

# Niagara Region

**REPORT TO:** Chair and Members of the  
Integrated Community Planning Committee

**SUBJECT:** Review and Update of the *Smarter Niagara* Incentive Programs

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## RECOMMENDATIONS

That this Committee recommend to Regional Council:

1. That the Review and Update of the *Smarter Niagara* Incentive Programs, accessible via Review and Update of the Smarter Niagara Incentive Programs, November 2011 be received.
2. That the revisions to the *Smarter Niagara* Incentive Programs as outlined in the Review and Update of the *Smarter Niagara* Incentive Programs, as summarized in the Appendices be approved.
3. That consistent with Council Direction as approved in Report EDTF 2-2011, the position of 'Expediter' (referred to in this report as the CIP Coordinator) be reinstated.
4. That a copy of this report be sent to all local municipalities for information.

## EXECUTIVE SUMMARY

The *Smarter Niagara* Incentive Programs (SNIP) provides incentives to local municipalities for projects that are consistent with Council's *Smarter Niagara* strategy. The *Smarter Niagara* Incentive Programs were introduced in 2003 and since that time 10 out of 12 local municipalities have adopted a total of 19 Community Improvement Plans (CIPs) with two more currently being prepared. Within these CIPs, funding provided by both the Region and the local municipalities has generated approximately \$73 million in new development, an overall return on investment ratio of approximately 9:1.

Since the introduction of the SNIP in 2003, changes to Provincial and Regional policy as well as a number of lessons learned from implementing the Program at both the local and Regional level have indicated that a comprehensive review and update of the SNIP was in order.

It is now proposed after extensive stakeholder and public consultation including consultation with the Municipal CIP Contact Group, *Smarter Niagara* Steering Committee, Niagara Culture Committee and others that the original core programs should be maintained and for the most part strengthened. Further there is strong support to broaden the SNIP by introducing new programs to address the need for affordable housing and to support agriculture. As such, the proposed revisions to the existing programs, the introduction of new programs and administrative changes as outlined in Appendix I and contained in the full report be approved by Regional Council.

The review and update of the *Smarter Niagara* Incentive Programs aligns well with many of the current and proposed Council Business Plan priorities. For example, the recommendations in this report support Council Objectives related to being a Responsive Region, Community and Social Well Being, and Open for Business.

## FINANCIAL IMPLICATIONS

Pending Council's consideration of the recommendations contained in this report, the SNIP review and recommendations result in the following financial implications for Council:

1. Changes to some of the programs being proposed will result in increases to the Region's maximum matching contribution.
2. Additional programs are being proposed to support affordable housing and agriculture.
3. More local municipal CIPs are being adopted and implemented than in past years, resulting in anticipated higher levels of uptake for existing, expanded and new programs.
4. Recommendations relating to improving the administration of these programs include the provision for a CIP Coordinator, similar to the former expeditor role once housed in the Niagara Economic Development Corporation (NEDC).

In an effort to manage these pressures while recognizing the importance of the SNIP in providing significant investment to Niagara's communities, Integrated Community Planning (ICP) staff have brought forward two requests associated with the SNIP review to be considered for the 2012 budget. These budget requests, which have been highlighted in the ICP budget, and outside of the proposed ICP base budget, include:

- An additional \$250,000 per year to satisfy the program enhancements and an anticipated overall increase in SNIP applications;
- Approximately \$100,000 per year for a CIP Coordinator, pending further work on the transition of the economic development function to identify where and how this resource is allocated. Given these funds are recommended to be sought from the NEDC base budget; it is expected to have no net increase on the levy in 2012.

As referenced in Report EDTF 2-2011, the former expediter function:

*"had previously been resourced by the Region (i.e. an original base budget transfer from the Region to NEDC in the amount of \$75K). These funds supported the hiring of an 'Expediter', one whose role was to help land developers traverse the often confusing development approvals system, as well as assure ready access to the suite of Smarter Niagara Incentives. Some key changes have taken place since the original Expediter role was created – the planning function has been streamlined (to work toward eliminating confusion and instilling a customer service ethos); the Smarter Niagara Incentives are being broadened to be a primary implementation tool kit for the Gateway Economic Zone and Centre, meaning more direct support to encouraging development activity; however, the Expediter position itself was summarily eliminated.*

*There has been a clear message from the development industry that this role needs to be reinstated – given that the 'one stop shop' is a clear guiding principle in the Council-approved economic development model, it is appropriate that this role be reinstated internally, where the incentives are administered with direct linkage to coordinating Community Improvement Plans and to development approvals."*

## **PURPOSE**

The purpose of this report is to present the results of the recent review of the *Smarter Niagara* Incentive Programs. The review has recommended updates to existing programs, the introduction of new programs and administrative changes. These changes are being presented to Council for consideration.

