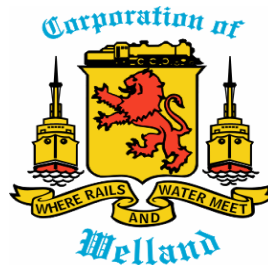


# CITY OF WELLAND NIAGARA GATEWAY ECONOMIC ZONE AND CENTRE COMMUNITY IMPROVEMENT PLAN



February 2014

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## 1.0 Introduction

### 1.1 Background

In recognition of the importance of cross-border trade with the United States, the Province of Ontario's Places to Grow Growth Plan for the Greater Golden Horseshoe, 2006 (referred to herein as the "Growth Plan") recognized the Niagara Gateway Economic Zone and Centre as having unique economic importance to the Greater Golden Horseshoe region and Ontario. The Growth Plan states that planning and economic development in the Gateway Economic Zone and Centre will support economic diversity and promote increased opportunities for cross-border trade, movement of goods and tourism.

The Growth Plan graphically identified the Gateway Economic Zone and Gateway Economic Centre on Schedules 2 (Places to Grow Concept), 5 (Moving People - Transit) and 6 (Moving Goods) in the Plan. The Gateway designation in Schedule 2 of the Growth Plan shows a Gateway Economic Zone stretching along the Niagara River and the Queen Elizabeth Way between the City of Niagara Falls and the Town of Fort Erie and a Gateway Economic Centre which is centered in the southern Niagara Region near the City of Welland and Port Colborne, including port facilities along the Welland Canal. In the policy section on Employment Lands, the Growth Plan textually defined the Gateway Economic Zone and Gateway Economic Centre as referring to the Settlement Areas (urban areas and rural settlement areas designated in an Official Plan) within the areas conceptually depicted on Schedules 2, 5 and 6 in the Plan.

The Niagara Gateway Economic Zone and Centre Final Report was prepared for Niagara Region by GHK in December of 2008 to provide an action plan to achieve the goals of the Province's Growth Plan for the Gateway Economic Zone and Centre, namely supporting economic diversity and promoting increased opportunities for cross-border trade, movement of goods and tourism. The Niagara Gateway Economic Zone and Centre Final Report was received by Regional Council in February of 2009, coinciding with Niagara 2031, the Region's Growth Management Strategy, which included adoption of a Preferred Growth Option for Niagara (Niagara Region Report DPD 54-2008). In May of 2009, Regional Council approved an Implementation Work Plan and Implementation Committee for the nine recommendations in the Gateway Economic Zone and Centre Final Report.

The preparation of this Gateway Economic Zone and Centre Community Improvement Plan (referred to herein as the "Gateway CIP") stems largely from Recommendation #8 of the Niagara Gateway Economic Zone and Centre Final Report (page 58) which states that "The Region of Niagara will work with the Province, local municipalities and its economic development agencies to create an attractive investment climate for its employment lands through such measures as improving their appearance, improving infrastructure, reducing the cost of servicing industrial lands, expanded targeted tax increment equivalent grant programs on a regional scale and opportunities for developing environmentally sustainable industrial buildings in such a way as to ensure sufficient employment lands are available for the future."

The Niagara Gateway Economic Zone and Centre Final Report identified incentives within a CIP as a way to make employment lands in the Gateway Economic Zone and Centre more attractive and accelerate the process of bringing these employment lands to market. The Niagara Gateway Economic Zone and Centre Final Report highlights the use of a CIP to accomplish these objectives because the Province's Growth Plan designated the Niagara Gateway Economic Zone and Centre as the only Gateway Zone and Centre in Ontario.

## 1.2 Purpose

Niagara Region retained RCI Consulting to prepare this Gateway CIP. The primary purpose of this Gateway CIP is to revitalize, diversify and strengthen the economy in Niagara by promoting development of the employment lands in the Gateway Economic Zone and Centre. As discussed in Section 2.0 of this Plan, Provincial and Regional Plans, policies and studies related to the Niagara Gateway Economic Zone and Centre strongly emphasize the need for economic diversification in Niagara. The development of the employment lands within the Gateway Economic Zone and Centre can play a central role in helping to diversify the economic base of Niagara.

This Gateway CIP provides a comprehensive framework for the introduction and implementation of financial incentive programs and municipal leadership actions designed to attract investment and development in targeted strategic growth sectors to employment lands in the Gateway Economic Zone and Centre. Along with a number of supporting land use plans and policies, and infrastructure and transportation improvements, it is anticipated that the Gateway CIP will play a significant role in the development of the Gateway employment lands and the revitalization and strengthening of the Regional economy through diversification. Therefore, the Gateway CIP will help to achieve the goals identified in the Province's Growth Plan and the Niagara Gateway Economic Zone and Centre Final Report for the employment lands within the Niagara Gateway Economic Zone and Centre.

## 1.3 Approach

Based on a review of the legislative and regulatory framework for preparation of the Gateway CIP (see Section 2.0), a CIP that offers grants and loans for development of the employment lands in the Niagara Gateway Economic Zone and Centre cannot be adopted by the upper-tier (Niagara Region) because this is not a prescribed matter under Ontario Regulation 550/06. This left Niagara Region and the five Local Municipalities in the Gateway Economic Zone and Centre (Fort Erie, Niagara Falls, Port Colborne, Thorold and Welland) with essentially two options for approaching the preparation of a CIP for employment lands in the Niagara Gateway Economic Zone and Centre:

- 1) expand the myriad of existing CIPs in the five Local Municipalities to cover the employment lands in the Gateway Economic Zone and Centre; or,
- 2) prepare a new Gateway CIP that applies only to employment lands in the Gateway Economic Zone and Centre with this Gateway CIP being endorsed by Niagara Region and adopted by the five Local Municipalities.

Approach 1 above would involve a very complex and time consuming process because the five Local Municipalities in the Gateway currently have no less than a dozen adopted and approved CIPs in place. Several of these CIPs would have to be amended to modify the incentives contained in the CIPs and then expand the financial incentives contained within each CIP to cover the employment lands in the Gateway Economic Zone and Centre. The process of undertaking and coordinating all these CIP amendments would be a monumental task. Furthermore, the amendments to the incentive programs contained in existing CIPs could compromise the intent of the original CIPs which were designed primarily to promote downtown/commercial area and brownfield redevelopment, and thereby possibly expose these existing CIPs to an appeal to the Ontario Municipal Board.

Consequently, it was determined that the preferred approach to the preparation and adoption of a Gateway CIP was Option 2) above. In consultation with the five Local Municipalities and other key stakeholders, Niagara Region led and coordinated the preparation of this “Master Gateway CIP” for employment lands within the five Local municipalities in the Gateway Economic Zone and Centre. It is intended that Niagara Region will endorse this Master Gateway CIP and then all five Local Municipalities will adopt this Master Gateway CIP. This approach ensures consistency in the incentive programs offered across all five Local Municipalities and each Local Municipality will then be able to offer grants that are partially funded by Niagara Region. This approach complies with the *Planning Act* and avoids the limitations on matters that can be addressed by an upper tier municipality in O. Reg 550/06. The MMAH was consulted on this approach and MMAH confirmed that they support municipalities working together to achieve common community improvement planning objectives.

## 1.4 Methodology and Consultation

A number of tasks were completed in order to provide a comprehensive foundation for the preparation of this CIP. Considerable effort was also made to consult with key stakeholders and Local Municipalities and ensure they had ample opportunity to provide input and comment on the Gateway CIP during its preparation. These tasks completed in preparation of the CIP and the various consultation sessions are briefly described below.

### 1.4.1 Niagara Gateway Economic Zone and Centre Implementation Committee

The Niagara Gateway Economic Zone and Centre Implementation Committee (referred to herein as the “Gateway Implementation Committee”) was formed in May of 2009 to maintain oversight responsibility for implementation work related to the Niagara Gateway Economic Zone and Centre. The Gateway Implementation Committee met several times during the preparation of this CIP. These meetings allowed the consultant to:

- provide the Gateway Implementation Committee with project updates;
- plan for and discuss results of the consultation sessions; and,
- obtain comments and feedback from the Committee on key elements of the CIP.

### 1.4.2 Local Municipalities

In addition to Local planning and economic development staff being invited to the two stakeholder consultation sessions held during preparation of the CIP, the project consultant and Regional staff met several times with the Local Municipal CIP Coordinators during key stages of preparation of the CIP. This included meetings at the beginning of the CIP preparation process, during development of the incentive programs and municipal leadership actions, and prior to finalization of the CIP. These meetings provided an opportunity for the project consultant to provide project updates to key Local Municipal staff and obtain input and comments on the key aspects of the CIP. The Local Municipalities were also invited to provide written comments at key stages during preparation of the CIP. Written comments were received from several of the Local Municipalities during preparation of the CIP and these written comments were reviewed by the project consultant and Regional staff.

### 1.4.3 Background Report

The first step in preparation of this CIP was the preparation of a Background Report in July of 2011. The Background Report included:

- a) a review of relevant Provincial legislation and regulations;
- b) a review of relevant Provincial, Regional and Local planning and policy documents;
- c) a best practices review of other relevant CIPs and incentive programs; and
- d) specification of the preliminary goals, community improvement project area and incentive program concepts to be considered for inclusion in the CIP.

By way of Regional Council approving Integrated Community Planning Committee Report ICP 63-2011 in July of 2011, Regional Council directed that the Gateway CIP Background Report be used as the basis to develop a CIP for the Gateway Economic Zone and Centre. The Background Report was then sent out to 100 key stakeholders along with an invitation to attend the first Stakeholder Consultation Session.

### 1.4.4 Stakeholder Consultation Session #1

The first stakeholder consultation session was held on September 16, 2011 and was attended by 40 key stakeholders. The project consultant presented the Background Report and answered several questions from those in attendance. The attendees were then divided into four working groups (each led by a facilitator) and asked to comment on the:

- a) Preliminary Goals for the Gateway CIP;
- b) Recommended Community Improvement Project Area;
- c) Guiding Principles for the financial incentive program concepts and the types of financial incentive programs preferred for the Gateway CIP; and,
- d) Other strategies and actions on the part of Niagara Region and Local Municipalities that should be included in the Gateway CIP to help achieve the plan's goals.

