



# Industrial Community Improvement Plan

June 2022

263 MAIN STREET, ODESSA ON K0H 2H0



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# 1.0 INTRODUCTION AND LEGISLATIVE/POLICY BASIS

## 1.1 Introduction and Purpose

Since the first permanent European settlement in 1784 by United Empire Loyalists, Loyalist Township has been characterized by a predominantly agricultural economy<sup>1</sup> that has evolved in the past 65 years to include a significant residential and manufacturing land base. However, following the settlement that began in 1784, small scale commercial and industrial uses were established, predominantly mills found in Bath, Millhaven, Asselstine, Odessa and Wilton.<sup>2</sup>

The rise of mixed farming in the latter half of the nineteenth century provided opportunity for the establishment of cheese factories in Wilton, Morven, Emerald, Stella, Violet and Bath.<sup>3</sup>

The modern manufacturing/industrial economy in the Township began on September 28, 1955, with the opening of Millhaven Fibres (owned by Canadian Industries Limited), east of Millhaven in Lots 23 and 25, Concessions 1 and Broken Front. Other industries set up in proximity to Millhaven Fibres due to the presence of superior infrastructure (electrical, natural gas, road and rail transportation, deep harbour, cooling water, etc). Assessment grew from \$1,490,253 in 1950 to over \$4,000,000 in 1960.<sup>4</sup>

In the past twenty years, however, industrial assessment as a portion of overall Township assessment had declined, led mostly by plant closures such as INVISTA. Correspondingly, the Township's industrial assessment compared to overall assessment value has declined from 9% in 2000 to 2% in 2019 (*Table 1* as prepared by the Township's Business Services Department).

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*A Community improvement Plan (CIP) is a planning and economic development tool that sets out a framework to assist in community revitalization and aims to achieve economic, community planning and urban development goals.*

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The Township has several zoned ready industrial properties (fully, partially and non-serviced scenarios), both publicly and privately owned. Over the past few years there has been some modest investment in the industrial sector, but with worldwide competition, upfront capital costs

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<sup>1</sup> Larry Turner, *Ernestown Rural Spaces, Urban Places* (Louiseville Quebec: Dundurn Press, 1993), p21 [Turner]

<sup>2</sup> Ibid, p. 68-72

<sup>3</sup> Orland French, *Lennox and Addington* (Napanee, Ontario: Napanee Beaver and the Friesens Corporation, 2009) p 78-9

<sup>4</sup> Turner, 205

and the difficulty to obtain affordable lending capital, it is demanding for the Township to compete in this environment to attract employment and assessment.

Table 1 Proportion of Industrial Assessment 2000 - 2019

Loyalist Township Proportion of Industrial Assessment			
Year	Industrial	Total	% Industrial
2019	44,528,200	2,001,731,100	2%
2018	38,691,200	1,948,059,700	2%
2017	36,765,000	1,922,534,300	2%
2016	34,040,011	1,739,115,566	2%
2015	32,025,711	1,702,456,966	2%
2014	32,161,868	1,675,343,700	2%
2013	32,042,868	1,633,783,400	2%
2012	36,456,136	1,396,758,039	3%
2011	35,707,136	1,350,981,989	3%
2010	37,096,132	1,207,761,836	3%
2009	36,565,227	1,130,259,279	3%
2008	40,754,205	1,048,659,595	4%
2007	39,974,205	1,038,460,805	4%
2006	39,080,165	1,016,477,105	4%
2005	39,755,382	864,780,280	5%
2004	40,048,882	848,180,720	5%
2003	40,309,269	770,407,759	5%
2002	46,785,936	698,883,438	7%
2001	48,060,321	700,387,470	7%
2000	60,424,682	673,118,800	9%

One strategy the Township can seize is a Community Improvement Plan to attract or retain industrial businesses to encourage investment or reinvestment at greenfield and existing sites:

- To increase employment
- To enhance property assessment and economic activity
- To encourage land sales
- And to take advantage of existing private and public infrastructure

It is anticipated that this Plan should improve the likelihood of developing vacant or underutilized lands into productive uses, leading to the increase of the industrial base creating employment

and potentially spin off demand for local businesses thus supporting the local economy and reducing the tax impact on the residential assessment base.