## **REPORT**

### **Background**

Established by Regional Council in 2003, the *Smarter Niagara* Incentive Programs is a comprehensive framework of financial incentives to encourage downtown revitalization and brownfield redevelopment within existing urban areas. The SNIP supports efforts to revitalize existing building stock, infrastructure and public amenities as a financially-viable and more sustainable alternative to costly new Greenfield development.

In order for a local municipality to access the SNIP it must adopt a Community Improvement Plan (CIP) containing programs that align with those included in the SNIP. To date, 10 out of the 12 local municipalities have adopted a total of 19 CIPs with two more currently being prepared. Seventeen of the 19 adopted CIPs are currently being implemented. As completion of a municipal CIP is a prerequisite for accessing the incentives, some lag time between the initiation of a CIP and the uptake of incentives by the private sector is expected. Despite this, the period between 2003 and 2009

witnessed the five municipalities who were actively offering incentive programs approve a total of 178 applications in central urban areas and on brownfield sites. These 178 applications translated into approximately \$73 Million in development and included the construction of 733 residential units. Overall to-date, the SNIP has generated a return on investment ratio of approximately 9:1. It should be noted that this figure does not count private sector investments beyond those tied to incentives.

While the majority of the current *Smarter Niagara* Incentive Programs were introduced in 2003, there have been a number of revisions to the programs with some new programs being added. At the present time, the *Smarter Niagara* Incentive Programs includes the following:

1. Reduction of Regional Development Charges
2. Property Rehabilitation and Redevelopment Tax Increment Funding Program
3. Building and Facade Improvement Grant/Loan Program
4. Residential Grant Loan Program Heritage Restoration and Improvement Grant/Loan Program
5. Environmental Assessment Study Grant Program
6. Public Domain Incentives Program

A number of factors have combined to suggest that a review of the current suite of incentive programs is now in order. The program has not been subject to a comprehensive review since its inception in 2003. More specifically, changes in Provincial and Regional policy namely the introduction of the Provincial Growth Plan and Regional Policy Plan Amendment 2-2009 in combination with the maturation of the Programs has produced a number of lessons learned from implementing the SNIP at both the Regional and local municipal level.

#### SNIP Review Process

A key component of the SNIP review was stakeholder consultation. Input was sought from the CIP Contact Group (made up of representatives of each of the municipalities that has a CIP in place and is participating in the *Smarter Niagara* Incentive Programs) and Regional staff responsible for key policy areas. To evaluate the effectiveness of the Programs, local stakeholders (such as members of the development community and affordable housing providers) who have utilized or who are affected by the Programs were directly interviewed. The key stakeholders reinforced the need to review and update the *Smarter Niagara* Incentive Programs at this time.

Input was also sought from a number of Regional committees such as the *Smarter Niagara* Steering Committee, Niagara Culture Committee, Niagara Gateway Economic Zone and Centre Committee and Niagara Agricultural Task Force. To receive further feedback, the Region hosted a Stakeholder Consultation Session Workshop on November 24, 2010 and a Public Meeting on March 23, 2011. In all instances, input received from all sources has been incorporated, where appropriate in the final document.

The recommendations outlined in Appendix II can be characterized as program adjustments, new programs or administrative changes. Table 1 in Appendix II contains a list of the existing *Smarter Niagara* Incentive Programs available to the local municipalities. Table 1 also provides background information regarding the purpose and details of the individual incentive program and proposed revisions to the particular program.

#### Recommended Program Adjustments

The original core programs have been maintained and the for the most part strengthened by increasing the Region's level of financial contribution. The local municipality will have the option to match the increased Regional contribution. With respect to the reduction in Regional Development Charges, the proposed revisions include allowing for the redevelopment of brownfields outside of downtowns to be eligible. Further if a project is on a brownfield sites located in a designated central area then there will be automatic increase in the Regional Development Charge reduction from 50% to 75%, in addition to a 25% reduction based on the project meeting 3 out of 5 Smart Growth criteria.

#### Recommended New Programs

Stakeholder consultation has suggested that a number of new incentive programs should be considered in order to address identified existing program gaps and key future priorities. These gaps include the provision of affordable housing and the promotion of farm building rehabilitation to support new forms of agriculture and value added secondary production. Accordingly, the proposed new *Smarter Niagara* Incentive Programs shall expand to include the Affordable Housing Grant/Loan Program, Agricultural Feasibility Study Grant and the Agricultural Buildings and Facilities Revitalization Study Grant. The new agricultural incentives are being introduced in order to breathe life into value added agriculture and farm innovations aimed at growing the agricultural sector's profitability. A description of these new programs is contained in Table 1 of Appendix II and further highlighted in the full SNIP Review report accessible via the earlier provided weblink.

