



Report to Council

Department: Development Services

Division: Planning

Date: December 16, 2019

Prepared by: Rita Jabbour, Manager, Planning Services

Report Number: Planning-2019-58

Subject: 2019 Community Improvement Plan (CIP) Annual Update

Number of Pages: 19

Recommendation(s)

It is recommended that:

1. Planning report Planning2019-58 entitled "2019 Community Improvement Plan (CIP) Annual Update" be received; and,
2. That the Economic Development Officer, or the Manager of Planning Services in His or Her absence, be delegated authority for the administration of the Harrow, Essex Centre and Colchester and County Road 50 CIP, and the execution of agreements on applications submitted under the individual Programs; and,
3. That Council direct administration to prepare a Bylaw to amend the Community Improvement Project Area and Implementation Strategy for the Essex Centre CIP; and,
4. That Council direct administration to prepare a Bylaw to the Implementation Strategy for the Harrow CIP and Colchester and County Road 50 CIP

Purpose

To provide Council with an update on the success of the Community Improvement Plan (CIP) for Essex Centre, Harrow and Colchester and County Road 50 and to recommend changes to the CIP Implementation program with respects to individual grants, the delegated approval authority, and the program implementation period.

Background and Discussion

A Community Improvement Plan (CIP) provides municipal funding incentives to property owners within a defined geographical area ("Community Improvement Project Area" or "CIPA"). Through municipal tax incentives, grants and loans, a CIP stimulates the development or redevelopment, construction or re-construction, and rehabilitation of residential, commercial, industrial, public, recreational and charitable land uses, buildings or structures. To date, the Town of Essex has adopted a CIP for Harrow (2012), Essex Centre (2014), and Colchester and County Road 50 (2018).

Under the CIP, an eligible property owner has access to one or more of the following financial incentive programs:

Development Grant Programs

- Development Permit Fee Grant: provides a grant to rebate the cost of Planning Act applications or construction permits;
- Development Charges Grant: provides a grant to rebate the cost of the municipal wide services component of the development charges fee;
- Tax Increment Equivalent Grant: provides a grant to rebate the municipality's annual incremental tax increase from an eligible development project that increases the assessed value of the property;
- Parks Levy Equivalent Grant: provides a grant to rebate the parks levy applied to the property as a direct result of works set out in the grant application.

Revitalization Grant Programs

- Façade Improvement Grant: offers assistance to property owners undertaking commercial building façade improvements;
- Outdoor Café, Patio and Commercial Outdoor Space Grant: offers assistance to property owners who are undertaking the construction of outdoor cafes, patios or other commercial open space that is accessory and complimentary to a commercial use;
- Conversion Grant: offers assistance to property owners who are creating a bed and breakfast operation or who intend to utilize existing above the ground floor commercial building space or an existing low density residential dwelling to create a new affordable rental dwelling unit(s), hotel rooms or suites or bed and breakfast rooms or suites;
- Rehabilitation Grant: offers assistance to property owners who are undertaking works to bring existing affordable rental dwelling units up to the minimum standards of energy efficiency; or, for the reconstruction of an existing public entrance to make it handicap accessible; or, for aesthetic and buffering improvements; or, for the complete or partial demolition of a building;
- Professional Design Services Grant: offers financial incentive to help offset the cost of professional design services required or encouraged by the Town.

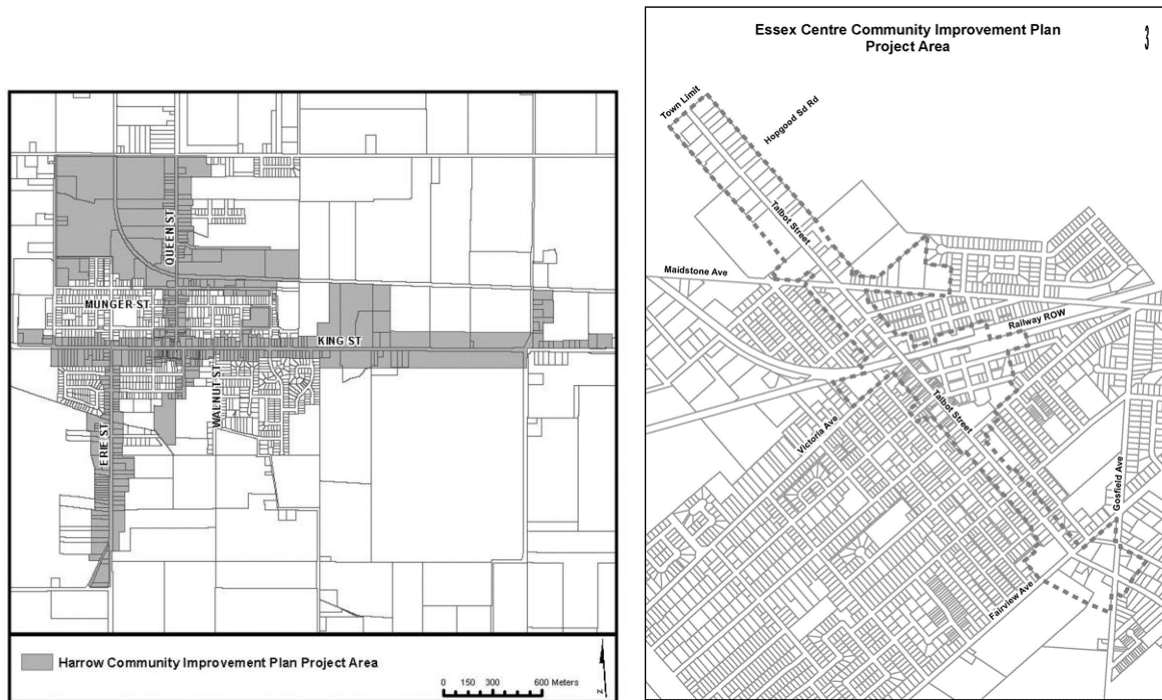
In accordance with section 6.0 “Monitoring and Assessment” of the Harrow, Essex Centre and Colchester and County Road 50 CIP Implementation Strategy, Staff will conduct periodic reviews of the individual CIP programs and, on an annual basis, report to Council on the effectiveness of the program and whether modifications to a program or the future level of funding are necessary. The report will also provide an annual recommendation on the merits of continuation, expansion or cessation of the CIPs and their programs.

