



Subject: Community Improvement Plan, Annual Performance Report for 2024

Department: Infrastructure Services

Division: Planning

Report #: INS-2024-054

Meeting Date: 2024-11-18

Recommendations

That report INS-2024-054, Community Improvement Plan, Annual Performance Report for 2024, be received.

Overview

The end of 2024 represents the first full year of implementing the Town's new Community Improvement Plan (CIP). Since Council's adoption of the new CIP in July 2022, considerable progress has been made to establish the operational framework prescribed by the CIP to implement its incentive programs. Highlights include: i) assigning an existing staff position to administer the CIP; ii) building the program infrastructure (i.e. promotional materials, applications, guides, procedures, etc.) to operate the new suite of incentive programs; and iii) Council's appointment of a Community Improvement Committee to review and make decisions on program applications. In addition, a CIP reserve fund has been created through previous annual budget approvals to adequately fund initial operating years for the CIP.

From late 2023 to date, a total of 13 incentive program applications were received, with 9 approvals issued. The total combined grant funding awarded through these approvals was \$112,402. This is based on a combined total of \$444,400 in estimated eligible project costs for approved projects, which translates to a total of \$331,998 in private investments from applicants towards improvement efforts supported by the CIP.

The CIP prescribes certain measures to track implementation in order to monitor overall effectiveness in achieving its goals and objectives. This helps inform future decisions regarding promotional efforts, budget allocations and incentive program operations. Staff are of the opinion that 2024 has yielded a healthy baseline year for the CIP and shown effective uptake in key incentive programs offered. As a result, staff will pursue budget submissions for the CIP reserve fund in 2025 that are consistent with previous budget year forecasts for 2025. Staff will also monitor program operations and target

further promotional and outreach efforts for other incentive programs in 2025 to maintain healthy uptake of the CIP programs.

Background

In July 2022, Council adopted a new Community Improvement Plan (hereinafter the “CIP” or “Plan”), which enabled a new comprehensive series of incentive programs to stimulate private sector investments in revitalization efforts within broader geographic areas of the Town. This replaced the Town’s former long-standing CIP approved in 1990, which applied only to the downtown area.

The 1990 CIP provided a façade improvement grant program for properties in the Central Business District. Properties could receive grant funding to cover up to 50% of eligible façade improvement costs, up to a maximum of \$10,000 per property over the lifetime of the program. With this program in existence for over thirty (30) years, many properties had exhausted their total grant eligibility through previous façade improvement projects, which had become outdated. In addition, legislative changes that occurred over this period enabled more comprehensive incentive programs to be implemented.

To administer the former façade improvement grant program, an annual operating budget of \$30,000 was committed to fund new grant applications under this program. With the adoption of the new CIP in 2022, a more robust budget was needed to support the more extensive series of incentive programs now offered to broader areas of the Town. A new Community Improvement Program Reserve Fund (CIP Reserve) was created as follows:

	2022	2023	2024
Contributions:			
Transfer of unspent Façade improvement grants from prior years	50,594		
Re-allocation of \$30K contribution for former Façade Improvement Grants	30,000	30,000	
Budget Allocation for CIP Reserve Contribution		70,000	30,000
Sub-total Contributions to CIP Reserve Fund	80,594	100,000	30,000
Accumulated CIP Reserve Fund Balance prior to committments	80,594	180,594	210,594

The new CIP provided several directions to implement its incentive programs, including:

- Assigning a dedicated staff member to administer the CIP and its incentive program applications; and
- establishing a Committee to review and approve application submissions and provide direction for program implementation

As a result, 2023 experienced very few application submissions as the majority of this period was devoted to building the administrative infrastructure needed to operationalize the new CIP. This included the retention of a new Development and Community Improvement Planner, creation of a new Community Improvement Committee and creating a new series of program guide and application materials and procedures needed to manage the intake and processing of grant application submissions.

Analysis/Current Situation

Section 8 of the Community Improvement Plan prescribes requirements for monitoring the overall performance of the CIP and its incentive programs to gauge its overall effectiveness. Further, staff are directed to bring a year end performance report to council which summarizes key Performance Measures, including:

- Overall uptake of each program;
- Total amount of committed funding annually;
- Total amount of private-sector investment;

The following provides a summary of these measures, including a detailed breakdown of all approvals granted to date, promotional efforts undertaken by staff, overall public interest in the CIP since being operationalized, and next steps and recommendations.