The SNIP review also identified a clear need to support cultural heritage and art. The use of incentives within a CIP is limited in its ability to address the critical needs of cultural heritage and arts groups as incentives can only be utilized for activities that involve the development, redevelopment, construction and reconstruction of lands and buildings. In many cases, local CIPs can define what qualifies as a "building improvement" to support culture. (for example, support for live-work studio or performing art spaces). Further, public art is already funded through the public realm improvement grant. Given the identified need to strengthen support for cultural heritage and arts activities, staff will work with the CIP Coordinators and other key stakeholders, such as the Culture Committee to examine opportunities to strengthen cultural objectives through local CIPs.

### Recommended Administrative Improvements

Though the current administration of the *Smarter Niagara* Incentive Programs was generally viewed as effective, two important improvements were identified that would make the SNIP more efficient, timely and responsive to users. First, to avoid a time delay for an applicant receiving full payment of a grant or loan it is proposed that the local municipality will resume front ending the Region's share of the payment and then recover this payment from the Region through a regular reimbursement (e.g. monthly or quarterly) accounting. As the number of applications requesting SNIP funding is anticipated to increase, the current practice of requesting Regional reimbursement on an application by application basis will become more time consuming and cumbersome for staff at both the local and Regional levels.

The second significant administrative improvement that was identified for the *Smarter Niagara* Incentive Programs is to have a single person at the Region responsible for co-ordinating and responding to local CIP program issues. Currently a SNIP application, depending on the type, may be handled by up to three Regional departments. A dedicated SNIP Co-ordinator would help to clarify and standardize program requirements and administrative procedures and provide enhanced customer service and one stop shopping to those accessing the *Smarter Niagara* Incentive Programs. This is expected to be addressed through the Economic Development Transition plan.

Finally as a result of stakeholder consultation, the Regional Niagara Bicycling Committee forwarded a report for consideration to the SNIP review recommending the Region cost share in the preparation of local municipal bicycle master plans. This report recommends that the *Smarter Niagara* Incentive Programs not be utilized to fund local planning work beyond the preparation of local CIPs. Pending Council direction, staff will investigate alternative funding avenues in combination with the preparation of funding guidelines to assist in the preparation of bicycle master plans and other important local municipal policy work.

### Recommended Budget Revisions

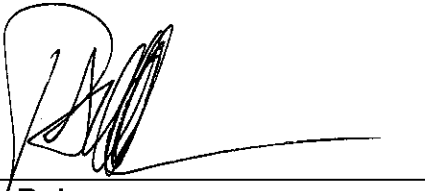
The Region has been budgeting approximately \$750,000 per year for the implementation of the SNIP. It is anticipated that the demand for Regional funding to assist in the preparation of local municipal CIPs will decrease as most of the local municipalities have now prepared their CIPs. However, the number of local municipalities implementing adopted CIPs will increase and this will translate into an overall increase in applications. Consequently, the broadening of the *Smarter Niagara* Incentive Programs combined with increases to maximum Regional funding levels and an overall anticipated increase in applications will stress the current annual funding level of \$750,000. To address the expected draw upon the SNIP budget, it is proposed that the annual budget be increased to \$1 Million which is in accordance with the proposed budget request for 2012.

## CONCLUSION

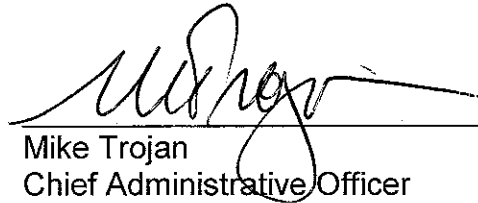
The cost effective *Smarter Niagara* Incentive Programs have served for years as a model of partnership between Niagara Region and local municipalities to promote urban area revitalization and Smart Growth. As a result of this strong partnership, the SNIP has played a key role in assisting the local municipalities in the revitalization of their downtowns and brownfield areas. After extensive consultation, the Program and administrative changes put forth by the SNIP review will not only strengthen and improve the effectiveness and responsiveness of the Program but also strengthen the Regional/local partnership and as such should be supported.

