

**Corporation of the
Township of Hornepayne
By-law No. 2023-____**

**Being a By-law to Adopt a Community Improvement Plan for the Township of
Hornepayne in accordance with Section 28 of the Planning Act, R.S.O. 1990, as
amended.**

Whereas the Official Plan for the Township of Hornepayne includes policies that outline an intent to encourage the rehabilitation and improvement of lands and buildings in the commercial core of the community; and,

Whereas the Official Plan for the Township of Hornepayne establishes that the Municipality will prepare a Community Improvement Plan under the provisions of Section 28 of the Planning Act to provide a comprehensive and coordinated plan to encourage improvements to public and private lands, and;

Whereas the Council of the Corporation of the Township of Hornepayne has deemed it desirable to prepare a Community Improvement Plan for the Hornepayne Urban Area as defined on Schedule A of the Official Plan under the provisions of Section 28 Planning Act in order that a Community Improvement Plan may be prepared for that area and approved by Council,

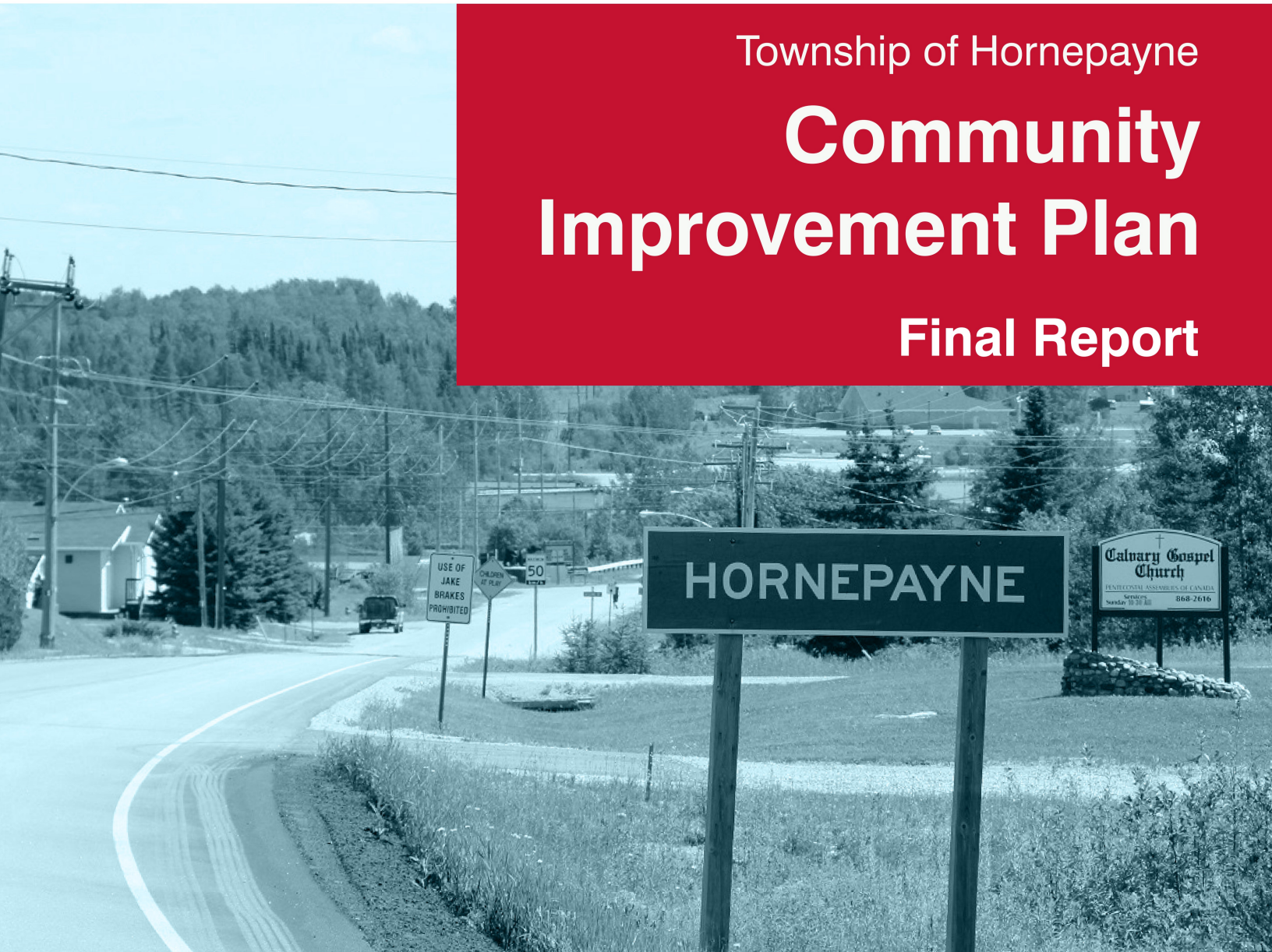
Now Therefore, the Council of the Corporation of the Township of Hornepayne hereby enacts as follows:

1. The Community Improvement Plan for the Township of Hornepayne, attached as Schedule A, is hereby adopted.
2. This By-law shall come into full force and take effect on the day of the final passing hereof.
3. Upon enactment of this By-law Council may implement the Community Improvement Programs outlined in the Community Improvement Plan.

Read a **First, Second, and Third Time** and **Finally** passed in Open Council this day of, 2023.

Mayor

Clerk



Township of Hornepayne

Community Improvement Plan

Final Report

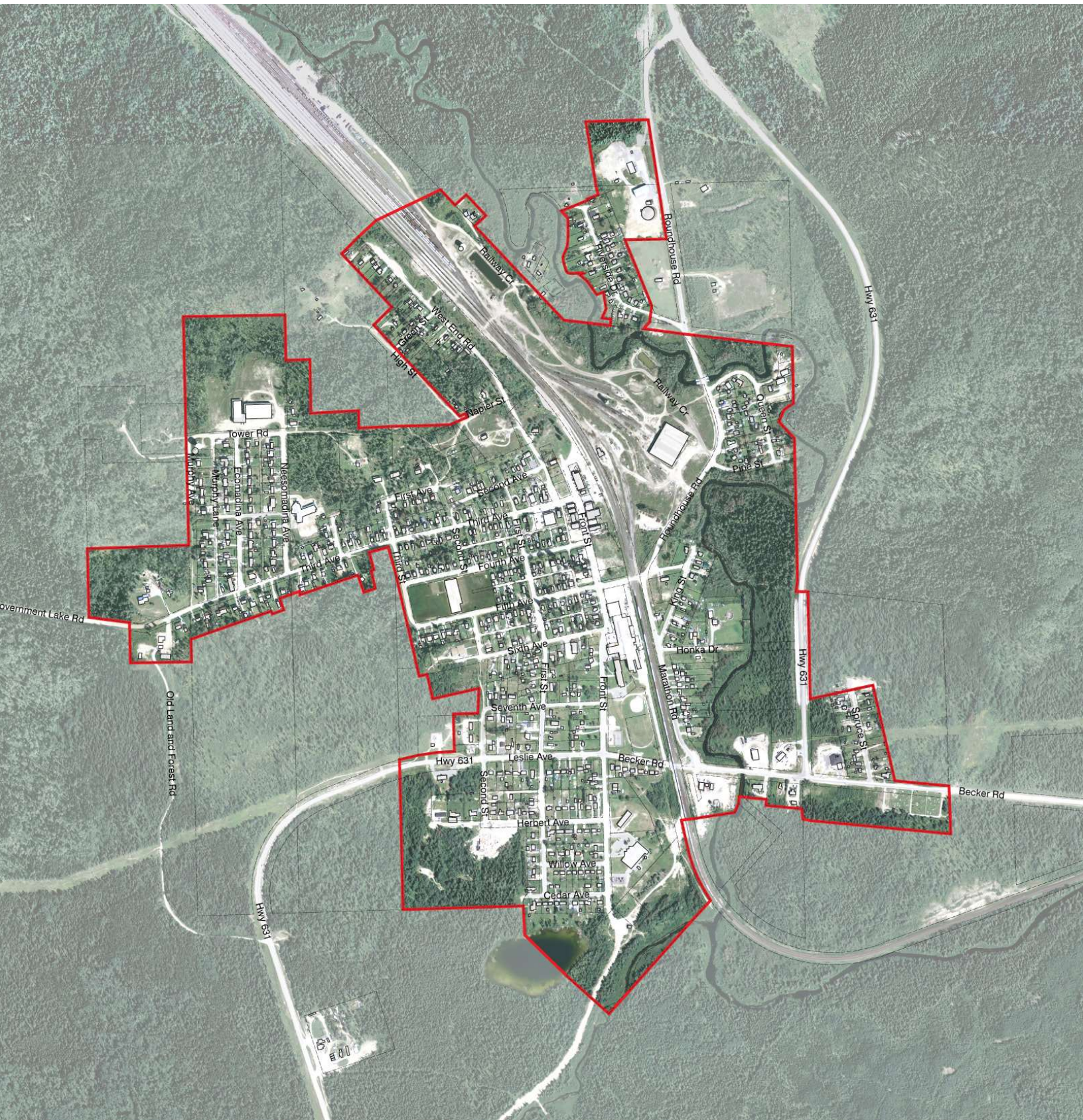
June, 2023

 The Planning
Partnership

Deloitte

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Hornepayne CIP Study Area

1 Introduction

Purpose of a Community Improvement Plan

A Community Improvement Plan (CIP) is a planning tool to support strategic community investment priorities. A CIP provides a framework for public investment opportunities in the public realm and the provision of incentive programs to assist the private sector to stimulate redevelopment and to facilitate property improvements.

A Community Improvement Plan enables the municipality to:

- focus public attention on **local priorities and municipal initiatives**;
- target areas in transition or in **need of repair, rehabilitation and redevelopment**;
- facilitate and encourage community change in a **coordinated manner**; and,
- stimulate private sector investment through municipal **incentive-based programs**.

Study Area

The Study Area roughly follows the developed areas within the Urban Settlement Area as defined by Schedule A of the Township's Official Plan and Schedule A of the Township's Zoning By-Law. The Study Area is outlined in red on the facing page.

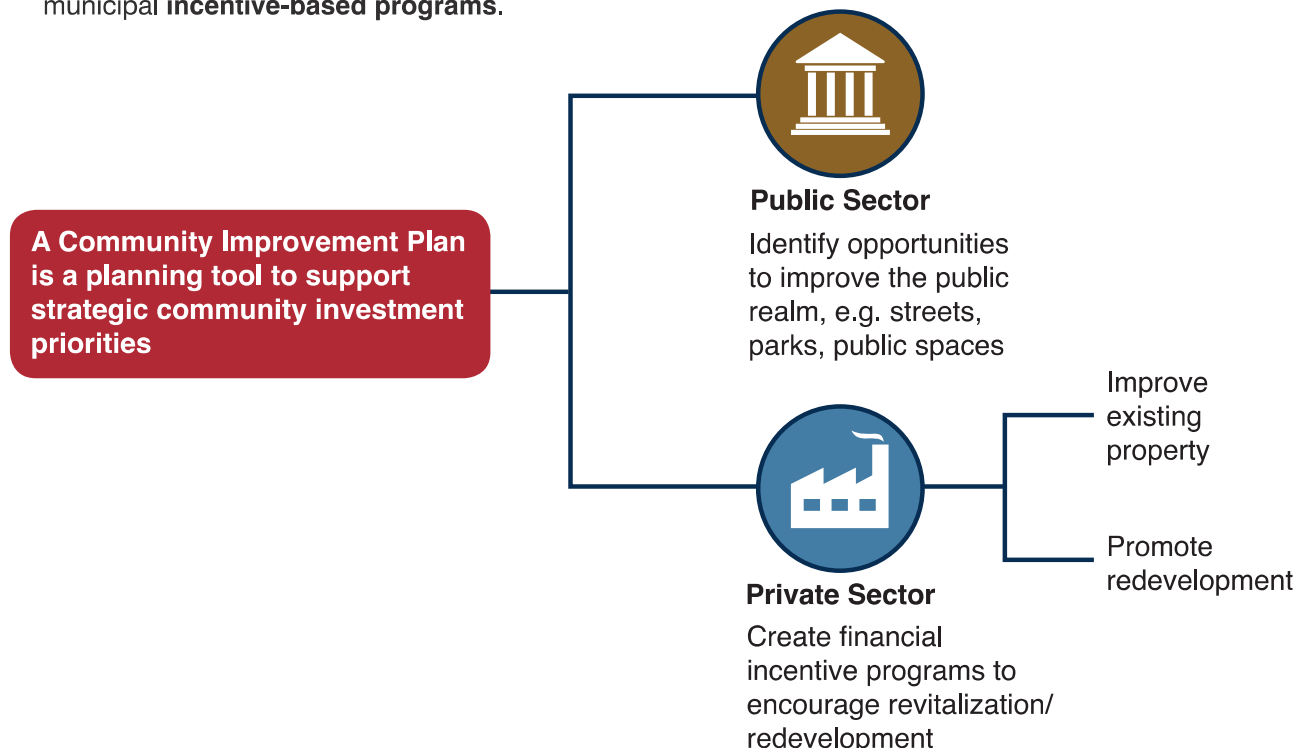


Diagram illustrating What Is a Community Improvement Plan?

Previous Studies

This chapter summarizes the studies undertaken by the Township over the past several years that set a strong foundation for the Community Improvement Plan.



Timeline diagram of previous studies

Regional Economic Development Strategic Plan for Superior East and Neighbouring Communities (2019)

The Regional Economic Development Strategic Plan explains how, collectively, the Superior East Region and neighbouring communities and partners can work together toward shared strategic goals that are backed by a solid and detailed action plan.

Four Target Sectors:

1. Tourism

- abundance of natural and rustic assets
- international visitors are seeking outdoor and rustic experiences
- natural habitats that remain intact are of increasing value
- demand for ecotourism will increase and Superior East is very well positioned with its semi remote location seen as a tremendous strength
- travelers are looking for the most local experience possible, from accommodation to food and culture
- cultural tourism is one of the largest and fastest-developing global tourism markets
- importance of instilling local pride in the region's Indigenous and French history
- Destination Canada has identified Indigenous tourism as a significant growth opportunity

2. Forestry and Forest Products

- Hornepayne Sawmill and the adjacent co-generation power plant demonstrate the possibilities for sustainable business practices in the region
- a scaled up model of power generation could supply energy to homes
- the forestry sector in Canada has been and continues to be a leader in innovation and adaptability
- Superior East Region is abundant in wood resources that could be used in housing development, in dire need in the region

3. Mining

- region is home to multiple mines, with more in the environmental assessment and construction phases.
- industrial mining activity in Superior East is working collaboratively with First Nations in unprecedented ways.

