

1) Municipal Engagement Workshop Summary

The purpose of this document is to provide a summary of the 2024 Incentive Review Engagement sessions with Area Municipalities. Regional staff were directed to engage municipalities as part of the upcoming report on the effectiveness and challenges of the current suite of Regional programs.

A cross-section of Municipal staff from Planning, Finance, Economic Development, and Public Works were invited to all three sessions.

The table below lists the attendance of Municipalities.

April 25, 2024	April 27, 2024	May 2, 2024
Niagara-on-the-Lake St. Catharines Pelham	Fort Erie Niagara Falls Thorold Welland	Grimsby Lincoln Port Colborne Wainfleet West Lincoln

Regional staff organized three engagement sessions focussed on answering the following three questions:

1. How has the process been to integrate the NRIP?

- What are the key existing challenges in integrating the NRIP?
- Can you foresee any future challenges part of future work/process/etc.?
- What do the Area Municipalities want to see to improve effectiveness when it comes to integrating the NRIP?

2. What are your objectives when it comes to integrating the NRIP?

- What are the Area Municipalities objectives for your incentives?
- What should the Region's objectives for incentives be?
- Are there objectives being missed in the current Local and Regional process?

3. What data is important to collect in order to understand effectiveness?

- What data (what types of metrics) have Area Municipalities collected?
- Are there any challenges to collecting strong data?
- What KPI's are important for measuring effectiveness?

The feedback received on the three questions from all 3 sessions was combined and summarized. The actual facilitation sheets are attached as Appendix 1.

Question 1: How has the process been to integrate the NRIP?

What was heard	Potential Outcome Items	Region or Municipality	Session
Theme: Increased Education			
<p>Communicate public benefit of Incentive programs.</p> <p>(Ex. Incentivizing Brownfield development is a priority because land gets remediated and uses infrastructure that is already there)</p>	<ul style="list-style-type: none"> • Develop KPIs and keep them up-to-date to report on effectiveness of programs, paint a long term picture. • Show Council and public finished projects. • Increase Municipal and Regional educational information on CIPs. Include this information on the websites. • Create communication plans to provide education on the community benefits through personal stories. Demonstrate the uplift to show the value of the incentive. • Provide education sessions for employees, public, and Councils. 	Region, Municipality	1,2,3
Confusion about Regional participation in incentive programs.	<ul style="list-style-type: none"> • Show Regional interest in programs by grounding programs in Regional Council strategic priorities. • Get user feedback. 	Region	1,2,3
Theme: Alignment			
Importance of targeted programs. Clarify measurement and program criteria.	<ul style="list-style-type: none"> • Align programs to 4 pillars. • Align program with council strategic priorities. • Create programs with criteria that have targeted outcomes (e.g. affordable, remediation, etc.) • Ensure funding amount relates to criteria (not arbitrary) • Ensure Regional and Municipal alignment for targeted programs. 	Region, Municipality	1,2,3
Align timing.	<ul style="list-style-type: none"> • Ensure that program launch and review processes are predictable and 	Region, Municipality	1

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What was heard	Potential Outcome Items	Region or Municipality	Session
(Ex. MOU's or program review.)	coordinated and align with other key processes such as budget approval cycles, legislation changes, bylaw updates.		
Region's role should be a one stop VS. Region should support the individual needs of Municipalities.	<ul style="list-style-type: none"> Region to provide a 5th bucket for Municipalities to utilize for strategic/transformational projects. 	Region	2
Integration hasn't happened for rural municipalities (no CIP areas, downtowns, Brownfields or affordable housing)	<ul style="list-style-type: none"> Provide information about what is available for agriculturally focused municipalities on website. 	Region	3
<p>Is there a need for more programs?</p> <p>(Ex. Change 'Affordable Housing' bucket to 'Housing' and support residential development by providing residential programs for all levels on the housing continuum.)</p>	<ul style="list-style-type: none"> Review program suites. Create a program review cycle with periodic (pit stops) where programs can be evaluated and honed for better effectiveness. Remove or merge programs that do not meet current needs. 		2,3

