

REPORT TO: Mayor and Members of Council

PREPARED BY: Justin Dias, Director of Economic Development and Community Services

DEPARTMENT: Economic Development & Community Services

DIVISION: Economic Development

MEETING DATE: Wednesday, January-16-19

SUBJECT: Overview of Community Improvement Plans

RECOMMENDATION

That Council receive and file the Community Improvement Plan Report,

And that Council direct staff to begin the process of engaging the County and the Province for the purposes of preparation and implementation of a Community Improvement Plan(s).

EXECUTIVE SUMMARY

This report highlights the key features of a Community Improvement Plan (CIP), North Middlesex's current Official Plan policies with regards to the provision of Community Improvement Plans (CIPs) and an overview of the various tools and funding approaches that can be implemented to achieve the goals of a CIP.

LINK TO STRATEGIC PRIORITIES

Plans: To Support Robust Industrial, Commercial and Residential Growth By Managing Growth And Land Use Wisely

Prosper: To Support Economic Strength, Foster Entrepreneurship And Attract Investment By Promoting Economic Growth Through Implementation Of The Economic Development Plan

BACKGROUND

North Middlesex's Economic Development Strategy 2015-2020 recommended considering the implementation of community improvement plans (CIPs) over the life of the strategy as a means of encouraging commercial/industrial growth, job growth and residential growth within the municipal borders.

DISCUSSION

[Section 28 of the *Planning Act*](#) gives municipalities the ability to implement community improvement plans in order to encourage area-specific development that meets their individual needs, priorities and goals. The designated CIP area may be as small as a section of the downtown or encompass the entire Municipality. These CIP programs may be municipally driven or incentive-based programs designed to foster private sector investment. Some examples of incentive based programs include:

- preservation and adaptive reuse of heritage and industrial buildings
- brownfields environmental assessment, remediation and redevelopment
- commercial building façade improvements
- downtown/core area and waterfront revitalization
- project feasibility studies
- space conversion for residential and commercial uses
- structural improvements to buildings (e.g., building code upgrades)
- property tax assistance for remediation purposes

The table below provides a summary of a few of the programs which Council may consider and how each is typically funded:

Financial Incentive Program	Description	Value of Grant	Example	Funding Source
Tax Incremental Equivalency Grant	A grant equivalent to all, or a portion of the increase in taxation due to a development/redevelopment project	Ranges from 50% - 100% of tax increase, usually phased out over a five year period	An investor purchases a parcel of vacant land and builds a food processing plant, realizing tax savings on the re-assessed parcel for a period of five years	Deferred Revenue
Façade, signage and property improvement grant	Grant provided to property owners for eligible improvements to building facades, signage, landscaping, parking and other property improvements	% of eligible costs up to a maximum amount	Eligible property owner erects business signage	CIP budget (subject to approval)
Building improvement / restoration grant	Grant provided to property owners for physical improvements or restoration of existing buildings	% of eligible costs up to a maximum amount	Eligible property owner restores a deteriorated building so that it can be used for commercial activities	CIP budget (subject to approval)
Building conversion / expansion grant	Grant provided to property owners for the conversion of existing vacant space into new commercial/mixed use space	\$ amount per square foot of converted/expanded space	Under-utilized storage building is converted for the purposes of a farm market.	CIP budget (subject to approval)
Feasibility / Design study grant	Grant provided to property owners to assist with the costs associated with studies or plans that support new business development	% of eligible costs up to a maximum amount	Property owner commissions a feasibility study for the purposes of building a greenhouse operation	CIP budget (subject to approval)

This is not a definitive list of tools and municipalities are increasingly developing new and innovative approaches to community improvement plans and policies to meet their own unique needs. Below are a few examples of innovative rural CIPs that have been implemented in Southwestern Ontario:

I. [Rural Business and Tourism CIP, Haldimand County:](#)

Haldimand County wanted to encourage value-added agriculture as a key focus of their corporate and economic development strategy. Haldimand had also identified a lack of commercial roofed accommodation as a weakness for tourism development. The development of the Rural Business and Tourism CIP was aimed at developing viable rural businesses across the County and included façade, signage, development charge & building fee grants, building restoration, building improvement and heritage restoration components. Haldimand specifically targeted value-added agriculture, on-farm retail, food processing and commercial accommodation (hotels/inns/B&B development) through this program as eligible uses. Haldimand's unique approach identified the entire municipality as the 'community improvement project area' while also creating 'hamlet target zones' where additional programs and/or enhanced maximum grant amounts were available.

