agreement.

Moved by: _____ Seconded by: _____

Motion:

Carried		For	
Defeated		Against	

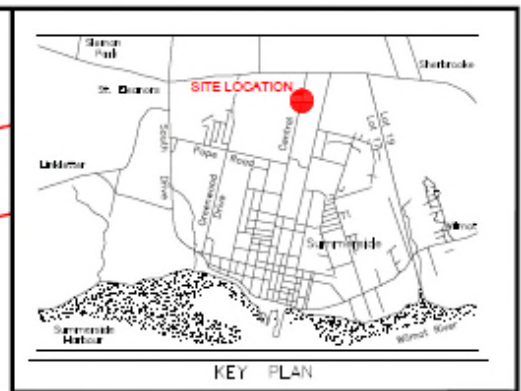
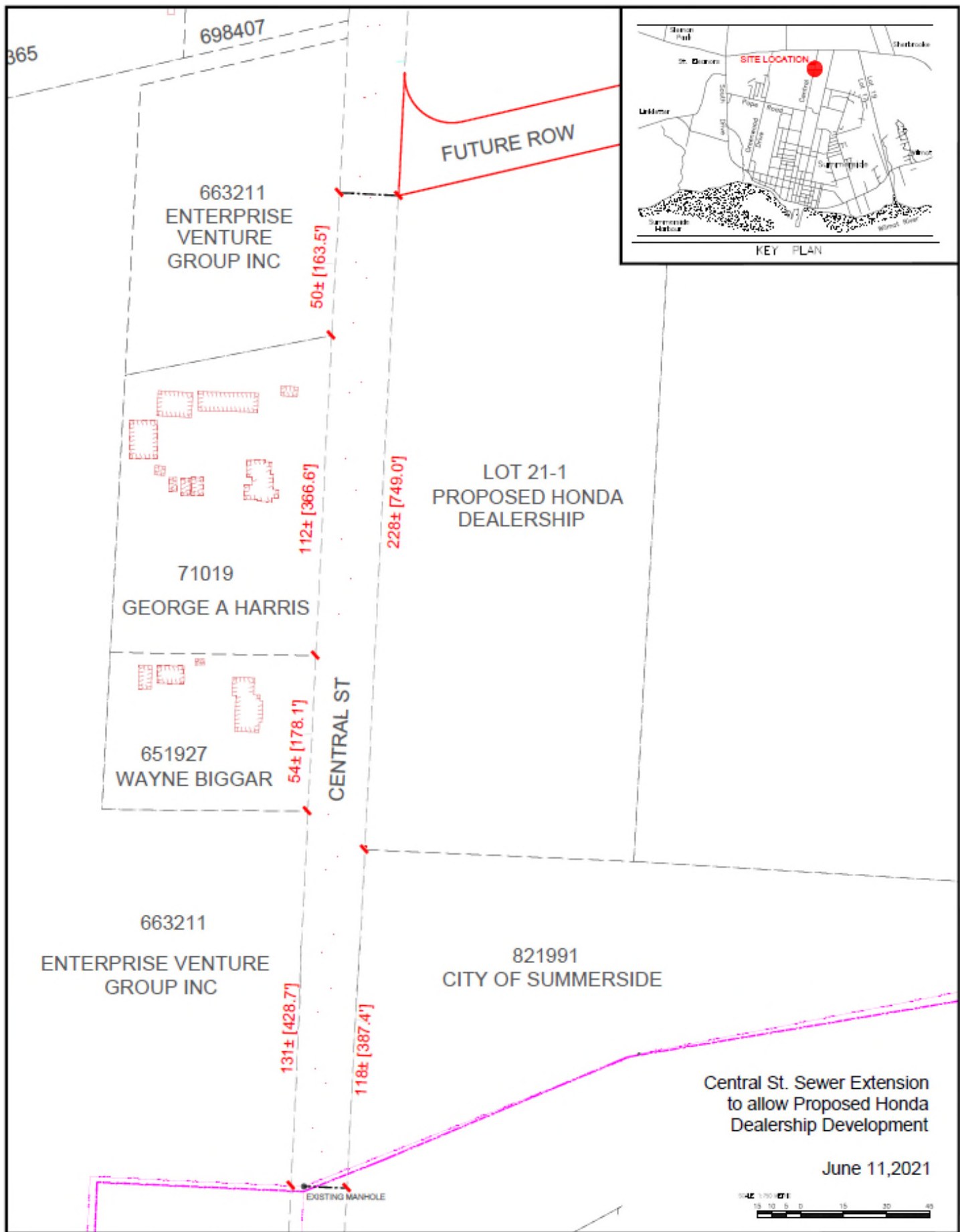
Central Street Sewer Extension to accommodate proposed car dealership development

11-Jun-21

PID	Owner	Frontage	Exemption	Applicable Frontage	Latecomer	%	
821991	City	118		118		17%	\$ 59,595.96
663211	Developer	228		228		33%	\$ 115,151.52
663211	EVG	50		50	60	7%	\$ 25,252.53
71019	Harris	112		62	61	9%	\$ 31,313.13
651927	Biggar	54		4	4	1%	\$ 2,020.20
663211	EVG	131		131	130	19%	\$ 66,161.62
On site services	City			100		14%	\$ 50,505.05
totals		693	0	693	255	100%	\$ 350,000.00

**Project
Estimate 350,000**

City	31%	\$ 110,101.01
Latecomer	36%	\$ 124,747.47
Developer	33%	\$ 115,151.52
Total		\$ 350,000.00



Technical Services Committee Agenda

July 6, 2021

- 1) Call to Order
- 2) Approval of the Agenda
- 3) Ditch infill
- 4) Traffic Management – Water Street East and vicinity
- 5) French School request/South Drive
- 6) Adjournment

Infill comparisons and cost reduction measures

We have been asked to do a recap of the infill program as well as to recap any changes to the program that have been implemented in an effort to decrease the cost of this program. The following is that summary with a couple sketches to aid in the following this verbal description.

When the infill program began in 1999 the work consisted of:

- Add a storm system on one of the shoulders of the existing road.
- Widen the existing road from 6m to 8.5m, effectively widening each side by 1.2m or 4 feet.
- Add concrete curbing on both sides of the road. There are Catch Basins in the Concrete Curb and Gutter spaced every 100 m to collect the water from the front yards and the street.
- Slope the front yards to the top of the new curbs to allow front yards to drain to the street and into the new storm system.
- Remove all the existing driveway culverts.
- Remove and repair the driveways from the inside edge of the culverts all the way out to the new street edge.
- In some locations catch basins had to be installed behind the curbing as some existing lots are lower than the existing asphalt road grade.
- Topsoil and Sod all disturbed areas.

With this method we end up with:

Only a Storm system on one side of the street.

Front yards drain to a system in the street that is cleared in the winter, mainly cleared by plowing and salting operations.

When the infill program was revised in 2016 the driver was to reduce the overall cost of this work. The input for suggestions came from the successful bidders to identify areas they felt the City could save money as well as direction from council. The new scope of work now consists of:

- Add storm systems on both of the ditches of the existing road
- Do not Widen the existing road from 6 m to 8.5 m
- Do not Add concrete curbing on either sides of the road
- Slope the front yards to the top of the new catch basins in the ditch.
- The tops of these catch basins are to be 6" lower than the existing shoulder to not allow drainage out on the street as the storm system is in the old ditch alignment.
- In some locations catch basins have to be installed lower than this as these lots are lower than the existing asphalt road grade.
- Remove all the existing driveway culverts.
- Remove and repair ONLY the driveways wide enough to remove the culverts.
- Decrease the driveway repair specifications and method to reflect new driveway installations.
- Use asphalt millings along street edge versus topsoil seed or sod as multiple return trips to repair damages

- Catch basins in front yards were permitted to be the Catch T type, previously all had to be concrete catch basins. New type does not withstand vehicle wheel loading.

With this method we end up with:

Now have 2 storm systems, one each side of the street, for future maintenance and replacement.

Front yards drain to catch basin structures on most every yard and may need to be cleared to allow water to drain.

Land owners still end up with a small swale (Min 6 " deep) as lots cannot slope directly to the asphalt edge as we have to direct water to the storm system which is now in the old ditch alignment.

Cost savings were noted in the year 2016 when we tendered both options for the same street. 30% if I recall.

Both options are expensive options. It costs more to add systems when the rest are already in place.

We can't strip anything else out of the program. Basically, there to drain yards and the street.

City wide demand was way less when the program was costs shared.

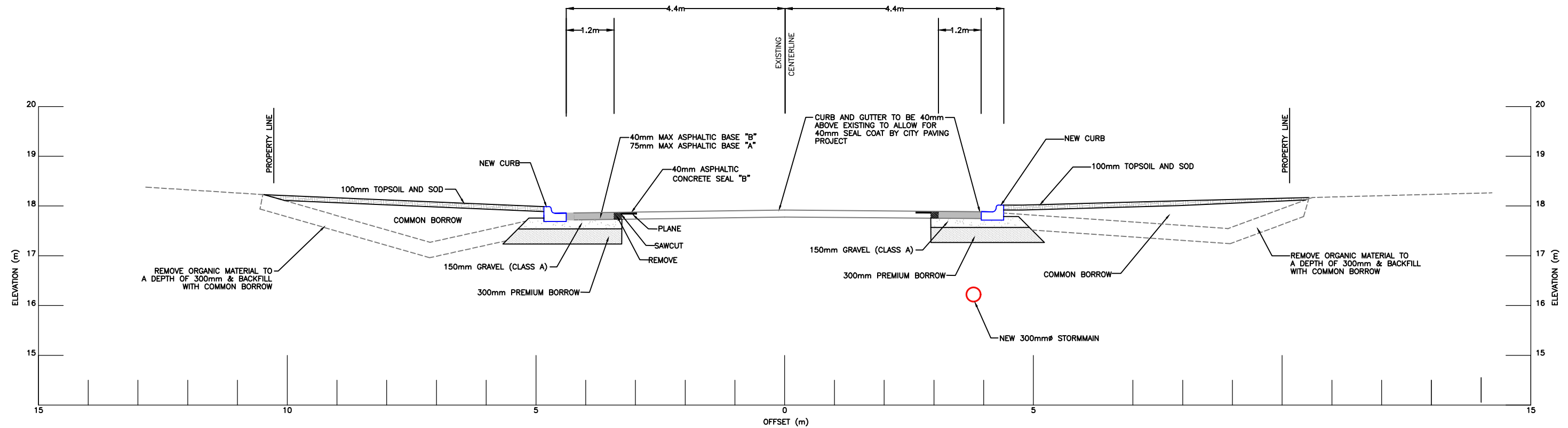
The Old town cost shared back in the day 25-50% and it was done based on the willingness of the landowners to pay their share.

In 1999 the system was cost sharded (10%) and the demand was way less.