Based on the input received from key stakeholders and the Gateway Implementation Committee, the project consultant prepared a Draft Implementation Plan in February of 2012. This Draft Implementation Plan included:

- i) augmented goals for the CIP;
- ii) a refined recommended Community Improvement Project Area;
- iii) proposed financial incentive programs to be included in the CIP; and,
- iv) proposed municipal actions to complement the proposed incentive programs.

### 1.4.5 Stakeholder Consultation Session #2

The Draft Implementation Plan was presented at a second Stakeholder Consultation Session held on March 8, 2012 and to the Gateway Implementation Committee on March 29, 2012. The second stakeholder consultation session was attended by 26 key stakeholders. The project consultant presented the Draft Implementation Plan and answered questions from those in attendance. The attendees were then divided into three working groups (each led by a facilitator) and asked to comment on the proposed incentive programs and municipal actions contained in the CIP. Input from the second Stakeholder Consultation Session and the Gateway Implementation Committee was then used to refine the incentive programs and municipal actions contained in this CIP.

#### 1.4.6 Survey of Key Opinion Leaders in the Real Estate, Development and Design/Build Community

While many key leaders in the real estate, development and design build community were invited to both stakeholder consultation sessions, it was felt that not enough of these key leaders attended both sessions, and in particular the second session. Therefore, Eric P. Jones & Associates Inc. (EJA) was engaged by Niagara Region to conduct a survey of key opinion leaders in the real estate, development and design/build community regarding the incentive programs and municipal actions proposed for inclusion in the Gateway CIP and how well these match their current and future needs. This was done in conjunction with a parallel project by EJA to develop a Strategic Marketing Plan for the Niagara Gateway Economic Zone and Centre.

A list of potential respondents was drawn from the invitee list of real estate, development and design/build professionals for a roundtable held as part of the Market Research component of the aforementioned parallel project. This list was augmented by a list of potential respondents supplied by RCI Consulting resulting in a total of 28 potential respondents. In early May of 2012, each respondent was sent a direct mail and e-mail package consisting of a cover letter, the Draft Implementation Plan for the CIP, and a questionnaire regarding the incentive programs and municipal actions proposed for inclusion in the CIP.

After follow up with the potential respondents, 17 of the 28 potential respondents (61%) completed the questionnaire. The questionnaire responses were reviewed by the CIP project consultant, and minor adjustments were made to the incentive programs and municipal actions as a result of the comments received from the key leaders in the real estate, development and design build community.

### 1.5 Plan Content

This CIP is divided into the following sections:

- Section 2.0 provides a review of the legislative and regulatory framework for the CIP.
- Section 3.0 reviews the policy framework for the CIP.
- Section 4.0 specifies the goals for the CIP.
- Section 5.0 describes the Community Improvement Project Area for the CIP.
- Section 6.0 contains the municipal financial incentive programs designed to help achieve the goals of the CIP.
- Section 7.0 outlines the municipal actions designed to complement the incentive programs and help achieve the goals of the CIP.
- Section 8.0 contains a monitoring program designed to assist in monitoring progress on implementation of the CIP and the economic and other impacts of the programs contained in the CIP.
- Section 9.0 contains a basic marketing strategy for the CIP.
- Section 10.0 provides a brief conclusion to the CIP.
- Section 11.0 provides a list of references cited in the CIP.
- Appendices A to D contain a number of supporting documents, including a map showing the Strategic Locations for Investment within the Gateway Community Improvement Project Area and administrative guidelines for the incentive programs contained in this CIP.

## 2.0 Legislative and Regulatory Framework

### 2.1 Municipal Act, 2001

Section 106 (1) and (2) of the *Municipal Act, 2001* prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. Prohibited actions include:

- Giving or lending any property of the municipality, including money;
- Guaranteeing borrowing;
- Leasing or selling any municipal property at below fair market value; and
- Giving a total or partial exemption from any levy, charge or fee.

This prohibition is generally known as the “bonusing rule”. Section 106 (3) of the *Municipal Act, 2001* provides an exception to this bonusing rule for municipalities exercising powers under subsection 28 (6), (7) or (7.2) of the *Planning Act* or under section 365.1 of the *Municipal Act, 2001*. It is the exception under Section 28 of the *Planning Act* that allows municipalities with enabling provisions in their official plans to prepare and adopt community improvement plans (CIPs). CIPs provide municipalities with a comprehensive framework for the planning and provision of economic development incentives in areas requiring community improvement.

Section 365.1 of the *Municipal Act, 2001* operates within the framework of Section 28 of the *Planning Act*. A municipality with an approved community improvement plan in place that contains provisions specifying tax assistance for environmental remediation costs will be permitted to provide said tax assistance for municipal property taxes. Municipalities may also apply to the Province to provide matching education property tax assistance through the Province’s Brownfields Financial Tax Incentive Program (BFTIP).

Section 107 of the *Municipal Act, 2001* describes the powers of a municipality to make a grant, including the power to make a grant by way of a loan or guaranteeing a loan, subject to Section 106 of the *Municipal Act, 2001*. In addition to the power to make a grant or loan, these powers also include the power to:

- sell or lease land for nominal consideration or to make a grant of land;
- provide for the use by any person of land owned or occupied by the municipality upon such terms as may be fixed by council;
- sell, lease or otherwise dispose of at a nominal price, or make a grant of, any personal property of the municipality or to provide for the use of the personal property on such terms as may be fixed by council.

### 2.2 Planning Act

Section 28 of the *Planning Act* allows the council of a local municipality and prescribed upper-tier municipalities<sup>1</sup> with provisions in their official plans relating to community improvement to designate by by-law the whole or any part of the area covered by such an official plan as a “community improvement project area” (Section 28(2)) and prepare and adopt a community improvement plan (CIP) for that area (Section 28(4)). Once the CIP has been adopted by the municipality and comes into effect, the municipality may exercise

<sup>1</sup> Ontario Regulation 221/07 lists the Regional Municipality of Niagara as a prescribed upper-tier municipality for the purpose of subsection 28 (2) of the *Planning Act*.

authority under Section 28(6), (7) or (7.2) of the *Planning Act* or Section 365.1 of the *Municipal Act, 2001* in order that the exception provided for in Section 106 (3) of the *Municipal Act, 2001* will apply.

Once a CIP has come into effect, the municipality may:

- i) acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28 (3) of the *Planning Act*);
- ii) construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan (Section 28 (6));
- iii) sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the community improvement plan (Section 28 (6)); and
- iv) make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of land and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan (Section 28 (7)).

Section 28 (4.0.1) of the *Planning Act* restricts the CIP of an upper-tier municipality to dealing only with prescribed matters. Ontario Regulation 550/06 defines these prescribed matters and this regulation is described in Section 2.4 of this report.

Section 28 (7.2) of the *Planning Act* specifies that 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. Consultation with the MMAH has confirmed that an upper tier municipality may in fact decide on a case-by-case (application by application) basis whether or not to provide grants or loans to a lower tier municipality in relation to the funding of incentive programs available in the lower tier municipality's CIP. Furthermore, the upper-tier municipality may also attach different terms and conditions as to security and otherwise to individual applications than the lower tier municipality.

Policy 12.72 of the Niagara Region Policy Plan does in fact contain such a policy and it states that "The Region may establish programs for the provision of grants and loans to local municipalities for the purpose of achieving the goals of Community Improvement Plans."

In relation to the designation of a community improvement project area for the Gateway CIP and what can be included as eligible costs in the incentive programs contained within the Gateway CIP, the definition of a "community improvement project area" and "community improvement" within Section 28 of the *Planning Act* are discussed below.

Section 28 (1) of the *Planning Act* defines a "community improvement project area" as "a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason". This definition allows municipalities to address community improvement issues that are both local in nature, e.g., downtown or commercial area

revitalization, and those issues that are more pervasive across entire municipalities, such as the promotion of brownfield redevelopment or community economic revitalization. It is also important to note that there are a variety of reasons that an area can be designated as an area in need of community improvement. The criteria for designation cover not only physical deterioration, but also faulty arrangement, unsuitability of buildings, and any other environmental, social or community economic development reasons.

Section 28 (1) of the *Planning Act* defines “community improvement” as “the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable, or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary”. This represents a wide range of municipal actions that a municipality can take.

Section 28 (7.1) of the *Planning Act* provides specific guidance on the eligible costs of a CIP in relation to the municipal provision of grants and loans for the purpose of carrying out a CIP that has come into effect. Section 28 (7.1) of the *Planning Act* specifies that these eligible costs may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

There are several reasons for designating the employment lands within the settlement areas of Fort Erie, Niagara Falls, Port Colborne, Thorold and Welland as the community improvement project area for this Gateway CIP. First, many of the developed employment lands within the Gateway Economic Zone and Centre suffer from issues such as age, dilapidation, faulty arrangement and unsuitability of existing buildings. Many of the undeveloped employment lands within the Gateway Economic Zone and Centre suffer from issues such as soil bearing capacity, presence of watercourses, flooding, and other pervasive physical deficiencies that must be rehabilitated before or as these lands are developed. Next, the designation of employment lands within the Gateway Economic Zone and Centre as a community improvement project area will allow these lands to be used for the promotion of energy efficient uses, buildings and facilities. Finally, the primary reason for designating the employment lands within the Gateway Economic Zone and Centre as a community improvement project area is that the development and redevelopment of these employment lands is desirable for the community economic development reason of promoting economic rehabilitation, revitalization and diversification, both within the Gateway Economic Zone and Centre, and across the Region of Niagara as a whole. The community improvement of the employment lands within the Gateway Economic Zone and Centre is also desirable in order to meet the goals of the Province’s Growth Plan and the Region’s Policy Plan.

Community improvement as contemplated for the Gateway CIP would include many of the activities contained in the Section 28 *Planning Act* definition of community improvement, including planning, development, construction, reconstruction, rehabilitation and the improvement of energy efficiency. The Gateway CIP can also include recommendations for the provision of works, improvement or facilities that help create an attractive investment climate for the employment lands in the Gateway such as improving infrastructure. Therefore, based on the definition of “community improvement”, “community improvement project area”, and “community improvement plan” in Section 28(1) of the *Planning Act*, the *Planning Act* permits and supports a CIP that provides grants and/or loans for the development and redevelopment of designated employment lands within the settlement areas of Fort Erie, Niagara Falls, Port Colborne, Thorold and Welland in Niagara’s Gateway Economic Zone and Centre.