II. [Elgincentives CIP, Lower Tier Municipalities in Elgin County](#)

Elgin County Economic Development initiated coordinate CIP's across the seven lower tier municipalities including Aylmer, Bayham, Central Elgin, Dutton/Dunwich, Malahide, Southwold and West Elgin with population sizes ranging from 6,000-12,000. With an economic development focus on tourism, value-added agriculture and waterfront development, the CIP was designed with a comprehensive suite of programs similar to those in Haldimand County and project sub-areas. While the entirety of the municipalities was designated as a 'community improvement project areas', enhanced and targeted incentives were available along the tourism corridor and waterfront sub-areas. One highlight of the program thus far is the establishment of craft brewery in West Lorne on a previously vacant and underutilized site.

North Middlesex's Official Plan currently contains some policy direction with regards to Community Improvement Plans. The Official Plan states that "A specific area within the Municipality may be declared a Community Improvement Project Area under the *Planning Act* in order to carry out the maintenance, rehabilitation, redevelopment or improvement of infrastructure, services, buildings or facilities." Further, the [Official Plan](#) lays out the instances whereby Council may designate a Community Improvement Project Area including:

- Incompatible land uses that result in conflicts, buildings and structures are in need of rehabilitation,
- Heritage resources need to be preserved, rehabilitated or renewed;
- Commercial or industrial buildings have a high vacancy rate;
- There is a parking or loading space deficiency;
- There is inadequate storage facilities;
- There is evidence of contamination from a previous use, which has rendered lands undevelopable until remedial action is taken;
- There is a demonstrated need to improve the streetscape and/or physical amenities of an area; and/or
- There is the potential for, or existence of, a Business Improvement Area;
- There is a need for construction and improvements to energy efficiency;
- There is a demonstrated need for the provision of affordable housing.

Additionally, the Official Plan states that Council may implement the Community Improvement Plan policies by the following means:

- Participation in senior government programs that provide financial assistance for community improvement;
- Encouragement of the continuation and enlargement of the Business Improvement Area to enhance and maintain the viability of the commercial area;
- Use of municipal authority granted under the provisions of the *Planning Act* to designate Community Improvement Project Areas, adopt Community Improvement Plans and acquire and develop land
- Encouragement of infill development in appropriate areas;
- Encourage the rehabilitation of private buildings by advising property owners of government subsidies and programs, and assisting where possible, the property owners in obtaining grants;
- Where conflicting land uses occur in Community Improvement Areas, endeavoring to limit the expansion of these uses and encouraging and/or assisting in the relocation of the offensive use;
- Where contamination exists, offer tax equivalent grants or loans to facilitate site remediation; and/or
- Support the historic preservation of significant buildings and sites through application of the *Ontario Heritage Act*;
- Provision of grants and loans by the Municipality to registered owners, assessed owners and tenants of lands and buildings within a Community Improvement project area, and their assigns, for the purpose of paying for the whole or any part of the eligible costs of the community improvements measures under the Plan.

In order for Council to advance a CIP that meets the objectives laid out in the Economic Development Strategy, the following steps would be required:

- Review of Official Plan with provisions for expanded CIP policies
- Public consultation and input on specific CIP objectives, goals and project areas
- Ministry Consultation
- Draft CIP developed
- Passage of the CIP By-Law

In summary, when developing a CIP, municipalities should consider the assets and the goals of the community with regards to job creation, area revitalization, streetscape improvements, the creation of affordable housing, green energy initiatives, accessibility enhancements and economic development objectives. The suite of tools available and the location of the CIP areas are determined by the Municipality and are informed by the needs of the community through the Municipality's Official Plan, Corporate Strategic Plan, Economic Development Strategy and other supporting plans and initiatives. While CIP's have traditionally been focused on revitalization of derelict downtown business districts, the use and interpretation of CIP's are increasingly incorporating non-traditional areas and innovative approaches which could be implemented in North Middlesex. Additionally, while a municipality can choose to establish a CIP and determine the suite of programs available, they have discretion through the budgetary process over how much or how little funding is made available during a given period. While implementing, administering and funding CIP programs will require municipal investment, tax increment equivalency grant programs provide a method of encouraging investment without requiring an additional tax funding.

North Middlesex's membership in the Southwestern Ontario Marketing Alliance has given staff access to investment leads and opportunities that can help be fully realized with the implementation of supporting CIP policies and tools. Combined with already attractive development charges/no industrial development charges, lower land costs and a strategic location, a CIP focused on value-add agriculture, food processing, greenhouses and commercial/industrial development could provide the needed incentive to drive sustainable job creation, population stabilization and economic development in North Middlesex.

FINANCIAL

Not Applicable

ATTACHMENT

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