Harrow and Essex Centre

Community Improvement Plans (CIP) for Harrow and Essex Centre were born out of the development of the Harrow Community Strategic Plan and the Downtown Essex Centre

Streetscape and Silo District Plan initiated by Council in 2011 and 2013, respectively. Community participation for both strategic plans identified the need to commit to the rejuvenation and revitalization of the downtown cores of Harrow and Essex Centre.

The designated Community Improvement Project Areas (CIPA) for the Harrow and Essex Centre CIP are identified below:



In 2019, nine (9) new applications were filed under the Harrow CIP and eight (8) new applications were filed under the Essex Centre CIP. As of November 29, \$72, 287.95 in grant money was disbursed under the Harrow CIP and \$84, 728.47 was disbursed under the Essex Centre CIP. (Note: Monies spent in 2019 include grant money for applications received in past years).

Figure1 provides an overview of the number of new applications received since 2017 under the Harrow and Essex Centre CIP

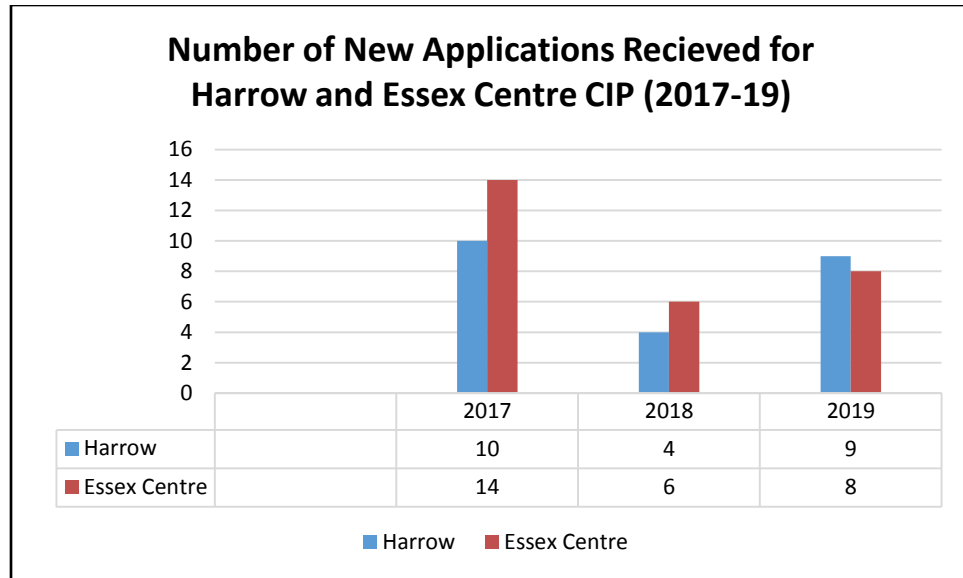
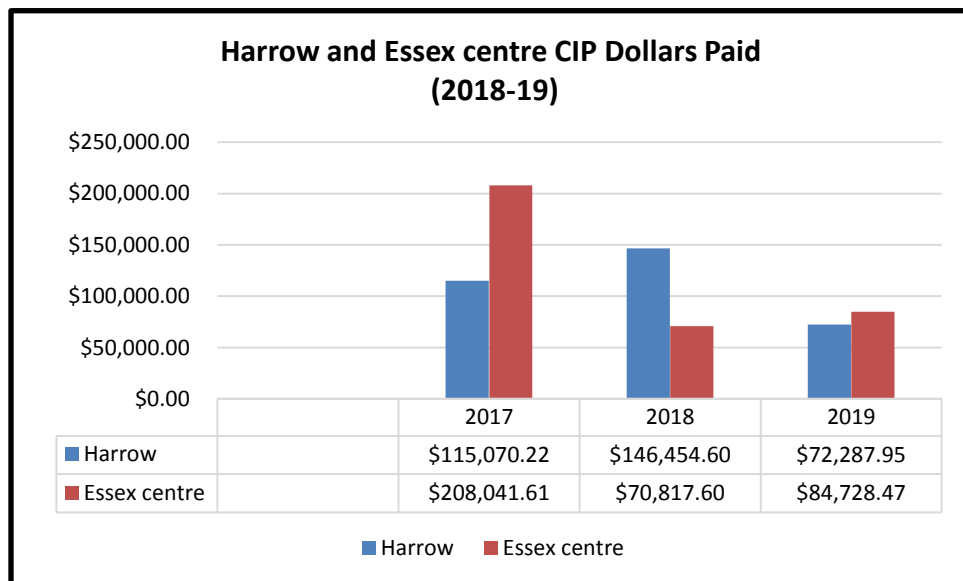