In terms of limits on the total grants and loans that can be provided under this CIP, Section 28 (7.3) of the *Planning Act* specifies that the total of all grants and loans made in respect of particular lands and buildings under Section 28 (7) and (7.2) of the *Planning Act* and tax assistance provided under Section 365.1 of the *Municipal Act, 2001* in respect of the land and buildings shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings. As a number of other CIPs already exist in the five local municipalities, this limit on the total grants and loans that can be provided under a CIP is extended to include all applicable CIPs in Section 6.0 of this CIP.

Section 28(11) of the *Planning Act* allows a municipality to register an agreement concerning a grant or loan made under subsection 28(7) or an agreement entered into under subsection 28(10) against the land to which it applies and the municipality shall be entitled to enforce the provisions thereof against any party to the agreement and, subject to the provisions of the *Registry Act* and the *Land Titles Act*, against any and all subsequent owners or tenants of the land.

Finally, Section 69 of the *Planning Act* allows municipalities to reduce or waive the amount of a fee in respect of a planning application where it feels payment is unreasonable. Municipalities can use this tool to waive all matter of planning application fees to promote community improvement without inclusion in a CIP. Alternatively, a municipality can collect fees and then provide a grant equal to part or all of the fees in the form of a grant, but this must be done within a CIP.

## 2.3 Development Charges Act

Section 5 of the *Development Charges Act* allows a municipality to exempt a type(s) of development from a development charge, but any resulting shortfall cannot be made up through higher development charges for other types of development. This allows upper and lower tier municipalities to offer partial or total exemption from municipal development charges (also known as a reduction of development charges) in order to promote community improvement. Because this financial incentive is normally offered before construction, i.e., at the time of building permit issuance, it is very attractive to developers and is a very powerful community improvement tool. This approach to providing a development charge incentive normally entails an amendment to a municipal development charges by-law.

Municipalities can also collect development charges as normal at the time of building permit issuance and then provide a grant equal to part or all of the development charges once the project is complete. This approach is usually utilized by municipalities when the amount of the development charge reduction (grant) is tied to some performance measure for the project, e.g., the level of LEED certification.

## 2.4 Ontario Regulation 550/06

Section 28 (4.0.1) of the *Planning Act* restricts the CIP of an upper-tier municipality to dealing only with prescribed matters. Ontario Regulation (O. Reg) 550/06 prescribes that the CIP of an upper tier municipality may deal only with the following matters:

- 1) Infrastructure within the upper tier municipality's jurisdiction;
- 2) Land and buildings within and adjacent to existing or planned transit corridors that have the potential to provide a focus for higher density mixed use development and redevelopment; and,

3) Affordable housing.

“Infrastructure” as defined in O. Reg. 550/06 means physical structures and associated facilities that form the foundation of development, including,

- a) communications systems,
- b) electric power systems, oil and gas pipelines, alternative energy systems and renewable energy systems,
- c) transportation corridors and facilities,
- d) waste management systems, and
- e) water works, wastewater works, stormwater works and associated facilities. O. Reg. 550/06, s. 1.

The adoption of an upper-tier Gateway CIP that provides incentives for the development and redevelopment of employment lands within the Niagara Gateway Economic Zone and Centre is not permitted because the provision of incentives for this purpose is not a prescribed matter under O. Reg 550/06. The Ministry of Municipal Affairs and Housing (MMAH) was consulted and confirmed this interpretation of O. Reg 550/06.

However, O. Reg 550/06 does not prevent the five Local Municipalities with designated employment lands in the Niagara Gateway Economic Zone and Centre from each adopting a Master Gateway CIP to promote the development and redevelopment of these lands for the purposes described in Section 1.2 of this Plan. Once such a Gateway CIP is endorsed by the Region and adopted by each Local Municipality in the Gateway Economic Zone and Centre, each Local Municipality could then offer grants and loans that are partially funded by Niagara Region. This is the current arrangement with Local Municipal CIP programs being partially funded by the Niagara Region Smarter Niagara Incentive Programs.

The MMAH was consulted with regard to the above described approach to preparation of this CIP and the MMAH confirmed that they support municipalities working together to achieve common objectives. The MMAH encouraged Niagara Region to work in partnership with the five Lower Tier councils to identify an approach that complies with the *Planning Act* and is satisfactory to the Region and the lower tier municipalities. Therefore, the approach to preparing and adopting this Gateway CIP, i.e., the Region coordinating preparation of a Master Gateway CIP with the five Local Municipalities, and then having this CIP adopted by each of the five Local Municipalities, complies with the *Planning Act*.

### 3.0 Policy Framework

#### 3.1 Provincial Policy Statement, 2005

The Provincial Policy Statement (PPS) is issued under Section 3 of the *Planning Act* and provides direction on matters of provincial significance related to land use planning and development. The latest version of the PPS came into effect on March 1, 2005. The *Planning Act* requires that, “decisions affecting planning matters shall be consistent with policy statements issued under the Act”. The vision for land use planning in Ontario in the PPS states that “the long-term prosperity and social well-being of Ontarians depends on maintaining strong communities, a clean and healthy environment and a strong economy”.

Several policies in the PPS support economic development and diversification. For example, Policy 1.3.1 of the PPS states that planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment (including industrial, commercial and institutional uses) to meet long-term needs;
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- c) planning for, protecting and preserving employment areas for current and future uses; and,
- d) ensuring the necessary infrastructure is provided to support current and projected needs.

Policy 1.7.1 of the PPS specifies that long-term economic prosperity should be supported by a number of activities, including the:

- optimization of the long-term availability and use of land, resources, infrastructure and public service facilities;
- provision of an efficient, cost-effective, reliable multi-modal transportation system that is integrated with adjacent systems and those of other jurisdictions; and,
- the provision of opportunities for sustainable tourism development.

#### 3.2 Places to Grow: Growth Plan for the Greater Golden Horseshoe

The key provincial policy document in relation to the Gateway CIP is the Province’s *Growth Plan for the Greater Golden Horseshoe (2006)* (“Growth Plan”), released in 2006. This Plan is the Province of Ontario’s growth strategy for the Greater Golden Horseshoe region, which was completed under the “Places to Grow” program. The Niagara Region is included within the Growth Plan’s area. The Growth Plan is identified as “a framework for implementing the Government of Ontario’s vision for building stronger, more prosperous communities by managing growth in the region to 2031”. The Growth Plan provides an overall growth strategy for the region that complements the Provincial Policy Statement (PPS) and is implemented primarily by municipal planning documents and other municipal tools.

In recognition of the importance of cross-border trade with the United States, the Growth Plan recognizes the Niagara Gateway Economic Zone and Centre as having unique economic importance to the Greater Golden Horseshoe region and Ontario. The Growth Plan graphically identifies the Gateway Economic Zone and Gateway Economic Centre on Schedules 2 (Places to Grow Concept), 5 (Moving People - Transit) and 6 (Moving Goods) in the Plan. The *Gateway* designation in Schedule 2 of the Growth Plan shows a *Gateway*

*Economic Zone* stretching along the Niagara River and the Queen Elizabeth Way between the City of Niagara Falls and the Town of Fort Erie and a *Gateway Economic Centre* which is centered in southern Niagara Region near the City of Welland and Port Colborne, including port facilities along the Welland Canal.

Section 6 of the Province's Growth Plan actually defines the Gateway Economic Zone and Gateway Economic Centre as the "Settlement Areas" conceptually depicted on Schedules 2, 5 and 6 that, due to their proximity to major international border crossings, have unique economic importance to the region and Ontario. The Growth Plan then further defines "Settlement Areas" as urban areas and rural settlement areas within municipalities where:

- a) development is concentrated and which have a mix of land uses; and,
- b) lands have been designated in an official plan for development over the long term planning horizon provided for in the PPS, 2005. Where there are no lands designated over the long term, the settlement area may be no larger than the area where development is concentrated.

The Growth Plan notes the importance of ensuring an adequate supply of land for employment areas and other employment uses within the Greater Golden Horseshoe. In fact, Section 2.2.6 on Employment Lands stresses the need for municipalities to promote economic development and competitiveness by providing opportunities for a diversified economic base, including a range and choice of suitable sites that support a wide range of economic activities and employment uses, as well as planning for employment areas for current and future uses and ensuring the necessary infrastructure is provided to support current and forecasted employment needs.

Section 2.2.6 of the Growth Plan states that planning and economic development in the Gateway Economic Zone and Centre will support economic diversity and promote increased opportunities for cross-border trade, movement of goods and tourism. It is the intention of the Growth Plan that local planning and economic development tools, such as a CIP, be used to help achieve these Provincial Growth Plan goals for the Niagara Gateway Economic Zone and Centre.

### **3.3 Navigating Our Future: Niagara's Economic Growth Strategy 2009-2012**

The Region's Economic Growth Strategy was initiated by Regional Council and developed under the leadership of the Niagara Economic Development Corporation (NEDC). This Strategy presents six strategic directions and supporting action plans to foster economic growth in Niagara. Several of these strategic directions and actions are relevant to the Gateway CIP.

One of the strategic directions in the Region's Economic Growth Strategy is the creation of a competitive business environment. One of the key actions specified under this strategic direction is the implementation of a full range of Smart Growth initiatives including community improvement programs and incentives. The Region's Economic Growth Strategy also targets strategic employers in current and emerging industry clusters. Actions include supporting infrastructure developments that encourage industrial growth in Niagara, especially above the Niagara Escarpment, and developing a plan to create and implement the Niagara Gateway Economic Zone and Centre to stimulate investment, new industrial development and employment growth within the region. Again, this CIP will play a significant role in helping to achieve these strategic economic development directions.

### 3.4 Niagara Gateway Economic Zone and Centre Final Report

The Niagara Gateway Economic Zone and Centre Final Report was prepared in December of 2008 by GHK and received by Regional Council in February of 2009 (see Report DPD 54-2008). In May of 2009, Regional Council approved an Implementation Work Plan and Implementation Committee for the nine recommendations in the Gateway Economic Zone and Centre Final Report.

The purpose of the Niagara Gateway Economic Zone and Centre Report was to develop an action plan to promote increased opportunities for cross-border trade, goods movement, tourism and economic diversity, i.e., an action plan to achieve tangible results in making the Gateway Economic Zone and Centre a reality. The report was prepared to assist all levels of government in guiding policies and programs towards economic diversification, infrastructure planning and investment in Niagara. It was also intended to inform the Growth Management Strategy (Niagara 2031) that was being concurrently prepared at the time.