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What was heard	Potential Outcome Items	Region or Municipality	Session
Complexity of DC program, make it easier to get information, simplicity is key.	<ul style="list-style-type: none"> Review program application forms and processes to ensure these are understandable. Provide up-to-date information to the municipalities on what is/is not in the DC Bylaw. Review Region's programs to ensure grants are not already provided through mandatory exemptions. 		2,3
	Theme: Simplification of Administrative Process		
Need clarity on the application requirements in new Incentive Policy (4 pillars) (Ex. Programs are confusing, Developers need support, difficult to find resources online)	<ul style="list-style-type: none"> Region to provide upfront application requirements to Municipalities to communicate to developers. Simplify intake by creating a one-stop-shop for intake and questions. Create and distribute clear process maps. Enhance staff knowledge. Make an online grant calculator tool – calculates total incentive. Make it easier to find CIPs online. Create a verification system, explore a 3rd party verification system. Add resources and staffing software (AI?) Review of issues (ongoing and upcoming) at quarterly meetings. 	Region	1,2,3
Simplify Regional Paperwork. (Ex. Investigate if Region should download creation and administration of grants and	<ul style="list-style-type: none"> Simplify Region to Municipality paperwork by reviewing for duplicated or unnecessary questions. Establish one point of contact at Region. 	Region	2,3

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What was heard	Potential Outcome Items	Region or Municipality	Session
incentives to Local level. Region would still contribute financially.			
New programs – launch with clarity regarding internal systems, billing, POs, etc.	<ul style="list-style-type: none"> • Test programs (beta test), soft launch programs to enhance their delivery. • Carry out stakeholder sessions prior to launch to understand how they might be used. 	Region	1,2,3
Communication within Municipalities and with Region.	<ul style="list-style-type: none"> • Facilitate webinar on application details (what each requirement means) • Create training video for Municipalities to show new hires the Regional process. • Ensure that development planners know the programs being offered by providing a list of programs. • Regularly update webpages with current information. 	Region	1,2
Theme: Consistency			
Lack of consensus about return on investment.	<ul style="list-style-type: none"> • Create a KPI working group to identify agreed upon metrics to achieve consistency and help guide decision making. 	Region, Municipality	1
Consistency in terms and definitions.	<ul style="list-style-type: none"> • Define 'Brownfield' 'eligible costs', etc. and have it consistent across Regional documents and programs, share with Municipalities. 	Region	1,2,3
Yearly Meeting.	<ul style="list-style-type: none"> • Host a yearly meeting with municipalities to engage groups on challenges being faced to support efficient program delivery. 	Region, Municipality	3
Policy changes at the Provincial level	<ul style="list-style-type: none"> • Region and municipalities to meet regularly to discuss how Policy changes affect programming. 	Region, Municipality	1,3

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What was heard	Potential Outcome Items	Region or Municipality	Session
<p>– how do we keep up? (Ex. Definition of affordable/attainable housing not given.)</p>	<ul style="list-style-type: none"> Evaluate and make program changes when necessary. 		
<p>Municipalities- Review how DC process is done, become more strategic and consistent with approach.</p>	<ul style="list-style-type: none"> Seek to create a consistent delivery approach between municipalities hosting similar programs to facilitate better relationships with the development community. <p>(For ex. If two municipalities have similar targeted programs - are there opportunities to make program processes consistent)</p>	Region, Municipality	3
Theme: Financial Sustainability			
<p>Secure regional funding/allocations earlier in the development process (helps with timing for developers)</p>	<ul style="list-style-type: none"> Investigate how the regional portion of incentives can be secured earlier to development projects to add predictability and help solidify realization of these developments. 	Region	1
<p>Programs and budget – clarity where is the money coming from</p>	<ul style="list-style-type: none"> Identify sources of funding for each program. Continue to plan and forecast upcoming potential commitments and ensure budget is available. 	Region	1,3
<p>Need to reframe how TIGs are discussed in political context and plan funding better.</p>	<ul style="list-style-type: none"> Increase financial transparency about TIGs by creating KPIs that speak to program effectiveness. 	Region, Municipality	3

What was heard	Potential Outcome Items	Region or Municipality	Session
	Theme: Additional Feedback		
<p>Need infrastructure in place to grow well.</p> <p>Incentives should build communities not band aid problems.</p>	<ul style="list-style-type: none"> Develop budgeting, design, and construction plans that focus resources and are able to support development timelines and shorten the time it takes to build. Consider adding innovation, sustainability and climate change frameworks to incentive programs to achieve regional sustainability goals. 	Region, Municipality	3

Question 2: What are your objectives when it comes to integrating the Niagara Region Incentive Policy (NRIP)?

