

PEARSON ECO-BUSINESS ZONE POLICY TOOLKIT



PRIMERS

ECO-BUSINESS ZONE MUNICIPAL
INCENTIVES

ECO-BUSINESS ZONE MUNICIPAL INCENTIVES

Description

Municipal governments can use incentives to motivate Pearson Eco-Business Zone companies to support the goals of Partners in Project Green, from retrofitting green building to participating in a large waste reutilization network. Incentives can help to address any real incremental costs associated with new green practices, or they can simply motivate behavioural change when there are perceived additional costs or general aversion to risk for innovation. This primer provides an overview of incentive types that might be used to support eco-business activity.

Types of Incentives

Some general types of incentives include:

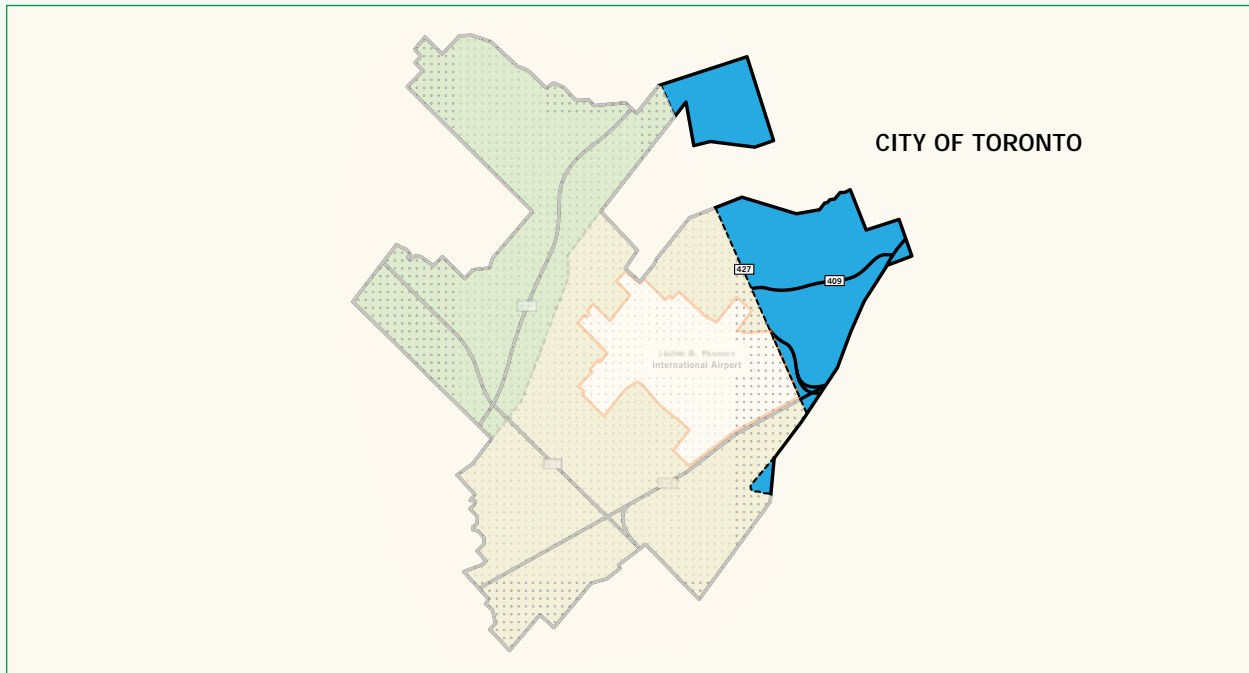
- Direct financial incentives: federal, utility, provincial, municipal;
- Tax credits or tax deductions/breaks;
- Density bonuses;
- Expedited permitting;
- Development charge or application fee reductions/waivers;
- Grants;
- 'Free' professional consultation programs for example, for a green building;
- Promotional services;
- Low interest loans/revolving loan funds;
- Free education and outreach; and,
- Utility or municipal service fee discount.

Some of these incentives may require provincial co-operation to implement.

Sample Incentives

This section presents current incentives in place from Partners in Project Green municipal partners that could be adapted or directly applied to the Pearson Eco-Business Zone, plus selected examples from other jurisdictions.