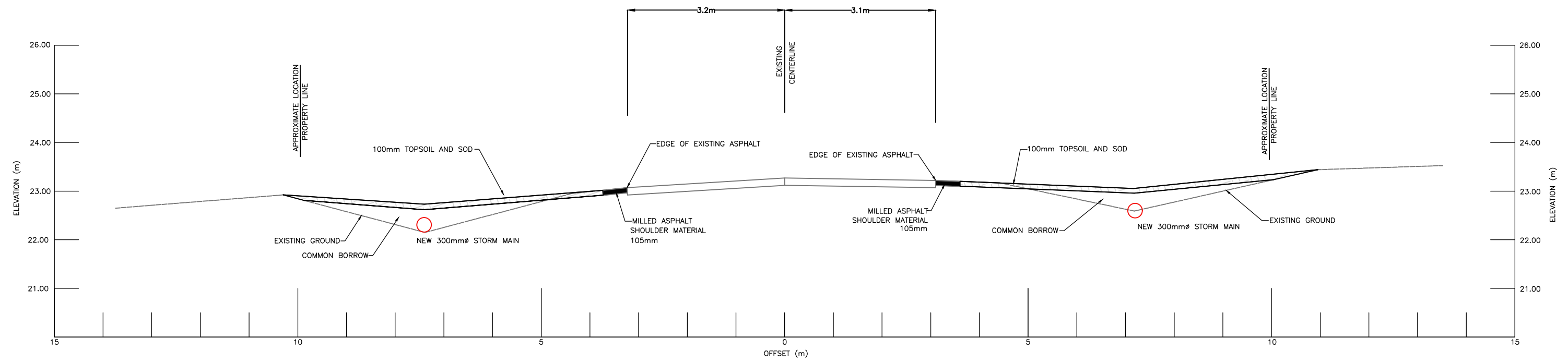
All those areas or sections of streets previously petitioned and thus those willing to cost share, have now been completed.

Now that it is not cost shared, everyone wants it as well, which only stands to reason.

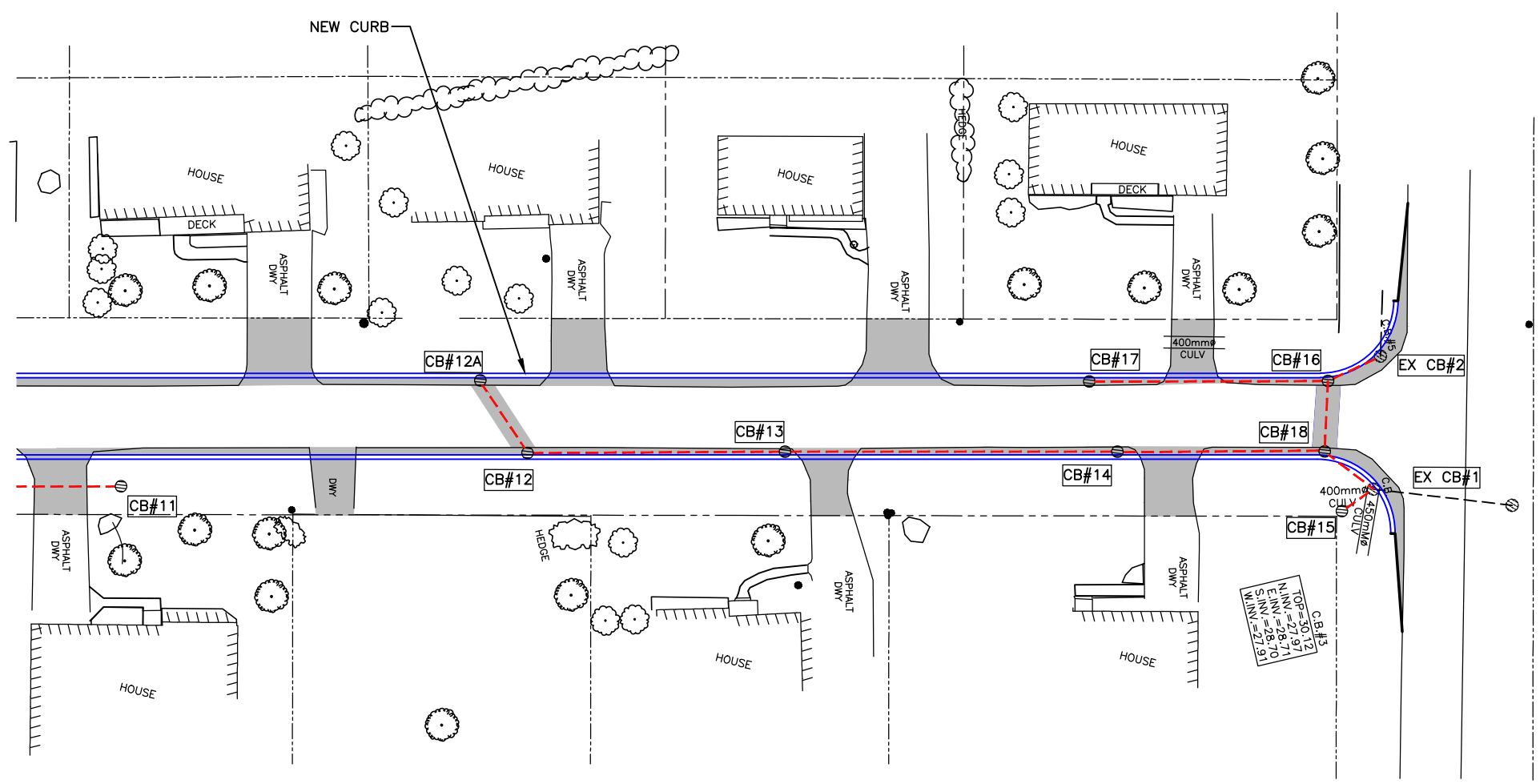
CROSS SECTION "A" - ORIGINAL INFILL STANDARD STYLE



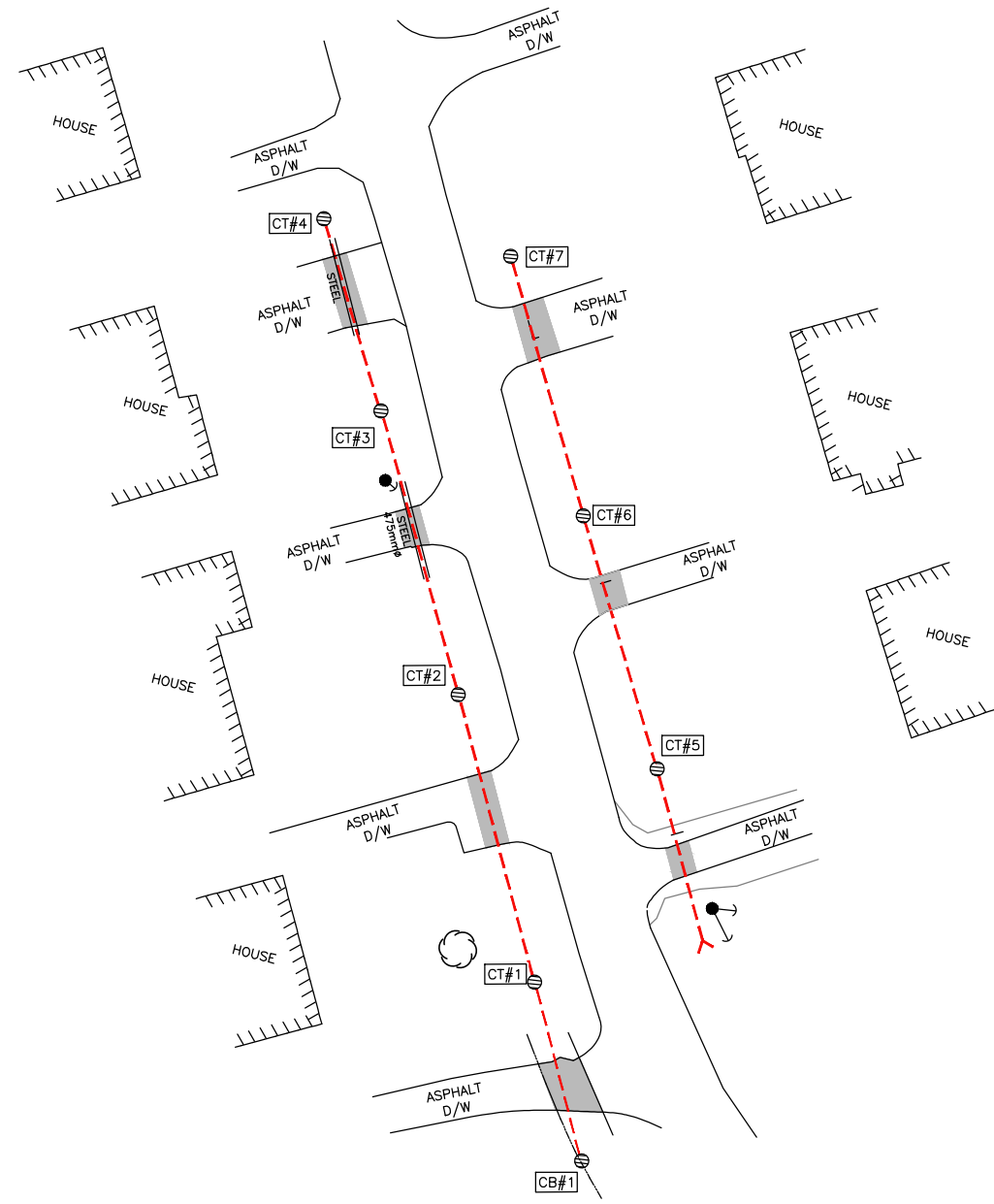
CROSS SECTION "B" REVISED INFILL STANDARD STYLE