The Loyalist Township Industrial Community Improvement Plan (hereafter called the Industrial CIP) is created under Section 28 of the *Ontario Planning Act, R.S.O. 1990*, as Amended and provisions of the *Ontario Municipal Act, 2001* governing tax-based financial incentive programs for industrial lands.

The Official Plan of Loyalist Township provides for the creation of community improvement plans within the entire geographic limits of the municipality as a Community Improvement Policy Area. The Official Plan establishes policies of the Loyalist Township with respect to development and redevelopment.

The Industrial CIP is a link between the Township's wider economic development policies and Strategic Plan Vision – "Provide employment opportunities and amenities by increasing commercial and industrial activity" and satisfies the objective "increase commercial and industrial property assessment" and the existing policies contained in the Township's Official Plan.

The purpose of the Industrial CIP is to create tax increment equivalent grant incentive to encourage the development of industrial uses. Without public funding assistance it will be difficult for the Township to compete in an interconnected international economy. By offering such short-term assistance, the Township helps at the most critical stage of a start up which is faced trying to get established with significant upfront capital costs before production and cash flow begins.

This plan contributes to the Township's wider efforts to improve its tax base and employment, utilizing existing infrastructure, thereby reducing the need for infrastructure extension or expansion, and meets the objectives of provincial planning policy as well as the policies of the Township's and County's Official Plans. The specific purpose and goals of this plan, together with a description of the benefits arising from assisting property development and redevelopment efforts are described further in Section 2.0. Section 3.0 identifies the tax increment equivalent funding program and its eligibility requirements. Section 4.0 identifies monitoring objectives to assess the efficacy of the Plan.

## 1.2 Legislative and Provincial Policy Basis

### 1.2.1 Municipal Act and the Planning Act

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

- i) giving or lending any property of the municipality, including money;
- ii) guaranteeing borrowing;

- iii) leasing or selling any property of the municipality at below fair market value; or
- iv) giving a total or partial exemption from any levy, charge or fee.

Section 106 (3) of the Municipal Act, 2001, provides an exception to this bonusing rule for municipalities exercising authority Section 28 (6), (7) or (7.2).

Section 28 of the Planning Act allows municipalities with provisions in their official plans relating to community improvement to designate by by-law a community improvement project area and prepare and adopt a community improvement plan for the community improvement project area. Once the community improvement plan has been adopted by the municipality and comes into effect, the municipality may exercise authority under Section 28(6), (7) or (7.2) of the Planning Act or Section 365.1 of the Municipal Act in order that the exception provided for in Section 106(3) of the Municipal Act will apply.

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*According to Section 28(1) of the Planning Act, a “community improvement area” is defined as, “a municipality or an area within a municipality, the community improvement of which, in the in the opinion of council, is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic reason”.*

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Section 28(1) of the Planning Act defines “Community Improvement” as:

...the planning or replanning, design or redesign, re-subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary.<sup>5</sup>

The Act further identifies provisions with respect to grants, loans, agreements and maximum eligibility. Some of the most relevant changes from Section 28 are highlighted below.

Once a community improvement plan has come into effect, a municipality may:

- i) acquire, hold, clear, grade or otherwise prepare land for community improvement (Section 28(3);
- ii) construct, repair, rehabilitate or improve buildings on land acquired or held by it in the community improvement project area (Section 28(6);

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<sup>5</sup> Ontario Planning Act, R.S.O. 1990, Section.28(7.1)

- iii) sell, lease or otherwise dispose of any such buildings acquired or held by it in conformity with the community improvement plan (Section 28(6)); and
- iv) make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan (Section 28(7)).

Eligible costs are stipulated in Section 28(7.1) and read:

For the purposes of subsection (7), the eligible costs of a community improvement plan may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

Section 28(7.2) of the Planning Act allows for the County of Lennox and Addington to make grants or loans to a lower tier municipality for the purpose of carrying out a community improvement plan that has come into effect, on such terms as to security and otherwise as County council considers appropriate, but only if the official plan of the municipality making the grant or loan contains provisions relating to the making of such grants or loans. The County Official Plan has such provisions (described later).

Section 28(7.3) of the Planning Act specifies that the total of all grants and loans made in respect of particular lands and buildings under Sections 28(7.1) and 28(7.2) of the Planning Act and tax assistance under Section 365.1 of the Municipal Act, 2001 in respect of the land and buildings shall not exceed the eligible cost of the community improvement plan with respect to those lands and buildings. The incentive program identified in Section 3.0 of this Plan has the required safeguards.