4. Local Alternative Energy

- large central power plants are expensive to build, maintain and manage. This model can put rural and remote communities at a disadvantage.
- biomass, wind energy, solar and hydro are renewable energy sources successful in community driven projects

Housing Needs & Demand Study (2019)

The primary goal of the study was to identify the current need for housing in Hornepayne and forecast the future demand for affordable or supportive housing by type and priority group. The Study also recommend a number of approaches the Township could pursue to build the required housing.

Outcomes for 2041 with 22 recommendations

- 1 there will be sufficient affordable market and short-term rental housing units to meet the demand
- 2 there will be an adequate number of accessible housing units and increased in home supports to allow seniors to age in place and individuals with a disability to thrive in the community
- 3 the housing stock is in good condition to ensure the existing supply can accommodate a portion of the expected population growth
- 4 there will be a diverse housing supply and increased economic activity which provides economic opportunities for young adults and new residents.



Municipal Service Corporation
focused mandate on housing
with a self sustaining entity

Asset Management Plan (2020)

The Asset Management Plan outlines the current state of asset management planning in the Township of Hornepayne. It identifies the current practices and strategies that are in place to manage public infrastructure and makes recommendations where they can be further refined.

\$72.8 million Replacement cost of asset portfolio	\$179,748 Replacement cost of infrastructure per household (2016)
2.66% Target average annual infrastructure reinvestment rate	0.63% Actual average annual infrastructure reinvestment rate
64% Percentage of assets in fair or better condition	23% Percentage of assets with assessed condition data
48% Percentage of sustainable capital funding that comes from the Federal Gas Tax/OCIF	24% Percentage of annual infrastructure needs funded from sustainable revenue sources
\$1.48 million Annual capital infrastructure deficit	20 years Recommended timeframe for eliminating annual infrastructure deficit

Township Strategic Plan (2020-2023)

Vision Statement

“Our quest for continual improvement and quality of life will make us the Township where people want to live, work, visit and invest”

Key Priorities & Action Items

- Governance
- **Infrastructure and Asset Management**
- Finance
- **Economic Development**
- Technology
- Master Planning

Infrastructure & Asset Management

The Township will take a consistent and planned approach to decision making as we manage our municipal infrastructure and assets.

- ensure coordination
- update the Asset Management Plan and cross reference to Capital Assets
- adopt a Municipal Buildings and Properties Maintenance and Disposal Policy

Economic Development

The Township will carefully plan for our economic growth and sustainability.

- form “Smart Partnerships” to raise the Township’s profile
- adopt a Branding and Marketing Strategy
- conduct a Market Gap Study
- **adopt a Community Improvement Plan**
- implement Business Retention and Attraction Strategies
- pursue opportunities for municipally owned commercial properties

Township Official Plan (2021)

Vision

“Hornepayne, nestled in pristine natural surroundings, is the geographical Centre of Ontario. This environmentally conscious community of happy, positive people embrace each season. The variety of housing and employment opportunities make it a place where people want to live, work, visit and invest.”

Goals & Objectives

Take a consistent and planned approach to decision making on managing municipal infrastructure and assets:

- ensure coordination of capital infrastructure projects and the Asset Management Plan with land use planning policy
- adopt a Municipal Buildings and Properties Maintenance and Disposal Policy; plan for surplus municipal assets and lands

Carefully plan for economic growth and sustainability:

- form partnerships to raise Hornepayne’s profile
- provide development incentives with a Community Improvement Plan
- provide development certainty and regulation through a Comprehensive Zoning By-law
- pursue opportunities and plan for municipally-owned commercial properties

Follow the Master Planning approach to decision making to ensure decisions are well-planned and supported by public consultation, critical information, and defensible data:

- adopt a new Official Plan
- prepare Arts, Culture and Recreation Plans and Strategies
- develop a Housing Strategy and provide supportive housing policies in the Official Plan and Zoning By-law

Provide sufficient and diverse affordable, accessible, market, ownership and short-term rental housing in good condition to ensure the supply can accommodate employment needs, population growth and allow seniors to age-in-place:

- allow for secondary suites and additional dwelling units to promote the development of affordable rental housing
- support creation of affordable housing through Community Improvement Plan policies
- ensure shared housing arrangements, single room occupancy and supportive housing are permitted
- support property standards through continuance of Official Plan policy
- allow development of multi-residential dwellings in most residential areas

2 Public Engagement

One on one conversations

As an early step in the work program, one on one conversations were held with the Mayor and Councillors, and an invitation was extended to business owners to discuss their thoughts on opportunities for change and issues to consider with respect to the Community Improvement Plan. The following is a summary of what we heard through the conversations organized by topic:

- residential areas need to have beautiful street face with front porches, stairs

Parks

- too many and too costly to maintain
- focus on park at Municipal building by relocating children's play ground from highway up to centre of Town, add a pavilion
- Three Bears park is not fenced
- people need parks
- Cedar Point Park – a lot of vandalism, a lot of people wanted it. Facilities have not been upkeep
- Jackfish River – walking path on river, platform/overlook

Front Street

- opportunities for façade improvement, include guidelines for Front, along Third to Ecomadina
- don't need a traditional sidewalk, need a trail
- pave parking lots
- need improved signage, banners, directional signs
- need to beautify downtown for residents and tourists

Buildings

- need a building centre, new municipal offices, possibly a brewery
- fire department needs a new facility, attached to municipal office
- need a youth centre. Very little for teenagers if not playing sports

Lifestyle

- create a community with a relaxed cottage feel, everyone can walk to work, live and work and play at their "cottage", do have some areas, urban rustic country feel
- Centre of Ontario, north of community, developing a walking trail, proclaimed in 2020, Eco Tourism
- Buttercup trails -skiing trails, maintained by volunteers used for skiing and walking, development would have to work with the trails

Business

- if open a new business, Township needs to be able to help. Show that we are open for business, give tax breaks
- anyone that goes to start a business finds it's too expensive. Infrastructure: water and sewer is very old
- no money for incentives
- want to be able to bring people into the community
- if we can draw other businesses, keep people happy – access to gym, arena, roads etc. - need to provide amenities

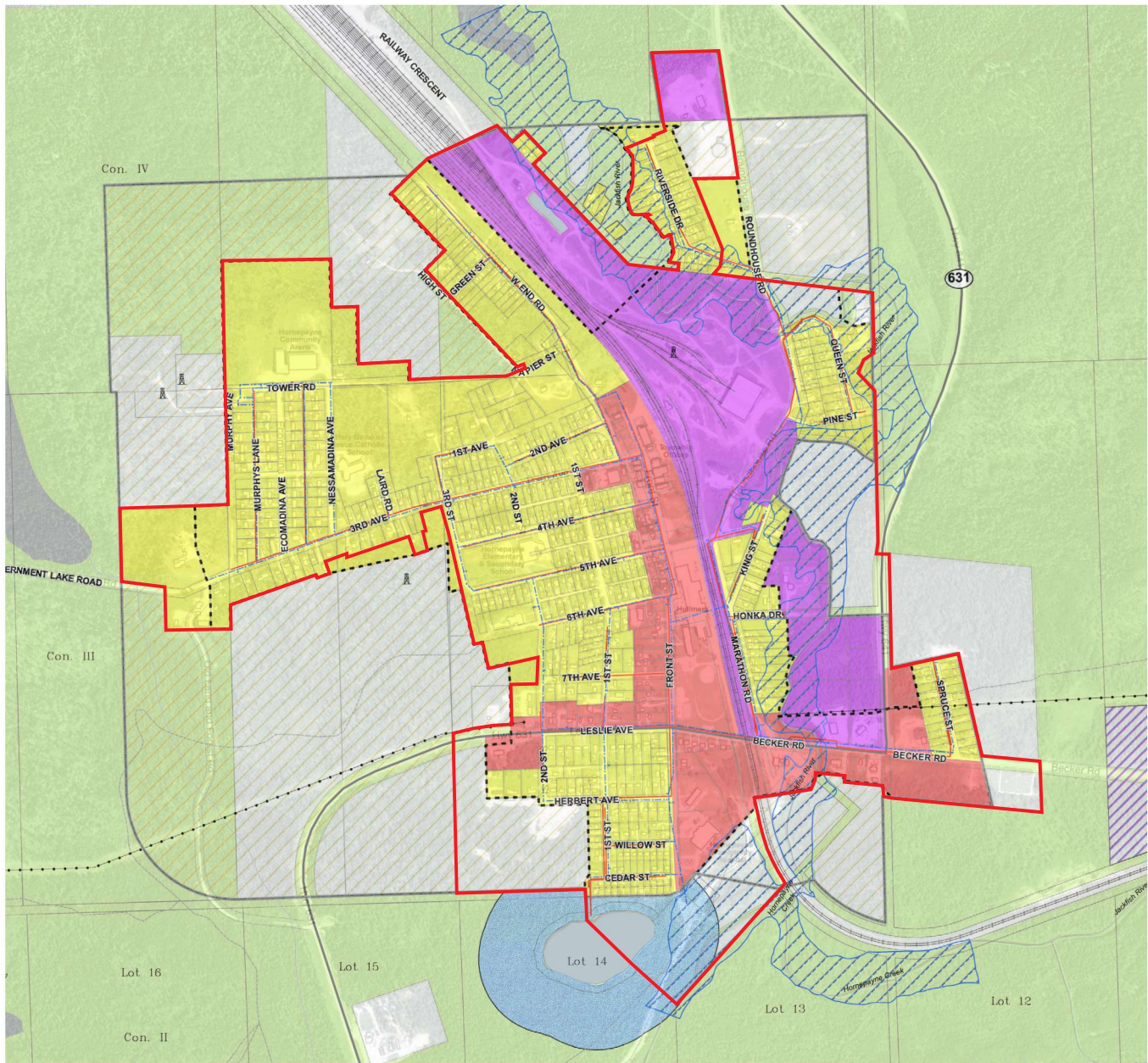
Virtual Public Information Session

A virtual public information session was held on June 15, 2022 to present the opportunities represented by the Community Improvement Plan. An evening session was held and approximately 13 people attended. The following summarizes what we heard:

- the Township needs a Property Standards By-law to help establish the standards for a high quality centre
- opportunity for eco tourism to capitalize on the beautiful setting of Hornepayne
- critical to get businesses, how can the Township offer incentives, strong competition from other communities, need to make it as smooth as possible for approvals
- need to create a positive atmosphere - perhaps paint the hydrants
- need a shelter and seating for people coming in and out of the train
- great opportunity to explore a lookout at Jackfish River
- interlocking brick sidewalks, such as in Haileybury
- when asked about missing services in Hornepayne, participants mentioned hair salon, aesthetics, massage, dog park, restaurant, coffee house

3 Inventory

Official Plan Land Uses

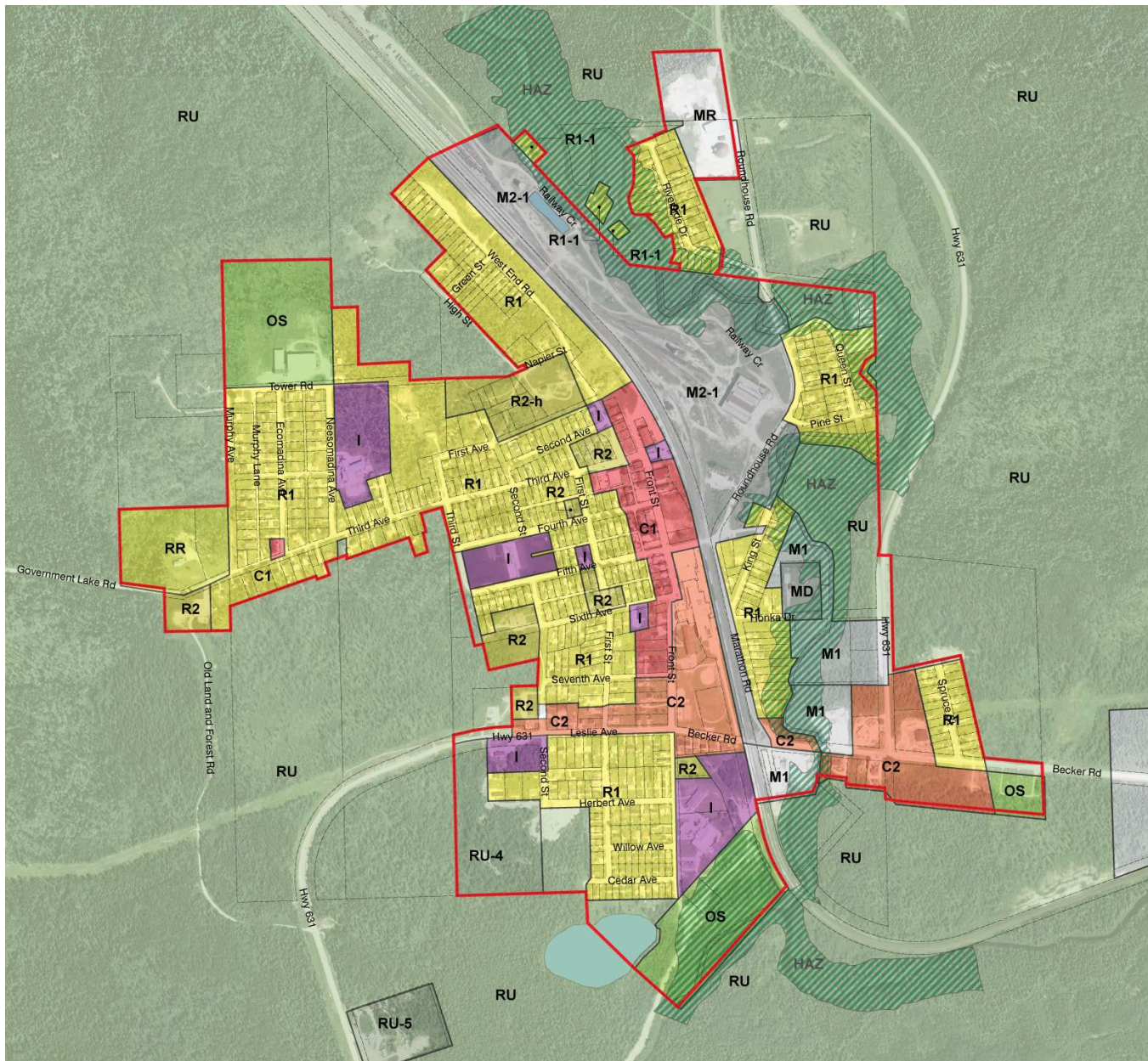


Legend

- | | |
|--|---|
| Study Area | Shoreline |
| Residential | Urban Settlement Area |
| Future Development Area | Urban Service Boundary |
| Mixed Use Commercial | Watermain |
| Employment | Sewer |
| Rural | Crown Land |
| Rural Industrial | Floodplain |

The large employment areas designated in Hornepayne's Official Plan contain few active employment uses, and are dominated by the railway lands. Most of the remainder of land in the study area is designated as residential or mixed use commercial.

