



Administrative Report

Office of the Manager, Planning Services

To: Warden MacDonald and Members of Essex County Council

From: Rebecca Belanger, MCIP, RPP
Manager, Planning Services

Date: Wednesday, July 19, 2023

Subject: Advancement of an OPA to the Community Improvement Policies- County Official Plan

Report #: 2023-0719-IPS-R25-RB

Purpose

To provide County Council with additional information pertaining to the proposed Official Plan Amendment (OPA) that would enable the County to participate in matching grant programs of lower-tier Community Improvement Plans (CIPs).

Background

Further to a report that was provided to County Council on September 7, 2022, which summarized the process to enable the County to participate in grant programs aimed at contributing to our local municipalities that have Community Improvement Plans, additional information is provided for County Council's consideration.

In June of 2022, correspondence was received from the Town of Tecumseh requesting that the County initiate a process to amend the County Official Plan in order to incorporate revised Community Improvement Plan policies that would allow for the County to participate in grant programs of its local municipalities (lower-tier). It was acknowledged in the report that the Town of Tecumseh had finalized the process to put in place a new Town-wide Community Improvement Plan aimed at targeting and incentivizing large-scale industrial development. As noted in the report, it is common practice by municipalities through the use of CIPs to provide a suite of incentives including municipal rebates on property tax, reductions in development charges and Planning and Building application fees. The report provided to

County Council last fall was drafted in the context of supporting incentives to the seven local municipalities for purposes of large-scale industrial development.

More recently the Town of Amherstburg adopted an Economic Development Community Improvement Plan and also requested the County to participate in any financial incentives applicable to the County of Essex, which at this time would be limited to property tax equivalent grant programs.

Due to the two-tier municipal structure in Essex County, local municipalities are only able to provide tax increment rebates for their portion of the property tax and the County and Education portions still require full collection. The proportions of municipal tax rebates by the seven local municipalities vary slightly, however local programs would result in a potential rebate of around 50% of the total tax bill with the remainder, attributable to the County and Education levy, still owing.

Under Section 28(7.2) of the Planning Act, the County has the ability to support local municipalities for the purpose of carrying out a Community Improvement Plan with grants and incentives, provided the Official Plan of the County of Essex contains provision of policies related to making grants and incentives. The County does not have the ability to establish its own Community Improvement Plan.

Section 28(7.2) specifically states:

"(7.2) The council of an upper-tier municipality may make grants or loans to the council of a lower-tier municipality and the council of a lower-tier municipality may make grants or loans to the council of the upper-tier municipality, for the purpose of carrying out a community improvement plan that has come into effect, on such terms as to security and otherwise as the council considers appropriate, but only if the official plan of the municipality making the grant or loan contains provisions relating to the making of such grants or loans. 2006, c. 23, s. 14 (8)."

The County of Essex Official Plan was adopted by County Council and received approval from the Province of Ontario in 2014. This Plan applies to all seven local Essex County municipalities.

The following Essex County Official Plan goals and policies are particularly relevant and applicable to Industrial and Economic Development Community Improvement Plans:

"Essex County Goals:

- *to increase the opportunity for job creation within each local municipality by attracting and maintaining industries and businesses closer to where County residents live;*
- *to support long term economic prosperity by providing infrastructure and public service facilities to accommodate projected growth;*
- *to encourage employment opportunities on lands within Settlement Areas that are in proximity to rail corridors.”*

Essex County Policies:

- *all new development within primary settlement areas shall only occur on full municipal water services and municipal sewage services, unless there are interim servicing policies in the local Official Plan that are in effect;*
- *Downtown/Uptown areas should maintain and/or enhance the existing character of these areas. Mixed-use development and an accessible pedestrian-oriented streetscape are encouraged. The preparation of Community Improvement Plans is also encouraged;*
- *The County encourages the redevelopment of brownfield sites”.*

Discussion

As a first step in the process, it is recommended that County Council direct Administration to advance the proposed draft Official Plan Amendment and associated by-law to a public meeting. Consultation on the proposed policies will also be scheduled with Invest WindsorEssex, and the seven local municipalities, and any comments presented to County Council in the planning report associated with the public meeting.

The proposed policy language in the Official Plan Amendment is intentionally broad and will allow for refinement through further discussions with the municipalities and adjustments in the application of incentives. A program guide would then be developed to describe how the County will participate in the local CIP. The program guide will be brought back to County Council for approval and has no statutory obligation under the Planning Act.