Sample Incentives from Partner Municipalities



Incentive	New	Retrofit	Summary	Website Reference
New Business Incentive	x	x	Grants for business in targeted sectors to meet Green Standard in new development or expansion project. Grant offsets increase in assessed value of property as a result of new development/retrofit/expansion, by providing up to a 10 year reduction in municipal property taxes.	www.toronto.ca/business_publications/pdf/new_incentives.pdf
Rehabilitation Grant		x	Grant for industrial and office development within a specified area. Tax grant is offered for new property/building improvements resulting in increased property assessment to support specific employment uses.	www.toronto.ca/invest-in-toronto/pdf/tax-incentive.pdf
Imagination, Manufacturing, Innovation, Technology (IMIT) Grants	x	x	Applies to businesses in targeted sectors in areas of the city identified in Community Improvement Plans. Applies to retrofit, expansion or new building, and must meet the Toronto Green Standard. Covers up to 60 per cent of increase in municipal taxes to new commercial and industrial construction.	www.toronto.ca/invest-in-toronto/incentives-imit.htm
Brownfield Remediation Tax Assistance		x	Subset of IMIT grant - provides tax assistance for redevelopment of contaminated properties to provide employment uses. Requires a Phase 2 Environmental Site Assessment.	www.toronto.ca/invest-in-toronto/incentives-brta.htm

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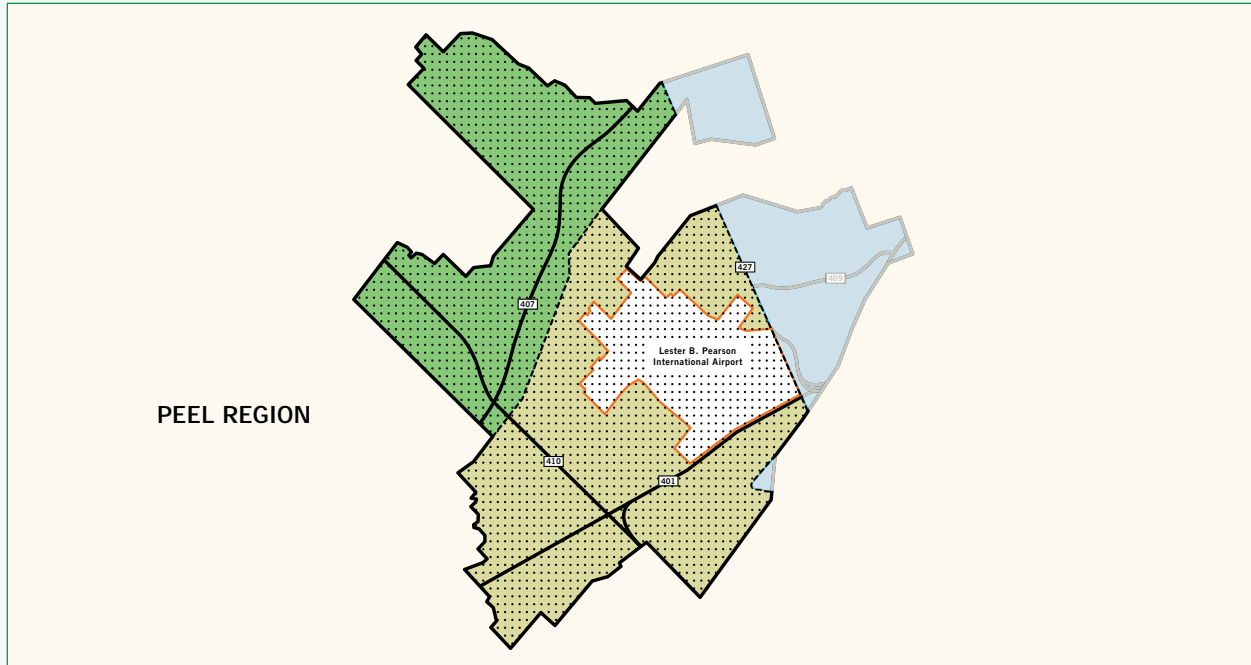
Incentive	New	Retrofit	Summary	Website Reference
Green Development Standard (GDS) - Tier 2	x		Tier 2 of the GDS is voluntary, and specifies a higher level of performance than the mandatory requirements for Tier 1. Incentives equal to a 20 per cent Development Charge refund are offered to compensate for increased costs associated with meeting the more substantial commitments of Tier 2 ⁸ .	www.toronto.ca/greendevlopment
Sewer Surcharge Rebate Program	x	x	Applies to water not discharged into the sanitary sewer system. The rebate is calculated based on the percentage of water not returned to the sanitary sewer system.	www.toronto.ca/water/protecting_quality/pollution_prevention/rebate.htm
Eco Roof Incentive Program		x	Applies to the retrofit of commercial, industrial and institutional buildings with a cool roof or green roof. Successful applicants may receive: <ul style="list-style-type: none"> • \$50 per square metre of green roof, up to \$100,000 • \$2-5 per square metre of cool roof, up to \$50,000 	www.toronto.ca/livegreen/greenbusiness-rebates.htm
Water Buy Back Program		x	This program provides 30 cents per litre rebate for businesses that reduce water. The City buys back water or sewer capacity that has been freed up by participants who have reduced water use in their operations.	www.toronto.ca/watereff/ici_water_saver.htm
Better Buildings Partnership - Existing Buildings (EB)		x	A public-private partnership that provides resources and financial incentives to promote energy efficiency in retrofits of commercial, institutional and multi-residential buildings. Program includes energy management and monitoring, financial incentive or tax measures, and training/technical assistance.	www.toronto.ca/bbp