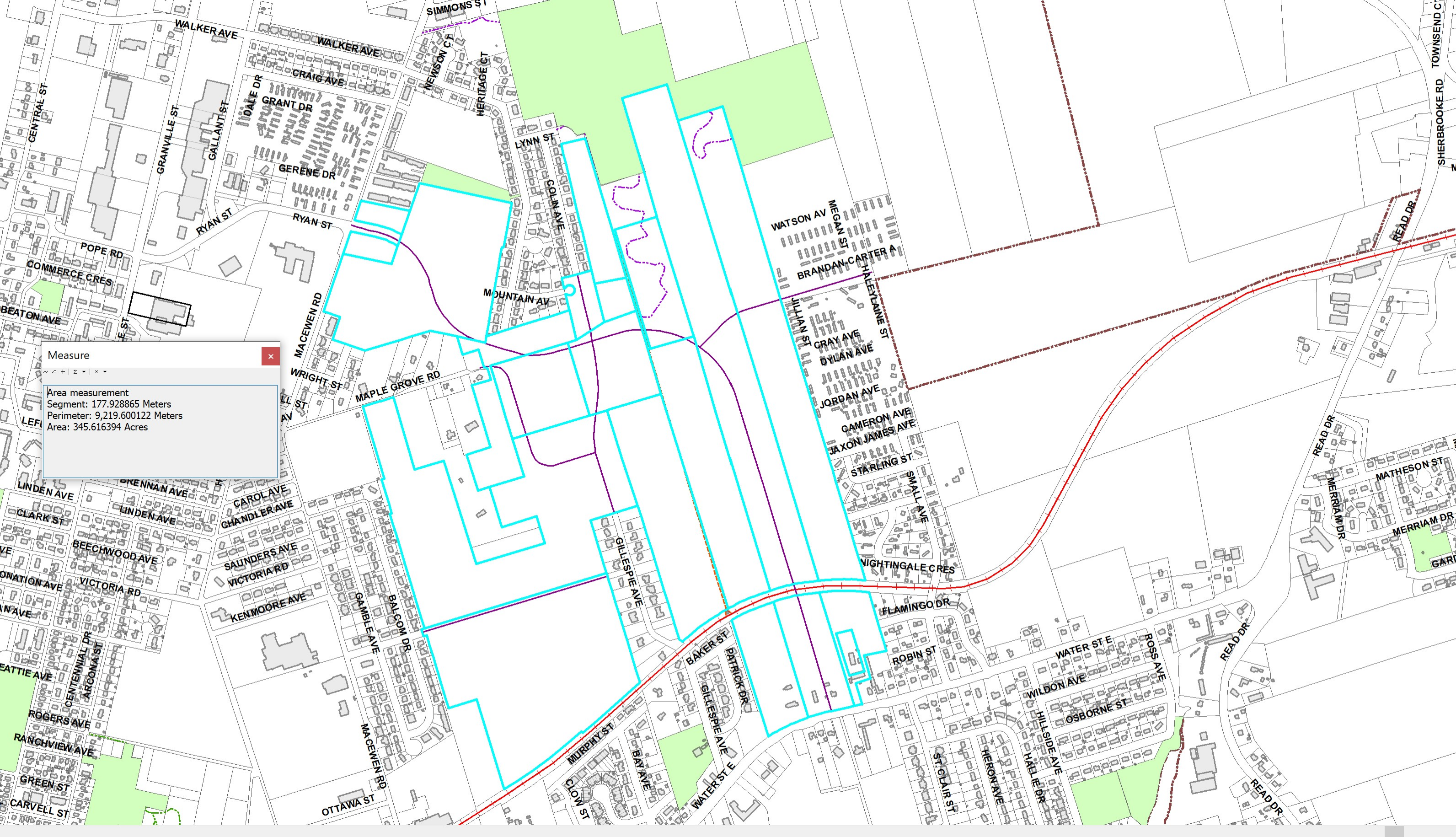


ORIGINAL INFILL STANDARD STYLE



REVISED INFILL STANDARD STYLE





Measure

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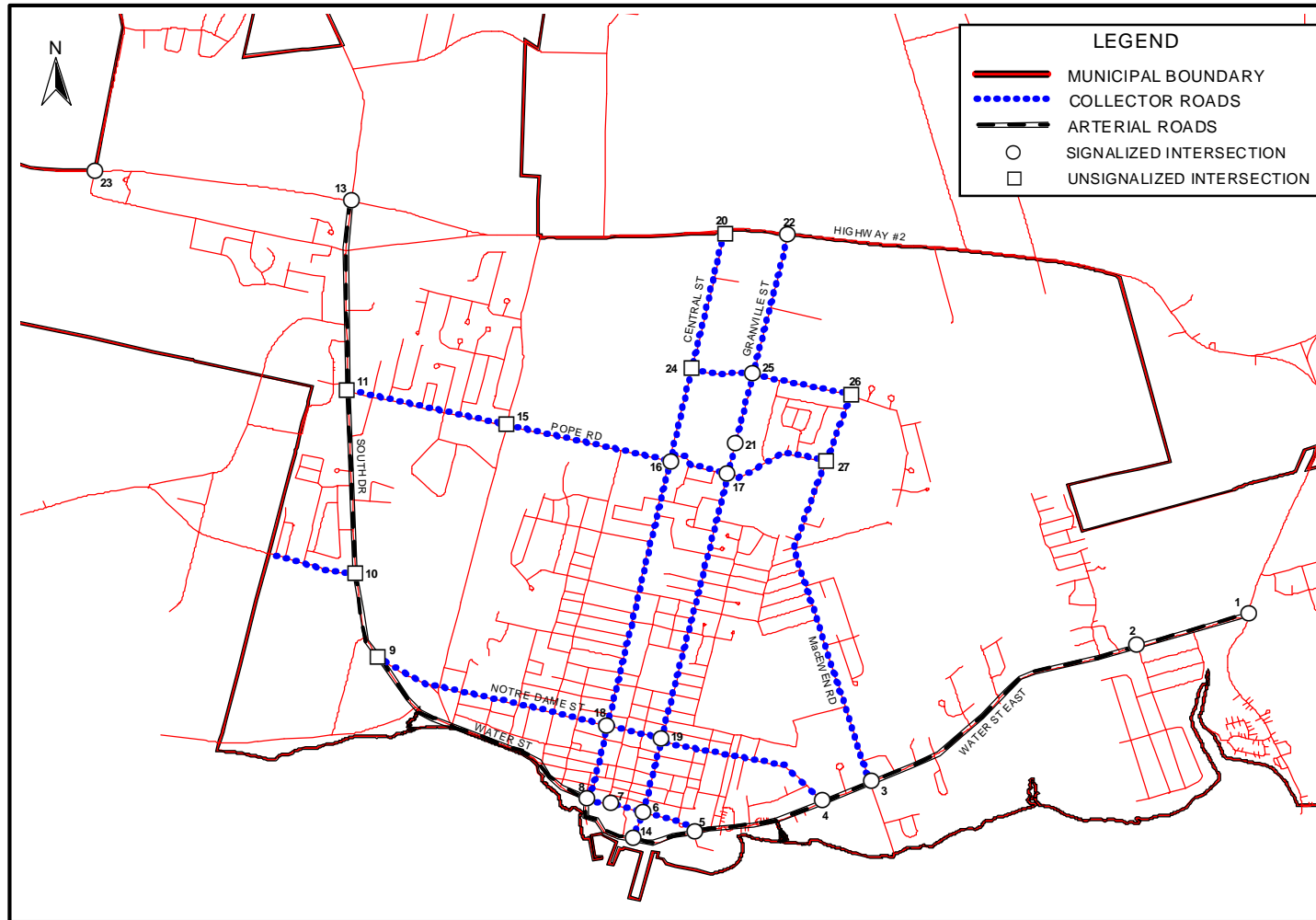
Area measurement

Segment: 177.928865 Meters

Perimeter: 9,219.600122 Meters

Area: 345.616394 Acres

Figure 2-1 Road Network



Council policy is to:

- C1. *Promote construction of an east-west connector street to facilitate cross-city vehicle traffic flows, relieve congestion on Water Street East, improve access to the Downtown, remove unwanted traffic from local streets, and open up areas for development*
- C2. *Align routes for the 'long' and 'short' connectors and accesses with local street patterns as shown on Schedule 'B.'*
- C3. *Review Official Plan land-use designations and zoning in the area of the connector to allow appropriate development, while reserving some suitable lands for natural conservation and parklands.*
- C4. *Create a 'Connector Corridor Zone (CZ)' which would extend up to 200 feet on either side of the connector ROW providing for flexible development standards to encourage the development of a mixed residential-commercial development along the connector route.*
- C5. *Encourage designs that are pedestrian friendly, thus encouraging walkability in the ROW.*

3.4 Implementation Policies

Council policy is to:

- C6. *Cost-share construction costs for the connector between the City and development applicants in accordance with the Summerside Subdivision Development Bylaw SS-19 and the City of Summerside Development Standards, but also offer a special limited access bonus to eligible developers.*
- C7. *Review suitable opportunities for federal/provincial funding support to assist in constructing parts of the connector.*
- C8. *Target completion of the 'short' connector by the 2015-2020 time frame, subject to available resources, and then commence constructing the 'long' connector.*
- C9. *Select and reserve a suitable right-of-way (ROW) for the entire length of the 'short' connector as soon as possible.*

3.3 Cost-Sharing

3.3.1 Development-Build Option

As much of the connector as possible will be built through the development process. Cost-sharing between development applicants and the City will follow the rules set out in the *Summerside Subdivision Bylaw SS-19 and the City of Summerside Development Standards*, including but not limited to:

- a) The applicant dedicates all new street ROW's for that portion of the connector running through their property.
- b) The applicant pays a cost-share for constructing the connector equivalent to a standard in line with the proposed development and as specified in the *Summerside Subdivision Bylaw SS-19 and the City of Summerside Development Standards*. The City pays the remaining “oversizing” costs required for constructing the connector to full “collector street standards,” including any sidewalk costs, subject to section 3.3.4 below and Council approving the allocation of funds.
- c) An applicant for development which is not Aorderly and following,@ pays all costs to get the connector up to their property boundary (including any oversizing costs), in addition to normal street costs through their property per the *Summerside Water and Sewer Bylaw SS-01*.

3.3.2 City-Build Option

To ensure timely completion The City may seek federal-provincial funding partners to build parts of the connector in advance of development. However, City participation will be subject to the following conditions:

- a) The City reserves the option of applying >latecomer charges= to recover their cost-shares from benefitting property owners, in accordance with the *Summerside Subdivision Bylaw SS-19 and the City of Summerside Development Standards*.

Measure ×

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Line measurement (Planar)
Segment: 121.952802 Meters
Length: 121.952802 Meters

French School/South Drive

Staff have reviewed the area.

A few items were covered in the review.

If we were to make the appropriate changes they would include:

Upgrade the cross walk to include the new type RRFB (Rectangular Rapid Flashing Beacon), similar to further down South Dr and the revised intersection of Pope and Greenwood, as this intersection would likely qualify if more pedestrians used the crossing, but could potentially qualify now with it being very close to a school zone.

The second portion was a to review the access to this crossing from the neighborhood on Tanton.

The existing shoulder of the road cannot just be paved to provide an access.

The width of the shoulder is wider at South Dr. but narrows to less than 2 feet wide for the majority of the distance to Tanton.

Just straight widening would not be able to happen as the driveway culverts are very close to the street as well as the resulting bottom of the ditch.

In order to widen the asphalt or install sidewalk the street and shoulder must be widened and as a result the ditch needs to be infilled on the north side.

We have estimated the cost to upgrade the crosswalk to RRFB's as well as widen the northern side of Tanton and install a sidewalk to be in the range of \$145,000 plus taxes.

We do not have budget for this item.

If council finds the money in other locations and provides us direction to proceed we will do a further in depth review of what is required and price it out with one of our existing contractors to see if we can get the work completed.

Most contracts are busy right now and our latest tenders did not plan to get started until later this fall.

We could however order the RRFB for example provided we have budget and approval.

To upgrade only the crosswalk itself with new RRFB's would be in the range of \$15,000 – 20,000.

Police, Fire & Emergency Planning

Committee Agenda

July 6, 2021

- 1) Call to Order
- 2) Approval of the Agenda
- 3) School Resource Officer
- 4) Speed bumps
- 5) Adjournment

Policy & Bylaw Review Committee Agenda

June 30, 2021

- 1) Call to Order
- 2) Approval of the Agenda
- 3) Treatment of vacant properties
- 4) Electric utility policy re: requirement for second meter
- 5) Adjournment

Vacant, Derelict, Brownfield (*Dark*) Properties

Internal Preliminary Status Report

Policy Options

June 2, 2017

Introduction

This is a preliminary report. There are more questions to answer, more work to do on this initiative, but I want Council updated during this early phase, especially at a time when clear direction hasn't been set yet. You'll notice this is an *internal* report. The reasons for this stem from the need to give Council specific site examples or private ownership and actual data which if published prematurely could stir up suspicion and allegations of targeting private individuals or corporations. Once Council is familiar with the exact tax data on identified properties we can move the discussion into the public forum, conducting it in a generic fashion. Any bylaw, policy or tax measure should be developed with a broad, city-wide perspective in any case, certainly not to band-aid an individual site.

This report's purpose is to lay out broad issues on the City's approach to commercial, industrial or institutional properties which are vacant, derelict, and unsafe or have deteriorated into *brownfields*. This last term is defined below in its own section. Vacant retail units can be referred to a *dark stores*.

Council's direction is that staff investigate a special tax on vacant properties. On the surface, the idea that a special tax will solve the problem of vacant properties looks simple. As the onion is peeled back, however, layers of complexity unfold and these ought to be studied before making any decisions.