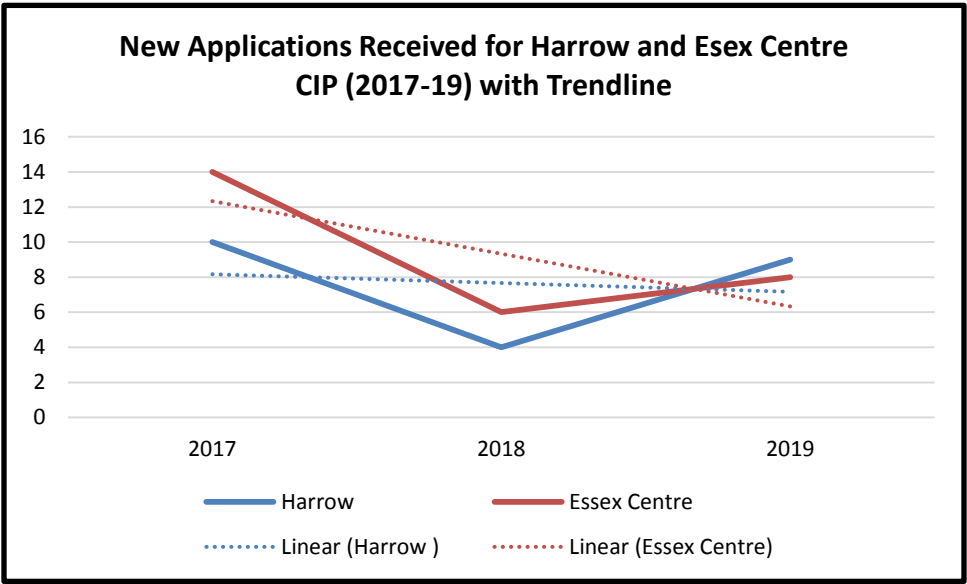
Figure 2 provides an overview of dollars paid under the Essex Centre and Harrow CIP from 2017-2019



Although the number of new applications filed for Harrow and Essex Centre in 2019 are less than the number of applications filed in 2017, the figures depict a 125 percent (%) increase in new applications filed for Harrow since 2018, and a 33 percent (%) increase in new applications filed for Essex Centre since 2018. Based on the percentage increase of new applications received under the Harrow CIP in 2019, it is predicted that the uptake of new applications in

Harrow will remain consistent, and the number of new applications filed for Essex Centre will decrease.

Figure 3 compares the volume of new applications received in both Harrow and Essex Centre between 2017 and 2019 with trend lines depicting a decrease in applications for Essex Centre



The most popular **Revitalization Grant Program** utilized under the Harrow and Essex Centre CIP in 2019 was the Façade Improvement Grant. Overall, the Façade Improvement Grant has been the most utilized Revitalization Grant in both Harrow and Essex Centre from 2017-2019. The Demolition Grant, however, has been utilized more in Harrow than in Essex Centre during the same period, and the Landscaping and Buffering Grant and Professional Design Services Grant has been utilized more in Essex Centre.

The most popular **Development Grant Program** utilized under the Harrow and Essex Centre CIP in 2019 was the Development Permit Fee Grant. It comprises all the development grant programs utilized in Harrow in 2019. Overall, the Development Permit Fee Grant has been the most utilized Development Grant in both Harrow and Essex Centre from 2017-2019. The Tax Increment Grant, however, has only been utilized in Harrow, and the Development Charges grant has only been utilized in Essex Centre for the period 2017-2019.

The Tax Increment Grant works with new commercial and industrial development or significant expansions to existing commercial and industrial buildings. The Harrow CIP has more vacant industrial land within its Project Area, resulting in a better uptake in Harrow. No development charges have been applicable in Harrow for residential developments since 2017. The Town subsequently waived development charges for commercial development throughout the Town in 2018. This may explain why the Development Charges Grant has been better utilized in Essex Centre over Harrow from 2017-2019.

Figure 4 outlines the percentage of Revitalization Grant programs Utilized in Harrow from 2017-2019

