

Staff Report to Council

Title: Community Improvement Plan

Report Number: Economic Development-2023-01

Director: Chief Administrative Officer

Manager: Strategic Initiatives

Meeting Date:

Wednesday, November 22, 2023

Date to be considered by Council:

To Be Determined

Recommendation:

That Council direct staff to submit the draft Municipality of Kincardine Community Improvement Plan (CIP) to the Ontario Ministry of Municipal Affairs and Housing (MMAH) for review; and

Further that a Public Meeting be held in early 2024 prior to the Community Improvement Plan coming forward to Council for adoption.

Executive Summary:

Municipal Staff receive requests from developers to provide incentives to develop or redevelop land in the Municipality of Kincardine. Without a Community Improvement Plan (CIP), the provision of incentives or waiving of fees/charges for businesses, developers and landowners is considered 'bonusing' and is not permitted under section 106 of the Municipal Act. A CIP is a tool that allows a municipality to direct funds and implement policy initiatives and programs to enhance development and redevelopment in a community. Section 28 of the Planning Act gives municipalities that have enabling policies in their Official Plans, the ability to prepare a Community Improvement Plan. Over the past year, municipal and County staff have been working together to develop a new Community Improvement Plan (CIP). The Municipality currently has a CIP that was adopted in 2008 to support the implementation of the County's Spruce the Bruce Program in downtown Kincardine. This CIP builds on collaboration between the Municipality and the County, providing a broader range of incentives that could support more priority areas including downtown improvements, affordable/attainable housing, industrial, highway commercial and business park development, and the agricultural sector.

Strategic Priorities:

A.2-Improve investment readiness

Financial Considerations:

As part of the 2023 budget, \$50,000 was approved to hire a consultant (Pl.ural Consulting) to develop the framework for the CIP and lead public engagement work. Some public engagement has occurred to date and more will continue with Tiverton in order to develop branding and façade guidelines to facilitate eligibility for Spruce the Bruce programs.

Strategic Initiatives staff will be proposing \$60,000 through the 2024 budget process for CIP programs for Council's consideration. A staff report will be presented to Council annually identifying potential CIP priority areas and the funding for programs will be presented through the annual budget process. As noted in the implementation section, a new CIP program will require appropriate staffing in order to administer and support the program.

The County of Bruce would continue to implement and fund the Spruce the Bruce programs (Schedule D of Attachment 1) and may also match funding for other programs. The Municipality may also participate and coordinate grants and loans with other levels of government for the purpose of carrying out a CIP.

As part of the Development Incentives, a Surplus Land Program is included in the draft CIP. Municipalities are not permitted to sell or dispose of lands at less than market value rates, without a CIP in effect. By identifying this program within the CIP, it could provide the municipality an opportunity to sell or dispose of municipal lands at reduced rates to support priority areas, such as affordable/attainable housing, should Council wish to consider this in the future.

Policy:

Ontario Planning Action (1990) – Section 28

Municipality of Kincardine Official Plan (2021) – Section C8

Context and Background Information:

In 2008 the municipality approved a Community Improvement Plan that focused on the downtown core of the former Town of Kincardine and Bruce County's Spruce the Bruce grants, which yielded much success over the last decade. This new CIP would replace that previously developed CIP. This Community Improvement Plan enables additional opportunities that encourage the revitalization of existing buildings and redevelopment of properties within the municipality through a variety of financial incentives.

According to the Ministry of Municipal Affairs and Housing (MMAH), a municipality can develop a CIP to meet the following objectives:

- To focus public attention on local priorities and municipal initiatives.
- To target areas in transition or in need of repair, rehabilitation, and redevelopment.
- To facilitate and encourage community change in a coordinated manner.

- To stimulate private sector investment through municipal incentive-based programs.
- To facilitate and encourage community change in a coordinated manner.

A CIP allows municipalities to provide incentives through tax assistance, grants, or loans to assist in the development or rehabilitation of lands and/or buildings within the defined boundaries of a 'Community Improvement Project Area'.