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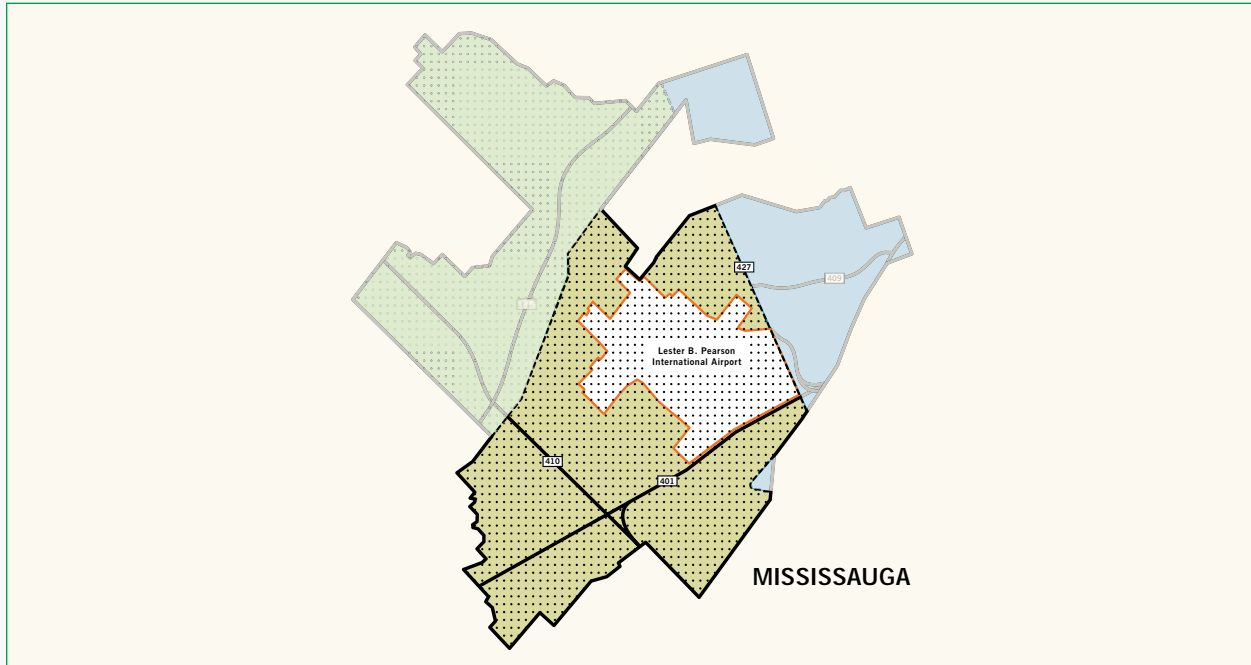
⁸Industrial uses are exempt from Development Charges in Toronto, so this particular incentive may not apply as it would to other development. However, it is included here as an example nonetheless as it is relevant to industrial development and developers may find other incentives for compliance in place of the development charge refund (e.g. publicity, positive relationship with city, increased profit/rent, market demand, etc).