Zoning

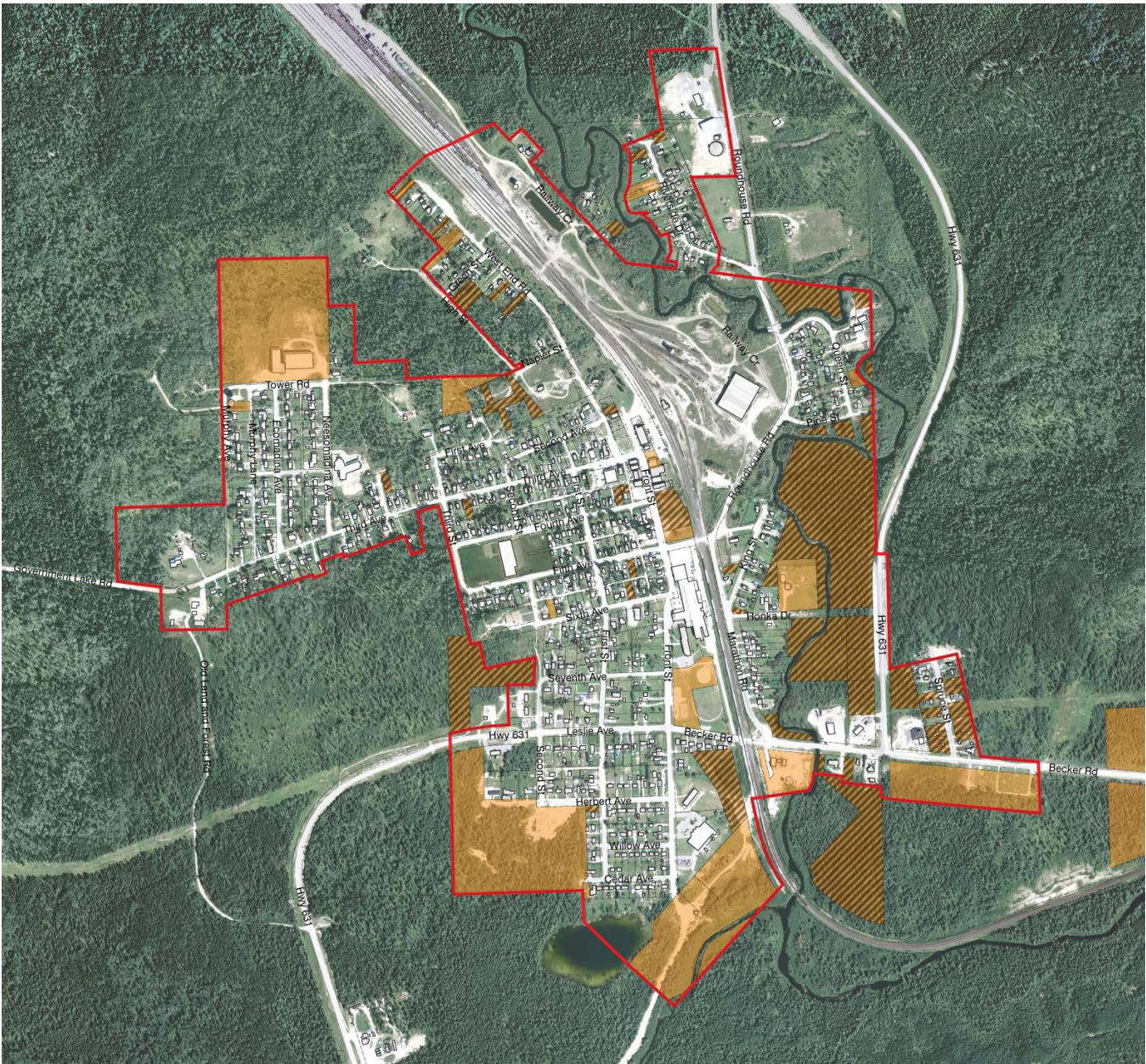


Legend

 Study Area	 MD - Disposal
 R1 - Low Density Residential	 MR - Rural Industrial
 R2 - Medium Density Residential	 I - Institutional
 C1 - General Commercial	 OS - Open Space
 C2 - Highway Commercial	 RR - Rural Residential
 M1 - Light Industrial	 RU - Rural
 M2 - Heavy Industrial	 HAZ - Hazard Lands (overlay)

The Township's Zoning By-law shows most of the active businesses are in the General Commercial (C1) and Highway Commercial (C2) zones with some in the industrial zones. The Hazard Lands overlay has a significant impact on the east side of the study area due to the Jackfish River.

Township-Owned Land

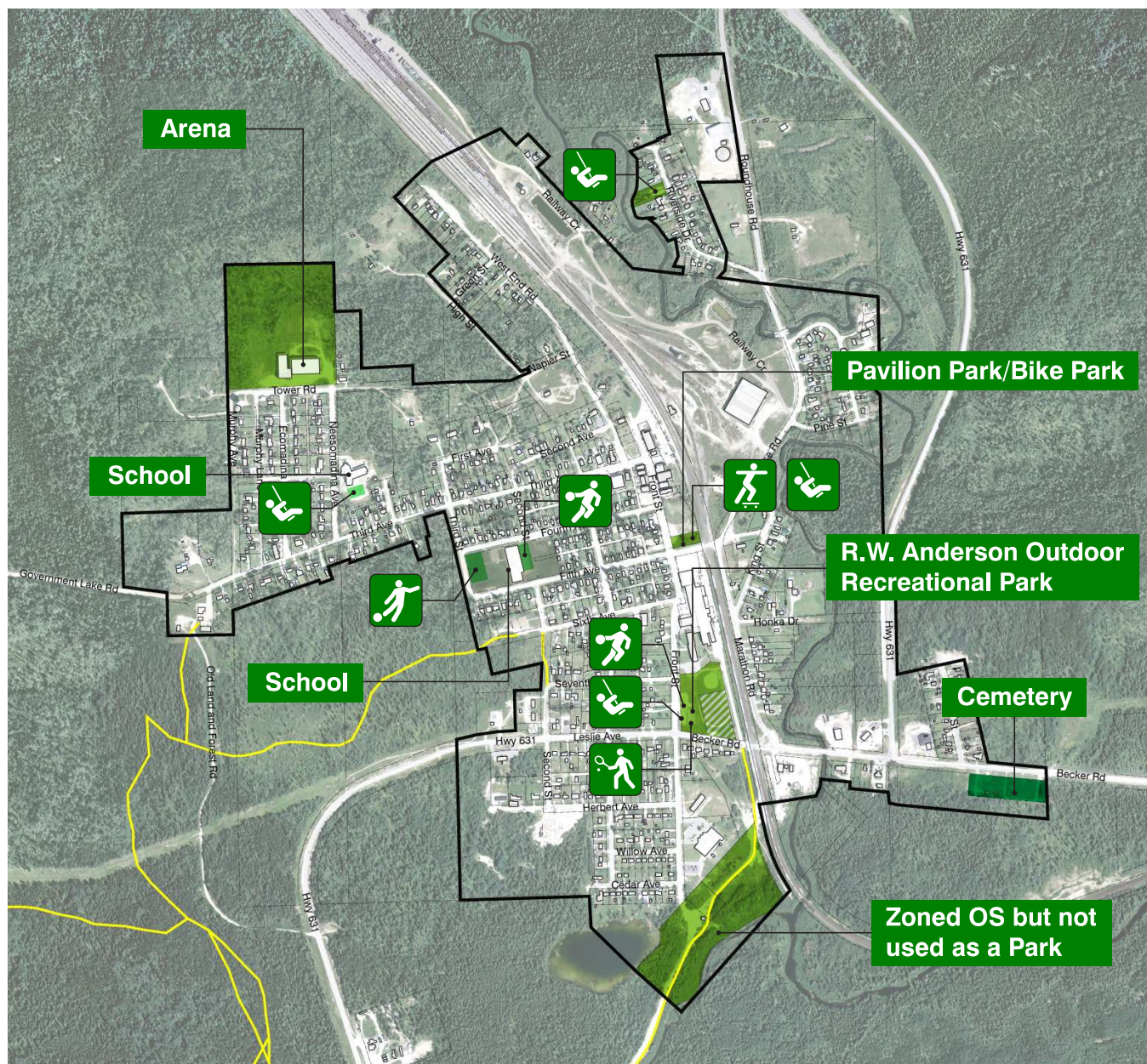


Legend

- Study Area
- Township-Owned Land
- Surplus Properties

The Township owns a significant amount of land in Hornepayne. A recent inventory and assessment of the Township’s needs has allowed for designation of a number of surplus properties.

Parks & Open Space

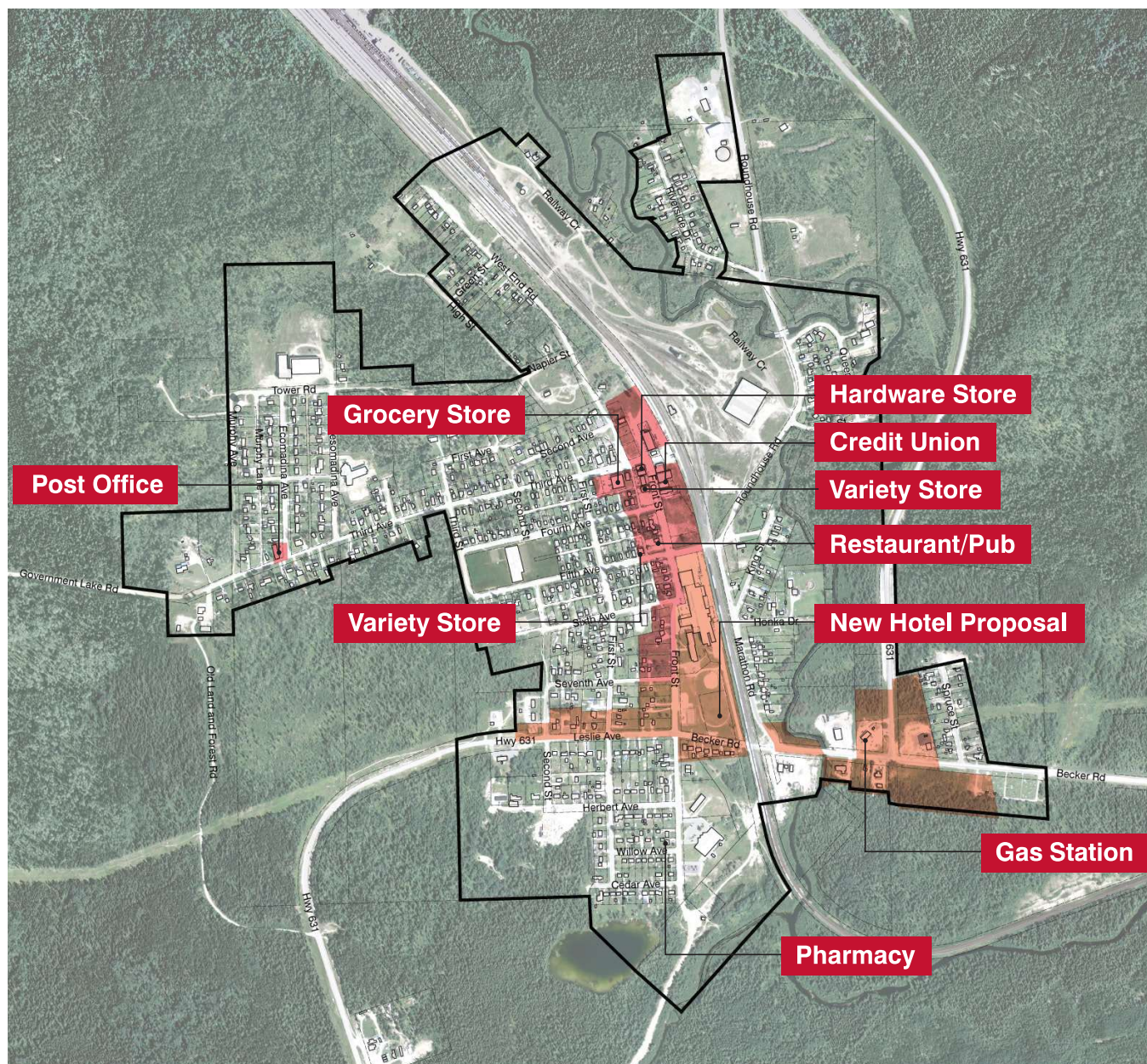


Legend

- Study Area
- Parks & Open Space
- Former Parkland that has been sold

The two largest properties zoned as Open space have not been developed as parks. Baseball and soccer uses at the R.W. Anderson Outdoor Recreational Park are planned to be relocated to the Hornepayne Community Arena parcel to allow development of the new hotel. There are also plans for improvements at Pavilion Park/Bike Park.