Main Issue

Elected officials and the public would assert that vacant, derelict or brownfield properties have harmed the City of Summerside in many ways for many years. Such properties sap community vibrancy, impede residential and economic development, choke the growth of the tax base, discourage development of neighboring properties, and violate the City's sense of civic pride.

Council's goal is to stimulate activity with these types of *dark* properties either through policy and program instruments, bylaws, special taxes, and/or partnership initiatives with likeminded stakeholders.

Inventory of Dark Properties

A sampling of properties with negative impact on the City follows. It is not exhaustive.

- Old Holland College site, brownfield
- Manor property, obsolete, derelict
- Decommissioned government garage
- Vacant Regent Bar
- Vacant Wiebel Building

Background

Historical details of the individual properties matter less than the characteristics they all share right now. All of these vacant, derelict or brownfield properties have been long untouched by development. The negative impacts have crossed the community's threshold of tolerance.

Background does matter, however, when it comes to who owns what property. A generic, one-size-fits-all policy or bylaw will not work for both private and government ownership.

Background is also important in classifying the properties for the purpose of policy development. For example, the old Holland College may qualify as a *brownfield* site. And even though it's vacant, that term is problematic because the building isn't fit for occupancy of any kind. It *must* be vacant in its present state. The old Regent Bar, likewise, is vacant but unfit for immediate occupancy. But the Regent is not a *brownfield*, or at least does not appear so. It is run-down, requiring either a major renovation or demolition. The old government garage may or may not be considered vacant, depending on one's view of its functional potential.

The point of paying attention to background is that it should be a factor in shaping any policy or bylaw meant to address the challenges. More than one treatment or remedy may be needed.

Analysis

Tens of thousands of vacant, derelict, brownfield, industrial/commercial properties are scattered across Canada. Ontario has the highest concentration with its history as the industrial/commercial heartland of the country. This report is appended by a table of various approaches taken up by municipalities across the country. Not all of the examples are directly relevant because the reasons for vacancy or brownfields vary. All instances, however, do share a perception that vacant properties of any kind present problems, whatever the cause may be, whether commercial or residential.

Legislative Authority

Legislation limits City powers. The Province both manages and rules over municipal property assessment, property classifications and collections of tax accounts receivable. (*Real Property Assessment Act*)

PEI's New Municipal Government Act (MGA)

Tax Groups

The new MGA will take effect in the fall of 2017. The Act allows the municipality to create a bylaw establishing "tax rate groups" for real properties with similar attributes (159). It isn't clear yet if *disused* or *vacant* or *brownfield* would qualify as a bona fide tax group. If Council decides to pursue this direction we'll need to assess its viability and compliance with the province.

Differential Fee

Section 163 of the new MGA directly addresses commercial property vacancy. Under the Assessment Act, if a commercially property has been vacated for at least 6 months, its assessment status changes from commercial to residential (163(1) (b)). This lowers the tax payable significantly. In the new Act, municipality may levy a *differential fee* to make up (not exceed) the difference between the non-commercial and commercial tax levied. The municipality is responsible for collecting the fee (163(2) (b)). Like regular property taxes, an unpaid differential fee represents a lien on the property.

Undoing the Provincial Rebate

If applied, the Differential Fee effectively reverses the action in Section 10(2) of the PEI Real Property Tax Act.

20(2) When any occupier of commercial realty permanently vacates...the Minister..shall rebate...the difference between the tax calculated from commercial realty and the tax calculated at the rate other than commercial realty.

The Ontario Lesson – The rise and fall of property tax rebates for vacant properties

By far, Ontario has the largest number of vacant properties. In Ontario, municipalities are responsible for collecting their own taxes, not the province. In 1998 the Provincial of Ontario's legislation imposed a mandatory tax rebate for vacated commercial and industrial properties, which must be paid back to vacant property owners by municipalities. The rebates are 30% for commercial and 35% for industrial.

The argument for tax rebates is simple, if short-sighted: vacated property owners do not make the same demands on municipal services as occupied premises. A testimony to this position is reflected in the appendix accompanying this report: the fee for Island Waste services is zero for the old Holland College site. It's also said that the tax relief can motivate an owner to rehabilitate and re-occupy, although evidence in Ontario has not shown this to be the case. A Councillor from London Ontario said, *The policy benefits land speculators who buy land and sit on it, and hurts development, especially downtown.*

The Province of Ontario has recently amended legislation, giving municipalities the authority to end the rebate program. The amendment clearly suggests they're trying to correct a program which has failed to achieve desired outcomes.

Many municipalities large and small across Ontario are seriously looking at ending the rebate program. Toronto, Ottawa (last year \$17M in rebates), London, Windsor, Hamilton, Peterborough and many others. Opponents, however, a prominent developer in London (Mikhail Holdings) claims that properties aren't kept for the sake of recouping a small rebate. A real estate broker from the same city stated that ending tax rebates *without a doubt will lead to further derelict properties and power of sale proceedings.*

Brockville started down the road of eliminating the rebate program, but eventually lost political support at decision making time. The Mayor indicated that council should invite consultations from property owners first, before moving ahead. He said, *If you have an empty store, the fact that you've got a 30% rebate on your taxes is not the driver of it being empty.*

In Quebec, Montreal Councillor, Alex Norris sympathizes with property owners, saying "Oftentimes it's long-time owners who don't really have the financial resources to maintain the buildings they own, but there's nothing really forcing them to give them up". Some owners who may have had development plans cite local and provincial red tape, restrictions and codes as prohibitive and/or costly. Universite du Quebec analyst Unsal Ozdilek claims, "If the building isn't fixed, it drags down that building's property value and affects the values of neighboring homes [and businesses]. That should be a concern to the city". He suggests not just ramming through tax hikes, permits or zoning changes, but offering grants to encourage renovation.

Brownfields

A brownfield can be defined as an undeveloped or previously developed property which may be contaminated. They are usually industrial, commercial or institutional properties which are underutilized, unsafe, derelict or unfit for vacancy.

Council should give consideration to different treatments between vacant properties and brownfields. Much of the national debate about ending rebates for vacant commercial properties focuses on premises which are quite fit for occupancy, but for whatever reason, are not rented. A brownfield is different because it requires major rehabilitation of land, buildings, but often both, to make them fit for occupancy.

Brownfields can pose financial challenges to remediation and development. In many cases the cost of remediation deters private sector development. Uncertainty is a factor when it comes to costly environmental studies and demolition and clean-up costs and lenders reluctant to advance capital. Legal and insurance costs can be high, to protect against future liability.

If Summerside escalated the tax rate or imposed a differential fee, it's reasonable to ask, *Will higher taxes on brownfields accelerate or decelerate future development?*

The prevailing answer claims that the odds of making good on brownfield redevelopment opportunities are much better by offering carrots, not sticks. Municipal incentives are tools used in *Community Improvement Plans (CIPs)* discussed next. The FCM backs the carrot approach as a serious option. The FCM sponsors special brownfield grants and loans to promote this type of strategy. Their support would assume that municipalities can or should be ready and able to take up some direct responsibility towards a shared private/public goal of capitalizing on brownfield redevelopment opportunities.

The success rate of these programs would need to be researched, as well as the eligibility of particular Summerside brownfield site.

Community Improvement Plans (CIPs)

Again, Ontario provides the best example of treating brownfields different from vacant (but rentable) properties. Community Improvement Plans (CIPs) to address brownfields are very popular. The Ontario department of Municipal Affairs promotes CIPs to encourage focus on a specific, targeted areas for rehabilitation, development and redevelopment, including brownfields. Municipalities must have an Official Plan as its overarching vision for the whole community first, to be permitted a CIP.

Municipalities can make grants or loans with CIP projects to help pay for certain costs, and can establish a Tax-Increment-Financing program (TIF). A TIF is a financing tool to subsidize infrastructure and community improvement projects. The method uses expected future gains in tax revenue to subsidize current improvements. The increment, or eventual increase in taxes from rising property values is used to pay for the project. Another tool recommended by the Ontario Real Estate Association is a special tax class for brownfields *while they're in the process of remediation*.

This CIP policy direction is favored by many Ontario municipalities, among them York Region, Temagami, Hastings, Cambridge, Oshawa, Toronto, Waterloo, Kingston, Belleville, Deep River, to name a few.

Summerside could take this approach to brownfields, even if it also took up a differential fee option on vacant, but rentable commercial properties. We could do both. For Summerside to develop a targeted CIP of its own, would require resources to match the demands of the new responsibilities. Expertise in brownfield financing, taxation, remediation, and so forth, would be required to develop and implement a viable plan. The City would need to make a solid financial commitment. If Council favored this strategy, an early step could be a future revenue prospectus or forecast of the tax revenue potential,

along the lines of *If brownfield property A was eventually developed to include 50, 100, 200 homes and/or 5, 10, or 20 businesses, what do these scenarios give us for tax revenue potential?*

This approach reveals that brownfields are not merely stagnate or declining revenue generators but harmful obstructions to future growth in population, GDP, and tax base. Doing nothing therefore could be seen as a passive acceptance of an unacceptable situation. But it could be that a brownfield project is too rich for the public purse. And raising taxes and imposing differential fees, may not be enough to have the desired effect.

Options for the End-Game (Preliminary Concepts)

1. Do nothing.
2. Establish a *Differential Fee* bylaw in which the term *vacancy* is broadly defined to include all types: 1) commercial/industrial properties which could be rented but are vacant; 2) commercial properties which are vacant because they require rehabilitation; industrial or institutional brownfields.
3. Establish a *Differential Fee* bylaw for vacant commercial/industrial properties which are rentable, and create develop a separate Community Improvement Plan strategy to address brownfields
4. Establish a special tax group for vacant commercial properties and apply a tax rate which is a multiple of the non-commercial rate, i.e. 1.5X, 2X, 3X.
5. Develop a Community Improvement Strategy targeting brownfield with incentives.

Conclusion and Potential Next Steps

This report is accompanied by two documents: 1) MAPCO, which gives a detailed breakdown of specific properties identified in this report, and; 2) Property Tax Assessment spreadsheet with various worksheets showing the effect of increasing the property tax on the identified properties by various multiples. Forthcoming will be an added spreadsheet showing the effect of imposing a *Differential Fee* on these properties.

Timely distribution of this status report didn't allow for departmental input, most importantly Planning. Any strategy for vacant buildings and brownfields is incomplete without input from the likes of Planning/Tech Services, Finance, Economic Development, Legal, Municipal Services, and Community Services.

Likewise, we'll require feedback from the Province and our external legal counsel, depending on the direction Council wants to follow.

As for potential next steps Council should consider first meeting *in camera* to start discussion and study options and expand on ideas arising from this report and its appendices. We could do this as early as June's Council meeting. This discussion will help steer both Council and the administration away from wasting time on wild goose chases or blind alleys. If Council wants to move ahead on this initiative, it

should consider the way it will move the debate into the public forum, the timing, the messaging, and how it will manage the political risks.