Section 28(1) of the Planning Act (1990) allows a municipality to define a community improvement project area (CIPA). The Official Plan provides a list of criteria for selecting CIPAs. The original project area covered the downtown core of Kincardine. This CIP now includes an expansion to encompass the entire boundary of the Municipality of Kincardine. A revised downtown area for Kincardine and a new area in Tiverton are defined priority project areas and continue to have specific incentives focused on downtown development, as outlined in this policy.

A CIP can ensure a community is poised for development and helps entice private sector investment to priority areas. They often result in a net positive benefit to the whole community as they allow municipalities to compete more effectively in development and industry attraction, while also ensuring equal footing with other communities that have utilized financial incentives to their advantage. However, over incentivizing development can also lead to financial challenges for communities and put additional burden on the existing tax base. In this regard, careful consideration needs to be employed to develop a fiscally responsible program.

Jeff Loney, the Economic Development Manager with the County of Bruce has been working with municipal staff to build on the work completed by Pl.ural Consulting and has developed a new CIP (see Attachment 1). The proposed new CIP significantly expands the available incentives to provide the municipality with additional programs and tools. It also aligns with the County of Bruce's CIP programs.

It's important to note that the approval of the CIP does not require the municipality to implement all programs found in Schedules B, C and D of Attachment 1. Each year the priorities would be reviewed by Council, and it is up to Council to decide which of the programs, if any, would be implemented that year. The associated budgets to implement the programs would also be reviewed annually by Council through the budget process.

Below are a few of the key highlights and changes of the proposed CIP:

- Incentives are now categorized into three groups based on their common goals.



- The draft CIP proposes 3 CIPA areas – downtown Kincardine, downtown Tiverton, and the entire municipality. The new CIPA area identifies downtown Tiverton as an additional priority area and will allow, once community branding and façade guidelines are complete, property owners and businesses in downtown Tiverton to become eligible for Spruce the Bruce programs. The CIPA area encompassing the entire municipality would allow the implementation of specific programs in all areas. This change will ensure that businesses outside of the downtown priority areas of Kincardine and Tiverton could access grants intended for tourism, agricultural operations and also support the municipal-led incentives.
- New municipal-led incentives, targeting specific priorities including downtown improvements, affordable/attainable housing, industrial, highway commercial and business park development.

Staff are now seeking Council’s input on the draft CIP and seeking endorsement to move the policy forward to the MMAH for review. A formal public meeting would be required in early 2024 prior to the plan being adopted by Council.

The municipality shall designate the expanded CIP project area by by-law. The programs authorized in this CIP may be carried out within the community improvement project area’s (CIPA's) as identified in Schedule A.

Consultation Overview:

All CIPs require a public engagement process. Over the past year, municipal staff have been working with Pl.ural Consulting to gather input on the CIP. A public open house was held on October 4, 2022, in Kincardine and on November 7, 2022, in order to receive initial input on the CIP. A public survey was also conducted with 52 responses (see Attachment 2).

The draft CIP has been circulated and reviewed by the Municipality of Kincardine staff Development Team.

A Tiverton & Area Business Meeting is planned for December 5th, 2023, in order to develop Branding Guidelines for Tiverton.

The draft plan will also be brought forward to the Lakeside Downtown Kincardine BIA at a future meeting.

A formal public meeting will also be required in early 2024 before the plan is adopted by Council.

Origin:

Council motion following a staff report on November 15, 2021. The former Community Economic Development Committee (CEDC) also identified a new CIP as a top priority.

Implementation Considerations:

Staff are anticipating the MMAH review will take 3-4months, at which a public meeting will be held, and the plan will be brought back to council for endorsement.

If Council supports an amount within the budget for programs in the CIP then there will be a corresponding need to consider how the program will be administered and what resources will be required.

At the end of each year, staff will provide an annual report to Council to provide an overview of the program and identify priority areas and suggest budgets for the following year.

Risk Analysis:

A CIP allows the Municipality to draw from a series of tools that support development and business improvements as needed. These types of incentives would not be permitted without the CIP and therefore would not be available should the situation arise.

Attachments: [Council Report – CIP dated November 15, 2021](#)

Attachment 1: Community Improvement Plan – Draft November 2023

Attachment 2: CIP Public Survey Results

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