Submitted by:

Approved by:



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Commissioner  
Integrated Community Planning



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Chief Administrative Officer

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## APPENDIX

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## **Review and Update of the Smarter Niagara Incentive Programs**

### **EXECUTIVE SUMMARY**

#### **Background**

The Smarter Niagara Incentive Programs are a comprehensive framework of financial incentive programs designed to promote Smart Growth in Niagara. These programs were endorsed by Regional Council in 2002 and efforts have been ongoing to implement the Smarter Niagara Incentive Programs since 2003. The Region has budgeted and disbursed significant funds for implementation of these programs. Numerous local municipalities in Niagara Region have taken advantage of funding from the Smarter Niagara Incentive Programs by adopting community improvement plans (CIPs) that contain complementary incentive programs.

The Smarter Niagara Incentive Programs currently include the following programs:

- 1) Reduction of Regional Development Charges;
- 2) Property Rehabilitation and Redevelopment Tax Increment Funding Program;
- 3) Building and Facade Improvement Grant/Loan Program;
- 4) Residential Grant/Loan Program;
- 5) Heritage Restoration and Improvement Grant/Loan Program;
- 6) Environmental Assessment Study Grant Program; and,
- 7) Public Domain Incentives Program.

The private sector has responded to these incentive programs by initiating dozens of residential, commercial and mixed use development and redevelopment projects in central urban areas and on brownfield sites.

Since introduction of the Smarter Niagara Incentive Programs in 2003, a number of factors have combined to suggest that a review and update of the programs is now in order. This includes:

- a) Adoption of Regional Policy Plan Amendment (ROPA) 2-2009 which implements the Region's Growth Management Strategy (Niagara 2031);
- b) Results of CIP programs and lessons learned in a number of municipalities such as St. Catharines and Niagara Falls that have had incentive programs in place for several years;
- c) Input from Local/ Regional staff and program users regarding the current programs; and,
- d) Evolving incentive program best practices, including the use of incentive programs that promote energy efficiency and sustainable planning and development.

The purpose of this report is to review the Smarter Niagara Incentive Programs and provide recommendations for the updating of these programs.

#### **Methodology**

The recommendations contained in this report were developed using a comprehensive methodology to review the existing Smarter Niagara Incentive Programs. This review included completion of the following tasks:

- a) A review of key Regional policy documents and reports to determine policy direction for



- the Smarter Niagara Incentive Programs;
- b) A review of best practices used by other Ontario municipalities to promote the types of community improvement and economic development identified in the policy review;
- c) Review and quantitative analysis of the results of the Smarter Niagara Incentive Programs from 2003 until the end of 2009;
- d) Interviews with Regional staff, Local Municipal CIP Coordinators and other key stakeholders who have utilized or are affected by Local/Regional incentive programs;
- e) The identification of program gaps, possible improvements, administrative issues and future program needs and priorities for the Smarter Niagara Incentive Programs;
- f) Preparation of a Draft Preliminary Incentive Program Concepts Report;
- g) Presentation of the Draft Preliminary Incentive Program Concepts Report at a Stakeholder Consultation Session and Workshop on November 24, 2010 and review of comments received during and after the Stakeholder Consultation Session and Workshop;
- h) Preparation of Revised Preliminary Incentive Program Concepts and presentation of the these concepts at a public meeting held on March 23, 2011;
- i) Preparation of a Draft Report in September of 2011 and circulation and presentation of this Draft Report to the Local Municipal CIP Coordinators in October of 2011; and,
- j) Preparation of this Final Report.

In addition to the stakeholder consultation sessions and the public meeting noted above, project results and progress updates were presented to various committees during the process, including the Smarter Niagara Steering Committee.

### **Smarter Niagara Incentive Program Funding and Results**

The Region has a long standing program of providing its local municipalities funding for the preparation of community improvement plans and by the end of 2010, the Region of Niagara had paid out or committed a total of \$603,500 for the preparation of local CIPs. In addition to the funding for preparation of CIPs, the Region has committed just under \$775,000 toward public realm improvement projects in five local municipalities, and an additional \$199,675 for advanced visualization projects in three local municipalities. In total, by the end of 2010, the Region had committed \$1,577,550 in funding for Local CIPs, public realm improvement projects and advanced visualization.

In terms of Smarter Niagara Incentive Program funding provided to the Local Municipalities in Niagara, the Local Municipalities in Niagara approved a total of 178 incentive program applications between 2003 and 2009. Five municipalities in Niagara were actively offering incentive programs over the period 2003 to 2009, and this includes 61 approved applications in St. Catharines, 59 in Niagara Falls, 36 in Niagara-on-the-Lake, 14 in Welland, and 8 in Thorold. The number of municipalities in Niagara offering incentive programs through Local CIPs has now increased to ten, with several municipalities in Niagara recently adopting CIPs.