## 1.2.2 Provincial Policy Statement

The Provincial Policy Statement (PPS) (2020) is adopted under Section 3 of the Planning Act and provides direction to municipalities regarding the development and redevelopment of employment sites (including industrial based). The PPS identifies the redevelopment of employment sites as a central element in the Province's provision for Land Use Planning to achieve efficient development land use patterns and create strong communities. The PPS seeks to strike a balance in municipal land use planning between efficient development and land use patterns, strong communities (fiscally, socially and environmentally), a clean and healthy environment and long-term economic growth. In the PPS extracts below, certain terms used are defined and include:

**Intensification:** means the development of a property, site or area at a higher density than currently exists through: a) *redevelopment*, including the reuse of *brownfield sites*; b) the development of vacant and/or underutilized lots within previously developed areas; infill development; and d) the expansion or conversion of existing buildings. [and]

**Redevelopment:** means the creation of new units, uses or lots on previously developed land in existing communities, including *brownfield sites*.<sup>6</sup>

The PPS requires the following policies to be pursued with respect to industrial redevelopment:

- 1.1.1. Healthy, liveable and safe communities are sustained by:
  - ...b) accommodating an appropriate affordable and market-based range and mix of residential types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons), *employment (including industrial [emphasis added] and commercial)*, institutional (including places of worship, cemeteries and long-term care homes), recreation, park and open space, and other uses to meet long-term needs; [and]
- 1.1.3.3 Planning authorities shall identify appropriate locations and promote opportunities for transit-supportive development, accommodating a significant supply and range of *housing options* through intensification and redevelopment where this can be accommodated taking into account existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs...[and]
- 1.1.4.1 Healthy, integrated and viable rural areas should be supported by: ...[and]
  - b) promoting regeneration, including the redevelopment of brownfield sites; ...[and]
- 1.3.1 Planning authorities shall promote economic development and competitiveness by: ...[and]
  - b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
  - c) facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to *address potential barriers to investment* [emphasis added];
- 1.6.3 Before consideration is given to developing *new infrastructure* and *public service facilities*
  - a) the use of existing *infrastructure* and *public service facilities* should be optimized; ... [and]
- 1.7.1 Long-term economic prosperity should be supported by:
  - a) promoting opportunities for economic development and community investment-readiness;...[and]
  - f) promoting the redevelopment of *brownfield sites*...[and]<sup>7</sup>

In conclusion, the policies of the PPS with respect to the industrial sites seek to promote the development and redevelopment of these sites and to address potential barriers to investment.

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<sup>6</sup> Provincial Policy Statement, 2020, Ontario, Section 6: p. 45, 50.

<sup>7</sup> Ibid, pp. 7, 9-11, 14, 18, 22



### 1.2.3 County and Township Official Plans

The County Official Plan closely follows the PPS template to address employment and supports the development of locally developed Community Improvement Plans and the opportunity for County grants. Applicable extracts follow.

- A2 GUIDING PRINCIPLES**
2. To provide opportunities for economic development in all parts of the County in a manner that fosters competitiveness and a positive and attractive business environment.
- C1.1.3 Employment Areas and Uses...[and]**
- b) To provide opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses; [and]
- d) To plan for, protect and preserve **employment areas** for current and future uses; ...[and]
- C2 RURAL SETTLEMENT AREAS**
- C2.1 GENERAL LAND USE OBJECTIVES ...[and]**
- c) To promote regeneration, including the **redevelopment of brownfield sites**;...[and]
- F5 COMMUNITY IMPROVEMENT PLANS**
- F5.1 OBJECTIVES**
- The County encourages the local municipalities to identify Community Improvement Project Areas in consideration of the following objectives:
- a) To encourage the efficient provision and maintenance of physical **infrastructure, public service facilities** to serve present and future needs on a local and regional scale;
- b) To promote opportunities for economic development and community investment-readiness and job creation;
- c) To promote diversification of the economic base and employment opportunities in **rural areas** through goods and services, including value-added products and the sustainable management or use of;
- d) To provide opportunities for sustainable and diversified tourism, including leveraging historical, cultural, and natural assets;
- e) To assist in the provision of an appropriate range and mix of housing types and densities required to meet projected requirements of current and future residents of the **regional market area**;
- f) To retain and provide for the expansion of existing businesses;
- g) To ensure the maintenance and renewal of older housing stock;
- h) To foster **redevelopment**, reuse and/or maintenance of existing **brownfield sites** and/or current industrial sites;
- i) To maintain and, where possible, enhance the vitality and viability of downtowns and mainstreets;
- j) To encourage a sense of place, by promoting well-designed built form and cultural planning, and by conserving features that help define character, including **built heritage resources** and **cultural heritage landscapes**;

- k) To provide opportunities to support local food, and promoting the sustainability of agri-food and agri-product businesses; and,
- l) To promote energy efficiency and sound environmental design.