What was heard: Municipal Objectives	What was heard: Regional Objectives
Theme: Effectiveness of the 4 Pillars	(All sessions)
<ul style="list-style-type: none"> In general, the current framework of the 4 regional pillars supports Municipalities with their incentive objectives. Affordable Housing, Employment, Intensification of downtowns and core areas, around transit hubs and transit corridors, and brownfield remediation are high priorities. ADU programs and gentle density not matched by the region. Brownfield programs are important but should not just be focused on remediation of the land but other aspects of redevelopment. 	<ul style="list-style-type: none"> No one size fits all solution. Region should provide support to Municipalities even when objectives are different. Region's role should be to move infrastructure forward and grow capacity. Old infrastructure replacement is expensive. Public realm program should be integrated with local and extended to smaller areas and communities. Align programs with commonalities and consolidating these.

What was heard: Municipal Objectives	What was heard: Regional Objectives
<ul style="list-style-type: none"> • Gateway employment programs are important to attracting jobs. • Public realm extend beyond regional roads, needs long term plans, maintenance costs issues, maximize impact. • Pillars still have too much variety of incentives and the need to tailor or target programs more effectively. 	<ul style="list-style-type: none"> • Diversity is important – having programs that are flexible and able to meet local needs. • Intensify around downtown cores/transit hubs and corridors.
Potential Action Outcomes	
<ul style="list-style-type: none"> • Maintain the 4 pillars framework and consolidate programs and criteria for targeted outcomes. • Ensure that program criteria are sensitive to local needs. • Seek to expand the public realm program to other areas and provide funding support to offset long term maintenance cost. • Incentivize developments in downtowns and cores that offer a more vibrant contribution to making downtowns more livable and thereby more sustainable. 	
Theme: Financial Sustainability and Doing More with Less	(All Sessions)
<ul style="list-style-type: none"> • Identifying priority incentive areas and having more targeted funding. • Financial sustainability – limited resources through granting of revenue through exemptions require financial sustainability models when prioritizing incentives. • Improving the speed of administering programs. Why are calculations different – need for better alignment. 	<ul style="list-style-type: none"> • Development of financially stable model that allows Municipalities to keep taxpayers happy – need better ways of expressing benefits of incentives (not ROI) this allows both Region and Municipality to plan financially.

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What was heard: Municipal Objectives	What was heard: Regional Objectives
<ul style="list-style-type: none"> • Better alignment of objectives is needed between Municipalities and the Region. • Better definition of roles and continuous communication with Region/Municipalities. • Greater idea elaboration of Community benefit needs to be developed so that its not just about financial ROI. • Knowing the value of the incentive to a development to understand its effectiveness. 	<ul style="list-style-type: none"> • Limited financial resources mean fine-tuning of program areas to allow Municipalities to achieve their objectives. (Ex. Heritage, Climate change and sustainability, etc.) Region – add language to add flexibility to Municipalities to achieve local goals within Regional framework.
Potential Action Outcomes	
<ul style="list-style-type: none"> • Need to be measuring program data in a more fulsome way. Region and local priorities must meet local community needs. • Develop a framework to represent the various community benefits that arise from incentivizing development – a new bottom line. • Region and lams collaborate to simplify processes, define roles, applications, payment schedules, and metrics to deliver cleaner processes. • Simplify the needs for Municipal verification and enhance speed of administering incentives. • Greater investment in staffing through training programs, videos, process mapping at both Region and Municipal levels. 	
Theme: Public Realm Objectives	(All Sessions)
<ul style="list-style-type: none"> • Urban Design and Public Realm 	<ul style="list-style-type: none"> • Public Realm, funding of infrastructure, program flexibility, environmental sustainability such as housing around GO transit.