Administration can assess applications seeking grant funding from the County where local municipalities have approved grants based on their local CIPs.

It is recommended that the Official Plan Amendment advance at this time, however that the use of grant funding by the County to achieve objectives outlined in the Provincial Policy Statement and County Official Plan, be reviewed as part of Phase 2 and 3 of the Official Plan review work programs.

The benefit of the County's participation in providing matching tax grant funding will position the County and local municipalities at a level playing field with single tier municipalities, including the City of Windsor, and play a significant role in increasing the range of large-scale industrial development and job creation in the County. As a region with primarily residential assessment, programs that encourage growth in other tax classes help to diversify our assessment base and strengthen our ability to weather economic challenges.

Financial Implications

In the report that was provided to County Council on September 7, 2022, the Planning Division noted receipt of an Outline of Services from a planning consultant that would provide services in advancing this project through planning approvals with a proposed unbudgeted expenditure of \$20,000. Following additional internal considerations, the use of an external planning consultant has been deemed unnecessary and it is instead proposed that this initiative be led by the County's Planning Department. There will be a cost savings to the County of \$20,000 by conducting this work internally.

The financial implications were outlined in the September 7th report and are briefly reiterated below.

Adopting CIP policies in the Official Plan will generate costs related to the value of the awarded tax increment grants as well as the costs to administer the program (review applications, calculate and pay grants on an annual basis and maintain records). These costs would be offset by the increased tax assessment generated by the new development as well as the benefit of the additional job creation and spin-off industry.

The two local municipalities that have requested the County to participate in the CIP property tax grant programs have utilized different approaches which will need to be considered in the context of financial implications for the County.

The Town of Tecumseh tax increment grant limits the tax rebate of up to 50% of the year over year increase in assessment and provides a rebate for up to 10 years. The report from September 7, 2022, pages 4 and 5, illustrated examples of the costs to the County based on a qualifying automotive assembly plant ranging in size from 125,000 square feet to 1,500,000 square feet. The Town of Tecumseh's program which proposes the collection of a portion of the property tax growth will help to offset costs to the municipality for providing the matching grant funding. Details with respect to each CIP application will be determined on a case by case basis

and then brought forward in the form of agreements subject to Council approval.

The Town of Amherstburg property tax equivalent grant program provides a grant equivalent of up to 100% of the municipal property tax increase created by the project for up to 10 years after project completion for industrial development and up to 5 years for commercial development.

The proposed draft Official Plan Amendment establishes the policy regime to support the County's ability to participate in lower-tier CIP incentive programs however does not provide the specific eligibility criteria for the County's participation. County Council will maintain control over the financial implications, if any to the County, through the development and approval of the program guide.

County Council has the option of discontinuing the program in the future at any time should the strategic development targets be achieved. Should Council approve the advancement of matching CIP grant funding, the 2024 Budget would include an estimate of the financial impact.

The program guide would also include direction on topics such as: potential annual funding caps, longevity of the program and prioritization of projects should demand exceed financial capacity.

Consultations

- Town of Tecumseh Development and Financial Services
- Town of Amherstburg Planning Department
- County of Essex Official Plan Planning Advisor
- County of Essex Director of Financial Services/Treasurer

This matter was included as part of the agenda for the Essex County Directors/Managers of Planning held Tuesday, July 4th, 2023. The draft OPA will be circulated to the local Planning Departments prior to July 19th and any comments received will be summarized in the report for County Council.

The draft OPA will be presented to Invest WindsorEssex for consultation purposes and the outcomes from those discussions will be summarized for County Council.

Recommendation

That Essex County Council direct the Manager, Planning Services to advance the draft Official Plan Amendment to the necessary statutory public meeting and summarize comments received from municipalities and stakeholders.

Approvals

Respectfully Submitted,

Rebecca Belanger

Rebecca Belanger, MCIP, RPP, Manager, Planning Services

Concurred With,

Allan Botham

Allan Botham, P.Eng., Director, Infrastructure and Planning Services

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer and Director,
Financial Services/Treasurer

Appendix Number	Title
1	DRAFT OPA #3 to the County of Essex Official Plan
2	Report to County Council dated September 7, 2022