**F5.2 IMPLEMENTATION**

- a) Local municipal councils, under the Planning Act may choose to designate Community Improvement Project Areas. Identifying a Community Improvement Project Area shall be carried out through a by-law designating the whole, or any part of the local municipality as Community Improvement Project Area. Background studies shall first be completed and made available to the public outlining the need for the Community Improvement Project Area.
- b) Community Improvement Plans at the local municipal level shall be submitted to the Ministry of Municipal Affairs and Housing for review and comment.
- c) County Council may make grants or loans to the council of a lower tier municipality, for the purpose of carrying out a community improvement plan that has come into effect, on such terms as to security and otherwise as the Council considers appropriate.<sup>8</sup>

**1.2.4 Loyalist Township Official Plan**

The Loyalist Official Plan was adopted in 2000 and approved by the Province in 2001. It was recently updated as part of a five-year review and Community Improvement Policies were expanded to be consistent with legislation and to widen the application of policies to cover the entire geographic municipality. Applicable policies to include community improvement and contaminated sites and read:

**1.3 APPLICATION AND SCOPE OF THE PLAN ...[and]**

The Official Plan is Loyalist Township’s principal planning document and focuses on land use matters. However, because land uses directly affect municipal infrastructure, the Plan also forms the basis and influences other general policies and matters such as:...[and]

- f) the development of strong, livable and healthy communities that promote and enhance human health and social well-being, are economically and environmentally sound, and are resilient to climate change<sup>9</sup>...[and]

**2.1 PRINCIPLES ...[and]**

**2.1.6** Establish policies to allow for rehabilitation and ongoing community improvements where conditions warrant<sup>10</sup>...[and]

**3.7 COMMUNITY IMPROVEMENT GOAL**

To promote the coordinated implementation of community improvement by way of the maintenance, rehabilitation, and redevelopment of the physical environment in a coordinated and fiscally prudent manner while having regard to improvements to the economic potential and social environment.

<sup>8</sup> County of Lennox & Addington Official Plan, Consolidated version dated February 13, 2018, p. 6, 18-19, 51, 64-65

<sup>9</sup> Official Plan 2022, Loyalist Township, Section 1: p 12

<sup>10</sup> Ibid, Section 2: 16

### **3.7.1 Community Improvement Objectives**

- 3.7.1.1** To encourage participation in programs for the improvement, rehabilitation and renewal of existing residential, commercial, industrial, agricultural and heritage structures, municipal infrastructure, community services and facilities.
- 3.7.1.2** To implement community improvement in a planned and coordinated manner which: stimulates economic development, and responds to local priorities and financial resources, so as to optimize the results to be achieved through capital expenditures.
- 3.7.1.3** To promote the rehabilitation and restoration of the existing building stock by, among other means, participation, where feasible and appropriate, in Federal and/or Provincial housing initiatives and in the rehabilitation of existing housing and other public buildings...[and]
- 3.7.1.7** To encourage the development or reuse of vacant lands or buildings to accommodate activities of value or benefit to the community<sup>11</sup>...[and]

## **PART 8 COMMUNITY IMPROVEMENT**

### **8.1 GENERAL PRINCIPLES**

Community Improvement generally encompasses those public and private activities which serve to maintain, rehabilitate and redevelop the existing physical environment in urban built-up areas to accommodate the social and economic priorities within the community.

It is important to recognize that declining public sector revenues, the cyclical performance of Ontario's economy, and increasing demand for services are requiring all government levels to plan for maximum efficiency in the use and maintenance of services. The need for improvement to infrastructure and need to establish coordinated intergovernmental priorities in infrastructure improvement, make it essential that priorities are set when allocating the expenditure of limited financial resources.