Promotional Efforts

The CIP is intended to be pro-actively marketed to potential applicants as outlined in section 7 of the plan. It is common for CIPs to have low uptake due to a lack of promotion and marketing within a municipality. Therefore, the Plan outlines measures Town staff should take to ensure stakeholders are informed and that applications are generated. These measures include a streamlined application process, dedicated staff, a strong web presence, direct links to online forms, outreach and advertising.

As mentioned, the CIP was activated in 2023 and a dedicated Planning staff member was hired to administrate the plan in June 2023. The CIP programs were operationalized and marketed over the remainder of 2023 with coordination between Planning staff and Economic Development Divisions. This included the preparation of guides to be distributed at the Planning counter at Town hall and at stakeholder events, such as the Economic Development Breakfast. A dedicated page on the Town website has been created (<https://www.orangeville.ca/en/town-hall/community-improvement-plan.aspx>), with access to Intake Forms, Program Summaries, and guides on the application process. The CIP is also actively marketed to applicants with eligible development projects as part of the ongoing planning approvals process by Planning staff.

In addition to creating standardized promotional materials, a mail-out targeting all eligible property owners within the CIP's "Priority Zone 1" was undertaken. This Zone generally encompasses the Downtown area, which is exclusively eligible for certain programs like the Façade Improvement Program. This area also has deeply rooted

familiarity with the former façade improvement grant program and required more dedicated promotion to override past assumptions and understandings of the former program. The Priority Zone 1 outreach campaign required inventorying all commercial or mixed-use properties within the area (only commercially oriented properties are eligible for funding under the CIP), and a mail-out to approximately **172 property owners or businesses**. The mail-out materials included a cover letter informing recipients of the new CIP being adopted, the renewed funding for the Façade Improvement Program and the series of new Financial Incentive Programs now available. It also included specific details on eligibility, funding amounts, and how to apply.

These promotional efforts have been a success with approximately **25 inquiries** received from interested property owners, and **13 applications being generated for review**, resulting in a total of **9 approvals issued**.

Community Improvement Applications 2023-2024

There has been a high uptake in CIP applications from local businesses and property owners over the last year. In total the CIP committee has granted 9 application approvals for funding through various incentive programs. The first 2 approvals were given at the year-end December 2023 meeting, with an additional 7 approvals through 2024 as staff and committee continue to receive and review applications.

These approvals have resulted in a total of **\$112,402** in “committed” funding being approved in the CIP’s first year of operating. The approved funding is based on a total of **\$444,400** in estimated eligible project costs for approved projects, which will leverage a total of **\$331,998** in total private investment from the applicants. This is an approximately 3 to 1 ratio of private investment for every dollar the Town will invest as a grant towards the approved improvement projects, thus achieving a key goal and performance measure outlined in the Community Improvement Plan. A detailed breakdown of the approvals given to date can be seen in **Attachment 1**.

The CIP includes 8 Financial Incentive Programs, some of which apply to Commercial Properties in the Downtown (Priority Zone 1), others apply to Industrial Properties in the Centennial Employment area (Priority Zone 2), and some apply Town-wide. As outlined in the table below, the 13 applications to date have been for three (3) programs only, these being the *Comprehensive Façade Improvement Grant Program*, *Major Building Improvement Grant Program*, and *Accessibility Improvement Program*.

Financial Incentive Programs	No. of Applications 2023-2024
Comprehensive Façade Improvement Grant	8
Landscape Improvement Grant	0
Major Building Improvement and Conversion Grant	3
Tax Increment Equivalent Grant (TIEG)	0
Planning Fees and Building Permit Grant	0
Accessibility Improvement Grant	2
Industrial and Commercial Development Charge (DC) Deferral	0
Environmental Site Assessment (ESA) Grant	0

The three programs that applications have been limited to so far, are all programs that mostly apply to the Downtown “Priority Zone 1” area. The higher uptake in this area may be attributed to Town staff’s outreach efforts being concentrated on the Downtown, and because the Façade Improvement Program which operated under the previous CIP is still the most applicable program that property owners are most familiar with. Town staff expect this program will continue to see the highest uptake in applications, as some other programs have stringent eligibility criteria (major redevelopment, brownfield remediation, etc.), but will look to increase awareness of those other programs that are still widely applicable.