The Niagara Gateway Economic Zone and Centre Final Report was based on broad consultation with key regional stakeholders regarding their vision for the Gateway and the strengths, weaknesses, opportunities and threats it faces in moving forward. Based on this SWOT Analysis and a review of economic and other characteristics in the Gateway, the Niagara Gateway Economic Zone and Centre Final Report specifies a number of overall policy objectives and a number of recommendations for moving forward with development of the Niagara Gateway.

The report specifies key overall policy objectives in relation to employment lands within the Gateway that include the Region:

- a) working in partnership with relevant local municipalities and the Province to finance and provide adequate, fully serviced and attractive employment lands to allow job opportunities and economic diversity to expand in key economic clusters including tourism, gaming, agriculture, aerospace, logistics, food processing, health, bio-sciences, green technologies and interactive media; and,
- b) protecting employment land and ensuring lands for future employment growth.

The Report stresses that the Region's economy is underperforming and that the Region must move toward a more diversified economy that takes advantage of Niagara's location as a Gateway and diversifying into areas that support and contribute to trade and tourism.

The preparation of a Gateway CIP stems largely from Recommendation #8 in the Niagara Gateway Economic Zone and Centre Final Report which states that the Region of Niagara will work in partnership with the Province, local municipalities and economic development agencies to create an attractive investment climate for employment lands through such measures as improving their appearance, improving infrastructure, reducing the cost of servicing industrial lands, expanded targeted tax increment equivalent grant programs on a regional scale and exploring opportunities for developing environmentally sustainable industrial buildings in such a way as to ensure sufficient employment lands are available for the future. It is useful to note that this recommendation indicates that a tax increment equivalent grant program (referred to as a tax increment based grant program herein) should be targeted to specific employment sectors and that alternative means of shifting development into the Gateway, such as land use controls, would also need to be considered.

The Niagara Gateway Economic Zone and Centre Final Report suggests that the use of a CIP to accomplish the economic development objectives for the Gateway may gain some traction because the Province's Growth Plan designated the Niagara Gateway Economic Zone and Centre as the only Gateway Zone and Centre in Ontario. In this regard, Appendix C of the Niagara Gateway Economic Zone and Centre Final Report explores the question of how to offer incentives for employment lands within the Niagara Gateway Economic Zone and Centre. The report notes that there would be two options. The first option would be for the Region to prepare an upper tier CIP for the Gateway. The second option would be to create new lower tier CIPs or expand existing lower tier CIPs to offer incentives for employment lands within the Niagara Gateway Economic Zone and Centre. The ability for the Region to utilize these options and the selection of a preferred approach was discussed in Section 1.3 of this CIP.

Finally, it is important to note that in addition to Recommendation #8 to expand tax increment grants to the Gateway area, the Niagara Gateway Economic Zone and Centre Final Report also recommends that the Region explore a number of other incentive programs for the Gateway. These include:

- Recommendation #4 - prepare an analysis to determine the opportunities for establishing a Tax Increment Financing (TIF) Zone to assist with the cost of providing infrastructure within the Gateway;
- Recommendation #6 - explore options for applying to the Province to establish a "Tax Incentive Zone" within the Niagara Region; and,
- Recommendation #7 - prepare an analysis of opportunities for applying to the Federal Government to establish an Export Distribution Zone.

Consequently, it is recommended that the Region review the purpose, overlap, complexity, timing and likelihood of successful implementation of the other incentive program recommendations contained in the Niagara Gateway Economic Zone and Centre Final Report once this Gateway CIP has been endorsed by the Region and adopted by the Local Municipalities.

### **3.5 Regional Policy Plan Amendment 2-2009 and the Niagara Growth Management Strategy (Niagara 2031)**

The preparation of the Niagara Gateway Economic Zone and Centre Final Report coincided with preparation of Niagara 2031, the Region's Growth Management Strategy. Niagara 2031 was initiated to provide an updated higher level direction for Niagara in keeping with the Province's Growth Plan for the Greater Golden Horseshoe. Niagara 2031 examined land use and supporting infrastructure to set the stage for where and how Niagara will grow until 2031. Based on Niagara 2031, in February of 2009, Regional Council adopted a preferred growth option (Option D) for Niagara through approval of Report DPD 54-2008.

In May of 2009, Regional Council adopted Regional Amendment 2-2009 to the Regional Policy Plan for the Niagara Region (RPPA 2-2009) to implement the Region's Growth Management Strategy (Niagara 2031) and bring the Region's Official Plan into conformity with the Places to Grow Growth Plan and the PPS. The Amendment updates the Region's Policy Plan, including Section 5 where Urban Policies were replaced by Sustainable Community Policies that establish a new urban vision for the long term growth and development of Niagara and new policies to foster the development of sustainable, complete urban communities.

Section 3.2 of RPPA 2-2009 identifies the Niagara Economic Gateway as a key component of the Region's urban structure. Section 8 of RPPA 2-2009 (which was added to Section 4 of the Regional Policy Plan)

contains policies for the Niagara Economic Gateway Zone and Centre. These policies reflect the policy direction provided in the Niagara Gateway Economic Zone and Centre Final Report. For example, Policy 8.1 of RPPA 2-2009 specifies that the Niagara Economic Gateway includes all Settlement Areas within Niagara Falls, Fort Erie, Thorold, Welland and Port Colborne, as adjusted from time to time.

The overall objective for the Niagara Economic Gateway is the creation of a high quality community that is sustainable. Policy 8.2 states that the Region will work in partnership with relevant local municipalities and the Province to finance and provide adequate, fully serviced and attractive employment lands to allow job opportunities and economic diversity to expand in key economic clusters including tourism, gaming, agriculture, aerospace, logistics, food processing, health, bio-sciences, green technologies and interactive media and the Region will protect employment lands and ensure lands for future employment growth.

Policy 8.8 contains the policies for the employment lands within the Niagara Economic Gateway. This policy states that the Region will work in partnership with the Province, local municipalities and economic development agencies to develop a comprehensive funding strategy to create an attractive investment climate for employment lands through such measures as improving their appearance, improving infrastructure, reducing and supporting the cost of servicing industrial lands and exploring opportunities for developing environmentally sustainable industrial buildings.

In summary, the Gateway CIP is one of the key tools that the Region and Local Municipalities can use to help achieve the above-noted Regional Policy Plan goals.

### 3.6 Niagara Gateway Employment Lands Study

The Niagara Gateway Employment Lands Study was completed by Dillon Consulting in July of 2011. This Study includes a review of best practices in gateway planning in North America and Europe. This review found that one of the key practices that supports the development of a successful economic gateway is the use of a toolkit of financial incentives to promote development of employment lands within the gateway. The Gateway Employment Lands Study also stresses the importance of coordinating transportation, infrastructure and land use plans for the Niagara Gateway with the economic development strategy for the Gateway.

The centre piece of the Niagara Gateway Employment Lands Study is an analysis and land use policy review of the approximately 2,020 hectares (4,990 acres) of designated employment lands within the Gateway Economic Zone and Centre. Based on the results of this land use analysis and policy review, the Gateway Employment Lands Study presents a strategy that envisions the Gateway developing with infrastructure investment, planning and marketing efforts concentrated into six strategic locations for investment, each having a focus on targeted employment sectors. These six areas are:

- i) Brock Business Park - concentration on research and development, with mixed use development creating an opportunity for incubators;
- ii) Highway 406 Economic Gateway – emphasis would be on transportation, trade, warehousing, food processing, and advanced manufacturing;
- iii) Welland Canal Green Manufacturing and Assembly Zone – focus would be on specialized industries which transport goods and materials by boat as well as dry industrial;
- iv) Fort Erie Industrial Park - opportunity for cross border trade, warehousing, logistics and light industry;

- v) Niagara Falls Priority Investment Area – secure storage area to capitalize on cross border trade industries; and,
- vi) Niagara Falls QEW Business Park – longer term opportunity for campus-style business park for business support services and tourism support services.

Regional Council approved Integrated Community Planning Committee Report ICP 63-2011 in July of 2011. This report directed that the Niagara Gateway Employment Lands Study and the Gateway CIP Background Report be used as the basis to develop an amendment to the Regional Policy Plan to define the Gateway Economic Zone and Centre and that the Gateway CIP Background Report be used as the basis to develop a CIP for the Gateway Economic Zone and Centre. Therefore, Regional Policy Plan Amendment 1-2012 and the Gateway CIP were developed concurrently and in a coordinated and complementary manner.

### 3.7 Regional Policy Plan Amendment 1-2012

Regional Policy Plan Amendment 1-2012 (RPPA 1-2012) was adopted by Regional Council on July 5, 2012. The purpose of this amendment is to provide strategic direction for the development of employment lands within the Gateway and outline a land use strategy to support economic development and job creation in these areas. The land use strategy contained in RPPA 1-2012 is based on the land use policy review contained in the Niagara Gateway Employment Lands Study that identified the six strategic locations for investment.

The Region conducted considerable consultation on RPPA 1-2012. The draft Amendment was circulated to the local municipalities in the Gateway, prescribed agencies and key stakeholders for comment. A stakeholder workshop was held on March 8, 2012 in conjunction with Workshop #2 on the proposed Gateway CIP to receive valuable feedback on both the draft Amendment and the proposed Gateway CIP. In addition, the Region hosted three Open Houses in the municipalities of Port Colborne, Welland and Fort Erie on March 22, 28 and 29, 2012 to receive comments and answer questions from the public regarding the proposed Amendment.

### 3.8 Local Official Plan Policies

In addition to the Regional Policy Plan, all of the local municipalities in the Gateway have policies in their official plans that address long term aspirations for growth and development in the Gateway. Presently, all five municipalities located within the Gateway are in the process of updating their Official Plans and each will need to adopt their own local Gateway Official Plan Amendment. **Figure 1** below summarizes the extent to which each local official plan implements policies of the Growth Plan and the Regional Policy Plan.