Community Improvement Policies are a prerequisite to the designation of specific Community Improvement Project Areas, the preparation of detailed Community Improvement Plans, and municipal participation in Provincial and/or Federal funding programs. The Community Improvement process encourages a strategic planning approach to ensure that potential improvement projects fit into a long-range framework of community goals and objectives. The inclusion of community improvement policies in this Plan represents a statement of Loyalist Township's commitment to the ongoing maintenance and upgrading of its developed areas in a planned, coordinated, and fiscally prudent manner.

### **8.2 CRITERIA FOR COMMUNITY IMPROVEMENT AREA DESIGNATION**

The criteria to be used in Community Improvement Project Area boundaries selection or modification should be established on the basis of a review and analysis of existing deficiencies, and the identification of conditions within the Township that could further benefit from enhancement activities. Criteria for improvement, redevelopment and revitalization are: ...[and]

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<sup>11</sup> Ibid, Section 3: 27

- c) the presence of sub-standard building conditions and housing in need of improvement and revitalization; ...[and]
- e) the presence of vacant lands/buildings that could be developed, redeveloped or converted to another use;
- f) the presence of high commercial or industrial vacancy rates; ...[and]
- p) the presence of environmental contamination or potentially contaminated properties;...[and]
- t) any other environmental, social or community economic development reason.

The above listing is not to be construed as indicating that areas selected for community improvement must meet all the above criteria. The criteria should not be treated as being of equal importance. Weighting of criteria will vary with funds available, the severity of the problem, and the relationship of community improvement to other policies in this Plan and capital expenditure priorities of the Township...[and]

#### 8.4 **COMMUNITY IMPROVEMENT POLICIES**

- a) It is the policy of Council to: ...[and]
  - ii) encourage improvement activities which contribute to a strong economic base including tourism, commercial and industrial development, cultural heritage, tourism and agri-tourism;
  - iii) encourage the maintenance of the existing housing stock, and promote the rehabilitation, renovation and repair of older buildings;
  - x) ensure improvements made are carried out in such a way as to be compatible with other goals, policies and objectives of this Plan;
  - xi) encourage, where feasible, energy efficient conservation through energy efficient land uses and buildings;
  - xii) provide advice and guidance on maintenance and rehabilitation of buildings and structures and on energy conservation;
  - xiii) encourage public participation in the community improvement planning process;
  - xiv) undertake a monitoring program to review budgeting and program direction in respect to the attainment of specific policies;
  - xv) work with business groups to identify and facilitate improvements.

#### 8.5 **PHASING OF IMPROVEMENTS**

Phasing priorities are dependent on two major criteria. These relate to priority in terms of area chosen and priority in terms of work to be undertaken.

- a) Community Improvement Areas are listed as follows in terms of areas chosen, given their overall need for improvement:
  - Amherstview;
  - Bath;
  - Odessa;
  - Millhaven;
  - Morven;
  - Stella;
  - Violet;
  - Wilton;

- Rural and Prime Agricultural Areas; and
- Trails.

This listing is to be used as a guide only. Financial constraints, onsite project necessities and funding may require a re-ordering of priorities.

The ranking listed in this Plan may be changed without an amendment to the Plan.

- b) Council will give priority to:
  - i) making improvements to publicly owned buildings, structures and facilities;
  - ii) encouraging the redevelopment of commercial and industrial properties through the implementation of various programs, including tax increment equivalent grants;
  - iii) integrating community improvement projects into other municipal improvement programs, Asset Management, Green House Gas reduction initiatives, and capital works budgeting; and
  - iv) determining specific community improvement project priorities and the budget allocation as part of the annual municipal budgeting process.

## 8.6 **IMPLEMENTATION**

The Community Improvement policies will be implemented by means of powers conferred upon Council under the Planning Act, the Building Code Act, the Heritage Act, the Municipal Act, the Drainage Act, and other applicable statutes. Implementation may include the following:

- a) designation, by by-law, of community improvement project area(s) for the entire municipality or a portion of the municipality.
- b) adoption of community improvement plan(s) for the project area(s);
- c) the acquisition of land and/or buildings within community improvement project areas where a Community Improvement Plan has been adopted, approved and is in effect, and the subsequent
  - i) clearance, grading or environmental remediation of these properties;
  - ii) repair, rehabilitation, construction or improvement of these properties;
  - iii) sale, lease, or other disposition of these properties to any person or governmental authority;
  - iv) other preparation of land or buildings for community improvement.
- d) seek funds from other levels of government such as the county, provincial, and the federal government where their programs facilitate the implementation of the community improvement plan;
- e) enactment and enforcement of a property standards by-law with respect to residential, commercial and industrial building stock and lands;
- f) encouragement of public participation in the preparation of community improvement plan(s);
- g) encouragement of private sector use of government programs where they complement community improvement efforts;
- h) encouragement of infill development of vacant and/or underutilized properties in community improvement areas;

