

Municipality of Casselman Community Improvement Plan

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Municipality of Casselman Community Improvement Plan Economic Enterprise Area

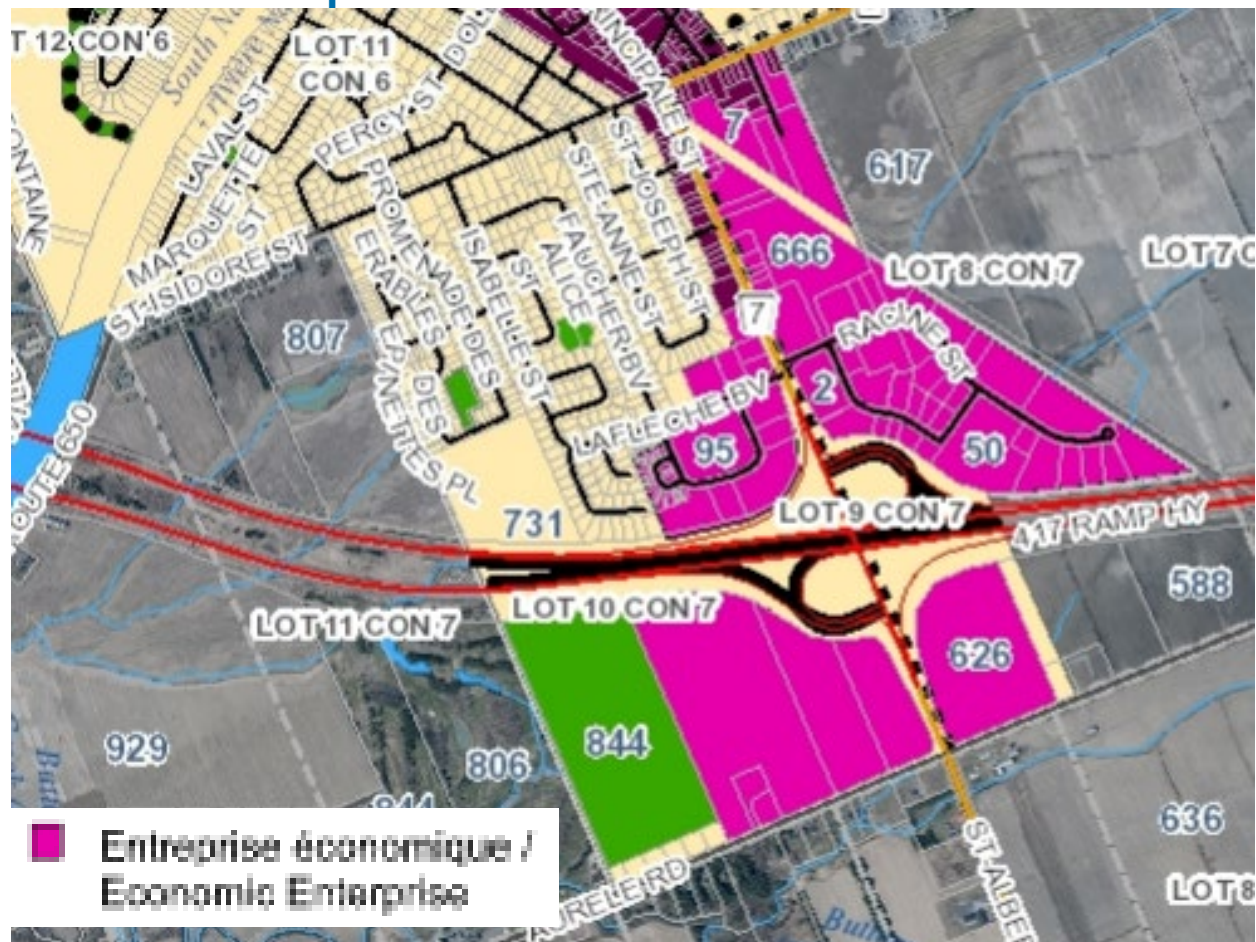


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1.0 Introduction

1.1 Background

The Municipality of Casselman (Casselman) is strategically situated on the Highway 417 Corridor in Eastern Ontario. Located within the United Counties of Prescott and Russell, this community was established in 1844 around forestry operations. Since this time, Casselman has evolved into a progressive and dynamic predominantly francophone community of approximately 3,960 people (Census Profile, 2021 Census of Population). According to the 2016 Census, the top five industries were Public administration (18%), Educational services (11%), Health care and social assistance (11%), Retail trade (11%) and Construction (10%).

