



## **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, October 04, 2023

**Subject:** Public Meeting to hear comments on a County Official Plan Amendment to Update the Community Improvement Plan Policies

**Report #:** 2023-1004-IPS- R32-RB

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#### **Purpose**

To provide information to County Council, the public, local municipalities and agencies on the proposed Community Improvement Plan (CIP) Policy language and to hear public comments. The Official Plan Amendment (OPA) as presented, is intended to provide the policy regime that would allow the County to participate in matching grant programs of lower-tier municipalities with Community Improvement Plans in place.

#### **Background**

Further to reports that were provided to County Council on September 7, 2022, and July 19, 2023 (attached for information) 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. 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 for purposes of attracting large-scale industrial development to the region.

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.

As noted in the previous report, 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.

## **Discussion**

Following the County Council meeting on July 19, 2023 which included a report on this matter, the Planning Report and associated draft Official Plan Amendment were circulated to Invest WindsorEssex and the seven local municipalities for comments. The notice of public meeting pertaining to the OPA was also listed in the Windsor Star and on the County's website seeking public and agency feedback. At the time of preparation of this report, comments were received from Invest WindsorEssex (attached), the Municipality of Lakeshore, Towns of Essex, Kingsville, Amherstburg and Tecumseh (attached).

The proposed policy language in the Official Plan Amendment as drafted states the following:

### *" 4.17 COMMUNITY IMPROVEMENT*

*The Community Improvement provisions of the Planning Act provide for and co-ordinate comprehensive improvements in identified areas of a community. Community improvement policies are intended to provide a planning mechanism for improvements, access to cost sharing programs and encouragement for private investment.*

*In order to assist with regional and local economic development initiatives targeted to attracting new large scale industrial and commercial developments to locate in Essex County, the County encourages and supports local municipalities preparing Industrial and Economic Development Community Improvement Plans.*

*Where such Local Municipal Community Improvement Plans are in effect, in keeping with the provisions as set out in Section 28 of the Planning Act, County Council may make grants for the purpose of rebating the County's portion of any approved Tax Increment Rebate Grant that is being provided by the Local Municipality, for a maximum of up to ten years for eligible projects.*

*A description of what constitutes an eligible project for the purpose of the County's participation in this Tax Increment Rebate Grant Program, together with a detailed outline of the County's program conditions are set out in a Program Guide that has been prepared by County Administrative Staff."*

As a result of the circulation of the proposed OPA, one of the local municipalities has requested that the County also consider adding language to the policies in the OPA that would broaden and allow for financial support for attainable and affordable housing initiatives. County Planning supports innovative and collaborative approaches to enhancing opportunities to build more affordable housing. The Town of Essex Administration has requested that the County consider opportunities to provide incentives for agricultural related business grants.

County Administration have previously assessed the possible financial implications associated with matching tax grant funding for industrial projects in the first Planning Report to County Council on this matter on September 7, 2022. As the request for an Official Plan Amendment to allow the County to participate in grant funding for large scale industrial development came forward in June of 2022 by one of the local municipalities and in light of on-going potential to attract large scale industrial development to the County, there is some urgency to approving the OPA for additional CIP policy language.

County Planning Administration are embarking on discussions with the Official Plan Review Consultants on the topic of CIP policies and approaches to address these additional areas including affordable housing. The financial

implications of broadening the program to affordable housing are unknown at this time and would require additional considerations. Based on County Council's direction, a fulsome review and response to these additional policy areas can be investigated with a report back.

It is recommended that the additional areas brought forward by two of the local municipalities be addressed separately with a comprehensive analysis and report back to County Council.

## **Financial Implications**

The financial implications were outlined in the September 7, 2022, report and are briefly reiterated below.

Adopting CIP policies in the Official Plan, which will enable the County to provide grant funding, will generate costs related to the value of the awarded tax increment grants and 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**

Stephen MacKenzie, Marion Fantetti and Joe Goncalves from Invest Windsor Essex have been consulted throughout the preparation of the OPA. Administration regularly meets with administration from Invest WindsorEssex to remain updated on economic development priorities and initiatives advancing throughout the County. As the program guide and associated grant program is prepared, Invest WindsorEssex will be consulted to obtain their insights for the appropriate funding criteria.

All seven local Municipal Planning Departments have been consulted regarding this initiative. The Planning Reports from September 7, 2022 and July 19, 2023 were provided to the Essex County Directors/Managers of Planning. The municipal planners are supportive of the Official Plan Amendment to modify and update the County Official Plan CIP policies, however some are requesting consideration to broaden grant funding. The areas that local municipal planners have identified for consideration include: affordable housing and agricultural related business opportunities.

The Official Plan Planning Advisor and Administration from NPG Planning Solutions have been consulted during this initiative.

## **Recommendation**

That Essex County Council receive the report of the Manager, Planning Services with regard to the proposed Official Plan Amendment No. 3 and that pending comments received at this public meeting, a report is brought back summarizing comments along with the associated by-law for adoption.

## 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

<b>Appendix</b>	<b>Title</b>
Appendix A	Report to County Council dated July 19, 2023
Appendix B	Proposed By-law and Official Plan Amendment No. 3
Appendix C	Report to County Council dated September 7, 2022
Appendix D	Correspondence from the Town of Tecumseh
Appendix E	Correspondence from Invest WindsorEssex
Appendix F	Correspondence from ERCA