Vacant, Abandoned, Brownfield Properties

Logic Model: Version 0.01, Jun1-17

Summary of Approaches

Place	Strategy	Description	Features	Comments
	•	•	•	•
Morinville	• Non-Residential Vacant Land Policy	• Charge 3X tax rate on assessment	• output	• x
Vancouver	• Empty Homes Tax	• 1% of assessed value	<ul style="list-style-type: none"> Doesn't apply to principal residence Net revenues reinvested in affordable housing 	<ul style="list-style-type: none"> To relieve under-utilized properties in squeezed rental market Losing battle say experts Residents scrambling to avoid tax
Ontario (Provincial)	• Rebate	• Partial rebate (up to 30%)	• Provincial land	
Toronto	• Call to end rebates for vacant commercial prop	<ul style="list-style-type: none"> Commercial 30% Industrial 35% Vacant for >90 days 	<ul style="list-style-type: none"> Building must be in state of good repair (i.e. rentable) Since 1998, to help during recession 	<ul style="list-style-type: none"> Repeal gained public support Recaptured revenue to support local businesses and NFPs Requires Provincial approval Support from BIA
London, ON	• Phase out rebate program	• Add/subtract from list according GPS/Council priorities	• Consultations with Chamber of Commerce, Downtown Improvement Area, Economic Dev Council	<ul style="list-style-type: none"> Opponents warn of defaults and seizures New rules say muni must consult with community first
Chicago	• Eliminate rebates	• Proposal for imposing "penalty tax" on empty buildings		
Windsor	• Proposed eliminate rebate	•	<ul style="list-style-type: none"> Designed as disincentive to "buy and hold" Theory that vacant storefronts drag down a whole neighborhood 	<ul style="list-style-type: none"> 47 vacant businesses received \$237K in tax rebates Real estate brokers against it, saying it could trigger powers of sale, bank repossession, lead to more derelict buildings Kills incentive to discount rent to businesses
Edmonton	• Proposed punitive tax strategy	• Proposed tax up to 5X residential rate	• Need provincial approval	• Powerless without amending MGA

			<ul style="list-style-type: none"> See power to spur brownfield development 	<ul style="list-style-type: none"> Province caps commercial prop tax to help small biz
Cobourg, ON	<ul style="list-style-type: none"> Proposed eliminate vacant tax rebate 	<ul style="list-style-type: none"> Circulated motion to 13 munis to eliminate rebate 	<ul style="list-style-type: none"> Rebate lacks incentive to find new tenants 	<ul style="list-style-type: none"> Vacant properties for 9 years or more
Belleville, ON	<ul style="list-style-type: none"> Move to eliminate rebates 	<ul style="list-style-type: none"> <i>Fix it, lease it or sell it</i> is their message 	<ul style="list-style-type: none"> Goal to completely take away program, all or nothing 	<ul style="list-style-type: none"> “Change long overdue” (Finance Director) Provincial approval
Ottawa	<ul style="list-style-type: none"> Phase out rebates by 2019 	<ul style="list-style-type: none"> Least vile option??? 	<ul style="list-style-type: none"> City doled out \$17M in rebates last year 	<ul style="list-style-type: none"> Commercial property owners consider it “slap in the face” Province has mandated the rebates
Israel	<ul style="list-style-type: none"> Double tax rate on empty apartments 	<ul style="list-style-type: none"> To encourage rentals by foreign owners Discourage speculation 	<ul style="list-style-type: none"> Applied if empty 9 months in a year 	<ul style="list-style-type: none"> Known as “phantom” apartments
Montreal	<ul style="list-style-type: none"> Connect NFP orgs with empty space 	<ul style="list-style-type: none"> Welcome temporary tenants who are encourage to fix up properties 	<ul style="list-style-type: none"> Use by start-ups, artist collectives, live-in renters, pop-up stores in exchange for affordable rent 	<ul style="list-style-type: none"> Public consultation supported “transitory” uses for empty buildings Organized by NFP group (Entremise), face political hurdles
Paris, France	<ul style="list-style-type: none"> Tax vacant homes 	<ul style="list-style-type: none"> 20% of fair market value of rent Now tripled to 60% 	<ul style="list-style-type: none"> To discourage speculation and promote healthy rental market 	<ul style="list-style-type: none"> 107,000 empty homes NYC has 318,831 vacant units



GASB 77

Revealing the Cost of Property Tax Incentives for Business

By Andrew Wagaman

July 2017

English

Appears in [Land Lines, July 2017](#)

Good-government advocates across the ideological spectrum are hoping a new accounting rule will shed light on the costs of property tax incentives for business, following years of public skepticism about the purported economic benefits of these tax breaks. Known as “GASB 77,” the Government Accounting Standards Board Statement No. 77

requires an estimated 50,000 state and local governments to report the total amount of tax revenue forgone each year because of incentives intended to attract or retain businesses within their borders.

Local governments have begun adhering to GASB 77 for the first time in their FY16 comprehensive annual financial reports (CAFRs), released in 2017. The disclosures will offer a vast new collection of data to elected officials, policy makers, researchers, and journalists looking to analyze the costs of business tax incentives and enable more accurate assessment of fiscal health in reporting jurisdictions.

Total business tax incentives have tripled since 1990, according to a report released in February by the W. E. Upjohn Institute for Employment Research (Bartik 2017). Author Timothy Bartik found that state and local governments spent \$45 billion on total business tax incentives in 2015, including \$12 billion a year on property tax abatements alone.

While many public officials offer business tax incentives for commendable reasons, critics claim these deals can conjure a brief illusion of prosperity but fail to offset the toll taken on fiscal health, both short- and long-term. Attracting new businesses to a jurisdiction can increase income or employment opportunities, expand the tax base, and revitalize distressed urban areas (Kenyon, Langley, and Paquin 2012). But opponents point to a growing body of research suggesting that incentives erode tax bases while spawning additional roads, sewers, and public services that governments must maintain and finance for the foreseeable future (Wassmer 2009, Marohn 2011).

“Right now, the story about incentives is largely focused on the potential benefits of bringing in business, without much attention to the tradeoffs,” said [Adam Langley](#), senior research analyst for the Department of Valuation and Taxation at the Lincoln Institute of Land Policy. “Disclosure has definitely increased in the past decade, but in a lot of places there’s still so little public information about the tax revenue lost because of incentives.”

General Accounting Standards Board (GASB) Reporting Requirements

All 50 state governments prepare their annual financial statements according to GASB’s Generally Accepted Accounting Principles, and about 70 percent of local governments comply, though not all are required. GASB is not a government entity like the Internal Revenue Service and its principles are not legislation, but the benefits are obvious enough to inspire broad compliance. The uniform disclosure of governments’ financial information enables easy fiscal comparisons among states and public agencies, and it can inspire public confidence that a given government is conducting business with transparency and accountability. This confidence helps build and sustain healthy credit ratings, which allow governments to borrow cheaply.

Before GASB 77, the amount of financial information that local governments provided on tax incentives varied by state, depending on state-specific tax expenditure reporting policies, but most did not require local governments to report lost revenue tied to property tax incentives.

Since GASB issued Statement 77 in December 2015, governments must report the total amount of estimated revenue forgone because of tax incentives, estimated revenue losses tied to another government body's abatements, and job creation targets or other commitments made by subsidy recipients as part of the tax break deals. Governments also must explain their power to recapture forgone taxes. For example, some abatement deals include “claw-back” provisions, in case companies don’t meet commitments.

GASB defines a tax abatement as “an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.”

GASB 77 does not require governments to name the companies that received tax breaks or quantify the number of tax breaks given. This makes it difficult to determine the average cost of deals or whether these agreements are becoming more or less common, notes Greg LeRoy, executive director of Good Jobs First. Crucially, GASB 77 also does not require disclosure of tax revenue lost in future years—a departure from other recent GASB disclosure requirements related to future pensions obligations.

It’s likely that more than 50,000 local governments will eventually disclose tax incentive numbers because of GASB 77, but many have not reported yet. LeRoy said, “The data will start trickling this April, flow strongly by June, and reach fire-hose proportions by November and December of 2017” (LeRoy 2017).

Langley cautioned that it’s premature to predict the impact of GASB 77. Reporting in the first year is likely to include errors and incomplete compliance, and GASB 77 will not cover all forms of tax increment financing (TIF), he said.

What’s at Stake

Before GASB 77 took effect in December 2015, public officials could return repeatedly to the tax incentive “cookie jar” under the radar of taxpayers, and sometimes at their expense. Tax breaks for economic development are easily the

costliest job subsidies, according to the national policy resource center Good Jobs First, which tracks incentive deals and has strongly advocated for more transparency (GJF 2015b).

Businesses paid about \$258 billion in property taxes nationwide in 2015, the largest share (36.5 percent) of total state and local business taxes, and more than half (53 percent) of all property tax revenue, according to the Council on State Taxation (COST 2016). Local governments are particularly reliant on property taxes, which made up 30 percent of all local revenue in 2014, according to the Lincoln Institute (Reschovsky 2014). In many places, the property tax is the primary source of funding for public education, road and sewer maintenance, and emergency services. It's generally less susceptible to economic downturns than sales and income tax revenue, and it's more progressive than the sales tax (Reschovsky 2014).

"GASB 77 will start a conversation about the real costs of these commercial tax abatements," said R. Crosby Kemper III, executive director of the Kansas City Public Library. A former banker and frequent critic of corporate subsidies, Kemper said, "I think the numbers are going to scare the hell out of citizens, which is precisely why we haven't seen them to this point."

Ellen Harpel, founder of economic development consulting firm Smart Incentives, believes targeted subsidies can provide an economic stimulus and morale boost that compensate for the lost tax revenue. When deals go wrong, Harpel said, it's often because communities lack coherent economic objectives or fail to communicate them—not because tax incentives are inherently flawed. She views GASB 77 as an opportunity to educate taxpayers on how responsible tax deals are just one way economic development groups help communities achieve their goals (Harpel 2016).

In a best-case scenario, attracting a large facility can increase worker productivity and draw related firms to the area, creating a positive feedback loop (Kenyon, Langley, and Paquin 2012). Ideally, targeted incentives lure businesses that in turn lure other companies, creating "agglomeration economies" with valuable spillover effects for the whole community. One high-tech industry job can create up to five more local jobs, according to a 2010 study by economist Enrico Moretti (Moretti 2010). This is an example of the multiplier effect—the idea that new jobs created at a firm receiving incentives will support additional jobs in the local economy because of increased purchasing from local suppliers and higher spending on local goods and services.

The greatest challenge for public officials, however, is figuring out whether a business is actually deciding between two or more locations or looking for a cherry on top of a done deal. [Kenyon](#) and Langley have found tax breaks are much more likely to affect a firm's location decision within a metropolitan area—not between metropolitan areas. Studies by the Upjohn Institute have found that businesses sometimes negotiate for tax incentives after they have already made up their minds (Fisher 2007). Some governments require businesses to promise in writing that they would locate elsewhere

if it weren't for the tax break. Ultimately, though, officials have no surefire way to peer into this black box. And calling a business on its bluff can signal that a community isn't "business friendly"; economic development officials believe this message can set a community back if similar or nearby metropolitan areas continue offering tax incentives.

Plenty of research indicates that incentive deals often pit two or more communities with a shared labor market against each other, rather than targeting communities in different regions. That means a corporation's final location decision would have little effect on where its employees choose to live and socialize, nor would it create many, if any, additional jobs for the larger commutable region. In this case, abated property taxes divert dollars away from public services without actually spurring economic activity.

Kansas City, Missouri

Business tax incentives gave rise to such corrosive competition within the Kansas City metropolitan area, which straddles the Missouri-Kansas border. Business executives were pitting local governments within the region against one another by threatening to relocate to the municipality that offered the sweeter deal. A particularly extreme economic development war between political jurisdictions on each side of the border got so bad in recent years that 17 business leaders wrote to the two states' governors in 2011 and begged them to end the rivalry.