Conclusion - Recommendations and Next Steps

The intent of the year-end performance report is to give a summary of the CIP’s performance over the current year and to make recommendations for the next year of operation based on these findings. This includes any changes to CIP program funding, future marketing plans to increase application uptake, and/or administrative changes to increase efficiency in the application and approvals process.

To date, the total amount of grant funding awarded is **\$112,402**, which is drawn from the CIP reserve fund. This will bring the reserve fund to **\$98,192** for the year end of 2024. An additional **\$40,000** is proposed to be allocated to the CIP reserve fund through the 2025 budget submission, which will bring the total to **\$138,192**. This is consistent with the outer-year operating budget projection for 2025 that was endorsed with the 2024

budget approval. All approvals to date represent approximately half of the reserve fund for 2024, which staff and the CIP committee view as a healthy amount for the first full year of operation. Based on these figures, Town staff and the CIP committee are recommending that **no changes to the approved CIP budget** are made for 2025.

In 2024, Town staff directly targeted those property owners in the Downtown area (Priority Zone 1), which resulted in high uptake of those programs applicable to that zone. In 2025, Town staff will focus outreach efforts on those property owners and businesses in the Centennial Employment Area (Priority Zone 2), in addition to maintaining regular outreach in the Downtown. The details of these promotional efforts have been discussed with the CIP Committee, and may include the following:

- In-person consultation with business owners to gather input on the CIP Incentive Programs and how to generate applications.
- Coordinate target promotion and outreach efforts in Priority Zone 2, including dedicated mail-out to all eligible property/business owners.
- Continue to bring awareness to the façade improvement grant program and focus additional promotion for the accessibility improvement grant program

Town staff and the CIP Committee will continue to receive and review applications, and based on uptake in 2025, will determine if additional promotional measures or program operation changes are necessary. If application uptake increases to a level that would quickly exhaust the projected funds available in the reserve, staff may explore implementing an application window rather than year-round intaking of applications. The CIP itself provides guidance on re-assessing the performance of the plan with a more in-depth review in Year 3 of operation to determine if any formal amendments to the CIP should be undertaken.

Additional efforts that Town staff will be working on to improve performance of the CIP and related incentive programs include, promotional materials showing before and after photos of certain recently completed improvement projects, promotional videos, and conducting interviews with applicants once projects are completed to gauge their experience and gather user input.

The high uptake of CIP applications during this first year has been very promising. As Town staff continue to refine the application and review process, increase awareness of financial incentive programs, and consult with various stakeholders, the performance of the CIP will continue to improve. This will incentivize property owners and businesses to continue to invest in their properties and complete projects that will positively impact local economic development.

Corporate Implications

As noted above, the CIP Reserve Fund balance at the end of 2024 is anticipated to be \$98,192 as a result of the following contributions and commitments:

	2022	2023	2024
Contributions:			
Transfer of unspent Façade improvement grants from prior years	50,594		
Re-allocation of \$30K contribution for former Façade Improvement Grants	30,000	30,000	
Budget Allocation for CIP Reserve Contribution		70,000	30,000
Sub-total Contributions to CIP Reserve Fund	80,594	100,000	30,000
Committed Grants	-	-	(112,402)
Net Transfer to (from) CIP Reserve Fund	80,594	100,000	(82,402)
End of Year Accumulated CIP Reserve Fund Balance	80,594	180,594	98,192

Planning staff will continue to monitor the program. Included in the draft 2025 Budget is a \$40,000 further contribution to this reserve.

This report will not generate direct implications. If future actions related to this report will have a corporate impact, a report will be presented to Council for approval, if required.

Strategic Alignment

Strategic Plan

Strategic Goal: Economic Resilience

Objective: Retain local business

Sustainable Neighbourhood Action Plan

Theme: Economic Development and Culture

Strategy: Enhance economic resiliency through attraction, expansion and retention of diverse business industries that in turn, provide varied local employment opportunities

Respectfully submitted,

Tim Kocialek, P. Eng, PMP
General Manager, Infrastructure Services

Reviewed by:

Brandon Ward, MCIP, RPP
Manager of Planning,
Infrastructure Services

Prepared by:

Matthew Mair, MA, BURPI
Development and Community Improvement Planner
Infrastructure Services

Attachment(s): 1. CIP Applications Summary 2023-2024