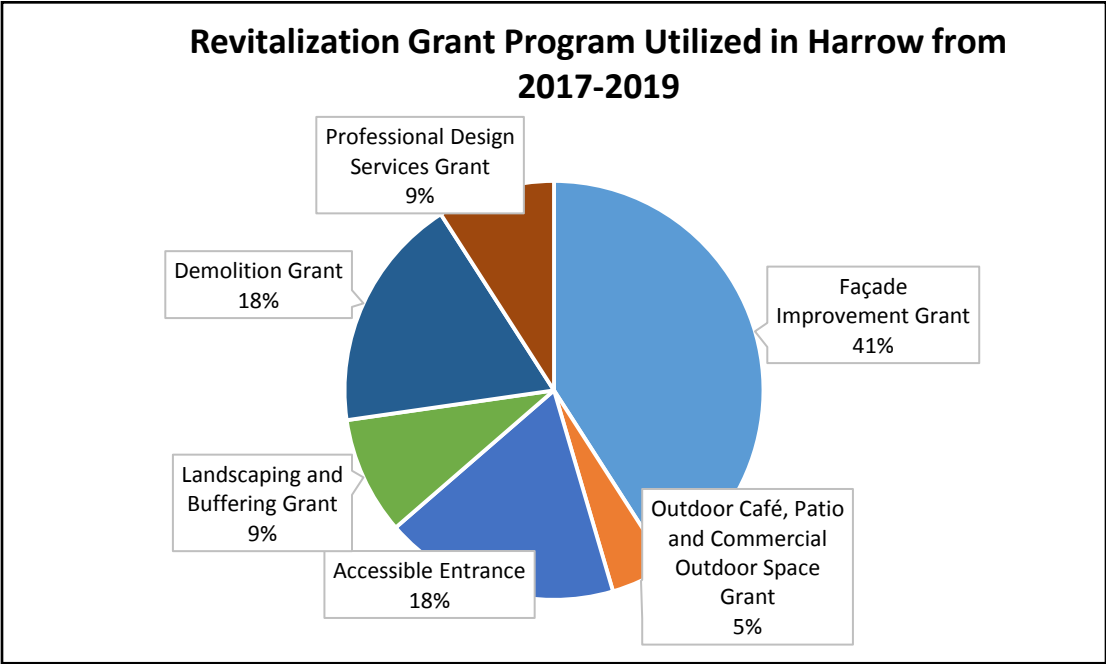


Figure 5 outlines the percentage of Development Grant programs Utilized in Essex Centre from 2017-2019

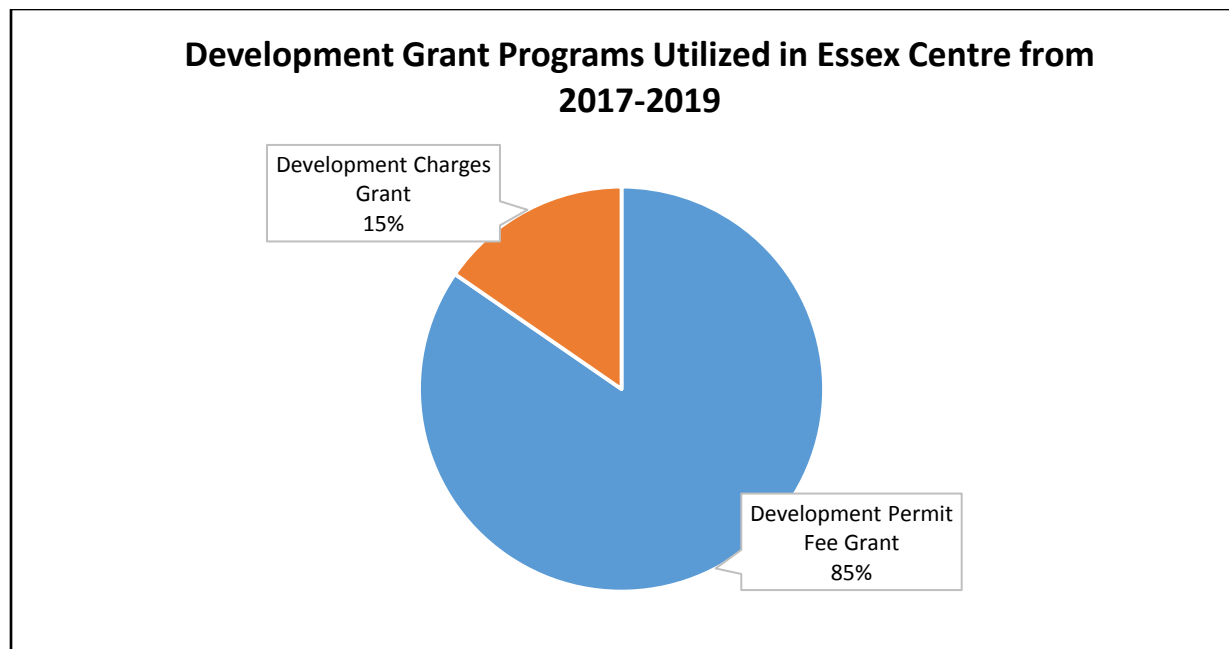
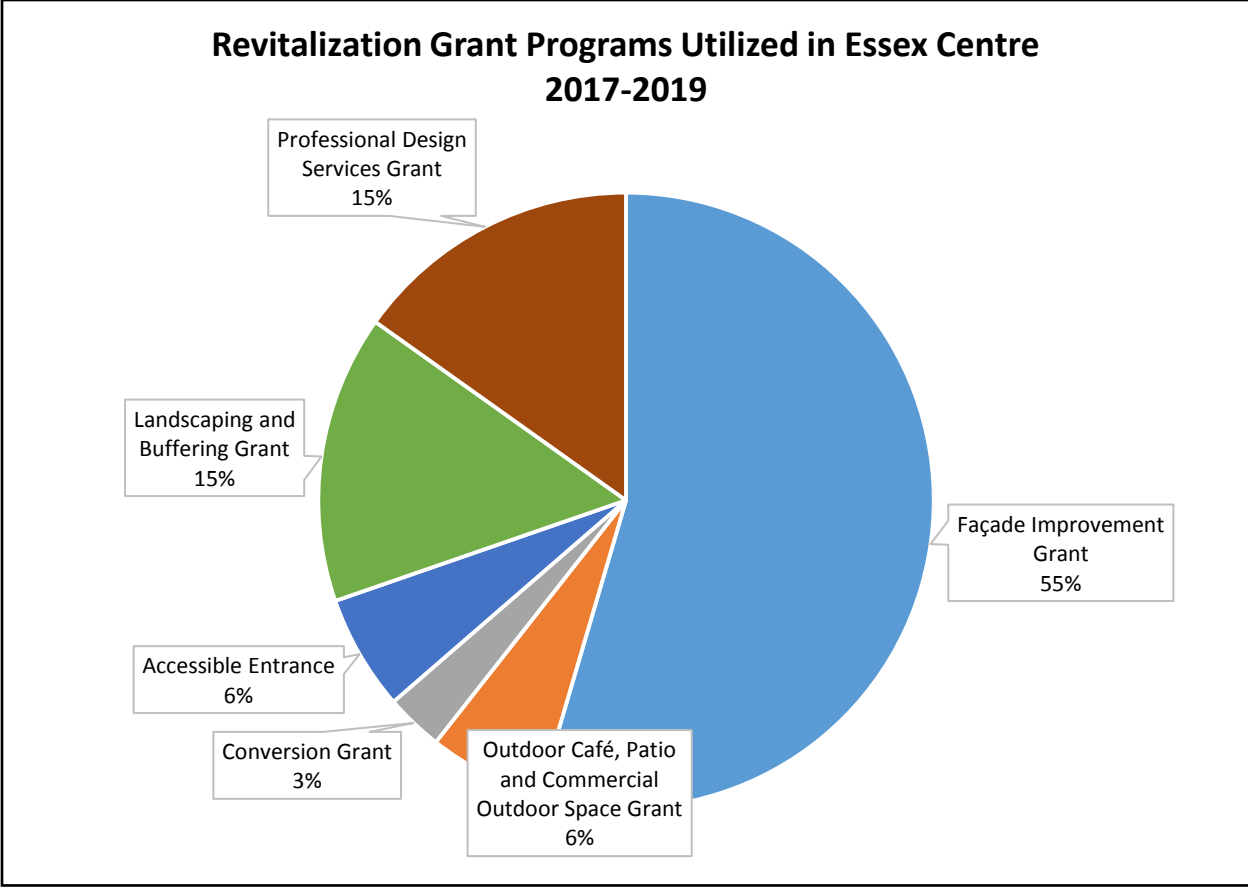