Retail & Commercial Activity



Legend

- Study Area
- Zoning - C1 General Commercial
- Zoning - C2 Highway Commercial

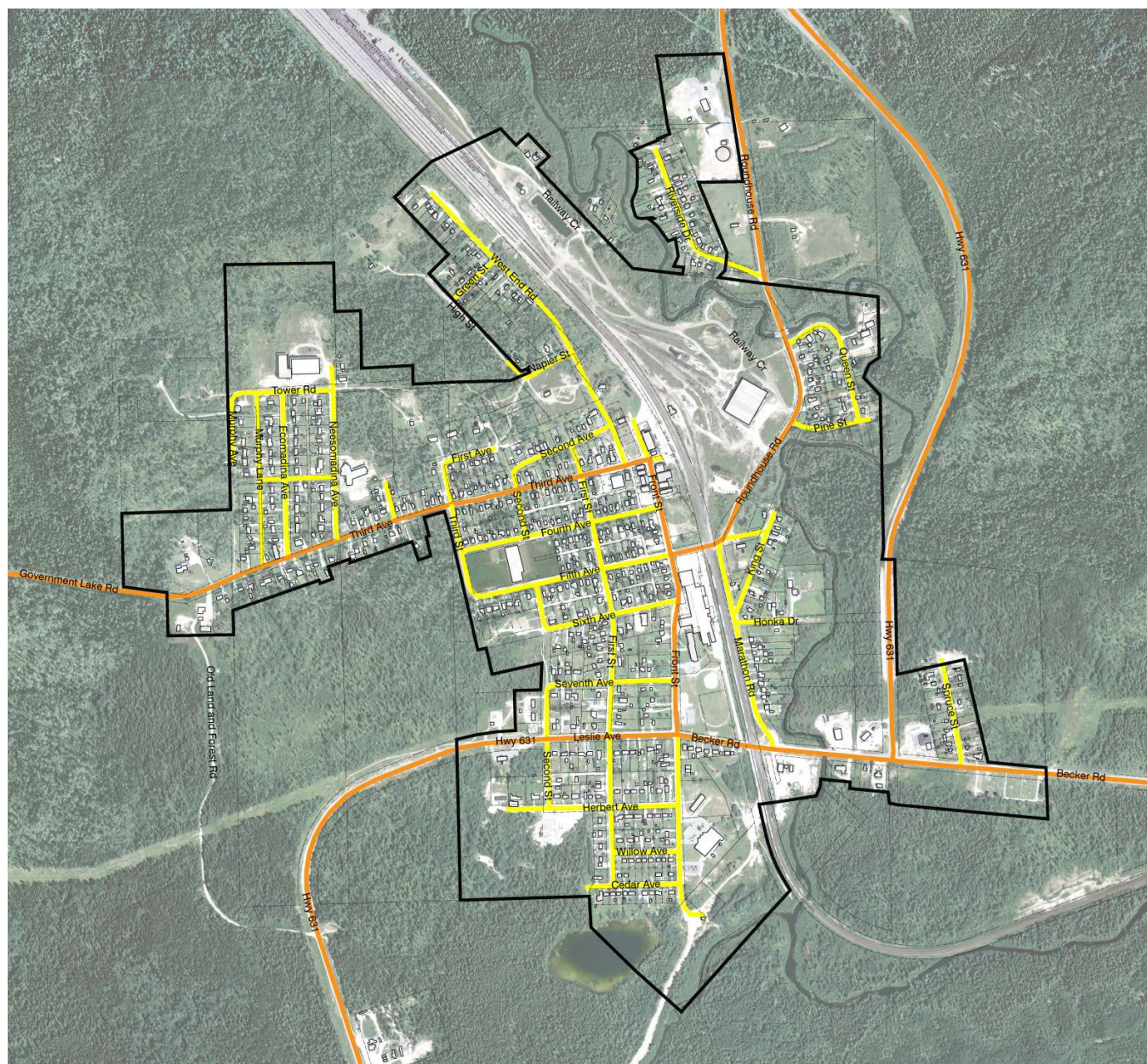
Most of the retail and commercial activity in Hornepayne is focused along Front Street, with a concentration close to Third Avenue. The highway commercial area only contains a few businesses and is currently largely undeveloped land or residential in character.

Proposed Hotel on Becker Road



The Township has sold a parcel of land on Becker Road, currently used for active recreation, to a developer proposing to build a Studio 6 hotel and a restaurant. The Township intends to relocate the displaced active recreation uses (baseball and soccer) to the Township's land at the Hornepayne Community Arena on Tower Road.

Road Hierarchy

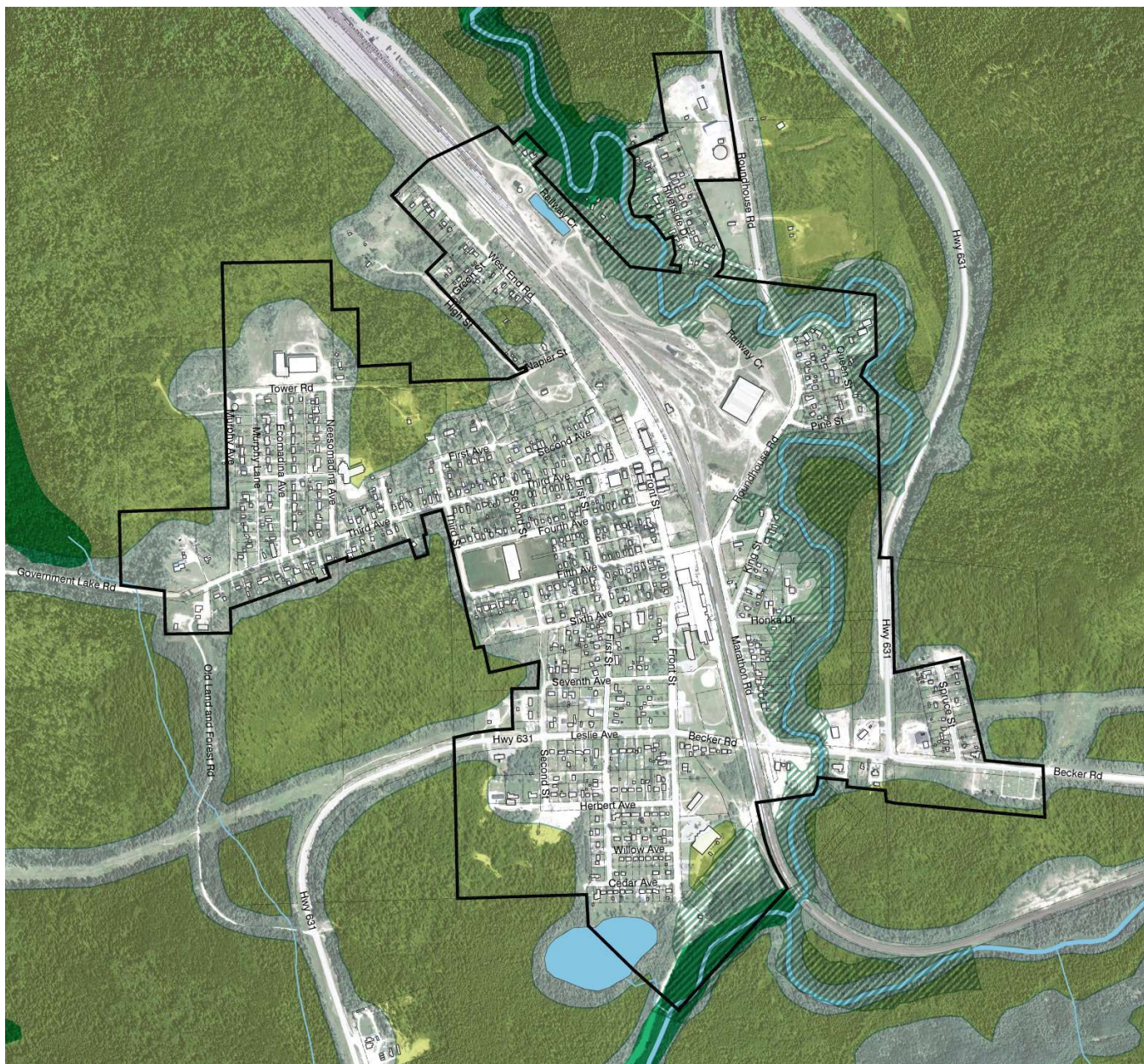


Legend

- Study Area
- Local Roads
- Collector Roads

According to the Township's GIS mapping, Third Avenue, Front Street from Third to Becker Road/Leslie Avenue, Roundhouse Road, Becker Road/Leslie Avenue are collector roads, as well as Highway 631. The remaining streets are considered local roads. Highway 631 is a provincial secondary highway, classed as an Arterial.

Natural Features



Legend

- Study Area
- Water Courses
- Bodies of Water
- Floodplain Hazard
- Wetlands
- Wooded Areas

Hornepayne is largely surrounded by wooded areas, most of which is Crown Land. The Jackfish River runs along the east side, with some associated wetlands and an accompanying Floodplain Hazard.

5 Priorities

The Township's primary intent of the Community Improvement Plan is to attract more business to Hornepayne. The programs included in Chapter 7 are set out to offer incentives to businesses to relocate to Hornepayne. The key priorities for Hornepayne are based on 'what we heard' from the community and are focused on the developed area of the Township. The key priorities were determined through discussions with Township staff, Mayor and Councillors, and the public to help inform the Township's future decisions regarding buildings, streets, open spaces and mobility.

1 Attract more businesses

2 Attract more people to live in Hornepayne (especially with improved broadband internet)

Business will come if there are more people living in Hornepayne. With the world opening to a new reality of working from home over the past three years, there is an opportunity to attract people, especially with improved broadband internet. There are examples of small towns from across North America enticing people to relocate.

3 Create a year round tourist destination/Centre of Ontario

The Township is exploring the opportunity of creating a year round tourist destination – the Centre of Ontario. It was proclaimed as an initiative in 2020 with a plan to develop a walking trail, parking and interpretive panels.

4 Identify opportunities for municipally-owned properties

The Township owns several parcels of land. Currently, they are listed on the Township's website. The Township of Hornepayne owns several surplus properties, most of which are zoned rural or residential, some with dwellings, some without. Currently, more than 40 are listed on the Township's website, which offers an excellent platform for marketing the properties. During the consultation, when asked about missing services in Hornepayne, participants mentioned hair salon, aesthetics, massage, restaurants, and coffee houses. These are good examples of the types of small businesses that the Township could pursue first, using incentives. Some of the larger parcels are located in wooded areas near natural features, providing opportunities for potential industrial or commercial developments, particularly export-

Reversing the rural brain drain with remote working

With a new network of rural tech hubs, the Rural Innovation Initiative wants to kickstart small downtowns

By Patrick Sisson | Feb 12, 2019, 1:00pm EST

Remote Workers Can Live Anywhere. These Cities (and Small Towns) Are Luring Them With Perks.

From Topeka to Bemidji, Minn., localities try to boost populations with offers of cash, free coffee and grandparent stand-ins

The small cities and towns booming from remote work

Small Cities Are A Big Draw For Remote Workers During The Pandemic

November 16, 2020 · 5:00 AM ET
Heard on Morning Edition

News articles on small towns attracting new residents

based businesses such as light manufacturing and tourism. The Township's Strategic Plan and Official Plan support pursuing opportunities for municipally-owned properties.

5 Beautify the urban settlement area (street trees, banners, lighting, seating, landscape parking areas)

The following chapter illustrates opportunities to enhance the visual appeal of the urban settlement area through streetscape enhancements. Benches are important along key streets offering opportunities for people to sit and relax. The benches could be purchased by residents to pay tribute to people/families. Tree planting is particularly important to bring the landscape that surrounds it into the Hornepayne's urban area.

6 Provide more amenities for residents (parks, facilities)

Residents – current and future – expect amenities in the form of community facilities and parks. The following chapter describes the overall framework plan that consolidates the current initiatives and identifies opportunities to explore in the parks. Cedar Point Park and the Hornepayne Cemetery will be addressed as part of a future Parks and Recreation Master Plan.

7 Build safe pedestrian connections

Hornepayne needs safe pedestrian connections through the urban area and a connected, well signed trail system that builds on the Buttercup trails. A trail at the arena was identified as a key connection.

8 Marketing, branding and signage

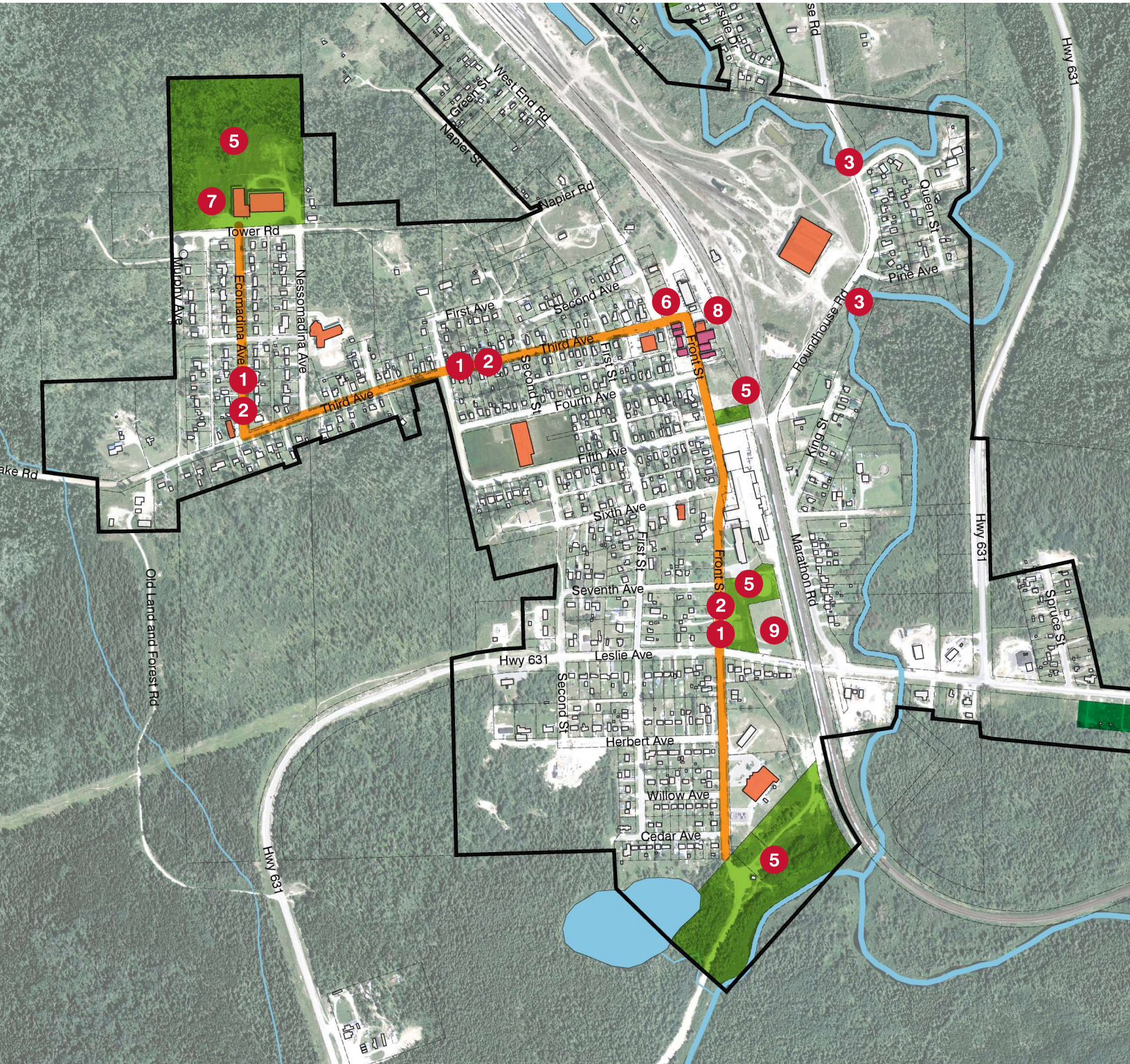
The Township's Strategic Plan identified the need for a marketing and branding strategy. The strategy will identify the key attributes of Hornepayne to attract new businesses, residents and visitors. It can help to differentiate Hornepayne from other small centres in northern Ontario. The strategy will help the Township tell the story of Hornepayne, identify target audiences for tourism and key businesses, add consistency among the key destinations and help to create a consistent message about Hornepayne.