Casselman is consistently looking for ways to further diversify and grow its local economy to ensure community sustainability. The Municipality has decided to create an Economic Enterprise Area Community Improvement Plan (CIP) to facilitate investment and job growth in this sector of the community. A Community Improvement Plan (CIP) is a tool that municipalities in Ontario can use to stimulate economic activity in accordance with local and provincial goals and priorities. A CIP is a planning tool that establishes a framework for achieving community improvements to rehabilitate and revitalize project areas. A CIP can include incentives to stimulate or encourage private and public sector investments and can set out design guidelines for public and private sector improvements. The CIP can provide programs for municipal grants, loans, and rebates for private sector improvements.

1.2 Legislative Authority

The Economic Enterprise Area CIP has been developed in accordance with Section 28 of the *Planning Act* and Section 106 of the *Municipal Act*, as well as other relevant policies and documents including the Provincial Policy Statement (2020), United Counties of Prescott and Russell Official Plan, Village of Casselman Official Plan, and the Casselman Zoning By-law.

1.3 Purpose

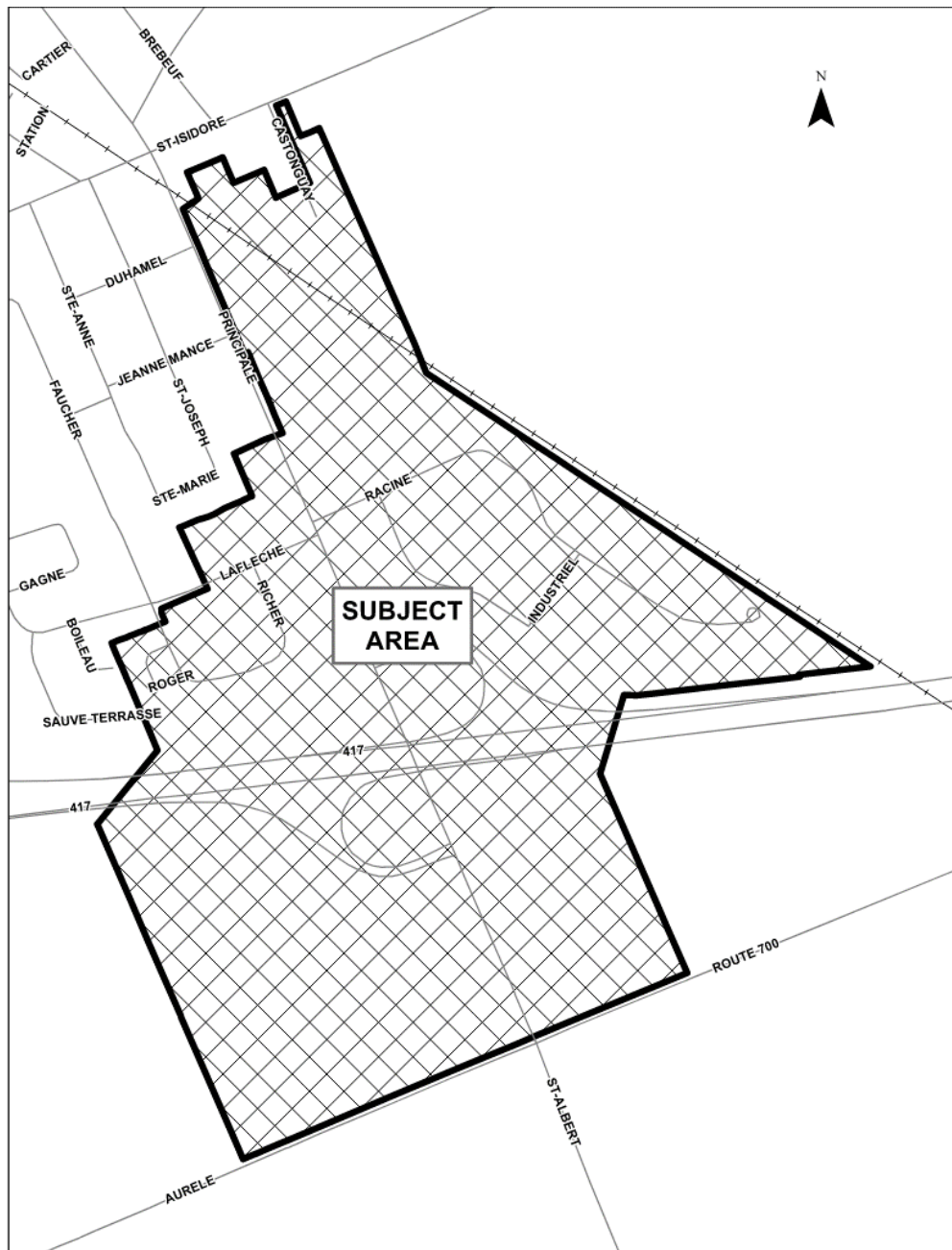
There are several barriers that prevent continued investment in Casselman's Economic Enterprise Areas including availability of services and utilities (including natural gas), cost to service, serviced land costs, increasing construction costs, cost of equipment or software and supply chain constraints (e.g. good distribution services). The purpose of this Economic Enterprise Area CIP is to help overcome these barriers by reducing the cost of development and by establishing a policy framework to guide municipal lands assembly, servicing and disposition, all with the intent of stimulating investment in new and existing businesses in Casselman. This Economic Enterprise Area CIP complements other municipal strategies, plans and regulations, all of which remain in force and effect, as applicable. The Economic Enterprise Area CIP does not change the Official Plan or Zoning By-law, which guide land use planning in the community including permitted uses, development standards (including the relationship between industrial and sensitive land uses such as residential), servicing, etc. The projects stimulated by the Economic Enterprise Area CIP will conform with the Official Plan and comply with the Zoning By-law.