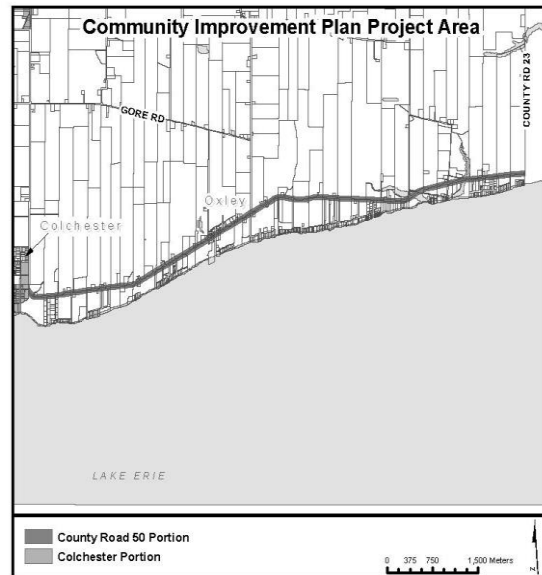
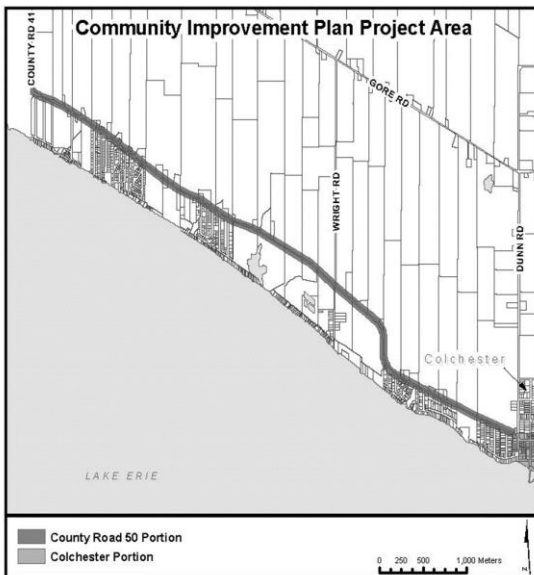
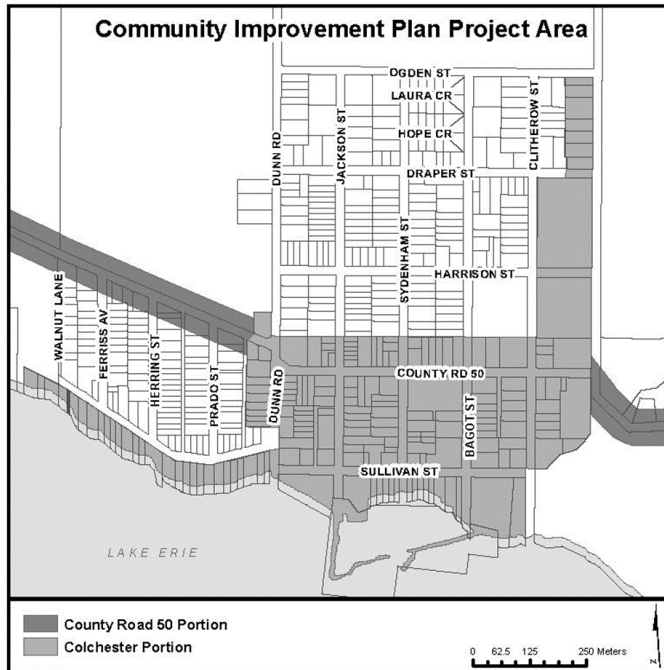
Figure 6 outlines the percentage of Revitalization Grant programs Utilized in Essex Centre from 2017-2019