The Township should consider whether the current branding (Home of the Three Bears, Geographic Centre of Ontario") leverages the strengths of Hornepayne, differentiates the community, and appeals to target markets.

Marketing tactics should be focused on promoting any incentives that Hornepayne chooses to implement, by ensuring the message is reaching potential investors outside of the community. Signage is also a key component for providing a satisfactory first impression of the community when potential investors or new residents arrive to investigate possibilities.

6 Overall Framework

10 Municipal Possibilities



robin mayor asking why green at bottom #5. remove?

Through the Community Improvement Plan process, the team identified 10 Municipal Possibilities that together make an overall framework to guide the investment and implementation of the Hornepayne Community Improvement Plan. The Municipal Possibilities have been mapped on the diagram on the opposite page.

1 Sidewalk/Walking Path

- Front, Third, Ecomadina and Leslie

2 Streetscape

3 Trail/Overlook at Jackfish River

4 Signage & Wayfinding

5 Primary Parks

6 Enhancements to Businesses at Third/Front

7 Expansion of Facilities at Community Arena

8 New Township Office

9 New Hotel

10 Marketing as Ecotourism/Adventure Destination

Sidewalks and Streetscape

The illustrations on the following pages illustrate opportunities to enhance Hornepayne's key streets: Front Street, Third Avenue and Ecomadina. These streets provide the primary connection to local businesses, the municipal facilities and parks. The illustrations demonstrate the addition of sidewalks, street trees, pedestrian crossings and defined parking areas.

Streetscape enhancements could also include banners, hanging baskets, seating and pedestrian scale lighting. Where there are road side drainage swales, the illustration demonstrates a painted road edge defined for safe pedestrian access and cycling.

Consideration could also be given to providing street side shelters for weather protection for seating.

There may also be interest in providing for electric car plug in located in the urban area near the businesses and/or at the Hornepayne Community Arena.

The table on the facing page is a high level estimate for budget setting purposes of for the ideas for streetscape enhancements illustrated on the following pages.

Hornepayne Community Improvement Plan Streetscape Costs

The estimated costs for the proposed streetscape improvements in Hornepayne are \$150,000 to \$200,000 for new sidewalks and streetscaping along parts of Front Street and Third Avenue, and \$75,000 for painted streets and banners along Ecomadina Avenue, Third Avenue and Front Street.

If trees planted in paving are required along the west side of Front Street between Third and Fourth Avenues (possibly 4 trees), additional funding of \$15,000/tree may be required for soil cells to ensure the trees have access to enough uncompacted soil volume to thrive.

Segment	Linear Length	Banners	Hanging Baskets	Trees	Pedestrian Lighting	Parking Bays	Crosswalks	Estimated Cost
Streetscape/Sidewalk Construction	390m	12	12	24	12	20	4	\$150,000 - \$200,000
Painted Street	1,110m	49					1	\$75,000
Totals	1,500m	61	12	24	12	20	5	\$225,000 - \$275,000

Legend

- CIP Area
- Streetscape/Sidewalk Construction
- Painted Street/Banners
- Painted Crosswalks



Front St Looking Towards Third Ave



Existing



Key Features

Hornepayne is nestled in a beautiful natural environment. The urban centre needs to reflect the stunning landscape that surrounds it.

Front Street should be redesigned to have sidewalks with clearly defined pedestrian crossings, that could be painted crosswalks. Parking should be defined in parking bays with trees planted along the sidewalk, ideally in adjacent grass areas.

Third Ave Looking Towards Front St



Key Features

Like Front Street, Third Avenue should be redesigned to include sidewalks and defined pedestrian crosswalks. Parking in bays will help give pedestrians the priority in this focus area of the Township. Trees are planted where ever there is space to bring the landscape into the Township's settlement area.

Third Ave Looking Towards Nessimadina Ave



Key Features

Outside of the focus area, portions of Front Street, Third Avenue and Ecomadina Avenue are recommended for painted asphalt zones to define an area dedicated to pedestrians and cyclists. Removable bollards could define the edge. The new pedestrian and cyclist zone would be created by slightly narrowing the vehicle travel lanes.

The Township may consider an urban cross section for Third Avenue where the road

would be designed with a curb, gutter and underground services. This portion of Third Avenue would appear similar to the road in the business area, as illustrated on the previous page.

Ecomadina Ave Looking Towards Tower Rd



Becker Rd Looking Towards Front St



Key Features

The entrance to the settlement area by the Three Bears Monument is improved by adding furnishings, additional trees, a defined pedestrian crosswalk on Becker Road and a demarcated pedestrian walk along the road edge.

Examples, Painted Streets and Crosswalks



Trail/Overlook at Jackfish River

There may be an opportunity to have an overlook and trail connection to Jackfish River. The river comes close to Roundhouse Road where, depending on property ownership, the Township may provide an overlook as a destination to view the river.



Signage and Wayfinding

Wayfinding and signage helps to orient people to key destinations (such as parks, historic sites), parking and amenities (such as washrooms) using maps, directional signs, identifier signs and interpretive panels. This is imperative to ensure enjoyable visitor experiences where people are comfortable to explore all that Hornepayne has to offer walking, driving, boating or cycling.

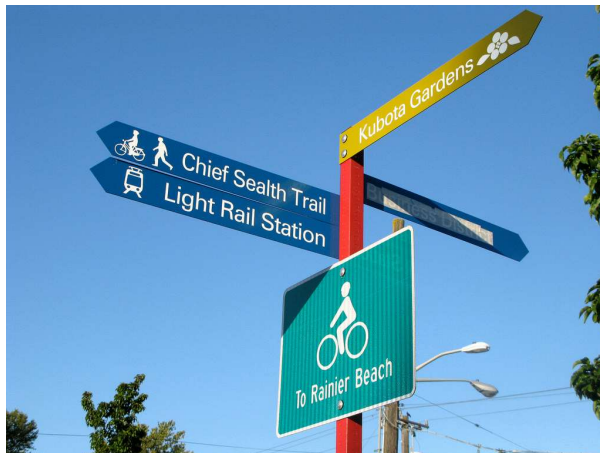
The framework to guide the location and type of wayfinding and signage is based on an intent to:

- Support local business;
- Enhance awareness of key destinations; and,
- Facilitate clarity and ease of movement among key destinations.



The hierarchy of wayfinding includes:

- 1 Consolidating the direction to multiple destinations in Directional Signs for motorists and pedestrians.
- 2 Providing a collection of information such as a map showing parking, key destinations and walking radius in an Information Kiosk or on a pedestal.
- 3 Providing information on historic, cultural or environmental features on Interpretive Signs at key destinations aligned with the heritage/historic walks.
- 4 Identifying key destinations such as parks and municipal facilities in a Destination Sign.



Primary Parks/Green Spaces

Hornepayne's urban area is bookended with two significant green spaces: at the north end surrounding the Hornepayne Community Arena and at the south end along Hornepayne Creek at the end of Front Street. Both of these areas are zoned as Park, however the green space at the south end is not currently used as a park. There are four parks in the urban area:

- R.W. Anderson Outdoor Recreational Park;
- Pavilion Park/Bike Park;
- Three Bears Park; and,
- Riverside Park.

The baseball diamond and tennis courts are being relocated from the R.W. Anderson Outdoor Recreation Park to the Hornepayne Community Arena lands to accommodate development of the new hotel. This will augment the arena as a focus for recreation.



Photomontage illustrating potential gateway at R.W. Anderson Park

The R.W. Anderson Park should be redesigned based on the site plan and development of the adjacent Studio 6 hotel to create an enhanced green space with the playground remaining, forecourt to the hotel and special features.

The Three Bears Park is a gateway to Hornepayne and a popular location for photos. Three Bears Park should be enhanced to include additional seating.

Pavilion Park was recently improved to add a toddler playground. The Township is continuing to work on the Park by adding fitness stations, a building that will house seasonal washrooms, more seating, new landscape planting and walkways. The Park is home to a variety of programmed events using the pavilion.



Riverside Park, a small parkette, is located in the northeast corner in a residential area providing an amenity for nearby residents. A Parks and Recreation Master Plan is being considered by the Township and will review the long term viability of maintaining Riverside Park.

Enhancements to Businesses

Municipalities are not allowed to “bonus” businesses in the Province of Ontario. However, financial incentives for property owners can be established through a Community Improvement, with approval from the Province. Chapter 7 outlines the proposed Community Improvement Plan programs intended to assist businesses, including specific tools and parameters needed for a municipality to implement financial incentives. There are several types of incentive tools to be considered, as well as eligibility filters. The amount of budget available from the municipality will often determine the feasibility of the incentives. Financial constraints are also described in Chapter 7.

Expansion of Facilities at Hornepayne Community Arena

The Township is undertaking the detailed design of a 7,000 sq. ft., one-story addition to the Arena that will include a Fitness Facility, Public Library, Seniors’ Centre and shared space for Gym, Community Meetings/Events, as well as the addition of a 500 sq. ft. Zamboni Garage. This will be a welcome amenity for existing residents and could attract new residents.

New Township Facility

During conversations over the course of the project, the need for a new Township Office/Fire Hall and Public Works building was identified. The current building was built in 1967 and has outdated electricity, little insulation and is not accessible. The library on the second floor is being relocated to the expanded Hornepayne Community Arena.

New Hotel

A new Studio 6 is being developed at the corner of Front Street and Becker Road with opening planned for end of 2023. The three storey building will have 44 rooms and is expected to have a restaurant. The hotel is strategically located at entrance to the town off of Highway 631. It will be an important facility, attracting hunters, anglers, snowmobilers, business people and visitors to stay overnight in Hornepayne.

Marketing as Ecotourism/ Adventure Destination

The Regional Economic Development Strategy for Superior East and Neighbouring Communities completed in 2019 identified tourism as one of four target sectors. The abundance of natural and rustic assets combined with proximity to provincial parks have great value to international visitors seeking outdoor experiences. Natural habitats that remain intact have increasing value as climate change is its unleashing impact. The report identified that the demand for ecotourism will increase. With road and rail access, the area is a viable destination for regional domestic travelers from Southern Ontario.

Travelers are looking for the most local experience possible from accommodation to food and culture. Culture is a fundamental part of the tourism experience. The report states that according to the United Nations World Tourism Organization, cultural tourism is one of the largest and fastest developing global tourism markets, with an estimated four out of ten tourists choosing their destination based on its cultural offerings. Cultural travelers are increasingly attracted by intangible cultural aspects of a place – its culture, history and traditions. Hornepayne has the added opportunity of instilling local pride in the region's Indigenous and French history. Indigenous cultural and historical attractions are underdeveloped in Canada's domestic and key international markets are identified as adding significant value and authenticity that travelers are looking for.

The report identifies a need for more offerings of guided experiences – learning opportunities in nature, environmentally sound operating procedures, small group travel and accommodation, focus on non-motorized activities. Hornepayne is very well positioned to offer ecotourism services as remoteness is a quality that sells effectively in the higher end ecotourism market.

7 CIP Programs, Monitoring & Marketing

Review of Comparable Communities

A review of Community Improvement Plans in comparable communities outlined in the table on the facing page describes the variety of priority programs available for a municipality to use. The comparison summarizes the policy tools each municipality has in place. Budgets change from year to year, so each municipality’s ability to fund the CIP incentives is an annual decision of Council.

Incentive	Blind River	Bracebridge	Burks Falls	Gravenhurst	Huntsville	Ignace	Kirkland Lake	Mantouawadge	Pendangishene	Red Lake	Sioux Lookout	Smooth Rock Falls	Val Rita-Harty	Whitewater Region
Accessibility	+					+				+		+	+	+
Affordable Housing									+	+				
Agricultural Value-Added Grant														+
Art / Murals								+						
Brownfield Rehabilitation						+				+		+		+
Commercial Improvement		+		+			+		+					
Commercial Conversion						+	+			+				
Designs / Studies Grant	+						+			+		+		
Economic Incentive (Loan or Equity Investment)												+		
Energy Efficiency Grant													+	
Entrepreneurial Grant													+	
Environmental Site Assessment (ESA) Grant						+						+		
Façade Improvement Grant	+	+	+	+	+	+	+		+	+	+	+		+
Heritage Property Improvement Grant														+
Municipal Land Disposition / Acquisition / Sale Program						+	+	+				+	+	
Landscaping / Parking / Property Improvement Grant	+	+		+		+		+		+	+	+		+
Loan Guarantee – Residential / Non-Residential												+		
Permit / Application Fee Rebate / Grant	+	+	+	+	+	+	+	+		+	+	+	+	+
Professional Fees Grant			+	+										
Residential Rehabilitation / Intensification		+		+							+			
Septic System Improvement Grant														+
Shoreline Restoration Grant														+
Signage		+	+	+		+		+	+	+	+	+		+
Tax Increment Grant	+	+	+		+	+	+	+		+	+		+	

Implementation

The incentive programs of a Community Improvement Plan (CIP) are established through implementing policy developed by staff once the CIP is approved. The implementing policy sets out the specific tools and parameters to implement the programs. The implementing policy typically includes reiteration of the purpose of the CIP, scope, definitions, funding allocation in the municipal budget, incentive programs, eligibility, the application process, records management and privacy and a record of updates to the CIP bylaw. The incentives are outlined in an appendix to this CIP, and then may be described in more detail in municipal policies and procedures.