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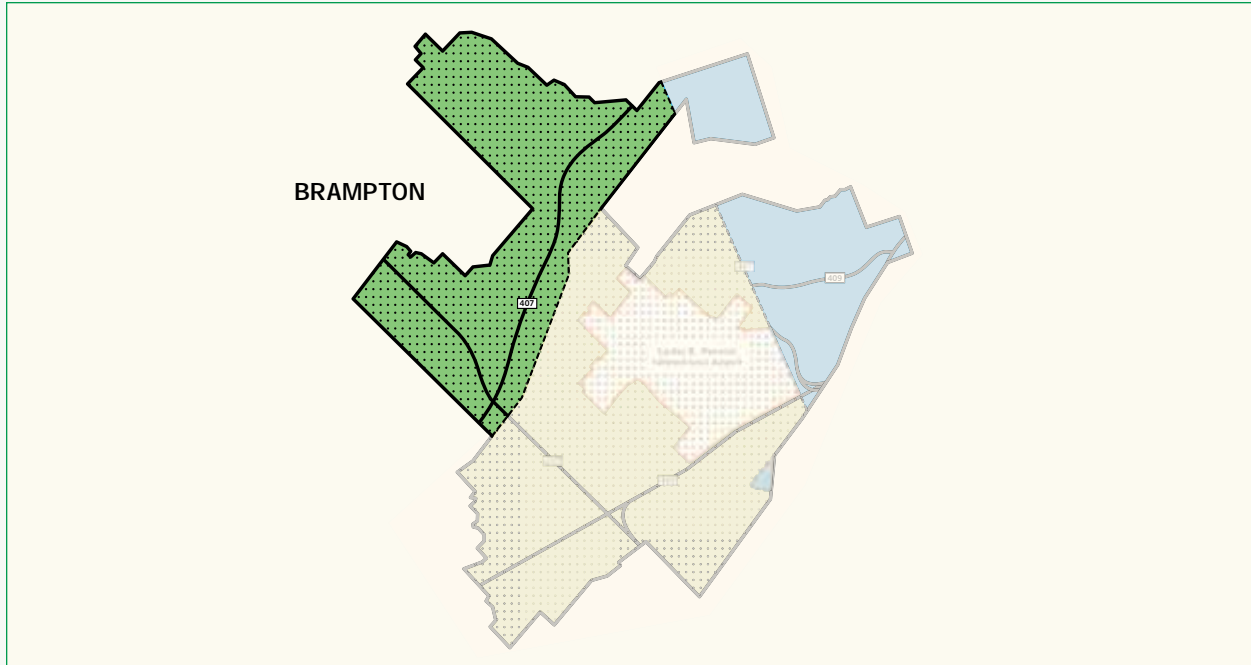
Incentive	New	Retrofit	Summary	Website Reference
Better Buildings Partnership - New Construction (NC)	x		Program provides design assistance, energy modelling, construction cost assistance, design workshops and other outreach initiatives to support higher energy efficiency new ICI sector buildings.	www.toronto.ca/energy/bbp-nc.htm
Industrial Water Rate		x	Industrial businesses can receive up to 20 per cent rebate off of the 2008 general water rate, with potential for rebate to increase to 30 per cent reduction. Business must have greater than 6000 cubic metres annual consumption and submit a water conservation plan.	www.toronto.ca/water/industrial/index.htm
Gold Star Program	x	x	Businesses assigned a case manager to help reduce time and costs associated with an industrial or office development project.	www.toronto.ca/invest-in-toronto/gold_star.htm
Employment Revitalization Program		x	Program to attract and encourage small business in employment lands, including direct and in-kind financial incentives and assistance, such as: commercial and industrial façade grants, rehabilitation grant, capital improvement program, banner and mural program, commercial research grant program, crime and safety audits, and more.	www.toronto.ca/business_publications/pdf/TEDCO-Hemson-rep-jan-07.pdf
Cash in lieu of parking	x	x	The City may exempt a non-residential project from some or all parking requirements required in the zoning bylaw, where the proponent pays a fee instead. Payments collected in lieu of parking are placed into a fund used to maintain municipal parking facilities.	www.toronto.ca/legdocs/2004/agendas/council/cc040720/plt5rpt/cl011.pdf
Smart Commute	x	x	Transportation Management Association to provide programs that support alternative transportation options.	www.smartcommute.ca