The Colchester and County Road 50 Community Improvement Plan

The Colchester and County Road 50 CIP (CCCIP) was established to encompass and encourage revitalization and investment in the Town’s unique lakeshore-related settlement which is renowned for its sport fishing, active transportation routes, picturesque Lake Erie waterfront and beachfront Park. The Colchester Community Improvement Project Area (CIPA) was subsequently amended to include County Road 50 to help encourage and support the establishment and maintenance of value-added, on-farm diversified uses and agricultural related land use activities to keep a strong, resilient and productive rural economy.

The designated Community Improvement Project Areas for the Colchester and County Road 50 CIP are identified below:



In 2019, four (4) new applications were filed under the CCCIP and \$8000 has been disbursed as of November 29. The figures indicate a 33 percent increase overall in new applications filed in 2019. Staff expect monies paid out in 2019 will meet or exceed the value paid out in 2018 as they anticipate the continued submission of invoices before the end of the year.

Figure 7 provides an overview of the number of new applications received under the Colchester and County Road 50 CIP since 2018

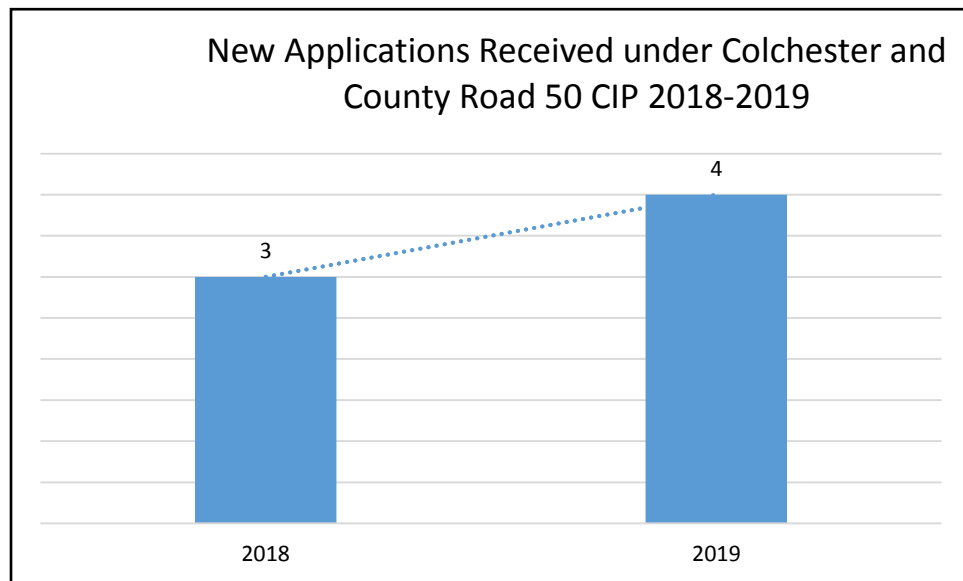
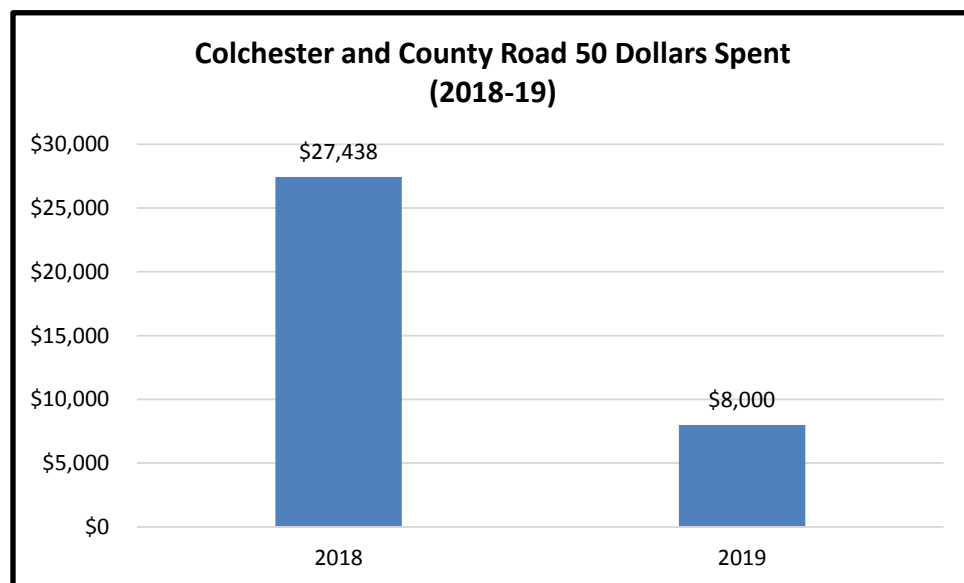


Figure 8 provides an overview of dollars paid under the Colchester and County Road 50 CIP from 2018-2019 as of November 29, 2019



The most popular **Revitalization Grant Program** utilized under the CCCIP from 2018-2019 was the Façade Improvement Grant. The most popular **Development Grant Program** utilized under the CCCIP in 2018-2019 was the Development Permit Fee Grant. Due to the volume of existing wineries and opportunities for the development of on-farm diversified uses along County Road 50, it is anticipated that the Outdoor Café, Patio and Commercial Outdoor Space grant; Landscaping and Buffering Grant; and, Tax Increment Grant will have a greater uptake in the future.