Each incentive includes:

- **Eligibility filters** - to narrow the focus of CIP incentives, prioritizing specific objectives for local economic development.
- **Incentive type** – to establish how the municipality will assist the property owner in improving their property.
- **Funding restrictions** - to narrow the focus of CIP incentives, maximizing the financial contribution of the municipality.

Providing detail in CIP implementing policy is helpful for property owners who are in the business planning phase and need to understand how the incentives may be leveraged to achieve their business goals. It is important to balance the level of detail within the incentives so that clarity is provided without unduly restricting eligibility for funds.

Eligibility Filters

Municipalities use eligibility filters to narrow the focus of Community Improvement Plan incentives, prioritizing specific objectives for local economic development.

- **Priority:** An incentive program may be categorized as low, medium, or high priority. Eligible applicants to the high-priority program will receive funding approval first, before any other incentive program applications.
- **Geographic Areas:** The eligible geographic area is shown in the Community Improvement Area as a map (e.g., specific commercial or industrial areas, defined waterfront area, etc.) and aligns with the Official Plan. In some municipalities, the entire municipality is the eligible geographic area.
- **Industry Focus:** The industries of focus are defined (e.g., manufacturing, downtown retail and hospitality, value-added agriculture processing, affordable residential, etc.) and usually align with the targeted industries, sectors, and supply chains identified previously in the community's economic development strategy.
- **Property Types:** The eligible property types are defined (e.g., non-residential, commercial, etc.) and usually align with designations and/or definitions in the community's official plan or zoning by-law.
- **Applicant Types:** The eligible applicant types are defined (e.g., property owners vs tenants with written approval by the owner).
- **Expenditures:** The eligible expenditures are defined (e.g., brick veneer refacing, replacement windows, load-bearing wall rehabilitation, replacement roofing material).
- **Other General Conditions:** Applicants must be current in all municipal accounts. They also must not start construction until their application is approved. Other conditions may be added. All construction must follow Ontario Building Code and other regulations.

Types of Incentive Tools

There are four types of incentive tools: acquisition discounts, fee rebates, project grants, project loans, and tax increment property grants.

1 Fee Rebates

Municipalities can offer rebates for municipal fees and charges related to a project, including:

- Planning Application Fees, including fees for Official Plan and Zoning By-Law Amendments, applications for Minor Variance, etc.
- Building Permit Fees, including Plumbing Permit Fees, Changes of Use, etc.
- Development Charges, if not already exempt for the applicable development type in the Development Charges By-Law
- Refund of percentage of the purchase price of a municipally-owned property, subject to conditions
- Other municipal fees related to the development proposed

On top of the typical eligibility filters set out for any incentive, the policy must set out what percentage of the total fee amount a municipality will rebate to an applicant, when and under what conditions the rebate is issued, and when the rebate is void (e.g., approval not received on a zoning by-law amendment). Municipalities may record the use of fee rebates by transferring funds from the CIP budget to the budget line of a specific revenue line of a Department.

2 Project Grants

Project grants – usually aimed at construction costs – help municipalities implement programs in their CIP. The nature of a project grant must be defined clearly in the CIP and/or associated policy documentation. A municipality must be committed to spending funds on project grants over an extended period of time to gain confidence and attention from the private sector. Also, the funding amounts per project must be large enough to outweigh any perceived negative benefits of a business applying. Project grants tend to be attractive to small businesses working on tight budgets or lacking access to capital.

On top of the typical eligibility filters set out for any incentive, the policy explain:

- **Maximum Grant Amount:** The maximum grant amount is the total funding a municipality will provide per property to any successful applicant (e.g. \$20,000 per program per property, maximum of \$100,000 total from all incentive programs per property), regardless of the total project cost estimate.
- **Matching Percentage:** The maximum percentage is the share of the total project cost estimate the municipality will provide to any successful applicant (e.g. 50% of total project estimate cost). If the calculation of matching percentage of total project cost estimate exceeds the Maximum Grant Amount, then the lesser of the two amounts will be the Maximum Grant Amount.

3 Loans

Construction loans are low-interest or interest-free loans offered by a municipality to an applicant. A loan agreement is signed between the parties, and a loan amortization repayment table is established. Sometimes municipalities provide a “forgivable portion” of the loan if the applicant stays current on payments.

In recent years, some municipalities are no longer offering loans, preferring grants as an implementation tool because of the following concerns:

- Loans are available from private financial institutions and Community Futures Development offices, creating a scenario where the Township would be competing (with little or no experience) against the private lending sector or federal business loan programs.
- Administration and monitoring of loans is labour intensive, placing additional human resource obligations and financial burdens on the municipality. If the loans are not administered and monitored by staff with appropriate fiduciary and accounting skill sets, or if staff are replaced or reassigned, fiscal problems may develop that will need to be repaired, and any negative perceptions may harm the reputation of the municipality.
- The practice of registering the loan on title is not welcomed by businesses and causes increased costs that are not budgeted if the business wishes to discharge the loan when renegotiating with other lenders.
- Loans may create unwelcome complexities with municipal budgeting.
- Staff who lack confidence in administering a loan program may not promote it aggressively, creating lower business intake rates.
- During the pandemic, advocacy groups warned of business aversion to taking on more debt, regardless of the cost to borrow.

If a municipality chooses to implement a loan program, assistance from and oversight by the municipal treasurer is always recommended. A municipality’s financial staff will also determine their level of comfort with forgivable loan amounts, amortization conditions, etc. Alternatively, the municipality could outsource the delivery of such a loan program to the local Community Futures Development Corporation or other body.

4 Tax Increment Grants

A Tax Increment Grant is a financial tool used by municipalities to provide financial support to development projects by rebating the difference between property tax bill amount on a property prior to construction and the taxes on the same property after construction and tax reassessment. For example, if the property tax bill increased from \$30,000 to \$50,000 in Year One after reassessment, the municipality would rebate a percentage (e.g., 100% or \$20,000) of the difference in tax bills, after all property taxes (\$50,000) have been paid. In Year Two, the percentage may be 80%, resulting in a \$16,000 rebate grant after the \$50,000 total bill is paid. If the rebate continued to drop in increments of 20% each year for a total of five years, then the business would receive three more grants at \$12,000, \$8,000, and \$4,000, respectively, totalling \$60,000 over five years. Usually, the total rebate amount over the rebate period must not exceed the total original cost of construction that activated the tax assessment increase.

Project Grant programs are defined clearly in the CIP and/or associated policy documentation. On top of the typical eligibility filters set out for any incentive, the program will detail:

- Number of years the rebate will be granted after the property is improved and reassessed (e.g., five years vs ten years).
- Change in rebate percentage each year (e.g., 100% in Year One, 80% in Year Two, etc.).
- Total rebate amount the municipality will provide per property to any successful applicant (e.g. the sum of all rebates will not exceed the total construction costs).
- Other conditions.

Tax increment-based grants are very labour intensive to implement and require detailed documentation to mitigate against staff turnover and institutional memory gaps. The program is difficult for financial staff to budget, as the difference between the pre-development and post-development assessment will be unclear until the project is fully built and reviewed by the Municipal Property Assessment Corporation (MPAC). Municipal staff will no doubt promote a cautionary approach.

Eligibility criteria may need to change for programs that utilize a Tax Increment Grant as a tool, such that a project must be much larger in scale or generate tangible spin-off benefits to justify the increase in grant contributions. Smaller projects may need to be eliminated from the program for ease of administration. The complexity of tracking and monitoring dozens of \$25,000 rebates will be more burdensome than three \$250,000 rebates.

The objectives of any Community Improvement program that uses a Tax Increment Grant for implementation should include long-term tangible targets. For example, employment targets need to be set for eligible industrial building developments, not including temporary construction labour. A net increase of employment in the target geographic areas, directly because of these developments, should be among the criteria for receiving a rebate. For residential projects, there may need to be an audit system that ensures that housing meant for local employees is not converted to short-term rentals for tourism. Potential developers will need to be warned specifically about any conditions that may void their grant eligibility in the future.

If the rebate period of a program is extended from five years to ten years, the need for careful administration, financial analysis, legal services, risk mitigation, and more considerations will be amplified. The effects of rebating so much property tax to development projects will test political stamina over as many as three Council terms.

Expectations of the developer will need to be written into any agreement, in terms of how the rebate is administered, whether it can be sold with the property if the development changes hands, etc., as well as any funding limitations that the Township may institute in the future.

The complexity of a tax-increment rebate application can confuse many developers. The stimulative effect will be enhanced if the proponent can clearly understand how their bottom line will specifically benefit from participating in the program. If the Township can demonstrate how much the developer can expect to save, and how that data can be used to leverage loans from financial institutions or investors, the stimulative effect increases even more.

Given that large-scale developments will cost many millions and could dramatically increase the tax assessed on a vacant or derelict property (if eligible), the promise of a tax rebate that could tip the balance on such an investment may not sell the concept to a developer if the Township placed a cap on total rebates. For example, if the total rebate is capped at \$100,000 over five years on a \$10-million development, the program is unlikely to stimulate a company to invest.

This type of incentive should only be exercised if there is a clear financial advantage to the developer, and an obvious community benefit to the Township of Hornepayne. Design Guidelines are important to ensuring that new development or renovations are compatible with the existing character of the community. The order of magnitude of the grant should be very high to justify a developer's willingness to invest in a project that otherwise may not happen. The win-win nature of the development must be very clear to all parties.

Developers that are not eligible for Tax Increment Grants may put pressure on elected representatives to expand the scope of the program beyond the original objectives the incentive tool was designed to assist. Program creep will need to be monitored carefully, as any changes in eligibility will eat into overall budget allocations and potentially compromise priority objectives.

Appendix **Private Realm Incentives**

Introduction

Subject to approval by Council, the following incentive tool types are to be implemented in the Township of Hornepayne:

- Fee Rebates
- Tax Increment Grants
- Construction Project Grants

Loans are currently not an incentive tool type available from the Township of Hornepayne.

These incentive tool types have been fashioned into four private realm incentive programs to be offered by the Township of Hornepayne. The programs are:

1. Industrial Investment Tax and Fee Rebate
2. Commercial Upgrade Tax and Fee Rebate
3. Housing Sales Discount and Tax Rebate
4. Business Property Improvement

Industrial Investment Tax and Fee Rebate Program

Objectives

To encourage new industrial investment and employment related to the supply chains of the forestry, mining, and alternative energy sectors by rebating property tax increases as a result of the development or redevelopment, construction, reconstruction and rehabilitation, and by granting a portion of fees required for planning applications or building permits in relation to Industrial investment.

Rationale

Forestry and forest products are among the target sectors identified by the Superior East Regional Economic Development Strategy, in particular cross-laminated timber and non-timber forest products. Gold mining is also a very important industry within the region. Local alternative energy opportunities may include waste wood biomass, wind, solar and hydro. Hornepayne also has a well developed rail system that can be leveraged to support industry sectors of importance to the region. Developing vacant or underutilized properties can create new investment and employment opportunities in the Township.

Eligibility Filters

Eligibility Filter	Details
Priority	High
Geographic Areas	Lands designated Light Industrial, Heavy Industrial, Rural Industrial, General Commercial, Highway Commercial
Industry Focus	Supply chains related to Forestry, Mining, Alternative Energy
Property Types	Industrial, Commercial
Applicant Types	Property Owner or Tenant with Property Owner's Written Permission
Expenditures	Construction costs related to new construction and structural and mechanical upgrades to existing industrial and commercial buildings used for the eligible supply-chain industry sectors, including upgrades to plumbing and electrical systems, installation of safety and fire protection systems, structural upgrades, upgrade and installation of windows, new technologies, technology/construction related to market expansion, building insulation, consultant fees (e.g., engineer, architect), fire suppression systems, metal fabrication, carpentry, HVAC. Demolition costs are also eligible.

Eligibility Filter	Details
Special Conditions	All construction must follow Ontario Building Code and other regulations. Property owner has 18 months to complete the necessary improvements to the property, at the discretion of the CIP Administrator. Should this condition not be met, Council has the option to cancel the application approval or to extend the approval. The property owner must not be in arrears in regard to tax payments and other account receivable accounts with the Township of Hornepayne and must be in good standing on all financial matters with the Township at the time of application and throughout the duration of the incentive benefit period. Should the undertaken or completed works not be consistent with the original project description, to the satisfaction of the Community Improvement Grant Approvals Committee, the CIPC may delay, reduce, or cancel the approved incentive program benefits. An approved applicant will be required to provide the Township with a copy of the reassessment of the property by M.P.A.C., photographs of the building/unit(s) showing the completed project, and other relevant drawings or documentation in support of the completed project, or as required by the Township. The Tax Increment Equivalent Rebate financial incentive for a property is offered for a maximum of 5 years from the date of the re-assessment upon which the tax increment is calculated. Although the municipal property taxes are rebated, they are not waived outright. Taxes are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements. Any other taxes paid are not subject to the rebate. Only the municipal portion of development charges are rebated, and furthermore they are not waived outright. The development charges are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate. Although the building permits fees are rebated, they are not waived outright. Fees are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.

Implementation Tools and Funding Amounts

Implementation Tool	Tool Available?	Municipality Match %	Maximum Grant Range
Fee Rebate	Yes	100% of fees directly related to the Project will be rebated after the Project is completed	Municipality to rebate actual fees paid to a maximum of \$10,000. Eligible fees for rebate include: Municipal planning application fees, including minor variances, site plans, zoning by-law amendments or official plan amendments; and/or Municipal building permit demolition fees, and inspection fees.
Tax Increment Grant	Yes	See maximum grant range calculations	Maximum Rebate - Lowest of the following: • Amount equivalent to 50% of total actual eligible construction costs (excluding HST) but capped at estimate in application. • Amount equivalent to the total of municipal property taxes for Years 1 through 5 following completion of the project. • Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement and after the Project is completed.

