



# Committee Report

<b>To:</b>	Warden Milne and Members of Grey County Council
<b>Committee Date:</b>	March 9, 2023
<b>Subject / Report No:</b>	EDTC-CW-05-23
<b>Title:</b>	2022 Community Improvement Plan Update
<b>Prepared by:</b>	Savanna Myers
<b>Reviewed by:</b>	Randy Scherzer
<b>Lower Tier(s) Affected:</b>	All
<b>Status:</b>	Recommendation adopted by Committee as presented per Resolution CW48-23; Endorsed by County Council March 23, 2023, per Resolution CC24-23.

## Recommendation

1. **That report EDTC-CW-05-23 regarding the 2022 Community Improvement Plan Update be received; and**
2. **That municipalities be given a two-year extension to invest County CIP cash contributions in reserve from December 31, 2023, to December 31, 2025; and**
3. **That following consultation, a future report be brought to Council for consideration of amendments and extension to the CIP Program.**

## Executive Summary

The CIP Program was built with and for our member municipalities looking for new tools to grow their assessment base and to assist with becoming more investment ready. The Program is meant to enable and boost development momentum across the region and enhance the regional ecosystem from the ground up, which is where investment happens. 2022 results demonstrate incredible strength in the CIP Program in achieving priority investment across Grey County. The CIP Program was intended and approved as a five-year program, 2019 to 2023 but due to the pandemic, approximately two years of planning and implementation of the Program was lost. Given the unforeseen delay, staff recommend extending the December 31, 2023, deadline for municipalities to spend the County's CIP cash contributions by two years.

## Background and Discussion

The Community Improvement Plan (CIP) Program launched in 2019 with endorsement of report PDR-CW-30-19. Financial support was provided to local municipalities to assist with various incentives adopted through the local CIPs. This included, financial support for grant programs (up to \$20,000 per year subject to budget approval), as well as other incentives including participating in tax incentives, providing surplus land, and reducing or waiving application fees/development charges.

The five development priority areas in the CIP Program are:

- i. Increase the supply of affordable and attainable housing,
- ii. Increase value added agricultural uses,
- iii. Promote the development, redevelopment and/or conversion of brownfield, vacant, and grey field properties,
- iv. Support downtown improvements, and
- v. Support adaptive re-use of commercial, industrial, and institutional buildings.

To enable the five priority areas, an a la carte menu of incentives was endorsed, recommending a mixture of grants, fee waivers and deferrals, tax equivalent financing and surplus land grants.

Through report EDTC-CW-08-22, Council approved County participation in the first Heritage Tax Rebate with the City of Owen Sound. Through report EDTC-CW-13-22, Council endorsed County participation in the first Tax Increment Equivalent Grant (TIEG) to support the development of 142 units of attainable rental housing with the Town of Hanover. On March 23, 2023, the agreement and by-law will be brought forward to County Council for consideration.

Introduction of the TIEG illustrates the acceleration of investment figures below. The TIEG phases in net-new assessment, incrementally introducing new assessment to the roll, allowing the developer to reach full property tax payable over a period of up to 10 years. This is important because it strategically reduces upfront costs for developers, allowing savings to be passed on, therefore achieving attainable housing in the market. For municipalities and the County, the TIEG helps tip the scales where priority development may not otherwise happen, creating long term assessment gain.

### Results to Date

To date, eight of nine member municipalities have adopted their CIPs, and the final CIP is in process and expected to be complete in 2023. The CIPs launched just prior to the pandemic in 2019. Through the pandemic, little investment was made. Coming out of the pandemic however, the CIPs are starting to achieve priority investment goals.

<b>2021 Results</b>	
Number of Grants Issued	89
Total Value of Public Funds	\$547,932.30
Total Value of Private Funds	\$1,693,538.20
Total Value of Investment (Public & Private)	\$2,241,470.50

<b>2022 Results</b>	
Number of Grants Issued	47
Total Value of Public Funds	\$2,140,858.29
Total Value of Private Funds	\$20,219,183.53
Total Value of Investment (Public & Private)	\$22,360,041.82

**Future Considerations**

The CIP Program was intended and approved as a five-year program, 2019 to 2023. Given the pandemic, approximately two years of planning and implementation of the Program was lost. Given the unforeseen delay, staff recommend extending the December 31, 2023 deadline for municipalities to spend the County’s CIP cash contributions by two years.

With Council endorsement of the 2023 budget, each municipality has received their full County cash contribution of \$100,000 (\$20,000 each year for the past 5 years) to support their CIP program. For those who have not yet fully implemented their Program, this contribution is being held in reserve locally.

The CIP Program was built with and for our member municipalities looking for new tools to grow their assessment base and to assist with becoming more investment ready. It is meant to enable and boost development momentum across the region and enhance the regional ecosystem from the ground up, which is where investment happens.

The intent of this Program has been to offer targeted incentives countywide through the adoption of local municipal CIP’s including within settlement areas as well as in our rural areas. The year over year results demonstrate the CIP Program is working. Given the growing investment results, staff recommend consultation with member municipalities to determine how the CIP Program may be amended and extended beyond the five-year program (anticipated to end this year), with a future report to Council for consideration.

**Legal and Legislated Requirements**

None.

**Financial and Resource Implications**

No new commitments with this report. The cash contribution of \$20,000 per year (2019-2023) has been included in the economic development portion of the County budget. Any additional approved incentives will be considered on a case-by-case basis and treated by the County as an expense. In the case of a TIEG, the development generates increased assessment, and that revenue is offset by a grant that in turn provides a reduction to the property taxes that have been paid resulting in a phased-in increase to the property taxes over a set period of time.

## Relevant Consultation

- Internal - Deputy CAO
- External – All member municipalities

## Appendices and Attachments

[Report PDR-CW-30-19](#) CIP Program

[Report EDTC-CW-08-22](#) CIP Update

[Report EDTC-CW-13-22](#) TIEG Agreement