2.0 The Economic Enterprise Community Improvement Project Area

2.1 Project Area

The community improvement project area for the Economic Enterprise Area CIP includes all lands within the Municipality that are designated Economic Enterprise Area in the Village of Casselman Official Plan. The boundaries of the community improvement project area are illustrated in Figure 1.

Figure 1. Community Improvement Project Area Boundary



3.0 Goals, Objectives and Target Areas

3.1 Goals and Objectives

The Municipality has identified the development of a CIP as an opportunity to stimulate commercial and industrial development; consistent with its Official Plan and other strategic documents.

The Economic Enterprise CIP will serve as a long-term framework that will direct and guide community improvements through financial incentives and municipally driven projects.

The Economic Enterprise CIP is intended to stimulate private sector investment in new or existing businesses in Casselman through development, redevelopment and expansion of existing uses.

The objectives of the Economic Enterprise CIP are to:

1. stimulate new industrial and commercial investment;
2. sustain local businesses, jobs and investments;
3. grow local businesses, jobs and opportunities;
4. attract external businesses and investment and create new opportunities and jobs;
5. prioritize areas for future development;
6. provide opportunities for controlled economic diversification;
7. grow the Municipality's industrial assessment and tax revenue base;
8. create incentives and tools to support the economic competitiveness of Casselman;
9. provide a comprehensive implementation and monitoring program; and,
10. align with the Municipality's Planning documents (Official Plan & Zoning Bylaw).

3.2 Targeted Economic Sectors

The Economic Enterprise CIP is aligned with Casselman's Official Plan.

The financial incentives and tools in this Economic Enterprise CIP will be used to support economic development within these areas.

Council, in its sole discretion, may use the incentives and tools included in this Economic Enterprise CIP to support other existing or new businesses, provided the project meets all other relevant policies and requirements of this CIP and is in the public interest to do so.

3.3 Eligibility and Eligible costs

A project must be located within the community improvement project area described in Section 2, consistent with the goals and objectives in Section 3.1, represent a land use that will result in economic development and meet the requirements outlined in Section 3.5 to be eligible to participate in the Economic Enterprise CIP.

Council may provide grants to registered owners, assessed owners and tenants of lands and buildings.

In regard to grants, the eligible costs may include costs related to environmental studies, environmental site assessment, environmental remediation, development, redevelopment,

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construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

3.4 Maximum amount

The total amount of the grants in respect of particular lands and buildings and the tax assistance as defined in section 365.1 of the *Municipal Act, 2001*, that is provided in respect of the lands and buildings shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings (i.e. costs related to development, redevelopment, construction, and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements, or facilities).

3.5 Financial Incentive Programs

3.5.1 Tax Increment Equivalent Grants

3.5.1.1 Purpose

To encourage the development and redevelopment of eligible properties by providing grants equivalent to the incremental increase in municipal property tax assessment and revenue resulting from property improvements such as, but not limited to, new construction, redevelopment and expansion.

