

The Evolution of Community Improvement Planning in Ontario

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Topics

- What is a Community Improvement Plan (CIP)?
- The Evolution of CIPs - A Brief History
- Employment Area CIPs
- CIP Process and Marketing
- Emerging CIP Trends – What's Next?

What is a CIP?

- CIP is a strategic planning and economic development tool designed to promote certain types of development/ redevelopment in specific geographic areas of a municipality.
- *Municipal Act S. 106(1)* - “bonusing” rule.
- Exception from bonusing rule for Councils exercising authority under *S. 28 Planning Act* - allows municipality to designate a CIPA area and adopt a CIP.
- CIP enables the municipality to offer grants and loans for:
 - i. development, redevelopment, construction and reconstruction of land and buildings for rehabilitation purposes;
 - ii. environmental site assessment/ remediation;
 - iii. provision of energy efficient uses, buildings, structures and works.

Evolution of CIPs

- **Late 1990s** – Ontario municipalities developed CIPs to offer grants and loans to promote Downtown Revitalization – facade/building improvement, residential conversion/rehabilitation.
- **Early 2000s** – Brownfield CIPs – Hamilton ERASE CIP (2001).
- **2007** – RCI started incorporating growth management and sustainable development principles into Brownfield CIPs.
- Predicted “next wave “ of CIPs would focus on incorporating sustainable development and growth management principles.
- **2008-2013** – Industrial/Employment Area CIPs, e.g., Toronto, Sault Ste. Marie, Windsor, Niagara Gateway.
- **2012-2017** – Residential Intensification and Mixed Use, e.g., Waterloo, Clarington (Courtice), and Lincoln.

Evolution of CIPs

- **Types of Municipal CIPs in Ontario:**

- Downtown/Commercial Area – upwards of 100 (or more)
- Brownfields – 50+
- Industrial/Employment Area – 10+
- Residential Intensification/Mixed Use - several
- Comprehensive Multi-Purpose, Multi-Project Area – several



Employment Area CIPs

- Key focus of Industrial/Employment Area CIPs is on revitalizing, strengthening and diversifying the local economy, e.g.,
 - Windsor Economic Revitalization CIP
 - Toronto City-Wide CIP
 - London Industrial CIP
 - Port Colborne Industrial CIP
 - Sault Ste. Marie Industrial CIP
 - Bradford West Gwillimbury Industrial Areas CIP
- Some use sectoral targeting...but fairly broad;
- Some use minimum investment and/or minimum job creation requirements...but fairly flexible.
- Some include an exception for “transformative” or “catalyst” projects.

Employment Area CIPs

- **Niagara Gateway Economic Zone and Centre CIP**
 - Concept for this CIP started with a conversation between myself, Dan Degazio, and CEO of NEDC on April 21, 2009.
 - I was asked:
 - Can we develop a CIP that focuses on employment lands in the Niagara Gateway Economic Zone and Centre?
 - Can we provide incentives for development of employment lands not previously developed?
 - How do we prepare and adopt a CIP that will apply to **2,025 ha.** of employment land across 5 lower tier municipalities? (Fort Erie, Niagara Falls, Port Colborne, Thorold and Welland)

Employment Area CIPs

- **Niagara Gateway Economic Zone and Centre CIP**
 - Consulted with other municipalities who had industrial/employment focused CIPs.
 - Consulted with MMAH re: CIP eligibility and approach.
 - A Regionally led CIP prepared in consultation with LMs that could be adopted by the 5 LMs was deemed best approach.
 - RFP for the Gateway CIP issued in May 2010 and work commenced in Early 2011.
 - At same time, Niagara Gateway Employment Lands Study being prepared by another consultant.