The total contribution from the Region to the funding of the 178 Local Municipal incentive program applications approved between 2003 and 2009 is estimated at \$3,210,818 and the total contribution from the Local Municipalities is estimated at \$4,005,440. A total of \$7,216,259 in Regional/Local Municipal funding was committed to the projects taking advantage of funding available through CIP programs, and this \$7,216,259 in Local/Regional funding will generate approximately \$65,909,672 in private sector construction investment and a total public/private

investment of well over \$73,000,000 a result of the construction of the committed projects. This represents a healthy overall leverage ratio of approximately 9.1 times the Regional/Local investment.

### **Critical Needs**

In order to determine critical needs for improvement to the Smarter Niagara Incentive Programs, interviews were conducted with Local CIP Coordinators, other Local Municipal staff, Regional staff, and key stakeholders from the development community. In total, 23 people were interviewed. The results of these interviews were augmented by the Background Policy Review and feedback received from the Smarter Niagara Steering Committee in order to identify the key critical needs for incentive program revisions and possible new programs.

Generally, those interviewed felt the existing Smarter Niagara Incentive Programs are both appropriate and effective. There was a strong desire to increase maximum incentive program amounts, including the Regional contribution, wherever possible so as to improve the applicability and effectiveness of the incentive programs. It was also noted that in order to spur more brownfield redevelopment projects, the difference in funding available between brownfield and non-brownfield projects needs to be greater.

While the current administration of the Smarter Niagara Incentive Programs was generally viewed as effective, a number of possible improvements were identified. Some Local Municipalities do not front-end the Region's share of grants and loans, including tax increment grants. This practice creates a time delay prior to the applicant receiving full payment of the grant or loan as compared to the practice of the Local Municipality front-ending the Region's share of the payment and then recovering this payment from the Region through a regular reimbursement (e.g., monthly or quarterly) accounting. The latter practice is how the Smarter Niagara Incentive Programs were originally designed to operate, and is seen as an improvement over the current two-step process employed by some Local Municipalities.

Another significant administrative improvement that was identified is to have a single staff person at the Regional level (a Smarter Niagara Incentive Programs Coordinator) responsible for coordinating and responding to local CIP program issues. It was felt that this would help to clarify and standardize program requirements and administrative procedures. The need for such a coordinator at the Regional level will likely increase as more municipalities implement their CIPs and therefore request Regional funding from the Smarter Niagara Incentive Programs.

The need for a separate program to promote the construction of affordable housing was identified as a program gap. Another program gap identified by both those interviewed and through the policy review is the need for incentives that promote more sustainable forms of urban development and healthy communities in order to help achieve the goals of the Regional Growth Management Strategy. This includes developments that incorporate LEED certified buildings and neighbourhoods, green buildings, higher densities, and better quality urban design. The promotion of farm building rehabilitation, new forms of agriculture and value added secondary production in agricultural areas was identified as a program gap. Financial support for cultural heritage, including the arts, was also identified as a program gap. However, because Section 28 of the *Planning Act* restricts grants and loans to community improvement activities that are property/building based, the ability to provide meaningful incentives to cultural heritage groups

through a CIP is very limited. Finally, incentive programs to help attract development to the employment lands in the Niagara Gateway Economic Zone and Centre were identified as a future priority. These programs will be developed as part of the Niagara Gateway Economic Zone and Centre CIP. Therefore, these programs are not presented in this report.

## **Recommendations**

The recommended revisions to the existing Smarter Niagara Incentive Programs and the recommended new programs to be added to the Smarter Niagara Incentive Programs are summarized in the Table 1 of Appendix II followed by the administration, budget and other recommendations.

### ***Administration Recommendations***

#### **CIP Contacts Group**

It is recommended that the CIP Contacts Group being meeting again on a regular basis (3 to 4 times per year) and that Regional staff coordinate these meetings, take meeting notes, and disseminate these notes to all members of the CIP Contacts Group.

#### **Smarter Niagara Incentive Programs Coordinator**

It is recommended that the Region establish an Incentive Programs Coordinator position and that this position be responsible for a number of roles, including but not necessarily limited to:

- a) acting as a liaison between Local Municipal CIP coordinators staff and Regional planning, finance, legal and other staff with regards to the administration of the Smarter Niagara Incentive Programs;
- b) receiving, processing and administering requests for matching Regional program assistance from the Local Municipalities;
- c) planning and coordinating meetings of the CIP Contacts Group, including the dissemination of meeting notes and required follow-up;
- d) marketing the Smarter Niagara Incentive Programs to property owners, developers, and others both within and outside the Region;
- e) monitoring Smarter Niagara Incentive Program spending and results and reporting these results to Regional Council on a regular basis;
- f) liaising with Local Municipal CIP coordinators to obtain monitoring data, and ensure this data is collected and organized in a consistent and standardized manner;
- g) developing revisions to the Smarter Niagara Incentive Programs based on monitoring results and ongoing input from the Local Municipal CIP coordinators and other key stakeholders; and,
- h) acting as a project expeditor in relation to project issues involving the Smart Growth Incentive Programs.