3.5.1.2 Description

Council may provide a tax increment equivalent grant to help offset costs associated with its rehabilitation, reuse, development and redevelopment of the property, provided that that the improvements to the property result in an increase in assessment and taxation.

The value of the grant provided is equal to the incremental increase in property assessment and municipal property tax resulting from the improvements. The grants would be provided after the improvements to the property are complete and after the reassessment of the property by the Municipal Property Assessment Corporation (MPAC) has demonstrated an increase in the assessed value of the property. The pre and post improvement assessment and tax values will be used to calculate the incremental increase in municipal property tax revenue (Casselman portion) and the total value of the grant.

3.5.1.3 Program Requirements

1. Tax Increment Equivalent Grant Program applications must be filed prior to the start of any activity that would constitute an eligible cost and to which the proposed grant would apply.
2. Tax Increment Equivalent Grant Program applications must be accompanied by information that describes existing site conditions (e.g. assessment, taxation, existing conditions, current use of land) and the proposed development.
3. Tax Increment Equivalent Grant Program applications will be reviewed by the Planning Department and decided on by Council. Where approved by Council, applications shall be approved, by by-law.

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4. As a condition of approval, Council may require the owner or tenant of the approved eligible property to enter into an agreement with the Municipality respecting the terms, duration, default and termination provisions of the grant. Council may also apply other conditions to the approval where appropriate and warranted.
5. In year one (after increase in property assessment and municipal property tax resulting from the improvements) the approved grant will be equal to 50 percent of the incremental increase in municipal property tax revenue associated with improvements to the eligible property. In year two the approved grant will be 25 percent of the incremental increase in municipal property tax revenue associated with improvements to the eligible property.
6. Should the owner or tenant of the approved eligible property default on any condition in the by-law or agreement, the grants, plus interest, will become payable to the Municipality in full.

3.5.2 Site Servicing, Capital Facility Program and/or Extension of Municipal Services Grant

3.5.2.1 Purpose:

To encourage the development of eligible properties by providing a grant to offset the cost of developing site services including certain capital facility programs and/or extension of municipal services.

3.5.2.2 Description

Council may provide a grant to help offset the costs of site servicing including certain capital facility programs and/or extensions of municipal services to support development within the Economic Enterprise Area.

3.5.2.3 Program Requirements

1. Projects must meet the requirements outlined in this CIP and support its goals and objectives to participate in the Economic Enterprise CIP.
2. Site servicing, Capital Facility Program and/or Extension of Municipal Services must be accompanied by engineering studies and plans including cost estimates.
3. As a condition of approval, Council may require the owner or tenant of the approved eligible property to enter into an agreement with the Municipality respecting the terms, duration, default and termination provisions of the grant. Council may also apply other conditions to the approval where appropriate and warranted.
4. Should the owner or tenant of the approved eligible property default on any condition in the by-law or agreement, the grants, plus interest, will become payable to the Municipality in full.

3.5.3 Planning and Building Permit Fee Grants

3.5.3.1 Purpose:

To encourage the development and redevelopment of eligible properties by rebating fees associated with *Planning Act* and *Ontario Building Code* applications in the form of a grant.

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3.5.3.2 Description:

The Municipality may rebate fees for *Planning Act* and Ontario Building Code applications associated with improvements to eligible properties.

3.5.3.3 Program Requirements

1. Planning and Building Permit Fee Grant Program applications must generally be filed prior to the start of any activity that would constitute an eligible cost and to which the proposed grant would apply.
2. Any required planning and building permit fees shall be paid in advance and may be reimbursed upon successful completion and approval of an application by Council.
3. The total amount of incentive provided under this program shall not exceed the cost of the required land use planning application fees and/or building permit application fees, as applicable.
4. Any fee required by an outside public agency is not subject to this CIP.
5. This fees-rebate program does not apply to any required performance securities (i.e., letters of Credit) posted by the proponent, required professional studies, to expenses incurred by the applicant as a result of an Ontario Land Tribunal Hearing.

3.5.4 Feasibility Study Grant Program

3.5.4.1 Purpose

To stimulate private sector investigation of the potential to establish a new business or expand an existing business through the development of feasibility studies, business cases, site selection studies, site studies, site plans and similar activities.