Figure 1 Summary of Local Official Plan Gateway Policies<sup>2</sup>

| Municipality          | How the Plan Addresses the Gateway                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Town of Fort Erie     | <ul style="list-style-type: none"> <li>The Town of Fort Erie Official Plan (OP) includes Gateway policies related to: signage, urban design and streetscaping of the main gateway entrances to the Town (Peace Bridge Area, QEW, Highway No. 3).</li> <li>The Town's OP recognizes the advantage of attracting industry based on the Town's proximity to the border.</li> <li>The Town's OP includes a large area of designated land for the Fort Erie Business Park, which is located along the QEW in relative close proximity to the border.</li> <li>Beyond the above, the land use and transportation policies in the Draft OP do not explicitly recognize the Economic Gateway Zone.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| City of Port Colborne | <ul style="list-style-type: none"> <li>The City of Port Colborne OP includes strategic directions regarding the City's development as an Economic Gateway. The Plan identifies key economic clusters for future development in the City, which include manufacturing, marine transportation, tourism, agriculture and retailing.</li> <li>To support development in the above economic clusters, the Plan encourages and supports the development of port facilities, infrastructure and transportation corridors.</li> <li>The Plan also seeks to extend designated industrial lands northward, along the east and west side of Welland Canal and adjacent to the proposed Niagara to GTA Corridor.</li> <li>The Plan also allows for a limited range of commercial uses, primarily highway-related commercial uses such as truck centres on its employment lands (particularly in locations which may receive transportation improvements).</li> <li>The Plan provides for open space or built gateways at major entry points into Port Colborne as well as entry into distinct districts.</li> <li>Note that the current draft OP was developed in advance of the release of the Growth Plan.</li> </ul> |
| City of Niagara Falls | <ul style="list-style-type: none"> <li>The City's OP includes policies for the development of the Gateway opportunities in the City. The City's Plan focuses on tourism development.</li> <li>The strategic area within the Plan for tourism investment is the Whirlpool Satellite District, which is intended to function as a gateway to the City, focusing on the development of tourism and commercial uses.</li> <li>The OP also has specific policies to support a series of Entrance Gateways to the City. These Entrance Gateways are intended to welcome visitors and are to</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

<sup>2</sup> Figure 1 is sourced from Table 2.1 in the Niagara Gateway Employment Lands Study. July 2011. Dillon Consulting.

| Municipality    | How the Plan Addresses the Gateway                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | be appropriately landscaped, including directional signage, information kiosks, and greening.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| City of Thorold | <ul style="list-style-type: none"> <li>The City of Thorold is currently in the process of preparing a first draft of its new Official Plan. At the time of writing, a copy of the draft was not available for review.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| City of Welland | <ul style="list-style-type: none"> <li>The Plan includes a strategic policy which identifies Welland as Economic Gateway. The Gateway policies state that the City will focus on promoting development in advanced manufacturing, green industries, health and wellness activities, transportation and cross border trade and tourism.</li> <li>Plan specifically designates a large stretch of employment land adjacent to Highway 406 and 140 as "Economic Gateway Centre". The designation allows for a variety of industrial uses related to manufacturing, warehousing, logistics and trade.</li> <li>The Plan designates a Health and Wellness Cluster as a focus for hospital, wellness and health related uses in and around King Street South and Lincoln Street.</li> <li>Plan states that the City may prepare a Master Plan for the Gateway Economic Centre industrial lands.</li> </ul> |

*N.B. The above-noted official plans are in various stages of completion. The above noted summarizes either draft and/or Council adopted Official Plans available as of February 2011.*

## 4.0 Goals of the CIP

Based on the policy framework for the CIP and input from key stakeholders during and after the consultation sessions, the primary goals of the Gateway CIP are to:

- Revitalize, strengthen and diversify the Region's economy;
- Improve the attractiveness and competitiveness of the employment lands in the Gateway;
- Create new employment and retain existing employment;
- Increase property assessment and the Region's non-residential tax base; and,
- Develop energy efficient, sustainable industrial buildings.

In addition to the primary goals, additional (secondary) goals of the Gateway CIP identified by key stakeholders include:

- Increase opportunities for cross border trade, movement of goods and tourism;
- Contribute to the development of sustainable and complete communities;
- Promote efficient use of water and wastewater infrastructure;
- Support entrepreneurs and small businesses to grow;
- Strengthen business links to local institutions, especially educational institutions;
- Promote workforce development and better use of human capital; and,
- Increase the attractiveness of Niagara Region as an economic centre to the international market.

## 5.0 Community Improvement Project Area

The Province's Growth Plan graphically identifies the Gateway Economic Zone and Gateway Economic Centre on Schedules 2 (Places to Grow Concept), 5 (Moving People - Transit) and 6 (Moving Goods) in the Plan. The *Gateway* designation in Schedule 2 of the Growth Plan shows a *Gateway Economic Zone* stretching along the Niagara River and the Queen Elizabeth Way between the City of Niagara Falls and the Town of Fort Erie and a *Gateway Economic Centre* which is centered in southern Niagara Region near the City of Welland and Port Colborne, including port facilities along the Welland Canal.

Section 6 of the Province's Growth Plan defines the Gateway Economic Zone and Gateway Economic Centre as the "Settlement Areas" conceptually depicted on Schedules 2, 5 and 6 that, due to their proximity to major international border crossings, have unique economic importance to the region and Ontario. The Growth Plan then further defines "Settlement Areas" as urban areas and rural settlement areas within municipalities where:

- c) development is concentrated and which have a mix of land uses; and,
- d) lands have been designated in an official plan for development over the long term planning horizon provided for in the PPS, 2005. Where there are no lands designated over the long term, the settlement area may be no larger than the area where development is concentrated.

As noted in Section 1.2 of this Plan, the primary purpose of this Plan is to promote development of the employment lands in the Gateway Economic Zone and Centre. Therefore, the community improvement project area for this Plan focuses on and includes only designated employment lands in the five municipalities (Fort Erie, Niagara Falls, Port Colborne, Thorold and Welland) within the Gateway Economic Zone and Centre. Furthermore, the community improvement project area for this Plan includes only those designated employment lands that meet the test of community improvement need, i.e., lands that would not otherwise be developed but for the incentive programs and other recommended actions contained in this CIP.

This CIP, including the designation of the community improvement project area, must be in conformity with the *Planning Act*, the PPS 2005, the Province's Growth Plan and all other Provincial, Regional and Local Municipal legislation, regulations, plans and policies. The Regional Policy Plan defines "settlement areas" as the urban area, villages and hamlets. Therefore, only designated employment lands within settlement areas as defined in the Regional Policy Plan should be included in the Community Improvement Project Area for the Gateway CIP.

Based on the definition of the Niagara Gateway Economic Zone and Centre in the Provincial Growth Plan, and policy direction provided by the Growth Plan, the Niagara Gateway Economic Zone and Centre Final Report, the Niagara Gateway Employment Lands Study, the Regional Policy Plan and Local Official Plan policies, the Community Improvement Project Area for this CIP (hereinafter referred to as the "Community Improvement Project Area" or the "Gateway Community Improvement Project Area" is **"all designated employment lands in the settlement areas within Welland, Port Colborne, Niagara Falls, Fort Erie and Thorold, as amended from time to time"**.

In the above-noted definition of the Gateway Community Improvement Project Area:

- i) "designated employment lands" means lands that have been designated in the Local Official Plans for employment uses; and,
- ii) "settlement areas" means the urban area, villages and hamlets.

The Gateway Community Improvement Project Area is properly defined by the above-noted text reference. Any change to designated employment lands within settlement areas, and therefore the Gateway Community Improvement Project Area, will be captured by the above-noted text reference and will not require amendment to this Plan.

Based on the land use policy review contained in the Niagara Gateway Employment Lands Study and the accompanying RPPA 1-2012, six (6) Strategic Locations for Investment (as illustrated in **Appendix A**) have been identified within the Gateway Community Improvement Project Area as the locations where infrastructure investment, planning and marketing efforts will be concentrated. Consequently, as described in Section 6.0 of this Plan, the duration of grant payments provided under the Tax Increment Based Grant Program is also increased within the areas that are shown as Strategic Locations for Investment as compared to the balance of the Community Improvement Project Area.

## 6.0 Incentive Programs

### 6.1 Summary

The financial incentive programs contained in this CIP were developed to help achieve the primary and secondary goals identified in Section 4.0 of this CIP. However, the key purpose of the incentive programs in this CIP is to revitalize, strengthen and diversify the economy in Niagara by promoting private sector investment, development, redevelopment, and construction activity on the employment lands in the Gateway Economic Zone and Centre.

In order to help accomplish the goals of this CIP, three major incentive programs have been included in the CIP. The first is a Tax Increment Based Grant (TIBG) Program. In order to promote development in the Gateway Community Improvement Project Area that creates employment and assessment growth while also being energy efficient and sustainable, the percentage of the tax increment based grant under the TIBG Program is tied to the project's economic and environmental design performance. Furthermore, in order to prioritize development within the Gateway Community Improvement Project Area, the duration of grant payments provided under the TIBG Program is increased to 10 years in areas that are shown as Strategic Locations for Investment in Appendix A, as compared to 5 years in the balance of the Community Improvement Project Area.

The second incentive program included in this CIP is a Development Charge Grant Program that provides a grant equivalent to Regional Development Charges paid on the project, but only for projects that achieve exceptional economic and environmental design performance levels. All projects taking advantage of the TIBG Program and the Development Charge Grant Program must conform to the Region's Model Urban Design Guidelines or Local Municipal Design Guidelines that conform to the Region's Model Urban Design Guidelines.

As is the case with the existing TIBG Program under the Smarter Niagara Incentive Programs (SNIPs), the new TIBG Program included in this Gateway CIP will be a matching program between Niagara Region and the participating Local Municipalities. The Region will match the percentage of the tax increment based grant provided to a successful applicant by the Local Municipality. The duration of the tax increment based grant in each Local Municipality adopting this CIP will be based on project location (within or outside one of the Strategic Locations for Investment) and the percentage of the tax increment based grant will be based on the project's economic and environmental design performance as described in Section 6.3 below.

The third incentive program included in this CIP is a City of Welland Planning Application Fee Grant Program (Planning Fee Grant) is a grant program that would only be available to approved TIBG Program Application that fall within an area identified as a Strategic Location for Investment. These approved applications would be eligible to a grant of 100% of the applicable City of Welland Planning Application Fee(s).

Consultation with the MMAH has confirmed that upper tier municipalities may in fact decide on a case-by-case (application by application) basis whether or not to provide grants or loans to a lower tier municipality in relation to the funding of incentive programs available in a Local Municipal CIP. Furthermore, the upper-tier municipality may also attach different terms and conditions as to security and otherwise to individual applications. Therefore, with regard to the incentive programs contained in this CIP, the Region retains the right to determine on an application by application basis, whether or not to provide a grant or loan to the Local

Municipality, and furthermore, the terms and conditions as to security and otherwise in relation to said grant or loan.