Example

The owner of an industrial property decides to build a facility on a vacant parcel of land to extract paclitaxel from local forest products to supply the pharmaceutical industry. Prior to starting construction, the property owner applies to the Township of Hornepayne's Industrial Investment Tax Program. It is confirmed during the application process that:

- MPAC assessed value of the vacant property is \$250,000 (prior to development).
- Annual property taxes are \$20,000 (prior to development).
- The property owner plans to invest \$1,500,000 (excluding HST) in total eligible construction costs to build the facility.
- Fees charged by the Township associated with the development are EXPECTED to total \$30,000.

The Township approves the application, communicating that the fee rebate has a maximum of \$10,000. After receiving written approval, the property owner redevelops the facility, actually spending \$1,500,000 (excluding HST) based on receipts and proof of payment.

- MPAC reassesses the property after development at \$750,000 in value, an increase of \$500,000.

- Annual property taxes after development are reassessed at \$50,000, an increase of \$30,000. The potential for rebated property taxes is calculated as follows:

Year	Increment Percentage	Rebate Amount
1	100%	\$30,000
2	80%	\$24,000
3	60%	\$18,000
4	40%	\$12,000
5	20%	\$6,000
Total (Years 1-5)		\$90,000

- Fees charged by the Township to the property owner ACTUALLY totalled \$30,000, higher than the maximum eligible of \$10,000.

The property owner requests program funding from the Township through the CIP Administrator. The Township's CIP Administrator agrees in writing that the project is completed.

The property owner receives these incentives:

- Fee Rebate of \$10,000 immediately.
- Tax Rebate of \$90,000 received through annual tax rebates provided after taxes are paid over the next five years, because it is the lowest of the following calculations:
 - Amount equivalent to 50% of total eligible construction costs = \$750,000 (excluding HST).
 - Amount equivalent to the difference in total municipal property taxes (pre-development, MPAC reassessment) on a sliding scale for Years 1 through 5 following completion of the project, subject to the sliding scale of rebates for the Industrial Investment Tax Rebate Program = \$90,000.
 - Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement (\$250,000) and after the Project is complete (\$750,000) = \$500,000.

In total, through the Industrial Investment Tax Rebate Program, this property owner would be eligible for a total of \$100,000 in incentives.

NOTE:

Any required permits must be obtained prior to work commencing.

Property taxes may increase in Years 1 to 5 following the approval of the rebate. The property owner would receive the original reduction calculated, subtracted from the tax bill.

Commercial Upgrade Tax and Fee Rebate Program

Objective

To encourage commercial property owners to improve the public-facing elements of retail-oriented commercial buildings, including enhancement of exterior façades, accessibility for persons with disabilities, upgrades to structural and mechanical components, and signage and landscaping that aligns with public realm standards by rebating property tax increases as a result of the development or redevelopment, construction, reconstruction and rehabilitation, and by granting a portion of fees required for planning applications or building permits.

Rationale

Façade upgrades improve the appearance of a commercial building's public-facing exterior walls by providing a new look, enhanced neighbourhood streetscapes, and a more pleasant environment to work and live. Accessibility to businesses in Hornepayne is very important for employees and customers, and property owners must comply with Provincial law. The number of Canadians living with a physical disability that impairs their mobility, vision, or hearing, will increase at twice the rate of general population growth. Older buildings may have decayed structural supports, out-of-date electrical systems, substandard plumbing, sanitation concerns, or heating ventilation and air-conditioning systems and insulation problems. Small business owners need support to ensure their businesses stay compliant with regulations, welcoming to customers, safe and accessible for employees, financially viable, and open in all seasons.

Eligibility Filters

Eligibility Filter	Details
Priority	Medium
Geographic Areas	Lands designated General Commercial, Highway Commercial, and Rural
Industry Focus	Supply chains related to Tourism, Hospitality and Retail
Property Types	Commercial
Applicant Types	Property Owner or Tenant with Property Owner's Written Permission
Expenditures	Construction costs related to façade upgrades, signage, accessibility, structural and mechanical upgrades to existing commercial buildings, including upgrades to plumbing and electrical systems, installation of safety and fire protection systems, structural upgrades, upgrade and installation of windows, new technologies, building insulation, consultant fees, fire suppression systems, carpentry, HVAC, and interior renovations. Demolition costs are also eligible.

Eligibility Filter	Details
Special Conditions	All construction must follow Ontario Building Code and other regulations. Property owner has 18 months to complete the necessary improvements to the property, at the discretion of the CIP Administrator. Should this condition not be met, Council has the option to cancel the application approval or to extend the approval. The property owner must not be in arrears in regard to tax payments and other account receivable accounts with the Township of Hornepayne and must be in good standing on all financial matters with the Township at the time of application and throughout the duration of the incentive benefit period. Should the undertaken or completed works not be consistent with the original project description, to the satisfaction of the Community Improvement Grant Approvals Committee, the CIPC may delay, reduce, or cancel the approved incentive program benefits. An approved applicant will be required to provide the Township with a copy of the reassessment of the property by M.P.A.C., photographs of the building/unit(s) showing the completed project, and other relevant drawings or documentation in support of the completed project, or as required by the Township. The Tax Increment Equivalent Rebate financial incentive for a commercial property is offered for a maximum of 5 years from the date of the re-assessment upon which the tax increment is calculated. Although the municipal property taxes are rebated, they are not waived outright. Taxes are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements. Any other taxes paid are not subject to the rebate.

Implementation Tools and Funding Amounts

Implementation Tool	Tool Available?	Municipality Match %	Maximum Grant Range
Fee Rebate	Yes	100%	Municipality to rebate actual fees paid to a maximum of \$10,000. Eligible fees for rebate include: Municipal planning application fees, including minor variances, site plans, zoning by-law amendments or official plan amendments; and/or Municipal building permit demolition fees, and inspection fees.
Project Grant	No. Participants in the Commercial Upgrade Tax and Fee Rebate Program are not eligible to participate in the Business Property Improvement Grant Program.	N/A	N/A
Tax Increment Grant	Yes	See maximum grant range calculations	Maximum Rebate - Lowest of the following: • Amount equivalent to 50% of total actual eligible construction costs (excluding HST) but capped at estimate in application • Amount equivalent to the total of municipal property taxes for Years 1 through 5 following completion of the project. • Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement and after the Project is completed.

Example

A commercial property owner in Hornepayne decides to expand and upgrade a currently operating retail property to offer take-away meals to residents and visitors.

Prior to starting construction, the property owner applies to the Township of Hornepayne's Commercial Upgrade Tax Program. It is confirmed during the application process that:

- MPAC assessed value of the retail property is \$500,000 (prior to expansion and upgrades).
- Annual property taxes are \$7,000 (prior to expansion and upgrades).
- The property owner plans to invest \$200,000 (excluding HST) in total eligible construction costs to expand/upgrade the property.
- Fees charged by the Township associated with the renovation are EXPECTED to total \$10,000.

The Township approves the application. After receiving written approval, the property owner renovates the retail property into a take-away restaurant, actually spending \$200,000 (excluding HST) based on receipts and proof of payment.

- MPAC reassesses the property after renovation at \$675,000 in value, an increase of \$175,000.
- Annual property taxes after renovation are reassessed at \$10,000, an increase of \$3,000. The potential for rebated property taxes is calculated as follows:

Year	Increment Percentage	Rebate Amount
1	100%	\$3,000
2	100%	\$3,000
3	75%	\$2,250
4	50%	\$1,500
5	25%	\$750
Total (Years 1-5)		\$10,500

- Fees charged by the Township to the property owner ACTUALLY totalled \$8,000, which is \$2,000 less than estimated.

The property owner requests program funding from the Township through the CIP Administrator. The Township's CIP Administrator agrees in writing that the project is completed.

The property owner receives these incentives:

- Fee Rebate of \$8,000 immediately.
- Tax Rebate of \$10,500 received through reduced tax payments over the next five years, because it is the lowest of the following calculations:
 - Amount equivalent to 50% of total eligible construction costs = \$100,000 (excluding HST).
 - Amount equivalent to the difference in total municipal property taxes (pre-development, MPAC reassessment) on a sliding scale for Years 1 through 5 following completion of the project, subject to the sliding scale of rebates for the Commercial Upgrade Tax Rebate Grant Program = \$10,500
 - Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement (\$500,000) and after the Project is complete (\$675,000) = \$175,000.

In total, through the Commercial Upgrade Tax Program, this property owner would be eligible for a total of \$18,500 in incentives.

NOTE:

Any required permits must be obtained prior to work commencing.

Property taxes may increase in Years 1 to 5 following the approval of the rebate. The property owner would receive the original reduction calculated, subtracted from the tax bill.

Housing Sales Discount and Tax Program

Objective

To increase the number and quality of dwelling units occupied by primary residents, tourists, or workers in supply chains of high-priority industry sectors by rebating property tax increases as a result of the development or redevelopment, construction, reconstruction and rehabilitation.

Rationale

Business vibrancy in Hornepayne will be enhanced by increasing the population of year-round residents, visitors to the area, and workers for area industries. Over time, increases in property tax revenues and consumer spending in the area will assist economic development.

Eligibility Filters

Eligibility Filter	Details
Priority	High
Geographic Areas	Lands designated Low Density Residential, Medium Density Residential, Rural Residential, and Rural
Industry Focus	Residential for new residents and worker housing related to Forestry, Mining, Alternative Energy, Tourism, Hospitality and Retail
Property Types	Residential and Rural
Applicant Types	Property Owner
Expenditures	Acquisition costs related to development of vacant residential land or redevelopment of multi-residential housing or single-family dwellings with accessory residential uses. Construction costs related to redevelopment of multi-residential housing or single-family dwellings with accessory residential uses Exclusions: appliances.

Eligibility Filter	Details
Special Conditions	Construction must follow building codes and other regulations. An approved applicant will be required to provide the Township with a copy of the reassessment of the property by M.P.A.C., photographs of the building/unit(s) showing the completed project, and other relevant drawings or documentation in support of the completed project, or as required by the Township. Although the discount on municipally owned surplus properties is rebated, it is not waived outright. The full assessed value of the purchase price must be paid in full at the time of purchase. The discount will not be waived outright, but instead will be reimbursed to approved applicants upon the execution of required agreements. To be eligible for the reimbursement, applicants must comply with all program requirements and guidelines. This may include meeting certain standards for property development and management and ensuring that the properties are used in a way that benefits the community and aligns with the goals and objectives of the Community Improvement Plan. Purchaser has 18 months to complete the necessary improvements to the property that result in an occupancy permit. Should this condition not be met, Council has the option to re-purchase the property at the original price or to extend the agreement. The Town will retain a right-of-first refusal to purchase the vacant property, at the original price, should the purchaser choose to divest the property prior to construction. The property owner must not be in arrears in regard to tax payments and other account receivable accounts with the Township of Hornepayne and must be in good standing on all financial matters with the Township at the time of application and throughout the duration of the incentive benefit period. Should the undertaken or completed works not be consistent with the original project description, to the satisfaction of the Community Improvement Grant Approvals Committee, the CIPC may delay, reduce, or cancel the approved incentive program benefits. Only the municipal portion of development charges are rebated, and furthermore they are not waived outright. The development charges are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate. Although the building permits fees are rebated, they are not waived outright. Fees are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of substantial occupancy. Fees associated with any other municipal processes, or outside agencies are not subject to the rebate.

Implementation Tools and Funding Amounts

Implementation Tool	Tool Available?	Municipality Match %	Maximum Grant Range
Fee Rebate	Yes	100% Rebate on Municipal Fees 95% Rebate on Property Sale Price	100% Rebate of actual municipal fees paid to a maximum rebate of \$10,000. Eligible municipal fees include municipal planning application fees, including minor variances, site plans, zoning by-law amendments or official plan amendments; and/or municipal building permit demolition fees, and inspection fees. 95% Rebate of Property Sale Price conditional on receipt of occupancy permit for the new or redeveloped dwelling unit(s), excluding HST
Tax Increment Grant	Yes	See maximum grant range calculations	Maximum Rebate - Lowest of the following: • Amount equivalent to 50% of total actual eligible construction costs (excluding HST) but capped at estimate in application • Amount equivalent to the total of municipal property taxes for Years 1 through 3 following completion of the project. • Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement and after the Project is completed.

Example

An individual decides to submit an Offer to Purchase on a municipally-owned vacant residential property located on Third Avenue, Hornepayne, which is listed on the surplus properties database website. The individual offers to purchase the house at the asking price of \$50,000 (plus HST), with the condition that individual's application to the Township of Hornepayne's Housing Sales Discount and Tax Program is approved.

It is confirmed during the sales negotiation and application process that:

- MPAC's assessed value of the house is \$50,000 (prior to the sale).
- Annual property taxes are \$1,500 (prior to the sale).
- The potential owner plans to invest \$100,000 (excluding HST) in eligible construction costs to renovate the house.
- Fees charged by the Township associated with the renovation are expected to total \$2,000.

The Township approves the house sale and the application to the Housing Sales Discount and Tax Program. After the deal closes and the applicants receives written program approval, the new owner pays the Township \$50,000 (plus HST) and takes possession. The new owner renovates the home

into a one-family residence with a secondary unit for rental as a bed and breakfast, as outlined in the application.

- MPAC reassesses the property after renovation at \$125,000 in value, an increase of \$75,000.
- Annual property taxes after renovation are reassessed at \$3,000, an increase of \$1,500. The potential for rebated property taxes is calculated as follows:

Year	Increment % on \$1,500 increase	Potential Tax Rebate Amount
1	100%	\$1,500
2	100%	\$1,500
3	100%	\$1,500
Total (Years 1-3)		\$4,500

- The new owner actually spends only \$50,000 (excluding HST) based on receipts and proof of payment, half of what was estimated because family donated their time to help.
- Planning and building permit fees charged by the Township to the homeowner totalled \$3,000, which is \$1,000 more than estimated.

The new homeowner receives an occupancy permit from the Building Department, which allows the homeowner to submit a request for program funding from the Township through the CIP Administrator. The Township's CIP Administrator agrees in writing that the project is completed.

The new homeowner receives these incentives:

- 100% Municipal Fee Rebate = \$3,000 after the occupancy permit is issued.
- 95% Rebate on Property Sale Price (\$50,000, excluding HST) = \$47,500 after the occupancy permit is issued.
- Tax Rebate of \$4,500 received through reduced tax payments over the next three years, because it is the lowest of the following calculations:
 - Amount equivalent to 50% of total actual eligible construction costs (\$50,000) = \$25,000 (excluding HST).
 - Amount equivalent to the difference in total municipal property taxes (pre-development, MPAC reassessment) on a sliding scale for Years 1 through 3 following completion of the project, subject to the sliding scale of rebates for the Housing Sales Discount, Tax and Fee Rebate Program = \$4,500.
 - Amount equivalent to the difference between the MPAC Property tax assessment prior to the project's commencement (\$50,000) and after the Project is complete (\$125,000) = \$75,000.