3.5.4.2 Requirements:

1. Feasibility Study Grant Program applications must generally be filed prior to the start of any activity that would constitute an eligible cost and to which the proposed grant would apply.
2. An owner may apply for a grant of up to 50% of the cost of studies or investigations up to \$10,000 per eligible owner and property that are consistent with the purpose of this program.
3. Fifty (50%) of the grant approved under this program will be provided to the applicant following submission of the final completed study with the original invoice indicating that the study consultants have been paid in full. The remaining 50% will be paid to the applicant upon the building being available for occupancy.
4. One copy of the study will be provided to Casselman. Applicants agree to provide Casselman with permission to share the findings with any other subsequent project proponents and/or related government agencies

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3.5.5 General Terms and Conditions

1. All financial incentive programs described herein are subject to the following general requirements. These requirements are not intended to be exhaustive. Casselman reserves the right to include other reasonable requirements and conditions on a project-specific basis.
2. Works commenced prior to submitting an application and obtaining a building permit are ineligible. Works commenced after submitting an application and obtaining required building permit but prior to application approval may be considered at Council's discretion.
3. The financial incentives described herein may be used in combination with any other municipal financial incentive program.
4. The financial incentives described herein may be used in combination with any other program offered by the Municipality and/or any other level of government and/or association.
5. Approved grants are applicable to the registered owner or assessed owner or tenants of land and buildings within the community improvement plan area and are assignable to any third part to whom such an owner or tenant has assigned the right to receive a grant.
6. At its sole discretion, Council may sell municipal property at below fair market value to achieve the goals of the Official Plan and this Community Improvement Plan.
7. Council may consider phasing incentives for large, multiphase redevelopment projects, where it can be clearly demonstrated that the provision of the phased incentive does not exceed the eligible costs associated with any particular phase of development and/or redevelopment.
8. The Municipality may receive applications that exceed the maximum program amounts outlined in this Community Improvement Plan. At its sole discretion, Council may provide incentives that are greater than the amounts outlined herein, provided that all other applicable criteria are met and that the total amount of the incentive does not exceed the total amount.
9. All approved works and improvements shall conform to all relevant provincial legislation and local policies and regulations. An approval under this CIP does not relieve a proponent from the need to obtain any required permits or approvals.
10. Municipal staff, officials and/or agents of the Municipality may inspect any approved eligible property that is subject of a financial incentive program application.
11. The Municipality reserves the right to peer review/audit any studies and/or works approved under a financial incentive program, at the expense of the applicant.
12. The Municipality is not responsible for any costs incurred by an applicant in relation to any of the above financial incentive programs.
13. The eligible property will not be in a position of arrears in any account (including taxes), or subject to litigation, at the time of application or approval. Council, in its sole discretion, may choose to modify or waive this requirement on a case-by-case basis.

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14. If the applicant is in default of any program requirement, or any other requirement of the Municipality, the Municipality may delay, reduce or cancel its financial incentive program approval.
15. Outstanding work orders and/or orders or requests to comply, and/or other charges from the Municipality (including tax arrears) must be satisfactorily addressed prior to the issuing of any financial incentive.
16. The Municipality may discontinue any financial incentive program at any time. Notwithstanding this, approved eligible properties will continue to receive approved municipal financial incentives, subject to compliance with the requirements set out herein and any associated by-law and/or agreement.
17. Council retains the right, in its sole and absolute discretion, to fund, extend, revise, or alter this CIP at any time for any reason.
18. Pursuant to the *Planning Act*, Council may enter into an agreement concerning the provision of any financial incentives contained herein to ensure that a property is developed and maintained in accordance with this Community Improvement Plan. The agreement entered into above will be registered against the title of land to which it applies, and the Municipality will enforce the provisions of the agreement against any party to the agreement and against any and all subsequent owners or tenants of the land.

3.6 Other Community Improvement Activities and Actions

In addition to the financial incentive programs outlined in this CIP, the *Planning Act* also permits the municipality to undertake the following community improvement activities:

- Acquire, hold, clear, grade or otherwise prepare land for community improvement;
- Construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the community improvement plan; and,
- Sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the Community Improvement Plan.

3.6.1 Property Acquisition and Preparation

The Municipality may facilitate the assembly of land within the community improvement project area. Additionally, Casselman may acquire, hold, clear, grade or otherwise prepare the land for community improvement as defined by this CIP.