Because this CIP covers designated employment lands in five local municipalities in the Niagara Gateway Economic Zone and Centre and because the primary goals of this CIP relate to both Regional and Local economic development goals, the administration of the TIBG Program contained in this CIP will be a shared or joint process between the Local Municipalities and Niagara Region. This process is described in **Appendix B**. The Development Charge Grant Program will be administered by Niagara Region.

Appendices B to D contain information on the administration of the incentive programs contained in this CIP. Appendices B to D do not form part of the CIP, and therefore may be changed from time to time as required, without amendment to this Plan.

## 6.2 General Program Requirements

All of the incentive programs contained in this CIP will be subject to the following general requirements as well as the individual requirements specified under each incentive program. The general and program specific requirements contained in this CIP are not necessarily exhaustive, and Local Municipalities and Niagara Region reserve the right to include other requirements and conditions as deemed necessary on a property specific basis:

- a) An application for any incentive program contained in this CIP:
  - i) can be made only for properties within the Gateway Community Improvement Project Area;
  - ii) must be submitted to and approved by the Local Municipality and/or the Region (as applicable) prior to the commencement of any works to which the financial incentive program will apply and prior to application for building permit; and,
  - iii) must include plans, drawings, studies, reports, cost and economic impact estimates, contracts, construction values, certifications, and other details and information as required by the Local Municipality and the Region to satisfy the Local Municipality and the Region with respect to project design, performance and conformity with the CIP;
- b) As a condition of application approval, the applicant may be required to enter into a grant agreement with the Local Municipality and Niagara Region. This Agreement will specify the terms, duration and default provisions of the incentive to be provided;
- c) Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, Federation of Canadian Municipalities, etc...) that can be applied against the eligible costs are anticipated or have been secured, these must be declared as part of the application. Accordingly, the grant may be reduced on a pro-rated basis;
- d) The Local Municipality and the Region reserve the right to audit the cost of any and all works that have been approved under any of the financial incentive programs, at the expense of the applicant;
- e) The Local Municipality and the Region are not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant;

- f) If the applicant is in default of any of the general or program specific requirements, or any other requirements of the Local Municipality and/or the Region, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant;
- g) If a building that was erected, expanded or improved using a grant available under the Gateway CIP is demolished prior to expiry of the grant period, the grant is terminated and any grant amount paid is repayable to and will be recovered by the Local Municipality and the Region;
- h) The Local Municipality and the Region may discontinue any of the programs contained in the CIP at any time, but applicants with approved grants will still receive said grant, subject to meeting the general and program specific requirements;
- i) Proposed land uses must be in conformity with the Regional Policy Plan and applicable Local Official Plan(s), Zoning By-laws and other planning requirements and approvals at both the local and regional level;
- j) Retail commercial uses and residential uses will not be eligible for the incentive programs included in this CIP, and if such a use is included as an accessory use within an approved grant application, the grant provided under this CIP will be calculated only in relation to non-retail commercial uses and non-residential uses;
- k) If part or all of a building(s) in a project approved for a grant is converted to retail commercial use or residential use at any time after project completion, but prior to the cessation of grant payments, the amount of the remaining grant payments will be adjusted accordingly on a go forward basis to reflect only the remaining non-retail commercial uses and non-residential uses;
- l) All proposed works approved under the incentive programs shall conform to provincial laws, and Local Municipal and Regional guidelines, by-laws, policies, procedures, and standards;
- m) All projects approved for a Tax Increment Based Grant and a Development Charge Grant must conform to the Region's Model Urban Design Guidelines or Local Municipal Design Guidelines that conform to the Region's Model Urban Design Guidelines;
- n) All works completed must comply with the description of the works as provided in the application form and contained in the grant agreement, with any amendments as approved by the Local Municipality and the Region;
- o) All construction and improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- p) Outstanding work orders, and/or orders or requests to comply, and/or other charges from the Local Municipality and the Region must be satisfactorily addressed prior to grant approval or payment;

- q) Property taxes must be in good standing at the time of program application and throughout the entire length of the grant commitment;
- r) Local Municipal and Regional staff, officials, and/or agents may inspect any property that is the subject of an application for any of the incentive programs;
- s) Local Municipal and Regional staff have the right to require annual reports from approved applicants and conduct annual inspections to ensure compliance with the grant agreement and make adjustments to incentive levels to reflect actual project performance in relation to the program requirements and the executed grant agreement;
- t) Applicants approved for the programs contained in this CIP will be required to complete the eligible works within specified timeframes; and,
- u) The total of all grants, loans and tax assistance provided in respect of the particular lands and buildings for which an applicant is making application under the programs contained in this CIP and any other applicable CIPs shall not exceed the eligible costs of the improvements to those particular lands and buildings under all applicable CIPs.

## 6.3 Tax Increment Based Grant Program

### 6.3.1 Purpose

The purpose of the Tax Increment Based Grant (TIBG) Program is to stimulate new, sustainable investment by existing businesses and new businesses in the employment lands within the Gateway Community Improvement Project Area in the form of development, redevelopment, construction, reconstruction, rehabilitation or adaptive reuse of buildings and properties.

### 6.3.2 Description

This program will provide a tax increment based grant following completion of an eligible project involving development, redevelopment, construction, reconstruction, rehabilitation or adaptive reuse on designated employment lands within the Gateway Community Improvement Project Area where that project creates an increase in assessment, and therefore an increase in property taxes<sup>3</sup>. The annual grant would be offered on a “pay-as-you go” basis, i.e., the applicant would initially pay for the entire cost of the eligible project. Then, when the project is complete and the following conditions have been met, the applicant would then be paid an annual grant:

- a) final building inspections have taken place;
- b) an occupancy permit has been issued (as applicable);
- c) all deficiencies have been addressed;
- d) the property has been reassessed by the Municipal Property Assessment Corporation (MPAC); and,
- e) the new property taxes have been paid in full for the year.

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<sup>3</sup> This program does not apply to residential uses and it does not apply to retail commercial uses. Where a project is mixed use, this program does not apply to the portion of the project containing residential or retail commercial uses.

The annual tax increment based grant payment provided under this program will be equal to a percentage of the municipal (Local Municipal and Regional) property tax increase generated by the approved project. This percentage will be based on the as-built economic performance and environmental design performance of the project as described in **Appendix C**.

Tax increment based grant payments for an approved project within any one of the Strategic Locations for Investment will cease when the total tax increment based grant along with all other grants, loans and tax assistance provided equals the eligible cost of improvements under all applicable CIPs, or after ten (10) years, whichever comes first. Tax increment based grant payments for an approved project outside any one of the Strategic Locations for Investment but within the Community Improvement Project Area will cease when the total tax increment based grant along with all other grants, loans and tax assistance provided equals the eligible cost of improvements under all applicable CIPs, or after five (5) years, whichever comes first.

### 6.3.3 Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the following program requirements, and subject to the availability of funding as approved by the Local Municipal Council and Regional Council:

- a) The following types of projects are considered eligible for this program:
  - i) development, redevelopment, construction, reconstruction, rehabilitation or adaptive reuse that results in an increase in the assessed value and property taxes on the property;
- b) The applicant may be required to submit a Business Plan, with said plan to the satisfaction of the Local Municipality and Niagara Region;
- c) The Local Municipality may require the applicant to submit for approval impact studies such as traffic studies and studies of microclimatic conditions (sun, shadow, wind);
- d) If during the grant period, a building receiving a TIBG is demolished, all grant payments shall cease and the Local Municipality and Niagara Region reserve the right to require repayment of the grant payments;
- d) If during the grant period, a building/property designated under the Ontario Heritage Act receiving a TIBG is demolished or any of the heritage features are altered in any way that would compromise the reasons for designation, all grant payments shall cease and the Local Municipality and Niagara Region reserve the right to require repayment of the grant payments; and,
- e) For projects on brownfield sites, the owner shall file in the Environmental Site Registry a Record of Site Condition (RSC) for the property signed by a qualified person, and the owner shall submit to the Local Municipality proof that the RSC has been acknowledged by the Ministry of Environment (MOE).
- f) The City retains the right to not administer incentive programs involving lands/development associated with assessment appeals, reassessment and severances.

## 6.4 Development Charge Grant Program

### 6.4.1 Purpose

The purpose of the Development Charge Grant Program is to stimulate new, sustainable investment by existing businesses and new businesses in the employment lands within the Community Improvement Project Area in the form of development, redevelopment, construction, reconstruction, rehabilitation or adaptive reuse projects that achieve an exceptional level of environmental design performance.

### 6.4.2 Description

The Development Charge Grant Program is a grant program that would be available only to approved TIBG Program applications that qualify as “exceptional” projects. These are projects that achieve a combination of high scores on both economic performance and environmental design performance, as described in **Appendix D**. Because the eligibility of a project for the Development Charge Grant Program is based on the project’s as-built TIBG Program performance score, a separate application for the Development Charge Program is not required. The Development Charge grant payment is capped at \$1.5 million.

The Development Charge Grant is provided as a grant payable after construction is complete rather than as a development charge exemption payable at the time of building permit issuance (under the Development Charges By-law) because the amount of the development charge grant is tied to as-built project performance, and as-built project performance cannot be determined prior to project completion.

While Niagara Region certainly encourages Local Municipalities in the Community Improvement Project Area to provide a similar Development Charge Grant Program for Local Municipal Development Charges, this is not considered mandatory.

### 6.4.3 Program Requirements

Applicants are eligible to apply for funding under this program, subject to meeting the general program requirements, the program requirements for the TIBG Program, and subject to the availability of funding as approved by the Local Municipal Council and Regional Council.

## 6.5 City of Welland Planning Application Fee Grant Program

The City of Welland Planning Application Fee Grant Program is a grant program that would be available only to approved TIBG Program applications that fall within an area identified as a Strategic Locations For Investment. These approved applications would be eligible to a grant of 100% of the applicable Planning Application Fee(s). The Planning Application Fee Grant is provided as a grant payable once final occupancy is approved by the City of Welland Chief Building Official.