"The states are being pitted against each other and the only real winner is the business that is 'incentive shopping' to reduce costs," the letter read. "The losers are the taxpayers who must provide services to those who are not paying for them."

Don J. Hall, Jr., president and CEO of Hallmark Cards, has been a particularly vocal advocate for reform, to little avail. The Hall Family Foundation has calculated that, as of this spring, Wyandotte and Johnson counties in Kansas have sacrificed a combined \$161 million in taxes to spur businesses to relocate 6,003 jobs from Jackson County over the state line in Missouri. Meanwhile, Jackson County has spent \$114 million to poach 4,474 jobs from Wyandotte and Johnson counties in Kansas.

None of the combined \$275 million was spent creating truly "new" jobs for the larger metropolitan area, notes Angela Smart, vice president of the foundation. "It's corporate welfare in many respects, at the expense of eroding tax bases," she adds.

Kansas City also suffers from a lack of transparency related to Tax Increment Financing (TIF). With TIF, growth in property taxes or other revenues in a designated geographic area is earmarked to support economic development in that area, usually to fund infrastructure improvements. Unlike property tax abatements, TIF does not lower taxes on

business, but earmarking property tax revenue is an option in all TIF programs (Kenyon, Langley, and Paquin 2012). Economic development officials in Kansas City did not respond to requests for comment.

Cities promote TIF districts as an effective tool for combating blight and encouraging redevelopment in impoverished areas (Rathbone and Tuohey 2014). But in Kansas City, eight times as many TIF deals were approved in low-poverty areas than in areas with poverty rates above 30 percent (Rathbone and Tuohey 2014), according to the Show-Me Institute, a think tank founded by Kemper.

Development proposals made to TIF commissions around Missouri must include a blight analysis and explain whether a given area would go undeveloped if it weren't for the tax subsidy. But developer-hired consultants typically conduct these analyses; researchers in 2014 could not identify a single time such a consultant reached a conclusion that was unfavorable to the developer (Rathbone and Tuohey 2014). "We've created a fundamental right to real estate tax relief for developers and corporations in Kansas City," said Kemper.

Michigan researchers Laura Reese and Gary Sands have found that tax incentives can actually perpetuate inequality between high- and low-income areas, because incentives go further in areas with higher income. The suburbs award tax breaks at a higher rate per capita than cities, promoting sprawl and making it harder for lower-income people living downtown to access the "new" jobs (Sands and Reese 2012). In Greater Cleveland, 80 percent of deals that followed the creation of community reinvestment programs involved businesses moving out of the city into Cuyahoga County suburbs, Good Jobs First found.

"I think GASB 77 will awaken some of the social justice warriors, because the inequality argument definitely has resonance," said Kemper, who believes the annual dollar value of tax abatements and other government incentives in Kansas City could eventually hit \$150 million.

"This is money that's being taken away from social services—from the most socioeconomically deprived folks in the community—to subsidize the most profitable people and corporations in the community. How could that possibly be fair?"

Franklin County, Ohio

Officials in Franklin County, Ohio, have also made plentiful use of property tax abatements and TIF, but officials there are seeing the benefits of greater transparency. The total amount of property value in an abatement or TIF zone increased from about \$1.4 billion in 1999 to about \$6.7 billion in 2014, according to the *Columbus Dispatch* (Bush 2014).

This escalation occurred, Franklin County Auditor Clarence Mingo notes, with “very little public awareness about the consequences.”

“I was alarmed,” Mingo said in April, “by the fact that governments keep awarding abatements with no data on hand to measure the impact on the community.”

In 2016, Mingo commissioned the Lincoln Institute to conduct an evaluation of property tax abatements. The conclusions of the analysis, released in March 2017, suggested abatements have actually had a modest positive impact in Franklin County. The study revealed that a one-percentage-point increase in the share of total property value that is abated in a given school district is correlated with slightly lower property tax rates and marginally higher property values (Kenyon, Langley, Paquin, and Wassmer 2017).

But Lincoln researchers, including Kenyon and Langley, criticized the lack of reliable information about property tax abatements that Franklin County taxpayers have at their disposal. The issue isn’t the quantity of combined data released by local governments, the county, and Ohio state agencies; it’s the quality, especially when it comes to calculating forgone revenue.

For example, seven cities in the county provide basic information on incentive programs, such as eligibility criteria and benefits, but none report the cost of abatement programs. Others participate in Ohio’s Online Checkbook, a transparency initiative where governments can report every expenditure and check issued. But it doesn’t include property tax abatements or any other tax expenditures. The State of Ohio publishes a tax expenditure report, but it does not include property tax abatements.

Mingo would like to see tax incentives evaluated every few years. He hopes Franklin County can partner with surrounding counties in central Ohio to create a regional version of the Congressional Budget Office.

“Municipalities would do well to hire an independent authority to provide a cost-benefit analysis before awarding an abatement,” he said. “That is a worthy spend on behalf of taxpayers.”

The City of Columbus, Franklin’s county seat, has offered a preview of the GASB 77 debates to come. In April 2017, Columbus became the second large municipality after New York City to release its annual financial report with disclosures required by GASB 77. The report revealed that 2016 tax abatements cost Columbus \$1.9 million in forgone tax revenue (City of Columbus, 2017). But this figure did not include the nearly \$31 million that was redirected last year to the city’s TIF districts.

City Auditor Hugh Dorrian said, “Governments, ours included, should disclose these various incentives. The more open governments are, the better they function. That’s why I’m very supportive of the principle behind GASB 77, even if there is disagreement over how to interpret it.”

Good Jobs First Executive Director Greg LeRoy noted that Dorrian, Columbus’s auditor since 1969, had a stellar reputation for disclosing costs of tax subsidies long before GASB ever intervened. But in a written statement released last April, Good Jobs First chided the city for not counting the TIF payments and tax rebates as abatements in its 2016 CAFR.

“Columbus is the state capital and Ohio’s largest city,” LeRoy wrote. “If it sets a flawed example, other jurisdictions might avoid disclosure of tax abatements and undermine this landmark transparency reform” (GJF 2017).

Regional Cooperation and Transparency in Denver, Colorado

Economic development officials in Denver have been devoted to transparency since the 1980s, and their experience suggests that GASB 77 may help public officials regain control over counterproductive business tax incentives by institutionalizing respect and trust on a regional level.

The guiding principle of Metro Denver’s Economic Development Corporation (MDEDC) is “more information is better than less.” Members are kept in the loop about economic development activity without compromising the confidentiality of business clients. The tradition dates to the oil collapse of 1986, which triggered an economic development fracas that had businesses essentially moving back and forth across the street, said Laura Brandt, economic development director for the MDEDC.

That experience drove a small group of local officials to decide that communities would work together under a common entity—what would eventually become the MDEDC—to promote the entire region first and individual communities second.

Members sign a Code of Ethics that has hardly been revised since the late 1980s. It’s a legally nonbinding document that acknowledges its own limitations. The preamble includes this sentence: “We fully realize that no Code of Ethics is of value without an inherent level of trust in the integrity of one another and a commitment from each of us to conduct ourselves at the highest levels of professional conduct” (MDEDC 2004).

Believe it or not, the Code of Ethics has worked. The MDED C today includes more than 70 governments, economic development organizations, and industry groups. “People call all the time and ask, ‘How did you do this?’” Brandt said. “It wasn’t easy at first. But now it’s become a habit.”

Members who sign the code promise to notify another member community if a company located in the latter expresses an interest in relocating. Per the code, “Violation of this commitment shall be viewed as the single most serious breach of our membership pledge.” Breaking the code warrants a sit-down intervention of sorts with an MDED C committee.

Companies interested in the Denver area are directed straight to the MDED C, which then provides all member communities information about the type of property the company is looking for without revealing the company. The MDED C introduces business decision makers to local officials only after it has narrowed potential sites to less than a handful.

“The model relies upon trust,” Leigh McIlvaine wrote in a 2014 Good Jobs First report. “Its members believe that the system will serve their communities fairly and feel confident that investments in neighboring communities will benefit their own as well” (McIlvaine and LeRoy 2014).

Improving Tax Incentive Programs

Besides promoting greater transparency and more regional cooperation, communities can improve tax incentive programs by taking a few clear steps, experts say.

Limit the length of the tax abatement. Property tax deals tend to span more than 15 years, according to Bartik—considerably longer than other types of government-sponsored incentives. The longer the abatement deal, the less likely the government involved will ever collect full taxes on the property at hand. Plus, business executives are generally focused on a relatively short time frame—think stock prices and company revenue targets—and discount the future when making business location and expansion decisions, Bartik said. One dollar’s worth of tax incentives provided 10 years from now is worth an estimated 32 cents to businesses today (Bartik 2017). A few extra years of a tax deal, in other words, makes little difference to a participating business while costing the local government.

Structure abatement deals so that the percentage abated decreases as the deal unfolds. Kenyon said this can help businesses avoid sticker shock when the deal runs out, driving them to negotiate with another municipality across town for a whole new deal.

Establish wage and employment targets in abatement deals as well as claw-back provisions if businesses fall short of such targets. Public officials could require incentive recipients to offer a certain percentage of full-time jobs or wages greater than or equal to the region's average wage, as a precondition for the agreement. Or deals can stipulate that local residents are hired for at least a portion of the jobs. Deals should include claw-back provisions or penalties in case firms do not meet those targets.

In a 2009 Lincoln Institute report, Robert Wassmer offered four questions for public officials to consider when deciding whether or not to grant a tax abatement to a business (Wassmer 2009):

- Will the business actually relocate its operations if its tax abatement request is denied?
- Will the tax incentive make the business more profitable in your town than in other towns that are also offering similar subsidies?
- Will the firm still be responsible for taxes or fees that exceed the cost of providing new public services, once the tax deal is in place, so that government funds aren't depleted?
- If not, is the fiscal stress generated by the tax deal worth the benefits of jobs generation, potential neighborhood revitalization, and shot at additional businesses as a result of the multiplier effect?

GASB isn't the first effort to improve transparency around tax incentives, nor does it offer a final answer to the question of whether they build or destroy value in places. But it does help communities with tax abatement programs answer these questions with more than gut instincts or wishful thinking.

Will additional exposure sway public opinion enough to spur meaningful reform? Or are local leaders and taxpayers hooked on the promise of incentives? Time will tell.

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Photograph: peeterv

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METERING FOR PREMISES

Council Update June 2021

Rates and Schedule Manual Process

- The Billing and servicing rules for Summerside Electric is governed by the Rates and Schedules Policy Manual that is adopted from time to time by Council after it has gone through the Electric Committee and the Finance Committee as recommended to be approved. The last manual update was on April 1, 2021. (MECL rate Following)
- Customers can appeal all applications of the manual with department heads (Municipal Services/Financial Services) as first step to a disagreement or application of the rule or rate inside the manual.
- The second appeal would be to the Chief Administrative Office.
- The final appeal is before Council which makes the final determination. (There is an IRAC option for those customers located outside the city boundaries)
- If it is a metering dispute then a customer can apply for a meter test procedure for accuracy under the Canada Standards Measures Act (If meter is tested as accurate there are charges levied to the customer).