The principal reason for acquisition is to improve and secure the economic well-being of the local economy by asserting an elevated level of control over the acquisition and consolidation of sites suitable for employment uses or that furthers the objectives of this CIP.

The Municipality may service land within the community improvement project area provided that the investment is supported by a business case that clearly demonstrates that the pre-servicing of the land will generate a return on investment in the form of assessment and additional tax revenue and will not put the municipality at financial risk.

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Additionally, the Municipality may choose to construct, repair, rehabilitate or improve buildings on land acquired or held by it to further the objectives of this CIP.

3.6.2 Property Disposition

The Municipality may dispose of municipally owned land or buildings within the community improvement project area in conformity with the CIP. Additionally, the Municipality may sell, lease, or otherwise dispose of any land and buildings acquired or held by it, provided the end use of the property and/or buildings remains in conformity with this CIP.

The Municipality may choose to dispose of municipally owned property or buildings at less than market value in order to facilitate the development, redevelopment or adaptive reuse of the property and/or buildings.

Municipally owned property that is disposed of for the purpose of meeting one or more of the objectives of this CIP, whether at market value or less, is subject to the following requirements:

1. The development should be non-residential, and in conformity with this CIP.
2. Council, with recommendations from Administration, will determine the percentage below market value, if any, that the Municipality will sell the property for based on the benefit to the public generated by the project, as determined by Council.
3. The actual percentage below market value will be determined by Council with the difference between market value (as determined by an independent appraiser) and the amount paid (i.e., the amount less than market value) applied to the total amount of incentives a project may be eligible for. The total amount of the incentives provided by the municipality, either individually or collectively, cannot exceed the eligible costs.
4. Purchaser of land must provide detailed plans and drawings describing the proposal.
5. The purchaser has 2 years to register a Site Plan Agreement and complete construction within two years following registration. If the purchaser does not complete the development within this timeframe, Council may re-purchase the property at the original price or extend the agreement. The purchaser is responsible for legal and transfer costs related to any buy-back.
6. Should the purchaser choose to divest the property within the 2-year period referenced above and prior to construction, the Municipality will retain a right-of-first refusal to purchase the vacant property, at the original price.
7. As permitted by the *Planning Act* the purchaser of Municipally owned property will be required to enter into a Site Plan Agreement to ensure the land is developed and maintained in conformity with the Community Improvement Plan. The agreement entered into above will be registered against the land to which it applies and Casselman will enforce the provisions of the agreement against any party to the agreement and against any and all subsequent owners or tenants of the land.
8. Projects are also required to be in compliance with the Municipality's other by-laws and policies, including zoning and building regulations.

4.0 Monitoring and Amendments

Staff will conduct periodic reviews of the CIP programs and activities relating to Community Improvement to determine their effectiveness and provide an update to Council.

Council may amend this Plan as is necessary to ensure that the goals and objectives outlined in this Plan are achieved. Any increase in program financing permitted under Section 28 of the *Planning Act* will not require an amendment to this Plan.

Following the first year of the program, Casselman should evaluate the effectiveness of the organizational and funding structure of the CIP process, the evaluation process, and the amount of staff resources to administer, monitor, and market the Plan.

The following measures are recommended for monitoring the CIP programs:

1. **Annual Report:** An annual CIP report to Council should be produced and presented to Council. The reports should reflect the following program specific information:
 - Number of applications
 - Number of jobs created/retained
 - Increase in assessed value of participating properties
 - Estimated and actual amount of grants provided
 - Hectares/acres of land developed or redeveloped
 - Industrial/commercial space (sq.ft.) constructed or rehabilitated
 - Value of private sector investment leveraged
 - Number of program defaults
2. **Post-Project Evaluation Report:** Following the completion of a CIP-funded project, municipal staff should complete a project close-out checklist with detailed descriptions of the work completed with any issues that may have arisen during the application process. This information can be used in the preparation of the annual CIP report to Council.

The following information should be documented for each CIP Project:

- Before/after project photos
- Description of the project
- CIP program(s) utilized
- Benefit created to Casselman (i.e. type of employment, increase in useable space, number of jobs, increase in assessment, aesthetic/safety/efficiency/accessibility or other improvement)
- Grant amount
- Construction value

Application Database: A database of past CIP applications can be used to assess the effectiveness of various financial incentive programs with amendments to the Economic Enterprise CIP made where necessary.

Appendix A

Community Improvement
Project Area

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