In total, through the Housing Sales Discount and Tax Program, this new homeowner would be eligible for a total of \$55,000 in incentives.

NOTE:

Any required permits must be obtained prior to work commencing.

Property taxes may increase in Years 1 to 3 following the approval of the rebate. The property owner would receive the original reduction calculated, subtracted from the tax bill.

Business Property Improvement Program

Objective

To encourage small business owners to make minor commercial property improvements to improve accessibility for persons with disabilities, enhance the exterior façade of their building, and to comply with building and fire codes, and health regulations.

Rationale

Small business owners need support to ensure their businesses stay compliant with regulations, welcoming to customers, safe and accessible for employees, and financially viable. Through minor property improvements, owners can enhance the appearance of a commercial building's public-facing exterior walls by providing upgrading signage or facades. Accessibility is very important for employees and customers with disabilities, and property owners must comply with Provincial law. Through minor renovations related to accessibility, property owners can make a large impact. Older buildings may also have decayed structural or mechanical systems that must be improved to meet codes and regulations.

Eligibility Filters

Eligibility Filter	Details
Priority	High – Accessibility Upgrades Medium – Façade Upgrades Low – Structural and Mechanical Upgrades
Geographic Areas	Lands designated General Commercial or Highway Commercial
Industry Focus	High - Tourism, Hospitality and Visitor-oriented Retail Medium – Population-oriented Retail Low – Offices and other commercial properties
Property Types	Commercial
Applicant Types	Property Owner or Tenant with Property Owner's Written Permission
Expenditures	Construction costs related to accessibility (renovation of building entrances, upgrading of doors, installation of power assist door operators, installation of ramps, elevating devices, and accessibility washrooms for the public), façade and signage upgrades (repairs to façades, signage or lighting on any public-facing wall), structural and mechanical upgrades to existing commercial buildings (directly related to compliance with Building Code, Fire Code, or health regulations).
Special Conditions	Construction must follow building codes and other regulations. Property owner has 4 months to complete the necessary improvements to the property, at the discretion of the CIP Administrator. Should this condition not be met, Council has the option to cancel the application approval or to extend the approval. The property owner must not be in arrears in regard to tax payments and other account receivable accounts with the Township of Hornepayne and must be in good standing on all financial matters with the Township at the time of application and throughout the duration of the incentive benefit period. Should the undertaken or completed works not be consistent with the original project description, to the satisfaction of the Community Improvement Grant Approvals Committee, the CIPC may delay, reduce, or cancel the approved incentive program benefits.

Implementation Tools and Funding Amounts

Implementation Tool	Tool Available?	Municipality Match %	Maximum Grant Range
Project Grant	Yes	No more than 50% of total actual eligible costs, capped at the estimated amount in the application.	\$5,000 per property.
Tax Increment Grant	Participants in the Business Property Improvement Grant Program are not eligible to participate in the Commercial Upgrade Tax Rebate Program.	N/A	N/A

Example 1

The owner of a retail store in Hornepayne would like to upgrade the sign above its main entrance.

Prior to starting construction, the property owner applies to the Township of Hornepayne's Business Property Improvement Grant Program.

It is confirmed during the application process that the estimated cost for the new sign is \$750, and installation is estimated at \$250, with a total cost estimate of \$1,000.

The Township approves the application. Any required permits must be obtained prior to work commencing. After receiving written approval, the property owner has the sign manufactured and installed, adding electrified neon to the design. The applicant ACTUALLY spends \$10,000 (excluding HST), based on receipts and proof of payment, \$9,000 more than estimated.

The property owner requests program funding from the Township through the CIP Administrator. An authorized representative of the Township visits the property to confirm the upgrades were made, as per the application. The property owner would provide proof of the costs (invoice from contractor and/or building materials supplier). However, since the program provided for no more than 50% of total actual eligible costs, capped at the ESTIMATED amount in the application (\$1,000 excluding HST), the property owner is eligible for only \$500. When confirmed by the Township's CIP coordinator, the Township would issue a Project Grant payment to the property owner for \$500.

Example 2

The owner of a coffee shop in Hornepayne would like to improve the building's façade and make the public entrance accessible, as per Provincial Government regulations.

Prior to starting construction, the property owner applies to the Township of Hornepayne's Business Property Improvement Program.

It is confirmed during the application process that the cost for a new brick veneer \$8,000, and the cost for a new accessible entry door is \$7,000, totalling \$15,000 (excluding HST).

The Township approves the application, and notifies the property owner that there is a maximum amount available per property of \$5,000. Any required permits must be obtained prior to work commencing. After receiving written approval, the property owner has the new brick veneer and accessible entrance installed, and spends \$15,000 (excluding HST), based on receipts and proof of payment.

The property owner requests program funding from the Township through the CIP Administrator. An authorized representative of the Township visits the property to confirm the upgrades were made, as per the application.

Since the program is capped at \$5,000 per property, and 50% of the total actual eligible costs would be \$7,500, the property owner is eligible for only \$5,000. When confirmed by the Township's CIP coordinator, the Township would issue a Project Grant payment to the property owner for \$5,000.

Financial Considerations

Budgeting for a municipal Community Improvement Plan (CIP) ideally outlines separate budgets for public-realm improvements (included in the Township's annual capital budget) and private-sector incentives (included as grants or rebates in the Township's annual operating budget).

Any funding allocated by the Township to a public-realm CIP capital budget should be considered an incremental enhancement to existing capital expenditures and is not meant to offset total budget lines. Funding amounts committed to stimulate private-sector incentives through grants or rebates assume that the property owner is making a financial contribution to the project representing at least 50% of the total project budget, a one-fold multiplier. It is preferred that CIP incentives act as catalysts for projects that generate three- to five-fold multipliers when total project costs are tallied.

Administration of the CIP program should be itemized separately from the CIP capital or grants budgets. Administrative costs include municipal wages and benefits, financial or legal costs, debt servicing, office space, materials, supplies, services, and advertising costs related to administration of the CIP program.

Potential public-private partnerships may unexpectedly materialize requiring major infusions of tax rebate grants to stimulate their construction. Such opportunities would need to be considered by Council on a case-by-case basis, with a separate cost-benefit analysis, and a separate budget.

Annual Allocation by Council

The Township of Hornepayne Council should make an annual allocation to fund the implementation of the private realm incentives in the Community Improvement Plan, over and above any financial commitments made to the public realm through the municipal infrastructure upgrades. In the case of the four programs outlined, only the Business Property Improvement Grant requires a budget allocation from Council. The tax increment rebate programs are funded by contributions made by applicants. Council may

also increase or lower increment percentages within specific rebates to improve their marketability or to prioritize their implementation.

Community Improvement Incentive Reserve

The Township should establish a Community Improvement Incentive Reserve Account to ensure there is no interruption in the program from year to year, and that as many applicants can be considered as possible if there is sufficient funding in the reserve, and that flexibility in managing funds is designed into the program to account for unexpected needs related to the Tax Increment Grant.

The incentives developed for the Township of Hornepayne anticipate grants being disbursed in the first five years of the program exclusively through the Business Property Improvement Grant. The importance of the Community Improvement Incentive Reserve Fund will become evident, as demand for private-sector incentives ebbs and flows, and successive Councils and staff manage the expectations of property owners.

As applications are filed for large projects related to Industrial Investment Tax Rebates, Commercial Upgraded Tax Rebates, and Housing Sales Discount and Tax Rebates, financial planning will necessitate the inclusion of anticipated tax rebates in future budget allocations. These budget considerations need to be planned for separately from the Community Improvement Incentive Reserve Fund.

Administration

Promotion

It is important to engage with property owners directly to promote the CIP incentives. A specific protocol for handling marketing of the CIP should be put in place, including ensuring that all Township staff and business associations are aware of the program.

Intake and Approval

Communication and Facilitation

Since a business owner or employee may oversee smaller property improvement projects, as opposed to a contractor, there must be no surprises when they file their paperwork for the Business Property Improvement Grant. The nature of estimates and final supporting documentation must be confirmed in simple terms, so the applicant complies with the process. In terms of any of the tax rebate programs, the Township must be clear in its communications with applicants to ensure that all criteria are met, and that everyone understands the timelines and conditions related to the potential incentives. The Township should develop a protocol for prioritizing applications based on each program's eligibility filters. This should be included in their implementing policy that will follow after adoption of the CIP.

Eligibility Requirements

An effective program starts with an easy-to-understand intake process and approval mechanism. General eligibility requirements for any of the programs should be outlined clearly in the intake process. Any specific criteria for individual programs must be highlighted. Recommended general eligibility requirements would include:

- a.** Eligible projects must be located within the Community Improvement Plan area.
- b.** Applicants must apply for the specific grant prior to the commencement of any work. Financial incentives offered in the Community Improvement Plan will not be offered retroactively for costs incurred prior to receipt of written approval of the application.
- c.** Applicants must submit drawings and/or plans, two cost estimates, and other details with their application.
- d.** Properties will not be eligible if they have any tax arrears or any other legal claim, lien, or order that may adversely affect title of the property, other than a mortgage in good standing. All utilities and any other municipal financial obligations must be up to date.
- e.** Approved grants are not transferable to any other property but may be transferred to the new owner of the same approved property, provided the new owner agrees to the terms and conditions.
- f.** Applicants must permit the public disclosure and promotion of all information regarding the grant, including Applicant name, project street address and town, grant amount, description and images of project (before and after construction), and total project budget, i.e., including additional financial investment made by the Applicant over and above the grant amount. If the information is not available at the application stage, the Applicant must disclose it when the project is completed or the grant may not be issued.
- g.** Municipal staff will inspect and approve improvements of the building upon completion, as required. Improvements must be consistent with any existing design guidelines or other policies. For the grant to be paid, the final project must be significantly consistent with the project outlined at the application stage. An audit of work completed and associated costs may be ordered if deemed necessary.
- h.** For applications related to the Industrial Investment Tax and Fee Rebate, Commercial Upgrade Tax and Fee Rebate, and Housing Sales Discount and Tax Rebate, funding is usually available at a high order of magnitude that requires case-by-case considerations and direct approval by Council (i.e., no delegation of approval authority to staff or Committees). The Township's Finance staff, or a consultant, would need to analyze any proposal and

clearly determine the budget implications of what could be a multi-million-dollar contribution by the municipality, in the form of property tax rebates. Tax Increment Grants should be targeted to very specific properties or development types, perhaps involving public-private partnerships, and generating tangible Township-wide community benefit.

Monitoring and Performance Measurement

The frequency of monitoring reports increases the integrity of the program, but also raises the administrative cost and labour intensity of the program.

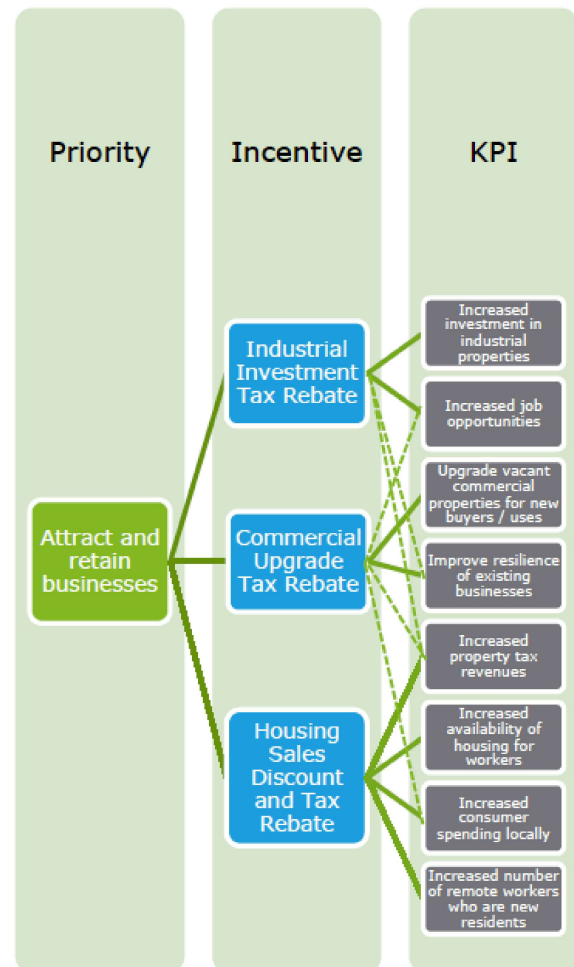
At a minimum, staff should monitor the program on a quarterly basis. Council should receive a report annually, at a minimum, well in advance of the budget review process.

Measuring the effects of investments by monitoring progress towards priority areas for a CIP through quantitative key performance indicators (KPIs) allows the Township to see the impact of specific investments as well as how they are leading towards the achievement of big picture goals.

Examples of priorities could include the following:

- Attract and retain businesses
- Attract more year-round residents
- Attract higher-spending tourists in all seasons

A measurement tool can group incentives under each priority and groups KPIs under each investment. See the example in the figure of one priority fleshed out with incentives and KPIs. the Township should also set up benchmarks to evaluate the effectiveness of the incentive programs.



The table illustrates an example of how the Township's KPI's could be grouped according to the various priorities.

Priority	KPI	Program: Industrial Investment Tax and Fee Rebate Program	Program: Commercial Upgrade Tax and Fee Rebate Program	Program: Housing Sales Discount, Tax and Fee Rebate Program	Program: Business Property Improvement Grant Program
Attract and retain businesses					
	Increased investment in industrial properties	✓			
	Increased job opportunities	✓	✓		
	Improve resilience of existing businesses	✓	✓		
	Increased property tax revenues	✓	✓	✓	
	Upgrade vacant commercial properties for new buyers / uses		✓		
	Increased availability of housing for workers			✓	
	Increased consumer spending locally		✓	✓	
	Increased number of remote workers who are new residents				
Attract more year-round residents					
	Add KPIs				
Attract higher-spending tourists in all seasons					
	Add KPIs				

Review and Amendment

The Township may review the Community Improvement Plan in the future and make amendments to modify existing incentives or add new ones.