Determining the Required Meters for Electric Services

- Definitions of the Rates Manual that are Pertinent:
 - o Apartment Building - Three or more self-contained dwelling units each having a separate entrance from a common hallway, lobby, or stairway
 - o Dwelling - A private suite of rooms used for living purposes in which the occupants have free access to all rooms.
 - o Metering Point - The place specified by the City at which power and energy supplied to a premises are measured.
 - o Premises - One of the following:
 - A complete building such as an office building, factory, or house;
 - Part of a building such as a suite of offices in an office building or an apartment in an apartment building; the part of the building occupied must be adjoining and include no space not controlled by the customer;
 - Group of buildings served by one electric service considered as one customer for billing purposes.
 - o Principal Residence - The dwelling used most of the time by a customer in a year
 - o Residential Service - Rate categories for domestic use, use in churches and farms

Section F – Billing and Payments

- Those areas of the manual that determine whether or not a meter is required for services is as follows:

- Metering Procedures - The City does not permit the initiation of a multiple metered account that sums two or more metering points. For all new customers, each metering point is a separate account. If an existing multiple metered premises requires a new service, reconnection or upgrade for any reason (including a change in ownership), each meter will be billed as a separate customer account. **When new buildings are constructed for services which combine a business operation and a dwelling, owners must provide for the installation of separate meters. When major alterations are made to buildings or the wiring of buildings already containing combined service, owners must provide for the installation of separate meters.**

Section K – Connection of Customer Facilities

Those areas of the manual that determine how many connections occur and are needed for services is as follows:

- Delivery Point – The City makes all connections to the Delivery Point and specifies the Delivery Point as being one of the following:
 - The point of connection of the customer’s service entrance mast conductors to the City’s overhead service loop at the weatherhead;
 - The point of connection of the customer’s overhead service loop to the City’s secondary voltage system;
 - The secondary bushings of the City’s transformers;
 - The primary bushings of the customer’s transformer;
 - The primary side of the customer’s main disconnect switch located in the customer’s electric vault (existing customers only, not available to new customers);
 - The load side of the City’s fused disconnect switch;
 - The source side of the customer’s disconnect switches;
 - The source side of the customer’s switchgear located at the customer’s premises;
 - The load side of the primary metering unit;
 - Any other point specified by the City
- Service to Multiple Buildings
 - Normally, the City installs a meter for each individual building of a premises except as follows:
 - A group of adjacent buildings located on the same property served by one electric service is accepted by the City as one customer for billing purposes
 - if the buildings:
 - Are owned by the applicant
 - Are used for a related purpose.
 - The meter may be installed at either a primary or secondary voltage level. The

customer must supply, install, own and maintain all primary and/or secondary facilities beyond the delivery point.

Section N – Residential Rate Application Guidelines

Customers who use electricity for living purposes in any of the following:

- Dwellings
- Dwelling out buildings
- Individually metered, self-contained Dwelling units within an Apartment Building

In addition, the Residential rate applies to:

- Services to Farms and Churches
- Service for the construction phase of a Dwelling.
- Premises providing lodging with nine (9) beds or less, including boarding and rooming houses, Special Care Establishments, senior citizen homes, nursing homes, hostels and transition homes.
- Combine usage of a Dwelling and a business operation measured by one meter, where the connected load of the business operation, excluding space heating and air conditioning, is two (2) kilowatts or less.
- The House Service that has negligible or no common area on a premises that consists of 6 dwellings or less. Authorized by City Council by resolution on April 15, 2013.
- Customers who use electricity for living purposes in a Dwelling other than the customer's Principal Residence; e.g., summer cottage

Operations Application of Above

- Existing conditions whereby residential applications have one meter but two rentable spaces with separated kitchens.
 - o Charged for two water/sewer and electric service charges and one consumption charge
 - o Those that remove the kitchen electrical connections and appliances for cooking have been deemed to not have a rentable separated dwelling and only receive on charge.
- All rentable spaces at a location require a separate meter.
- Exceptions – Not deemed a separate dwelling space for an establishment.
- Concentrated efforts to review renatls and appropriate service fees over last few years
- Concentrated efforts on building permit process to review permits and meter applications to catch misuse of the meter numbers.

End of information.

Special Council Meeting Agenda

July 6, 2021

- 1) Call to Order
- 2) Approval of the Agenda
- 3) Resolution COS 21-128 Zoning Bylaw amendment 194, 129 South Drive second reading
- 4) Resolution COS 21-129 Zoning Bylaw amendment 194, 129 South drive formal adoption
- 5) Resolution COS 21-130 Official Plan amendment 129, 515 Central Street formal adoption
- 6) Resolution COS 21-131 Zoning amendment 200, 515 Central Street second reading
- 7) Resolution COS 21-132 Zoning amendment 200, 515 Central Street formal adoption
- 8) Adjournment

*Resolution
COS 21-128*

July 6, 2021

Moved by Councillor _____

Seconded by Councillor _____

Resolution:

Carried	
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For	
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Defeated	
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Against	
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WHEREAS an application was received from Claire and Andrew Carr for a zoning amendment for PID # 68015 from Single Family Residential (R1) zone to Low Density Mixed Residential (R2) zone under the *City of Summerside Zoning Bylaw*;

AND WHEREAS zoning bylaw amendment 194, a bylaw to amend the *City of Summerside Zoning Bylaw* was read and declared as read a first time at the Council meeting held on June 22, 2021;

AND WHEREAS in accordance with section 5.7 of the zoning bylaw, Council shall consider the following general criteria, as applicable:

- Conformity with all requirements of this Bylaw;
- Conformity with the Official Plan;
- Suitability of the site for the proposed development;
- Compatibility of the proposed development with surrounding land uses, including both existing and projected uses;
- Any comments from residents or other interested persons;
- Adequacy of existing water, sewer, road, storm water and electrical services, city parking, and parklands for accommodating the development, and any projected infrastructure requirements;
- Impacts from the development on pedestrian/vehicular access and safety, and on public safety generally;
- Compatibility of the development with environmental, scenic and heritage resources;
- Impacts on City finances and budgets;
- Other matters as specified in this Bylaw;
- Other matters as considered relevant.
-

BE IT RESOLVED THAT zoning amendment 194, a bylaw to amend the *City of Summerside Zoning Bylaw* be hereby declared as read a second time.

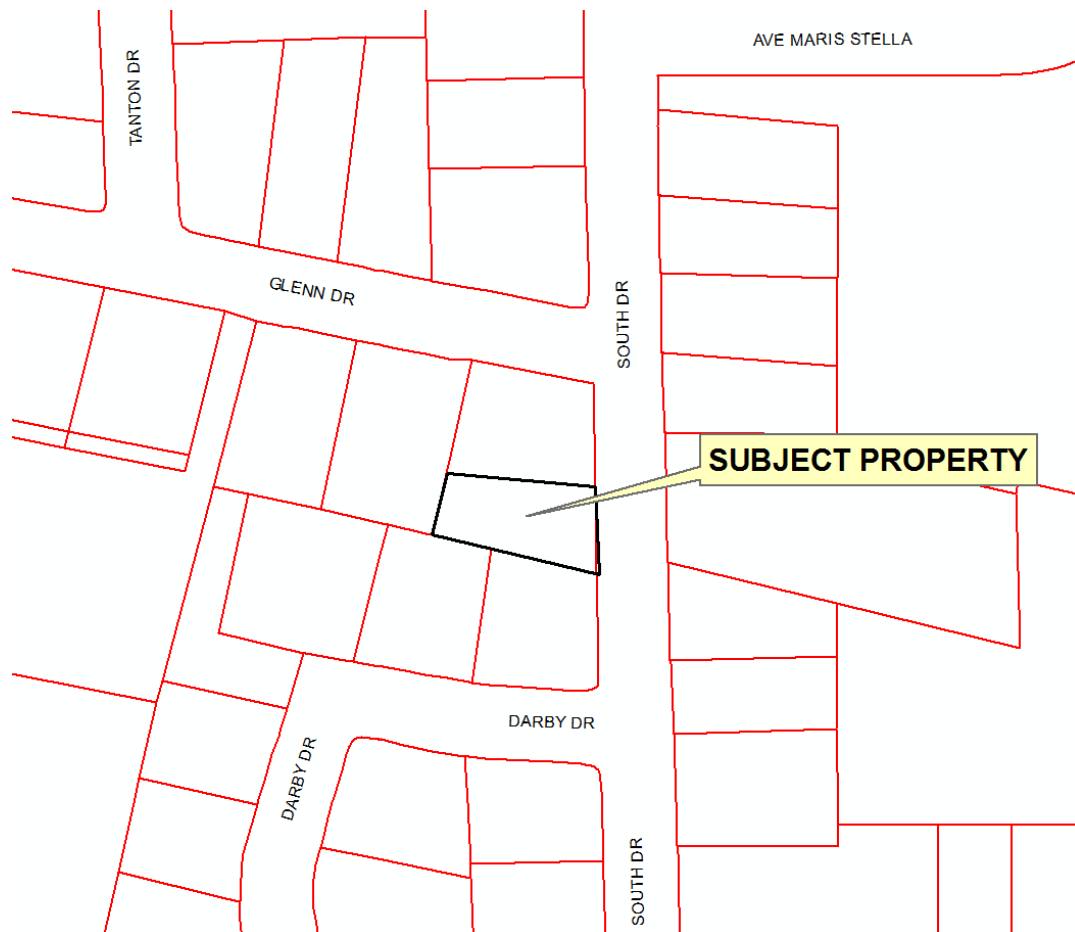
This bears the recommendation of the Planning Board meeting held on June 30, 2021.

[schedule B is attached]

ZONING AMENDMENT 194
A BYLAW TO AMEND THE CITY OF SUMMERSIDE ZONING BYLAW

The Council of the City of Summerside under authority vested in it by Section 18 and Section 19 of the *Planning Act R.S.P.E.I. 1988 Cap. P-8* hereby enacts as follows:

- I. The zoning for PID # 68015 shown on Schedule B of the *City of Summerside Zoning Bylaw*, is designated as Low Density Mixed Residential (R2) zone, hereby excluding it from its former designation of Single Family Residential (R1).



*Resolution
COS 21-129*

July 6, 2021

Moved by Councillor _____

Seconded by Councillor _____

Resolution:

Carried	
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For	
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Defeated	
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Against	
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WHEREAS an application was received from Claire and Andrew Carr for a zoning amendment for PID # 68015 from Single Family Residential (R1) zone to Low Density Mixed Residential (R2) zone under the *City of Summerside Zoning Bylaw*;

AND WHEREAS zoning bylaw amendment 194, a bylaw to amend the *City of Summerside Zoning Bylaw*, was read and declared as read at two separate meetings of Council held on different days;

BE IT RESOLVED THAT zoning bylaw amendment 194, a bylaw to amend the *City of Summerside Zoning Bylaw* be hereby formally adopted.

Resolution COS 21-130

June 6, 2021

Moved by Councillor _____

Seconded by Councillor _____

Resolution:

Carried	
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For	
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Defeated	
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Against	
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WHEREAS an application was received from Centennial Motors Ltd. to amend the future land use plan, for a portion of PID # 663211 from Residential land use to Commercial land use under the *City of Summerside Official Plan*;

AND WHEREAS in accordance with section 5.7 of the zoning bylaw, Council shall consider the following general criteria, as applicable:

- Conformity with all requirements of this Bylaw;
- Conformity with the Official Plan;
- Suitability of the site for the proposed development;
- Compatibility of the proposed development with surrounding land uses, including both existing and projected uses;
- Any comments from residents or other interested persons;
- Adequacy of existing water, sewer, road, storm water and electrical services, city parking, and parklands for accommodating the development, and any projected infrastructure requirements;
- Impacts from the development on pedestrian/vehicular access and safety, and on public safety generally;
- Compatibility of the development with environmental, scenic and heritage resources;
- Impacts on City finances and budgets;
- Other matters as specified in this Bylaw;
- Other matters as considered relevant.