Employment Area CIPs

- **Niagara Gateway Economic Zone and Centre CIP**
 - CIP Background/Directions Report produced in June 2011.
 - CIP preparation was an Iterative process – consultation with staff, stakeholders (workshops, survey) and update meetings with the Gateway Committee (politicians).
 - Gateway CIP was endorsed by Regional Council in July 2012.
 - **2012-2013** - Local Municipalities adopted the Gateway CIP.
 - *Gateway CIP won an OPPI Excellence in Planning Award.*

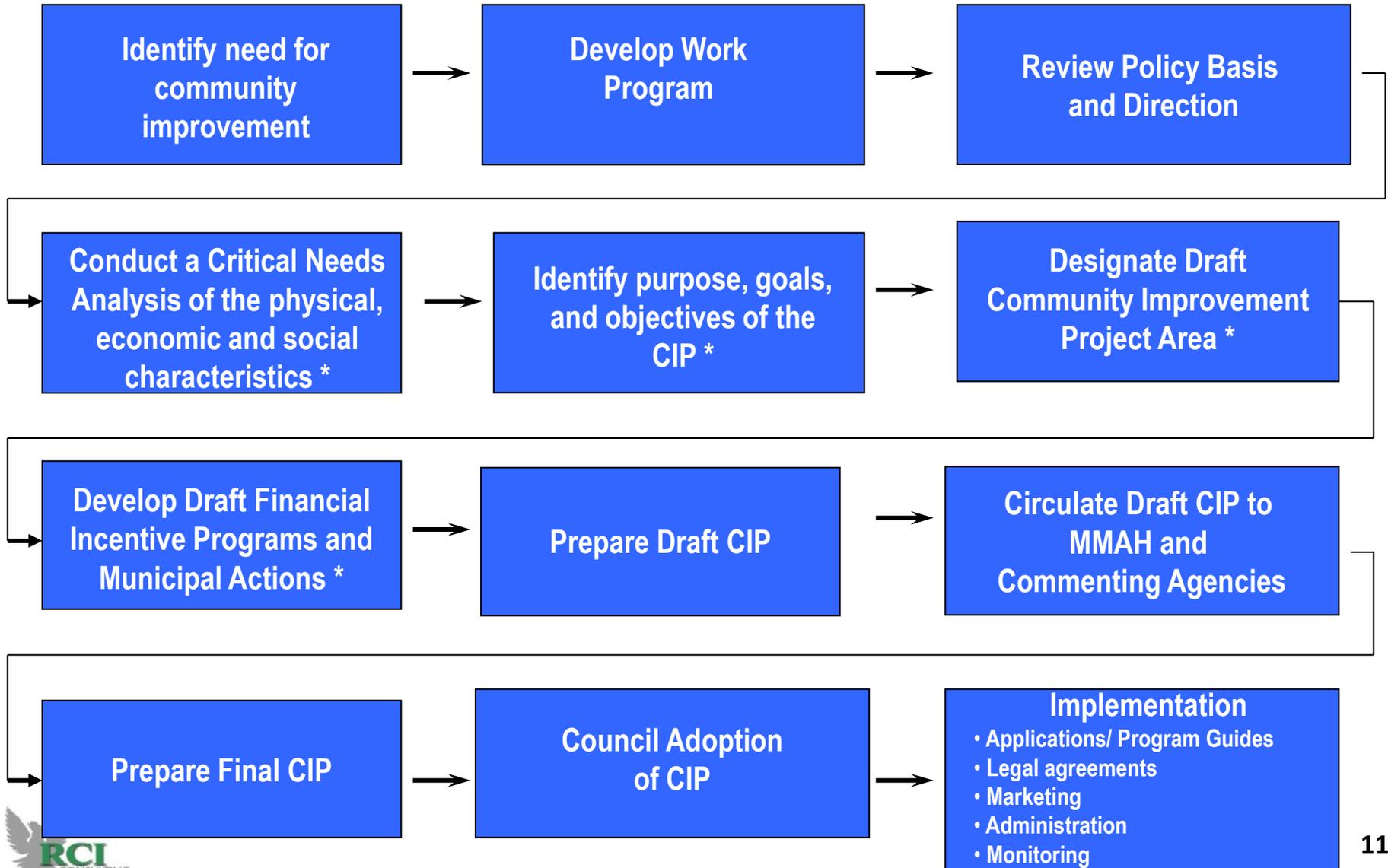
Employment Area CIPs

- **Niagara Gateway Economic Zone and Centre CIP**

Applies to designated employment lands in the 5 municipalities (Fort Erie, Niagara Falls, Port Colborne, Thorold and Welland)