It is recommended that the Incentive Programs Coordinator position be a full-time position and that one Regional staff person be dedicated solely to the responsibilities outlined above.

## **Incentive Program Monitoring and Reporting**

It is recommended that the:

- a) Region in consultation with Local Municipalities develop a standardized framework for monitoring and reporting incentive program funding (inputs) and economic and other impacts (outputs);
- b) Incentive Programs Coordinator be responsible for assisting in the development of this standardized incentive programs monitoring and reporting framework; and,
- c) Incentive Programs Coordinator would be responsible for assembling data from Regional departments and the Local Municipalities and providing an annual report and updates (as required) regarding progress on implementation of the Smarter Niagara Incentive Programs to the Smarter Niagara Steering Committee and Regional Council.

## **Financial Administration**

It is recommended that the Smarter Niagara Incentive Programs be financially administered as originally intended, i.e., with Local Municipalities front-ending the Region's share of any approved incentive program payment, and the Region then reimbursing the Local Municipality on a regular basis.

## ***Budget Recommendations***

It is recommended that:

- a) a portion of the total annual budget for the Smarter Niagara Incentive Programs be dedicated to the Public Domain Incentives Program;
- b) advanced visualization exercises no longer be funded from the Smarter Niagara Incentive Programs budget; and,
- c) Local Municipal plans and planning exercises/work other than Local Municipal CIPs not be funded from the Smarter Niagara Incentive Programs budget.

It is recommended that if the Region approves the recommended increase in Regional funding levels for the existing Smarter Niagara Incentive Programs and the new programs recommended in this report, then the Region should consider increasing the annual budget amount allocated to the Smarter Niagara Incentive Programs by up to \$250,000.

## ***Other Recommendations***

### **Marketing of the Smarter Niagara Incentive Programs**

Once the Smarter Niagara Incentive Programs have been revised, it is recommended that the Region, led by the Incentive Programs Coordinator:

- a) prepare a Primer on the Smarter Niagara Incentive Programs that describes the available programs and how they integrate with locally available CIP incentive programs, including general information on program eligibility, application and administration procedures;
- b) Enhance the marketing of the Smarter Niagara Incentive Programs including:
  - i) presentations to development industry representatives and their support

- professionals (planners, engineers, architects, real estate professionals, financial institutions, lawyers, accountants, environmental consultants, etc....);
- ii) a semi-annual newsletter containing profiles of successful projects across the Region that have utilized the Smarter Niagara Incentive Programs;
- iii) preparation and updating of marketing materials such as brochures and/or pamphlets that provide summary information on the Smarter Niagara Incentive Programs and accompany the Primer on the Smarter Niagara Incentive Programs;
- iv) enhancement of the Region's web page via addition of direct (one-click) access to information on the Smarter Niagara Incentive Programs, the aforementioned newsletter and marketing materials, and direct links to the Local Municipal CIP program and application materials.

### **Agricultural CIP(s)**

It is recommended that prior to developing and implementing the new programs recommended in this report to promote new forms of agriculture and value added secondary production in agricultural areas, the Region discuss the issue of agricultural incentives with local municipalities to determine their level of interest and ability/willingness to fund these programs in partnership with the Region.

Depending on the response from the local municipalities, it is then recommended that the Region in consultation with interested local municipalities consider preparation and adoption of a "Master Agriculture CIP" or individual Local Agriculture CIPs that local municipalities in Niagara can adopt to promote agriculture and that contain at a minimum the incentive programs recommended in Sections 8.2.2 and 8.2.3 of this report.

### **Provincial Participation in the Smarter Niagara Incentive Programs**

It is recommended that the Province cost share with the Region and its Local Municipalities in the Smarter Niagara Incentive Programs because these programs clearly help achieve Provincial policies such as the Places to Grow Growth Plan for the Greater Golden Horseshoe.