Be It Resolved That official plan amendment 199, to amend the *City of Summerside Official Plan* be hereby formally adopted.

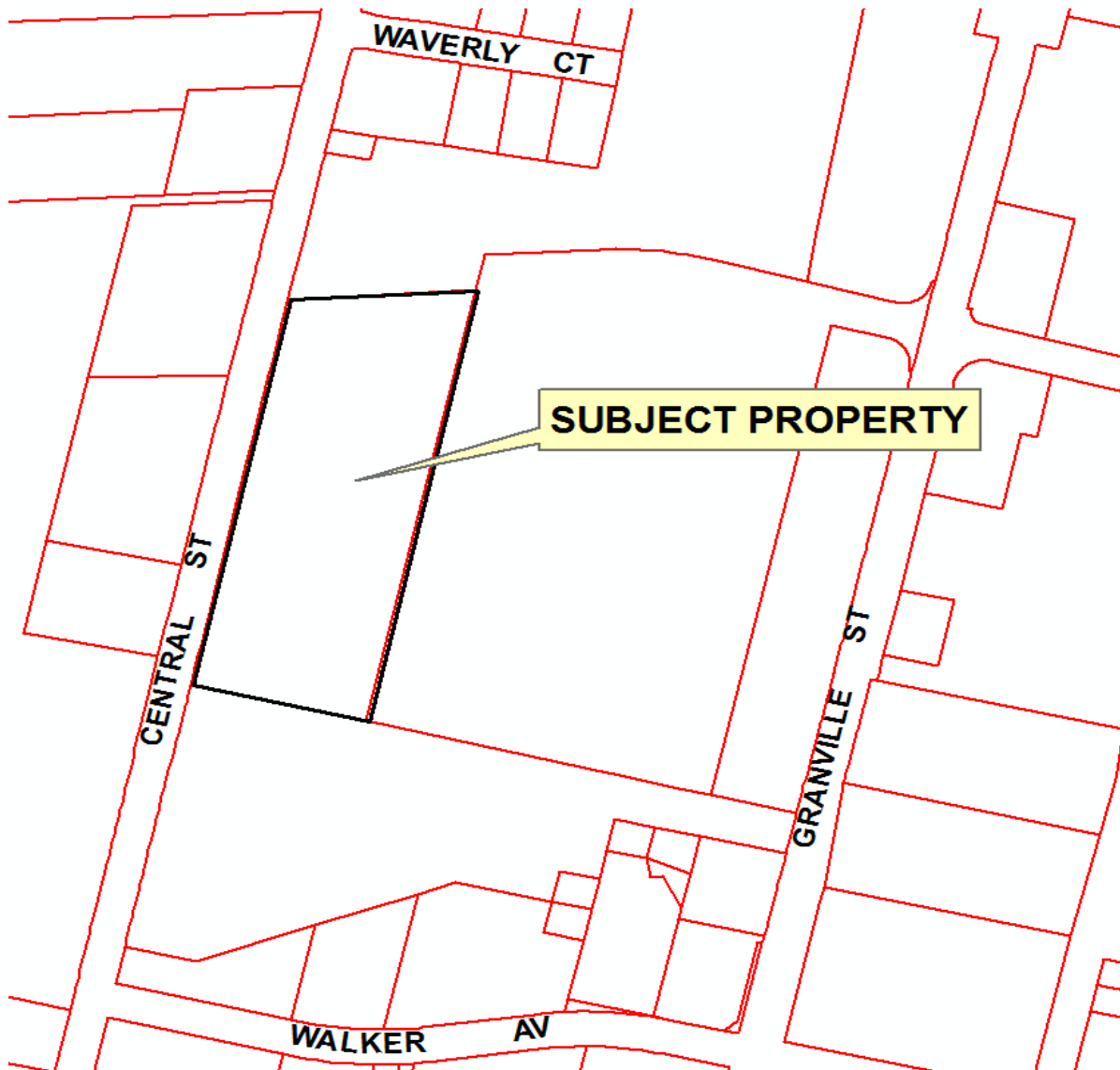
[schedule B is attached]

This bears the recommendation of the Planning Board meeting held on June 30, 2021.

**OFFICIAL PLAN AMENDMENT 199
TO AMEND THE CITY OF SUMMERSIDE OFFICIAL PLAN**

The Council of the City of Summerside under authority vested in it by Section 18 of the *Planning Act R.S.P.E.I. 1988 Cap. P-8* hereby enacts as follows:

- I. The land use for a portion of PID # 663211 as shown on Schedule B of the *Future Land Use Plan*, is designated as Commercial land use, hereby excluding it from its former designation of Residential land use under the *City of Summerside Official Plan*;



*Resolution
COS 21-131*

July 6, 2021

Moved by Councillor _____

Seconded by Councillor _____

Resolution:

Carried	
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For	
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Defeated	
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Against	
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WHEREAS an application was received from Centennial Motors Ltd. for a zoning amendment for a portion of PID # 663211 from Single Family Residential (R1) zone to Service Commercial (C2) zone under the *City of Summerside Zoning Bylaw*;

AND WHEREAS zoning bylaw amendment 200, a bylaw to amend the *City of Summerside Zoning Bylaw* was read and declared as read a first time at the Council meeting held on June 22, 2021;

AND WHEREAS in accordance with section 5.7 of the zoning bylaw, Council shall consider the following general criteria, as applicable:

- Conformity with all requirements of this Bylaw;
- Conformity with the Official Plan;
- Suitability of the site for the proposed development;
- Compatibility of the proposed development with surrounding land uses, including both existing and projected uses;
- Any comments from residents or other interested persons;
- Adequacy of existing water, sewer, road, storm water and electrical services, city parking, and parklands for accommodating the development, and any projected infrastructure requirements;
- Impacts from the development on pedestrian/vehicular access and safety, and on public safety generally;
- Compatibility of the development with environmental, scenic and heritage resources;
- Impacts on City finances and budgets;
- Other matters as specified in this Bylaw;
- Other matters as considered relevant.

BE IT RESOLVED THAT zoning amendment 200, a bylaw to amend the *City of Summerside Zoning Bylaw* be hereby declared as read a second time.

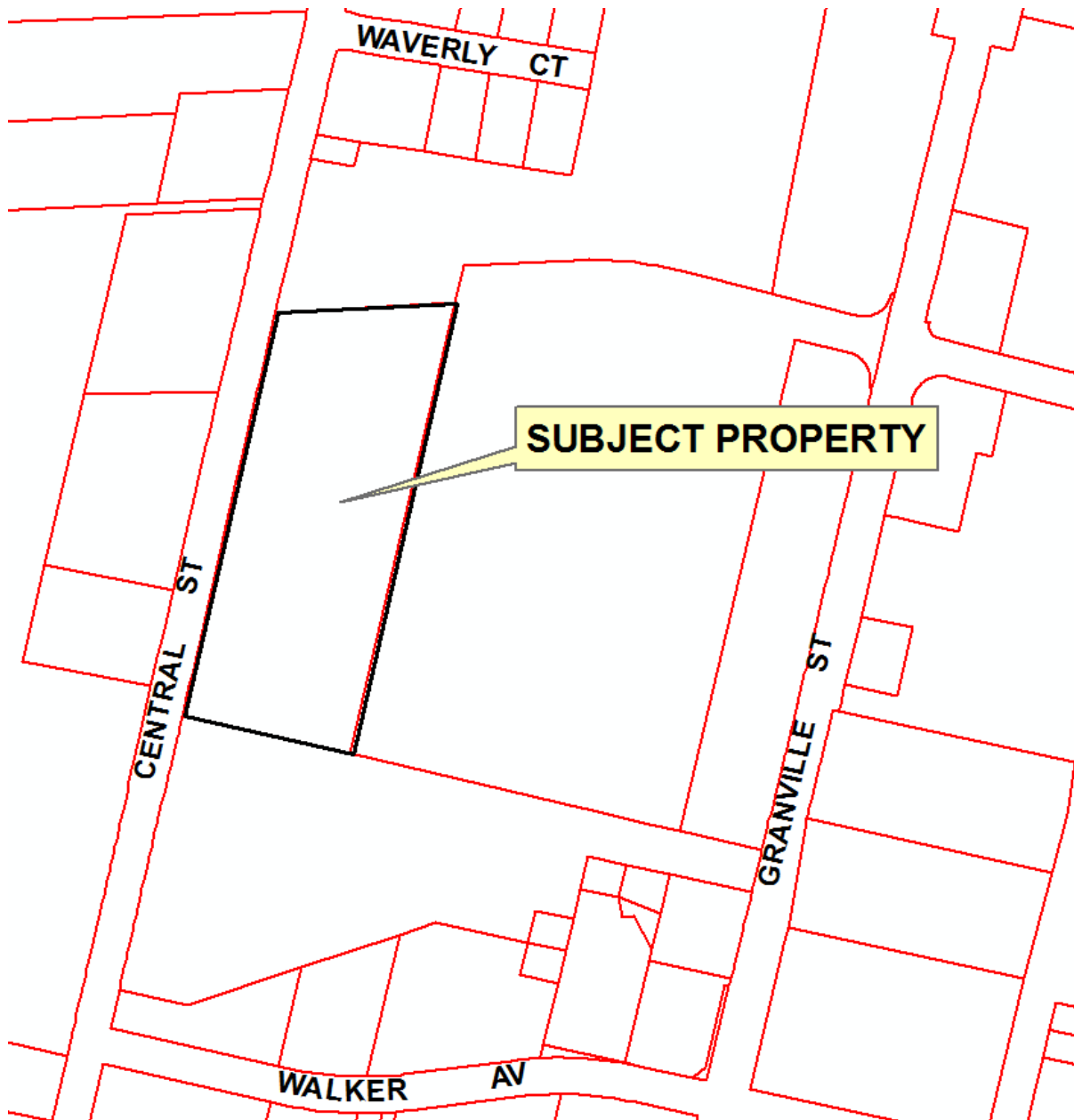
This bears the recommendation of the Planning Board meeting held on June 30, 2021.

[schedule B is attached]

ZONING AMENDMENT 200
A BYLAW TO AMEND THE CITY OF SUMMERSIDE ZONING BYLAW

The Council of the City of Summerside under authority vested in it by Section 18 and Section 19 of the *Planning Act R.S.P.E.I. 1988 Cap. P-8* hereby enacts as follows:

- I. The zoning for a portion of PID # 663211 shown on Schedule B of the *City of Summerside Zoning Bylaw*, is designated as Service Commercial (C2) zone, hereby excluding it from its former designation of Single Family Residential (R1).



Resolution
COS 21-132

July 6, 2021

Moved by Councillor _____

Seconded by Councillor _____

Resolution:

Carried	
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For	
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Defeated	
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Against	
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WHEREAS an application was received from Centennial Motors Ltd. for a zoning amendment for a portion of PID # 663211 from Single Family Residential (R1) zone to Service Commercial (C2) zone under the *City of Summerside Zoning Bylaw*;

AND WHEREAS zoning bylaw amendment 200, a bylaw to amend the *City of Summerside Zoning Bylaw*, was read and declared as read at two separate meetings of Council held on different days;

BE IT RESOLVED THAT zoning bylaw amendment 200, a bylaw to amend the *City of Summerside Zoning Bylaw* be hereby formally adopted.