Notable Projects in 2019

The CIPs have assisted with many notable projects in 2019. In Harrow, the CIP has assisted with financial incentives for façade improvements at 41-45 King Street, and the installment of new landscaping at the Harrow Feed Store. It has also assisted with the redevelopment of the former site of the Harrow Junior School by providing funds to assist with the cost of demolition. The CIP also assisted with the cost of façade improvements at the former Shep's building at 71 King Street West.

In Essex Centre, the CIP has assisted with financial incentives for façade improvements at the new location of Stepping Out, a popular local fashion store, located at 19-21 Talbot Street North. The CIP has also assisted with the cost of design and install of a new sign to mark the location of a new health and fitness facility at 31 Arthur Avenue. Significant façade improvements at 41 Talbot Street North are also being undertaken with the support of CIP financial incentives and are anticipated to be completed before the New Year.



In Colchester and along County Road 50, the CIP has assisted with façade improvements at the Garfields restaurant at 1 County Road 50 West; the development of five (5) new tourist accommodations at 230 Jackson Street; and, the rejuvenation of the façade at 220 Jackson Street. The CCCIP also assisted with financial incentives for the development of the new CREW Winery along County Road 50, with the installation of new landscaping at the Oxley Estate Winery, and future enhancement of the outdoor patio at the Paglione Estate Winery.



Proposed Changes to the Community Improvement Plan Programs

It is anticipated that the Community Improvement Plan (CIP) programs will be implemented over a 10 year time period. The implementation period for the Harrow CIP would thus expire in 2022, and the Essex Centre CIP would expire in 2024. Council can however, at any time, elect to discontinue a grant program or dissolve a community improvement project area by bylaw when the Council is satisfied that the community improvement plan has been carried out.

The Harrow and Essex Centre Streetscape project has a combined total estimated cost of \$8.4 million. In order to finance the debt related to the streetscape projects, it is being proposed that the allotment of \$150, 000 from the Community Improvement Plan program beginning in 2022 be allocated towards servicing the debt. Thus, it is proposed that the Harrow and Essex Centre Implementation period be amended to expire at the end of 2021. Since the Colchester and County Road 50 CIP (CCCIP) was introduced in 2018, it has only been implemented for a period of two (2) years and has not been carried out to its full potential. It is thus recommended that the CCCIP continue to be implemented over a ten year period, or until such time Council is satisfied that the CCCIP has been carried out.

In the interim, Planning is proposing a number of changes to the Harrow, Essex Centre and Colchester Community Improvement Plan and its individual grant programs. A summary of the changes are attached to this report alongside the amended implementation strategies. The following, however, are notable revisions:

- Delegation of approval authority on CIP applications from Planning to the Economic Development Officer (EDO);
- The cessation of the Parks Levy Equivalent Grant Program;
- The extension of the CIP project area for the Essex Centre;
- The removal of employment generation as a qualifier for the tax increment grant; and,
- The removal of the affordability qualifier for the allocation of funds under the Conversion Grant Program to assist with the creation of new rental dwelling units.

Delegation of Approval Authority to Economic Development Officer (EDO)

The grant programs offered under the CIPs focus on community revitalization and beautification, and the provision of tourist accommodation by confining project areas to the downtown cores or tourist gateways. In order to achieve these goals, the Town must work with the business community which comprises individual land owners, business operators and related associations.