A. TABLE 1: RECOMMENDED SMARTER NIAGARA INCENTIVE PROGRAM REVISIONS

	Program Name	Purpose	Status	Details	Proposed Program Revisions
1	Reduction of Regional Development Charges	To promote development, redevelopment and intensification of residential, commercial and institutional uses.	Existing	The Region offers a reduction of 50% of the Regional Development Charge for residential, commercial or institutional development or conversion of these existing buildings to these uses. An additional regional Development Charge reduction is available to developments that include at least 3 of the 5 Region's Smart Growth Design Criteria.	<ul style="list-style-type: none"> <li>Allow industrial redevelopment of brownfields outside downtowns to be eligible</li> <li>Develop more detailed and complete Regional Smart Growth Design Criteria.</li> <li>If a project is on a brownfield site located in a designated central urban area increase Regional Development Charge reduction to 75% + 25% reduction based on Smart Growth criteria.</li> </ul>
2	Property Rehabilitation and Redevelopment Tax Increment Funding Program	To stimulate building and property rehabilitation or redevelopment.	Existing	The Region will match the percentage and duration of the tax increment generated by the rehabilitation or redevelopment project that is paid by the municipality in the form of a grant to the applicant.	<ul style="list-style-type: none"> <li>Continue matching principle, but if the project is a brownfield, affordable housing or conforms to the Regional Smart Growth Design Criteria, provide minimum 75% Regional Tax Increment Grant.</li> </ul>
3	Building and Façade Improvement Grant/Loan Program	To promote structural improvement of buildings and/or improvement of building facades.	Existing	The Region will provide a matching grant or loan on a cost shared basis with the local municipality to a maximum grant from the Region of \$5,000 per property, or a matching loan from the Region of \$10,000 per property.	<ul style="list-style-type: none"> <li>Clarify that the program (including grant/loan amount) applies to building improvements and/or facade improvements</li> <li>Increase matching Regional grant for front facade improvement to \$10,000.</li> <li>Introduce matching Regional grant/loan for side and or rear facade improvements to a maximum of \$10,000 per property.</li> <li>All facade improvements must conform to Local Design Guidelines or Regional Model Urban Design Guidelines.</li> </ul>
4	Residential Grant/Loan Program	To promote residential conversion, infill and intensification.	Existing	The Region will provide a matching grant or loan on a cost shared basis with the local municipality to a maximum grant from the Region of \$5,000 per unit, or a matching loan of \$10,000 per unit. Maximum of 20 units per property for a grant or loan.	<ul style="list-style-type: none"> <li>Increase matching Regional grant to \$7,500 per unit.</li> </ul>

	Program Name	Purpose	Status	Details	Proposed Program Revisions
5	Heritage Restoration and Improvement Grant/Loan Program	To promote restoration and improvement of buildings designated under the Ontario Heritage Act.	Existing	The Region will provide a matching grant or loan on a cost shared basis with the local municipality to a maximum grant from the Region of \$2,500 per residential property and \$10,000 per commercial or industrial property.	<ul style="list-style-type: none"> <li>• Increase matching grant/loan from Region for designated residential property to \$5,000 and to \$15,000 for designated commercial/industrial property.</li> <li>• Add properties designated under Part V of <u>Ontario Heritage Act</u> (heritage districts) as eligible properties for Regional program.</li> </ul>
6	Environmental Assessment Study Grant Program	To promote the undertaking of environmental site assessments.	Existing	The Region will provide a matching grant or loan on a cost shared basis with the local municipality to a maximum grant from the Region of \$5,000 per study to promote the completion of a Phase II Environmental Site Assessments, Remedial Action Plans and Risk Assessments, and a maximum of two studies per property.	<ul style="list-style-type: none"> <li>• No changes are proposed to this Program.</li> </ul>
7	Public Domain Incentives Program	To support public realm improvements that are identified in or in compliance with municipal planning documents.	Existing	The Region will provide a matching grant on a cost shared basis with the local municipality to a maximum grant of \$100,000 per project to support public realm improvements.	<ul style="list-style-type: none"> <li>• In addition to current program criteria, applications should be evaluated using Region's more detailed Smart Growth Design Criteria.</li> </ul>
8	Grant Program for Affordable Housing	To assist in the creation of affordable housing.	Proposed New	The Region will provide a matching grant or loan equal to \$7,500 for affordable housing up to 20 units per property/project. An affordable housing project would be eligible to apply for the existing Residential Grant/Loan Program and this new Program.	<ul style="list-style-type: none"> <li>• No revisions required as this is a new proposed <i>Smarter Niagara</i> Incentive Program.</li> </ul>
9.	Agricultural Feasibility Study Grant	To promote the undertaking of agricultural feasibility studies.	Proposed New	The Region will provide a matching grant equal to \$7,500 for studies that determine if existing agricultural/rural buildings and facilities can be converted or adapted for new agricultural uses.	<ul style="list-style-type: none"> <li>• No revisions required as this is a new proposed <i>Smarter Niagara</i> Incentive Program.</li> </ul>
10.	Agricultural Building and Facilities Revitalization Grant	To promote the restoration and improvement of existing agricultural buildings and facilities.	Proposed New	Matching tax increment grant for up to 10 years for physical improvements to agricultural properties, buildings and facilities that promote farm building rehabilitation, conversion to bio-fuels, new forms of agriculture, and value added secondary production.	<ul style="list-style-type: none"> <li>• No revisions required as this is a new proposed <i>Smarter Niagara</i> Incentive Program.</li> </ul>