Incentive	New	Retrofit	Summary	Website Reference
Indoor Water Audit Program for Business		x	Rebates offered to ICI businesses to undertake internal water audit and potential for water savings via process change or new technology.	www.peelregion.ca/watersmartpeel/business/capacitybuyback.htm
Spray Valve Replacement Program		x	Program targeting the food and beverage sector to replace spray valves with efficient models.	www.peelregion.ca/watersmartpeel/business/spray-save.htm
Toilet Replacement Program for Business		x	Businesses are eligible for a rebate of up to \$140 to replace leaky toilets with a Region approved model.	www.peelregion.ca/watersmartpeel/business/indoor/toilets/
Outdoor Water Audit Program		x	Rebates offered to ICI businesses to undertake outdoor water audit to reduce irrigation costs/needs.	www.peelregion.ca/watersmartpeel/business/capacitybuyback.htm
Used Oil Diversion Program			Businesses may drop off up to 120 litres of used cooking oil per day free of charge. The oil is converted into biodiesel for use in the Region's fleets.	www.peelregion.ca/pw/waste/crc/cooking-oil.htm
Smart Commute	x	x	Transportation Management Association to provide programs that support alternative transportation options.	www.smartcommute.ca



Incentive	New	Retrofit	Summary	Website Reference
Direct Energy Business Program		x	Businesses can join group energy purchasing block to secure reduced rates and access renewable energy opportunities.	www.directenergy.com/association/mbot/Pages/mbot.aspx
Smart Commute	x	x	Transportation Management Association to provide programs that support alternative transportation options.	www.smartcommutemiss.ca



Incentive	New	Retrofit	Summary	Website Reference
Property Tax Rebate - Charities	x	x	Commercial and industrial property owners can apply for tax rebates for those parts of their properties occupied by charitable organizations.	www.brampton.ca/en/residents/Taxes-Assessment/Documents/eForms/RegisteredCharity.pdf
Development Charges Incentive Program	x	x	This incentive program aims to increase the density and mix of uses within the Central Area CIP area. The incentive is in the form of a grant from the City to new and redevelopment projects that meet specific criteria, including promoting mixed use, transit-supportive and innovative high quality design.	www.brampton.ca/en/Business/planning-development/central-area/Pages/central-area-community-improvement-plan.aspx
Real Estate Incentive Program	x	x	Municipality to demonstrate leadership in development of downtown area under the Central Area CIP. In this incentive program, the City offers to be an active partner with the private sector to support development projects (e.g. pilot projects, civic projects that act as catalyst for private investment, property development, P3s, etc)	www.brampton.ca/en/Business/planning-development/central-area/Pages/central-area-community-improvement-plan.aspx
Gateway Beautification Program	x	x	Initiative to create and maintain attractive business corridors and gateway features. Initiatives can be offered for partnerships between developers and the local business, such as sponsorships from the business community.	www.brampton.ca/en/Business/planning-development/Documents/CD/OS/Gateway%20Beautification%20Program.pdf

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Incentive	New	Retrofit	Summary	Website Reference
Parking Bylaw Exemption Bylaw	x		This bylaw exempts businesses in the downtown area from meeting zoning bylaw parking requirements, as well as from cash-in-lieu of meeting these parking requirements. The City has adopted this bylaw as an incentive to attract desirable forms of commercial development to the downtown area.	www.brampton.ca/en/City-Hall/meetings-agendas/PDD%2Committee/20091207pdd_J1.pdf
Smart Commute	x	x	Transportation Management Association to provide programs that support alternative transportation options.	www.scbc.ca

Sample Incentives from Other Eco-Business Initiatives

Jurisdiction/Project Name	Incentive	Summary	Applicability to Partners in Project Green	Website
Fort McMurray, Alberta TaigaNova Eco-Industrial Park	Education and Outreach	The Wood Buffalo Housing and Development Corporation (WBHDC), the developer of TaigaNova and a wholly-owned subsidiary of the Regional Municipality of Wood Buffalo, offered a free workshop to introduce buyers to green building and eco-industrial activity and provide resources on assembling green design teams. It also allowed for businesses to contact each other prior to design of new facilities to identify opportunities to collaborate during construction or during future business operations. A consultant developed and delivered the workshop.	Municipal partners could contract/sponsor third-parties to offer relevant education and training courses to businesses, especially with respect to facilitating compliance with any Pearson Eco-Business Zone policies.	www.taiganova.com
Devens, Massachusetts	Permit Fee Rebates	Businesses are offered a 15 per cent rebate on development permits up to \$10,000 for projects that obtain LEED certification. In addition, permit fees that are otherwise required are waived for installation of renewable energy equipment (wind turbines, solar photovoltaic, solar hot water). Local authorities are also working with the state economic development corporation to develop a low/no cost revolving loan for energy efficiency upgrades.	Achieves a similar result as Toronto BOMA CDM Program, or Hamilton's CIP LEEDing the way program.	www.taiganova.com
	Utility/Municipal Service Fee Discount	Costs for recycling and solid waste management in Devens are deliberately set low or free to encourage business participation.	Waste management services for businesses in the Pearson Eco-Business Zone are delivered privately, not by the municipal partners. However, the municipalities do deliver water, sewer, and stormwater services. Discounts that encourage conservation could be implemented. In fact, the City of Toronto already offers water fee discounts to those businesses with an approved Pollution Prevention (P2) Plan.	