What was heard: Municipal Objectives	What was heard: Regional Objectives
	<ul style="list-style-type: none"> • PRIP – need clarity on who is overseeing it at Local level – provide information on what is the long-term costs/ benefit/ investment/ maintenance for public realm beyond just regional roads? • Expand public realm programs, integrate these with Municipal programs and extend to smaller areas or communities.
Potential Action Outcomes	
Seek to expand the public realm program to other areas and provide funding support to offset long term maintenance cost.	
Theme: Additional Feedback Not Common to all Sessions	
<p>Session 1</p> <ul style="list-style-type: none"> • Heritage as a municipal objective. <p>Session 2</p> <ul style="list-style-type: none"> • Consistent level of support from the Region in metrics, application processes, payment schedules. • Municipalities in the region find themselves competing for employment with the U.S. <p>Session 3</p> <ul style="list-style-type: none"> • Intensification (TIGs, Waterfront CIP). • Water/wastewater – outside urban boundary. Support greenhouse sector. • On-farm diversified/value added. • Money for secondary plans. 	<p>Session 2</p> <ul style="list-style-type: none"> • Accessibility CIP – Retrofitting not just affordable. <p>Session 3</p> <ul style="list-style-type: none"> • What is our 100 year goal?
Potential Action Outcomes	
Unique needs and perspectives within the Region’s municipalities arose through the engagement which will require isolation and further examination as programs and criteria evolve.	

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Question 3: What data is important to collect in order to understand effectiveness?

Types of Municipal Data Collected (combined from all Sessions)		
<ul style="list-style-type: none"> • Tax increment increase • Number of affordable units • Number of trails and Sidewalks increase • StatsCan Population increase/unit/timing issues • Master servicing plan • Environmental sustainability standards • Heritage buildings data • Public Realm Improvements • Federal and/or Provincial programming accessed 	<ul style="list-style-type: none"> • Number of jobs created and retained (gateway) • Affordable number of new units and number of new rental units • Building permits issued • Land use • Property assessment • Traffic counts specific to business • Sustainable infrastructure improvements • Mapping of development acres • Lease retention rates • Vacancy rates • Number of conversions from commercial to residential • Cost/square foot without land • Provincial or federal grants • Accessory dwelling units 	<ul style="list-style-type: none"> • Levels of Investment • Permit costs • construction costs • Construction jobs • Grant obligations and commitments • Housing/population growth • Number of applications • Type of residential units • Development numbers by land-use • Mapping of data • Measuring carbon footprint

Key performance indicators (KPIs) are quantifiable measurements used to gauge a corporation's overall long-term performance. KPIs specifically help determine strategic, financial, and operational achievements, especially compared to those of other places. For Example: Niagara Region's delivery of attainable units in Niagara over a period of 5 years – compared with Peel Region).

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KPIs (All Sessions)	Data collection challenges Listed (All Sessions)
<ul style="list-style-type: none"> • Repurposing existing parcels • Achieving urban growth centre targets (# of units created) • Increased assessment/tax – community benefits • Number of jobs/hectare • Measure/ Outcome of carbon footprint • Increased number of residential units • Consider showing the “Value” proposition • Environmental sustainability measures/net zero targets • KPIs from Smart cities • Attainable housing units • Capturing investment value • PRIP – Number of trees planted • Private sector investment (land cost, construction cost, servicing costs) • Track rent averages for affordable housing • Remediation costs per square foot or per \$ incentive provided 	<ul style="list-style-type: none"> • Price/unit to ensure consistent picture of affordability. • Definition of affordable needs to be consistent • Uniformity in definitions and policy • Capturing social ROI • No standard way to showcase number of people and jobs/hectare • Data sometimes assumption based • Need a template of what should be collected data wise • Lack of data to compare the success of programs • Data lag – the data/KPI sometimes don’t come in until later • Is there a difference between market forces for residential development and employment? (should we be using different tools to measure) • Measuring what is happening in downtowns and greenfields in order to figure out what is missing • MPAC delays (inconsistent service, old values) • Shifting targets resulting from changing policies (Province) • Discrepancy on forecast vs. real construction values • Complexity with reporting some grants • Measuring secondary/tertiary improvements over time • Qualitative inconsistencies • Staff turnover • Time/cost of data collection and analysis • Legislated data submission requirements change frequently (data not always comparable) • Future MPAC assessment (tax revenue) turn it into a positive (instead of saying you are missing 10 years of revenue)

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KPIs (All Sessions) <ul style="list-style-type: none"> • Pre vs. post assessment 	Data collection challenges Listed (All Sessions)
Workshop Action item/outcome:	
Establish a working group to help create uniformity in definitions and policy. Goal of the working group is to create and standardize key performance indicators, ensure meaningful data points are being collected and maintained.	