B. Table 2: *Smarter Niagara* Steering Committee's Recommendations and Staff Responses on the SNIP Review

<b>Incentive Program</b>	<b><i>Smarter Niagara</i> Steering Committee Recommendation</b>	<b>Regional Staff Reply</b>	<b>Regional Staff Recommendation</b>
Reduction of Regional Development Charges	Change the percentages in the Regional Development Charge Reduction from 75% and 25% to 50% and 50%.	Critical needs analysis/stakeholder consultation identified that there currently may not be enough of a financial incentive to encourage brownfield development.	The Committee's recommendation cannot be supported. To further encourage brownfield development, a project located on a brownfield site in a designated central urban area will receive an automatic 75% Regional Development charge reduction. The additional 25% reduction could be achieved through incorporation of at least three of the Region's five Smart Growth design criteria.
Property Rehabilitation and Redevelopment Tax Increment Funding Program	Be amended by striking out the words "is a brownfield, affordable housing or".	Critical needs analysis/ stakeholder consultation identified the need to strengthen the support of brownfield development and affordable housing construction.	Regional staff cannot accept the Committee's recommendation. The review of the SNIP has shown that this Program is important to developers involved in brownfield development and affordable housing construction.
Building and Façade Improvement Grant/Loan Program	Be amended by inserting the words "in the absence of Local Design Guidelines," between the words "or" and "Regional".	With respect to façade improvements, local municipalities that do have urban design guidelines in place have been defaulting to the Region's Model Urban Design Guidelines.	Regional staff accept the Committee's recommendations and the program's requirements are reflective of this.
Residential Grant/Loan Program	Be subject to review for the possibility of increasing the maximum grant per unit, implementing a sliding scale or removing the matching grant altogether	Critical needs analysis/ stakeholder consultation revealed that the current maximum funding level of a \$5,000 grant per unit was insufficient.	Regional staff support increasing the matching grant from \$5,000 to \$7,500 per unit. The continued introduction of new residential units is critical to downtown revitalization.
Heritage Restoration and Improvement Grant/Loan Program,	Be approved as presented.	Regional staff accept the Steering Committee's recommendation.	No change is required.
Environmental Site Assessment Program	Be approved as presented.	Regional staff accept the Steering Committee's recommendation.	No change is required.



Incentive Program	<i>Smarter Niagara</i> Steering Committee Recommendation	Regional Staff Reply	Regional Staff Recommendation
Public Domain Incentives Program	Be approved as presented.	Regional staff accept the Steering Committee's recommendation.	No change is required.
Grant Program for Affordable Housing	The new Grant Program for Affordable Housing be investigated by staff to determine their appropriateness to the <i>Smarter Niagara</i> Incentives Program and be redirected to other committees for implementation, if necessary.	Critical needs analysis/ stakeholder consultation clearly identified the need to support the construction of affordable housing.	The Committee's recommendation cannot be supported as the provision of affordable housing is an essential component to building a complete community.
Agricultural Feasibility Study Grant	The new Agricultural Feasibility Study Grant be investigated by staff to determine their appropriateness to the <i>Smarter Niagara</i> Incentives Program and be redirected to other committees for implementation, if necessary.	Critical needs analysis/ stakeholder consultation clearly identified the need to support studies that determine whether existing agricultural buildings can be converted/adapted to specialty in-demand agricultural or agri-tourism uses, as well as business plans for new agriculture and agriculture related uses.	The Committee's recommendation cannot be supported as these new incentives will address an identified program gap and strengthen the agricultural industry by promoting new agriculture, agriculture related and agri-tourism uses.
Agricultural Building and Facilities Revitalization Grant	The new Agricultural Building and Facilities Revitalization Grant be investigated by staff to determine their appropriateness to the <i>Smarter Niagara</i> Incentives Program and be redirected to other committees for implementation, if necessary.	Critical needs analysis/ stakeholder consultation clearly identified the need to support physical improvements to existing agricultural properties, buildings and facilities in order to support agriculture.	The Committee's recommendation cannot be supported as these new incentives will address an identified program gap and strengthen the agricultural industry by promoting farm building rehabilitation, new forms of agriculture and value added secondary production.