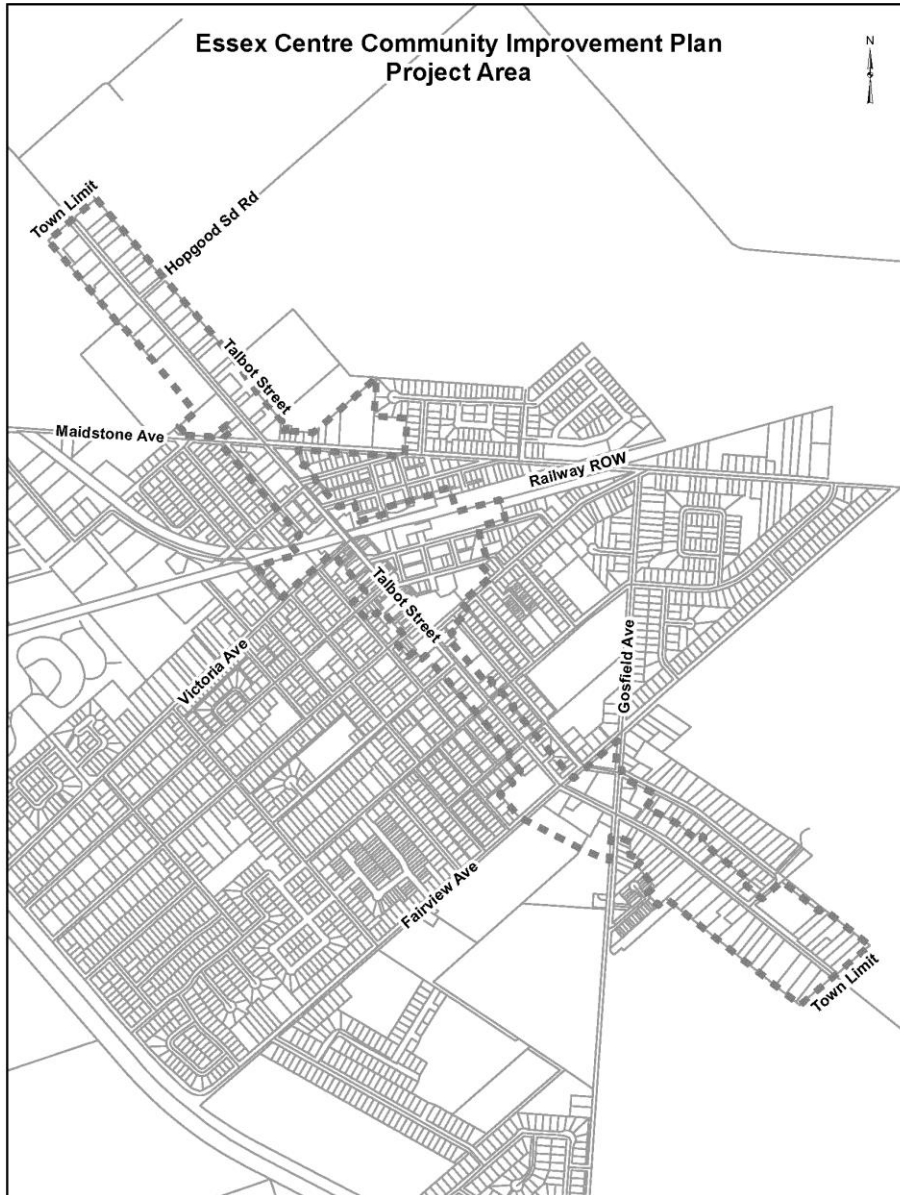
The EDO is the primary contact between the business community, potential investors and the Town. Delegating the administration and approval authority of the CIPs to the EDO will optimize the marketing of the program and enhance the customer service experience. Planning will continue to work with the EDO with respects to reviewing applications for consistency with the Town's Official Plan and Zoning Bylaw, and provide administrative support as needed.

Cessation of the Parks Levy Equivalent Grant Program

The Parks Levy Equivalent Grant program has never been utilized in either community improvement project area, nor has any interest been expressed for the program by program participants. The program applies to vacant brownfield land to which a parks levy equal to 2 or 5 percent of the predevelopment value of the property applies for the development of new affordable rental dwelling units and new commercial and industrial development exclusively to property owners undertaking works that increase energy efficiency in new buildings above the related minimum standards applicable under the Ontario Building Code or who provide Leadership in Energy and Environmental Design certified or other Town approved green technologies to new developments.

Expansion of the Essex Centre CIP Area

Any substantive changes to the project area boundaries or the introduction of new programs will require an amendment to the Plan by by-law. No formal public consultation is required. It is recommended that the Essex Centre CIP project area be extended to encompass properties along the east and west sides of Talbot Street from the intersection of Gosfield Avenue and Talbot Street to the southern limit of Talbot Street. The proposed extension is identified below:



Similar to the North limit of Talbot Street, Talbot Street South is also a gateway into the Essex Centre community. The southern limit of Talbot Street includes two institutional buildings and a commercial building who would merit from financial assistance for the rejuvenation or expansion of their facilities.

Changes to Eligibility Requirements for the Tax Increment and Conversion Grant

In order to qualify for the Tax Increment Grant, applicants must demonstrate that the proposed works directly result in a net increase in employment opportunities on the lands

which are the subject of a tax increment equivalent grant application. The generation of employment as a qualifier and can be difficult to ascertain. Rather, the Grant program better qualifies the applicants by stipulating the development must result in an increase of a minimum of \$500,000 in the assessed value of the property.

The Conversion Grant is currently only applicable to the development of affordable rental dwelling units, with the exception of hotel rooms and bed and breakfast rooms. Affordable is defined as a dwelling unit having a monthly all-inclusive rental rate of \$1000 or less or such other level established by Council on an individual application basis. This can be difficult to guarantee, as rental prices may rise following the disbursement of funds. Rental dwelling units should be encouraged regardless of price points to support the development of a mix of housing within the Town of Essex, and especially in the commercial districts, to meet housing targets identified in the Provincial Policy Statement and support a safe and walkable community.

Financial Impact

Since it is proposed that the Harrow and Essex Centre CIP implementation period be amended to expire at the end of 2021, \$150,000.00 is proposed to be reallocated in 2022 to fund the debt associated with the Essex Streetscaping Project.

With the proposed expiration of the Harrow and Essex Centre CIP at the end of 2021, new commercial and industrial developments within the CIP areas that qualify for the tax increment grant would continue receiving reimbursement as per their respective agreements, however new commercial and industrial developments within the CIP areas beyond 2021 would no longer be eligible for reimbursement.

Consultations

Lori Chadwick, Director, Development Services

Jeffrey Morrison, Director, Corporate Services/Treasurer

Jeff Watson, Planner

Nelson Silveira, Economic Development Officer

Link to Strategic Priorities

- ☐ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- ☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- ☐ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- ☒ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- ☐ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.