2) Developer Focus Group Meeting June 13, 2024

Asked for feedback on the following questions:

- What hurdles are there in the current development climate?
- What opportunities or challenges are there with access to Regional Incentives?
- There is a need in Niagara for housing. How should incentives be structured to provide the housing that’s needed most? (i.e. Rental)
- What are the challenges when working with Municipalities?
- Are there any constraints that impact the realization of development that can be addressed at a Regional level?

Responses are grouped into the following themes:

Developer Engagement:

- Development industry wants to know how is NRIP performing? What is the data in terms of uptake and leveraging the existing programs
- What’s been the uptake on programs, construction value, number of units, number of affordable units, that is indicative of what should continue.

Affordable Housing:

- There are 12 AH programs, could suffer from dilution. Have 3 or 4 significant meaningful programs? Dial back to effective, well funded programs for better results.
- Difficult to incentivize actual units, leverage is low for success rate. Affordable housing is different than Brownfields – with Brownfields the math is simpler. Don’t want to see all the focus on housing and then brownfields are not prioritized.
- Brownfield site with affordable housing should be bigger incentive.

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Brownfield:

- Big picture narrative of brownfields has shifted to affordable housing and rental.
- Incentives should differentiate between development vs construction.
 - o Developers are separate from the constructions; Developers do not have control over if units are affordable.
- Remediation projects take a long time, and it does not help when programs are being removed and the project is NOT able to start the construction in order to absorb the “incentive”

Ideas for innovation:

- Is there an opportunity to look at ways to bridge remediation projects that often take 5 years to remediate (depending on levels of contamination)
- Once an application is submitted to the LAM, want to have one common place where Developer, LAM, and Region can all access it.
- Speed of processing the application at the local levels is an issue, many still have to get Council approval, is there a way to delegate to staff a certain amount?
- Cost of remediated sites has gone up, should look at increasing the brownfield TIG and caps – Tier 1 and Tier 2 should be the same.

TIG agreement:

- Provide guidelines to municipalities so it is a consistent approach.
- Need certainty when you enter into an agreement (i.e. need longer then 5 years)
- Example of phased developments and perhaps having an overarching agreement that deals with all phases and has capped timeframes per phase with some flexibility.

3) Development Industry Engagement Session July 18, 2024

Members from the following groups present:

- **Niagara Industrial Association**
- **Niagara Homebuilders’ Association**
- **Niagara Construction Association**
- **Non-Profit Housing Providers**

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Key Takeaways from Discussion

Improvements to the Incentive Website and updates for easier navigation

- Create shortcuts and tools that make it easy to navigate the website. For example, create prompts such as “Are you building rental housing?”
- Ensure basic information is easy to find, such as application forms and contact information.

Better timing, predictability of incentives, and better communication

- Incentive programs need to be predictable.
- Programs should have flexibility – appropriate sunset clauses and enough time to accommodate for any unexpected delays.
- Incentive programs should be introduced at the Pre-Consultation stage.
- Changes in incentive staffing should be communicated to the applicants so that there is a continuity and carriage of files

Interest in building affordable/attainable housing

- Expectation that charity groups and non-profits are going to solve the housing shortage in Niagara has to change.
- There is interest in building affordable and attainable housing, but the definition of Affordable housing needs to widen in order for it to be financially feasible for private developers. Programs should be targeted and appropriately funded.
- Incentives may not be the direct solution to building more rental but would assist.

Delays in Planning Processes are costly

- Approvals take too long and add to the cost of development, need to find efficiencies. For example, Non-profits need to have priority in the queue.
- Recognition that planning approval costs for non-profits impact these entities differently than for-profit entities.
- Recognition that planning applications of non-profit entities are often handled by volunteers at the non-profits who are salaried employees.
- Open proforma exercise to help understand how incentives help realize a development.