## 7.0 Municipal Leadership Actions

The financial incentive programs contained in this Plan are designed to directly encourage economic development and achieve the goals of this Plan for the Niagara Gateway Economic Zone and Centre. However, it is also important that the Region and Local Municipalities lead a number of other actions aimed at providing a supportive land use, transportation, infrastructure, marketing and economic development environment to help achieve the goals of this Plan. These supporting municipal leadership actions will not only actively demonstrate municipal leadership and commitment to achieving the economic development goals for the Gateway, but they will also help to generate interest from the private sector in utilizing the incentive programs contained in this Plan to undertake high performing private sector development projects in the Gateway. These Municipal Leadership Actions are summarized below, and a number of these actions were also referenced in the 2008 Niagara Gateway Economic Zone and Centre Final Report.

The Local Municipalities and Niagara Region will participate as required and appropriate to undertake the following municipal leadership actions:

- a) The full range of actions permitted under Section 28 of *Planning Act*;
- b) Creation of a coordinated institutional vehicle for implementation of the Gateway CIP;
- c) Implementation of other incentive programs recommended in the 2008 Niagara Gateway Economic Zone and Centre Final Report;
- d) Exploring funding from the Ministry of Municipal Affairs and Housing under Section 30 of the *Planning Act* for key transportation and infrastructure improvements and the preparation of secondary plans for designated employment lands in the Gateway Community Improvement Project Area;
- e) Preparation and implementation of a comprehensive Marketing Strategy for the Gateway CIP;
- f) Ensuring a strong Regional coordinator function for the incentive programs included in the Gateway CIP; and,
- g) Working with U.S. counterparts to grow economic development on both sides of border using an enhanced cross-border approach.

## 8.0 Monitoring Program

### 8.1 Purpose

The Monitoring Program set out in this section has several purposes. It is designed to:

- a) Monitor funds dispersed through the CIP incentive programs so as to determine the Local Municipal and Regional contributions toward incentive program funding;
- b) Receive and monitor feedback from applicants to the incentive programs so that adjustments can be made to the incentive programs, as required;
- c) Monitor the economic impact associated with projects taking advantage of the CIP incentive programs; and,
- d) Allow for comprehensive reporting of monitoring results to Local and Regional Councils.

This CIP is not intended to be a static planning document. It is intended to be a proactive plan to revitalize, diversify and strengthen the economy in Niagara by promoting development of the employment lands in the Gateway Economic Zone and Centre. Therefore, information obtained through the Monitoring Program should be used to periodically adjust the terms and administration of the incentive programs to make them even more relevant and user friendly. Information collected through the Monitoring Program should be utilized to provide regular reports to Local Councils and Regional Council on the amount of private sector investment being leveraged by the municipal incentive programs and the economic and other benefits associated with these private sector projects.

### 8.2 Description

Monitoring of the uptake and performance of the incentive programs should be done on a regular basis and these monitoring results reported to the five Local Councils and Regional Council on an annual basis. As well, feedback from users of the incentive programs should be considered and utilized to adjust the terms and administration of the incentive programs in order to improve their effectiveness and ensure that the incentive programs are effective for a range of project types and sizes in the Community Improvement Project Area. Similarly, monitoring of progress on implementation of the Municipal Leadership Actions should be done regularly and reported to Council on an annual basis.

The Regional Expeditor, in cooperation with the Local Municipal CIP Coordinators, will take the lead in monitoring and reporting Regional and Local funding of the incentive programs and project performance. This will help to standardize the format and frequency of monitoring and reporting of program results across the five Local Municipalities.

The list of variables that should be monitored on an individual project and aggregate basis for the incentive programs contained in this CIP includes, but is not necessarily limited to the following:

- i) Number of applications
- ii) \$ amount of grant;
- iii) Total \$ value of construction;
- iv) Level of LEED certification achieved or percentage of Region's Smart Growth Design Criteria incorporated into project;
- v) Square footage of employment use space constructed or rehabilitated by type (industrial sector);
- vi) Number of new businesses successfully occupying space (1, 3 and 5 year post completion);

- vii) Full-time or FTE Jobs created/maintained;
- viii) Increase in assessment value of participating property;
- ix) Increase in municipal (Local and Regional) and education property taxes of participating property; and,
- x) Number and \$ amount of program defaults.

In addition to these quantitative economic measures, the Region in coordination with the Local Municipalities, should also attempt to monitor the qualitative results of the CIP in terms of the impact of municipal leadership actions, including infrastructure and transportation improvements. Regular qualitative observations of the individual and cumulative impact of projects using CIP incentive programs and of the municipal leadership actions should be made and discussed by Local Municipal and Regional staff. This could include comments received by staff from business owners, property owners and other key opinion leaders in the real estate, development and design/build community. These qualitative measures should be regularly monitored and reported to Council along with the quantitative measures specified above.

### 8.3 Program Adjustments

The individual incentive programs contained in this CIP can be activated, deactivated, reduced or discontinued without amendment to this Plan. Increases in funding provided by the financial incentives contained in this CIP, or the addition of any new incentive programs to this CIP, will require a formal amendment to this Plan in accordance with Section 28 of the *Planning Act*. The Region and Local Municipalities may periodically review and adjust the terms and conditions of any of the programs contained in this Plan, without amendment to the Plan. Such minor changes will be provided to the Minister of Municipal Affairs and Housing for information purposes only.

## 9.0 Marketing Strategy

### 9.1 Key Objective and Messages

It is very important to the successful implementation of this CIP that a leadership role be taken by the Region and Local Municipalities in effectively communicating the available incentive programs and investment opportunities within the Gateway Economic Zone and Centre to property owners, business owners, developers, potential end users, and other key leaders in the industrial, real estate, development and design/build community, both within and outside Niagara.

The basic marketing strategy outlined in this section provides general guidance for the proactive and regular advertisement and marketing of the incentive programs and development opportunities within the Community Improvement Project Area. However, it is recommended that a comprehensive marketing strategy be developed and implemented that:

- a) provides direction on how to obtain information on available incentive programs, including program guides and application forms, as well as assistance and advice from municipal staff on making application for the incentive programs;
- b) informs property and business owners and developers with regard to actions planned by the Local Municipalities and the Region to improve the investment environment within the Community Improvement Project Area; and,
- c) publicizes recent development and business activity and success stories within the Community Improvement Project Area.

### 9.2 Target Audience

The Marketing Strategy should be targeted to:

- a) Existing property owners and business owners in the Community Improvement Project Area;
- b) Existing business owners outside Niagara, especially those with business in the targeted economic growth sectors;
- c) Business and industry associations both within and outside Niagara;
- d) Leaders in the real estate, development and design build community, both within and outside Niagara; and,
- e) The general public.

### 9.3 Marketing Tools

The marketing of the CIP programs and municipal leadership actions should entail a comprehensive multi-media campaign containing information, education and advertising components. The following key tools are recommended to implement the Marketing Strategy:

- a) A Publication, e.g., a newsletter, containing a description of the financial incentive programs available in the Gateway Community Improvement Project Area, including general program requirements and how to apply, highlights and updates of planned infrastructure, transportation and other improvements, and profiles of projects and new/expanded businesses that are taking advantage of the CIP incentive programs;

- b) Profiling of the incentive programs and projects that are underway or that have been completed within the Community Improvement Project Area in planning and economic development publications, newsletters and other publications published by the Local Municipalities and the Region;
- c) Stories in local media (newspaper, radio, web) regarding the CIP, progress on municipal leadership actions and project success stories in the Community Improvement Project Area;
- d) Direct (one-click) access on the Regional and Local Municipal web pages to information on available incentive programs and the aforementioned publications;
- e) Periodic presentations to the target audience that cover available incentives programs, municipal leadership actions including infrastructure and transportation improvements, and existing and new business and development success stories in the Community Improvement Project Area, and,
- f) Media Releases and profiles of successful projects and initiatives should be sent to local media within Niagara and also to media outside Niagara.

## 10.0 Conclusion

This “Master Gateway CIP was prepared to provide a comprehensive framework for the introduction and implementation of financial incentive programs and municipal leadership actions designed to attract investment and development into the Gateway Community Improvement Project Area. If the CIP is successful in doing this, the CIP will help to revitalize, diversify and strengthen the economy in Niagara. Therefore, the Gateway CIP will help to achieve the goals identified in the Province’s Growth Plan, the Niagara Gateway Economic Zone and Centre Final Report, Niagara’s Economic Growth Strategy, the Regional Policy Plan, and Local Official Plans.

In consultation with the five Local Municipalities and other key stakeholders, Niagara Region led and coordinated the preparation of this “Master Gateway CIP”. It is intended that Niagara Region will endorse this Master Gateway CIP and then all five Local Municipalities would adopt this Master Gateway CIP. This approach ensures consistency in the incentive programs offered across all five Local Municipalities and each local municipality can then offer grants that are partially funded by Niagara Region. This approach complies with the *Planning Act* and associated regulations.

The preparation of this CIP has benefitted greatly from extensive consultation with key stakeholders, including key opinion leaders in the real estate, development and design/build community. The Niagara Gateway Economic Zone and Centre Implementation Committee was also kept up-to-date throughout preparation of the CIP, and they provided valuable input and advice.

The endorsement of this CIP by Niagara Region and the subsequent adoption and approval of this CIP by the Local Municipalities will provide the legislative basis and comprehensive policy framework for the provision of incentive programs designed to achieve the goals of this Plan. Successful implementation of this CIP will require a commitment by Niagara Region and the Local Municipalities to implement, fund, administer and monitor the incentive programs. Experience in other municipalities has shown that early and effective implementation of a multi-faceted marketing strategy will help to make property and business owners aware of the incentive program opportunities available through the CIP. This will result in a more successful CIP. Ongoing monitoring of the performance of the Gateway CIP and adjustments to the incentive programs contained within the CIP, will also help to ensure the long-term effectiveness of the Gateway CIP.