- Incentive Programs are “**performance based**” – availability/ amount of incentive depends on project’s performance (investment, jobs, and environmental design)
- 20 point scoring system (Investment **4**, Jobs **11**, Environmental **5**)
- Tax Increment Grant (TIG) - Region and Local Municipalities partner to fund a 5/10 year TIG between 40% and 100%.
- Regional DC Grant – 70% to 100% DC Grant available to “exceptional” projects approved for a TIG.
- Maximum Regional DC Grant = \$1.5M

CIP Process - Overview



CIP Process - Lessons Learned

- Don't assume initial "buy-in" from Council and senior staff – work for it - build capacity throughout CIP process.
- Conduct a thorough community improvement needs analysis – not "let's just copy what worked somewhere else".
- Don't designate a community improvement project area before doing policy review and critical needs analysis.
- Stakeholder and public input should be meaningful and targeted.
- Avoid "shotgun approach" to financial incentive programs.
- Incentive programs should be financially realistic - designed to address key community improvement needs.
- For performance based incentive programs, provide some ability to adjust performance criteria

CIP Process - Lessons Learned

- Develop fully articulated program implementation materials (program guides, application forms, legal agreements).
- Provide consistent application information and assistance.
- Properly resource the administration process and make sure all key staff understand their role in the process.
- Prominently and consistently market incentive programs from day one, and continue to do so long-term.
- Regularly monitor program uptake and effectiveness and regularly report this to Council.
- The CIP is not static - don't be afraid to adjust programs over time in response to identified program/administration issues.
- *Beware of a lack of initial funding commitment or a reduction in funding commitment over time...."bean counter creep"!

CIP Process - Marketing

- Municipal incentive programs can result in significant \$ savings for all size projects – market to all potential applicants.
- Market immediately after program launch using various methods (print, media, web, presentations, brochures, etc...)...and repeat!
- Market directly to businesses and property owners with assistance of BIAs, C of C, industrial associations, etc...
- Don't forget about marketing to support professionals (real estate agents, engineers, planners, lawyers, accountants)
- Marketing materials should be professional and informative, without being too detailed or complex.
- Market CIP incentive programs as a “package” along with any other available programs (municipal, provincial and federal).
- Use applicant testimonials to market programs.

Emerging CIP Trends – What’s Next?

- Some municipalities are now updating their older Downtown/ Commercial Area CIPs and Brownfield CIPs.
- Still a few municipalities developing new Downtown/ Commercial Area CIPs and Brownfield CIPs.
- A number of municipalities have reviewed or in process of reviewing their CIPs/incentive programs, including funding levels/commitments.
- January 28, 2020 ***“I wanted to ask what has your experience been with a CIP prioritizing sustainable practice and climate change prevention specific incentives? Do you have any suggestions on how this would be implemented?”***

Emerging CIP Trends – What's Next?

- **Emerging CIP trends**

- ↑ CIPs that incorporate urban design, sustainability and energy and water efficiency principles/criteria.
- ↑ CIPs that are performance based – tie availability and value of incentive programs to project performance.
- ↑ More CIPs specifically designed to promote economic diversification through employment lands development, including previously undeveloped employment lands.
- ↑ More comprehensive multi-purpose/multi-area CIPs.
- ↑ Affordable Housing/Residential Intensification CIPs.
- ↓ In some cases, financial pressures on long-standing successful incentive programs are leading to misinformation and ill-informed cessation/modification of programs.

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