Jurisdiction/Project Name	Incentive	Summary	Applicability to Partners in Project Green	Website
Town of Caledon, Ontario	Green Development Charges	The Town of Caledon passed a bylaw allowing developers to qualify for reduced development charges for new commercial and industrial buildings that meet sustainability performance criteria. Discount is tied to performance and ranges from a 5 per cent to 27.5 per cent reduction in development charges.	The program is voluntary and, for those municipalities that have development charges for industrial uses, this incentive provides a flexible approach to encourage a range of innovative responses from developers ⁹ .	www.caledon.ca/greendevlopment/
Hamilton, Ontario	LEED Grant Program	Grant for property owners within a Community Improvement Project area to put towards construction, consultation, energy modelling and LEED certification costs. Grant is for up to 5 years to compensate up to 75 per cent of increases in municipal realty taxes resulting from property improvements.	CIP areas can be set up in the Eco-Business Zone to stimulate green redevelopment/retrofit opportunities. Toronto has a similar program in place already.	www.investinhamilton.ca/incentive-programs/going-green.html#LEED
Port Coquitlam, British Columbia	Fast Track Development Approvals	The City created an optional sustainability checklist that is made available to applicants seeking a development permit. As an incentive to encourage developers to adhere to the city's desired sustainability criteria, applicants that fill out the checklist are offered a fast tracked application. The reduction in time and associated costs provides the City with a low-cost financial incentive to attract green development.	Creating a fast track program is already permitted under existing Ontario regulations, and is in practice for certain types of development in some of the partner municipalities.	www.portcoquitlam.ca/Dynamic/AssetFactory.aspx?vid=3082
Kamloops, British Columbia	Multiple, Co-ordinated Incentive Package	The North Shore Neighbourhood Plan creates a rating system indicating the combination of incentives that are available to developers who meet a specified number of green development criteria. Both the number of incentives, as well as the amount awarded within each type of incentive increase with the number of criteria that a developer chooses to meet. Incentives include: tax exemptions for up to 10 years, reduced development charges, reduced parking requirements, density bonusing, expedited permit processing and funding for improvements to public right-of-ways.	Partners in Project Green partners can create a similar model to assemble a range of current or potential incentives into a cohesive strategy (one that is tied to a sustainability checklist or existing/future green standards).	www.city.kamloops.bc.ca/communityplanning/northshore.shtml
District of Saanich, British Columbia	Reduced Permit Fees	Municipalities can offer lower permitting fees to green development on a sliding scale between 10 per cent and 30 per cent corresponding to the amount of green features that are achieved in the project.	This is similar to existing grant programs in Ontario, but might be more visible and attractive to landowners since they must go through the site plan control process, but may not have interest or time for researching other grant opportunities from outside agencies ¹⁰ .	www.saanich.ca/business/development/greenbuilding/GreenBuilding.html

⁹The City of Toronto has a similar program in place, although it is currently focused on residential and retail at grade (as noted above, Toronto does not have development charges for industrial).

¹⁰Toronto has gained extensive experience in adapting and evaluating many of the tools described in this section. In their experience, reduced application fees alone may not constitute enough of an incentive relative to other project costs; fast tracking applications is sometimes not feasible if public consultation is required (e.g. rezoning). When exploring these incentives and tools, municipalities may raise other discussions, such as how to prioritize green development relative to other projects that satisfy different policy objectives (e.g. large job provider). In considering the adaptation of incentives, partner municipalities can draw from each other's common experiences to identify work already done, and evaluate context-appropriate incentive opportunities.