## 11.0 References

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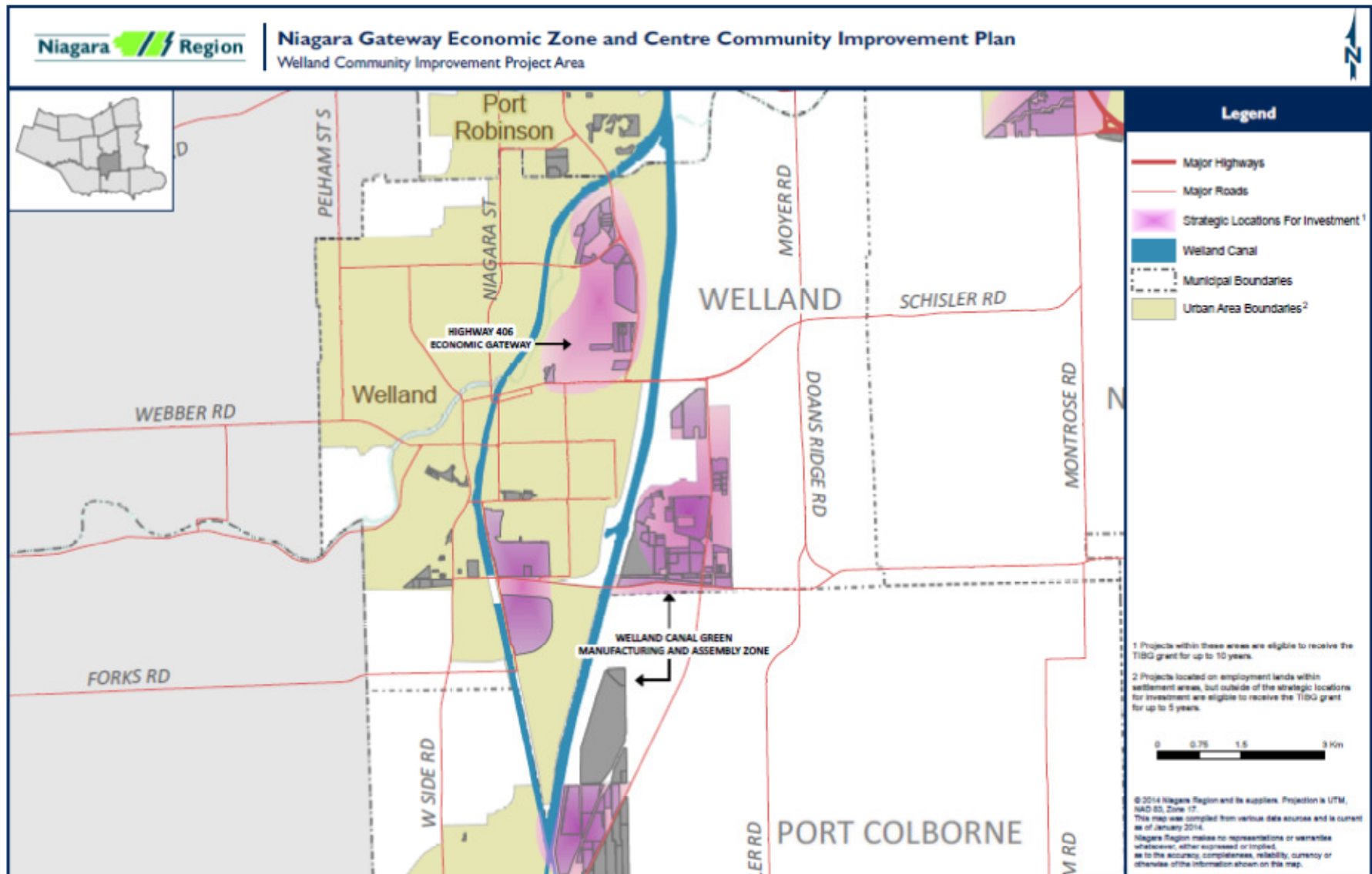
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## Appendix A

### Strategic Locations for Investment



## Appendix B

### Joint Administration Process for Tax Increment Based Grant Program

The administration of the Tax Increment Based Grant Program will be a shared or joint process between the Local Municipalities and Niagara Region. While Local Municipal CIP coordinators would receive applications for the Tax Increment Based Grant Program, Regional staff would be involved in pre-application meetings (as required), and Regional staff would also review applications to ensure all program requirements, Regional information and other requirements have been met.

Scoring of the applications using the performance matrix would be done in consultation between the Regional Incentive Programs Coordinator (Expeditor) and the Local Municipal CIP coordinator. Once the project has been scored, a grant agreement would be prepared and a recommendation report would be prepared. This recommendation report would first be forwarded to the Local Municipal Council (or Council's designate) for consideration and then to Regional Council (or Council's designate) for their consideration. Once the grant is formally approved by the respective Councils, and the grant agreement has been fully executed, the project can commence.

Once the project is complete and occupied, the Local Municipal CIP Coordinator and the Regional Expeditor would receive completion information and reports from the applicant and inspect the project (as required) to determine as built project performance and adjust the Tax Increment Grant Level accordingly. The Local Municipal CIP Coordinator and the Regional Expeditor would then request an annual or periodic report on project performance and/or conduct an inspection of the facility. Again, the Tax Increment Grant Level could be adjusted depending on ongoing project performance.

The Tax Increment Grant would be paid by the Local Municipality annually once Local and Regional staff have confirmed that all program and grant agreement requirements have been met/continue to be met. The Region would provide a grant to the Local Municipality equivalent to the Regional share of the Tax Increment Based Grant payment.

The Regional Expeditor, in cooperation with the Local Municipal CIP Coordinators, will take the lead in monitoring and reporting both project performance and Regional and Local funding of the incentive programs. This will help to standardize the format and frequency of the reporting of program results across the five Local Municipalities.

## Appendix C

### Tax Increment Based Grant Program Application Evaluation

## 1 Economic Performance

A maximum of 15 points is available for the economic performance of a project with points awarded based on a) the number of direct full-time or full-time equivalent (FTE) jobs created by the proposed business(s) (not including jobs created through construction of the building), and b) the construction value of the project, as follows:

### a) Full-time or FTE Jobs Created

| Full-time Jobs Created/Retained | Points |
|---------------------------------|--------|
| 1-9                             | 5      |
| 10-19                           | 6      |
| 20-34                           | 7      |
| 35-50                           | 8      |
| 51-74                           | 9      |
| 75-100                          | 10     |
| 100+                            | 11     |

**PLUS**

### b) Construction Value

| Construction Value (from building permit) | Points |
|-------------------------------------------|--------|
| \$200,000 - \$1,999,999                   | 1      |
| \$2,000,000 - \$9,999,999                 | 2      |
| \$10,000,000 - \$39,999,999               | 3      |
| \$40,000,000+                             | 4      |

## 2 Environmental Design Performance

A maximum of 5 points is available for the environmental design performance of a project with points awarded based on the level of Leadership in Energy and Environmental Design (LEED) certification achieved by the project or conformity of the project with the Region's new Smart Growth Design Criteria<sup>4</sup>, as follows:

| Level of LEED Certification | Points |
|-----------------------------|--------|
| LEED                        | 2      |
| LEED Silver                 | 3      |
| LEED Gold                   | 4      |
| LEED Platinum               | 5      |

**OR**

<sup>4</sup> The new Regional Smart Growth Design Criteria are currently being developed.

| Region's Smart Growth Design Criteria              | Points |
|----------------------------------------------------|--------|
| Conforms with 70% of Smart Growth Design Criteria  | 2      |
| Conforms with 80% of Smart Growth Design Criteria  | 3      |
| Conforms with 90% of Smart Growth Design Criteria  | 4      |
| Conforms with 100% of Smart Growth Design Criteria | 5      |

### 3 Project Evaluation and Scoring

Combining the scores for economic performance and environmental design performance, a project can score a maximum of 20 points. The annual percentage of the municipal (Region and Local) tax increment grant provided to a project will be based on its total project performance score out of 20 as per **Table C-1** below. For example, a project that creates 40 FTE jobs, has a construction value of \$8 million and is LEED Silver certified would score 13 points out of 20 and be awarded an annual grant of 65% of the municipal property tax increase generated by the project. This grant would be paid for 10 years if the project is located within one of the Strategic Locations for Investment, and 5 years if the project is located outside one of the Strategic Locations for Investment.

**Table C-1 Tax Increment Based Grant Level**

| Total Score | Tax Increment Based Grant Level |
|-------------|---------------------------------|
| 0-7         | No Grant                        |
| 8           | 40%                             |
| 9           | 45%                             |
| 10          | 50%                             |
| 11          | 55%                             |
| 12          | 60%                             |
| 13          | 65%                             |
| 14          | 70%                             |
| 15          | 75%                             |
| 16          | 80%                             |
| 17          | 85%                             |
| 18          | 90%                             |
| 19          | 95%                             |
| 20          | 100%                            |

The evaluation of the Tax Increment Grant project would work as follows. Once an application is submitted, it will be evaluated to determine program eligibility. If the project is eligible for the program, Local and Regional staff would jointly evaluate and score the application. This would result in a staff report to Local and Regional Council that contains the preliminary project score based on the project performance information provided by the applicant, and a recommendation for conditional approval of the application based on the information provided by the applicant. If the application is approved by Local and Regional Council, once the project is completed, the as-built project performance score would be calculated by municipal staff. The Tax Increment Grant to be paid to the applicant as per Table C-1 above would be based on this score.

## Appendix D

### Development Charge Grant Program Application Evaluation

In order for a project approved to receive a TIBG to also qualify to receive a Development Charge Grant, the as-built project must achieve a score of at least 14 out of 20 in the TIBG application scoring (as shown in the green shaded area in Table C-1 in Appendix C).

The Development Charge Grant Program would work as follows. Once the TIBG application is approved and the applicant decides to proceed with the project, the applicant would pay Local and Regional development charges in full as normal, i.e., usually at the time of building permit issuance. After project completion and occupancy, the actual project performance score for purposes of determining the TIBG level would be calculated. If the score for the TIBG level equals or exceeds 14 points, a Development Charge Grant equal to the percentage of the Regional Development Charge paid by the applicant as shown in the green shaded area in Table C-1 of Appendix C would be paid to the applicant by the Local Municipality in the form of a one-time payment. This Development Charge Grant Payment would be capped at \$1.5 million. The Region would provide a grant to the Local Municipality equivalent to the Regional Development Charge Grant so that the Local Municipality can pay this grant to the successful applicant.

The Development Charge Grant Program will be administered by Niagara Region. However, the Development Charge Grant Program will utilize the same application form as the Tax Increment Based Grant Program and all applicants applying for the Development Charge Grant Program must apply for the Tax Increment Based Grant Program. The application form for the Tax Increment Based Grant Program will have a section where the applicant can indicate that they are also applying for the Development Charge Grant Program.