- i) the provision of public funds such as grants, loans and other financial instruments to registered and assessed owners, and tenants of lands and buildings located within a community improvement area;
- j) the provision of information on municipal initiatives, financial assistance programs, and other government assistance programs; and
- k) holding land within the community improvement project area acquired before or after the passing of the by-law designating the project area.<sup>12</sup>

## 1.2.5 Loyalist Township Strategic Plan

The Loyalist Strategic Plan 2019-2023 adopted in 2019 established a mission:

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*To provide support and services that promote a prosperous quality of life for residents, the business community and visitors, through the effective delivery of services and governance, while maintaining economic and environmental sustainability.*

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The Strategic Vision is set out below and it is the first statement that drives the Industrial CIP.



Figure 1 Loyalist Township Strategic Plan 2018 - 2022

These four vision statements are collectively actioned by five strategic priorities including a Commercial & Industrial Activity and Infrastructure Priority which has several objectives,

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<sup>12</sup> Ibid, Section 8: p 176-181

including the highlighted objective in *Figure 2*, to increase commercial & industrial property tax assessment.



*Figure 2 Strategic Plan Priorities & Objectives*

### **1.2.6 Existing Community Improvement Plans**

Loyalist Township adopted the Village of Bath Community Improvement Plan in 2012 under by-law 2012-011. This CIP will remain in effect and separate from this initiative. The Bath CIP was adopted for the purpose of the revitalization of the Village's downtown core. It includes programs for the rehabilitation and improvement of commercial and residential facades and signage, for the enhancement of landscaping, the improvement of universal accessibility of buildings and sites, and the redevelopment of brownfield sites.

## 2.0 GOALS AND APPROACH OF THE COMMUNITY IMPROVEMENT PLAN

The purpose of the Industrial CIP is to provide the opportunity to develop and redevelop industrially zoned properties within the Township through the use of a tax increment equivalent grant in order to stimulate and support growth in local industries (existing and new operations) by reducing the initial cost barriers to such development. The financial incentive program is intended to encourage the private sector to invest in publicly and privately held properties.

The Industrial CIP will provide an incentive in the form of a grant, up to four years in duration and Industrial CIP area is deemed to apply to the entire geographic limits of the Township.

### 2.1 Goals

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*The Industrial CIP will act as a link between the general land use and economic development policies of the Loyalist Township Official Plan and the development and redevelopment goals of the Brownfield Community Improvement Plan.*

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In broad terms, the goals include:

1. Land use planning aims as identified in relevant sections of this Plan;
2. Economic development and employment;
3. Municipal fiscal accountability, property assessment growth and long-term return on investment; and
4. Environmental enhancement for specific sites, and neighbourhoods, characterized by a lack of investment.

### 2.2 The Approach

The goal of the Loyalist Township Industrial Community Improvement Plan is to provide the Township a policy framework and tools to temporarily offset the initial assessment increase costs associated with site development. Private reinvestment on such sites leads to property assessment growth, employment, and the better utilization of existing private and public infrastructure. Industrial growth can create spin off employment and support local businesses, and sale of Township owned industrial land offsets municipal costs to develop such lands.



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*Private reinvestment on such sites leads to property assessment growth, employment, and the better utilization of existing private and public infrastructure.*

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Accordingly, this Plan provides incentives for the industrially zoned sites within the entire corporate limits of the municipality. The strategy is to provide assistance at the start up investment stage as described in Section 3.0.

Section 4.0 establishes monitoring criteria the Township can use to gauge the effectiveness of the program to enable modifications to program requirements if deemed necessary.

# 3.0 INDUSTRIAL TAX INCREMENT EQUIVALENT GRANT PROGRAM AND ELIGIBILITY

## 3.1 General Criteria

The following is a list of criteria required for participation in the Industrial CIP. The list below is not exhaustive, and the Township reserves the right to include other criteria or requirements on a site-specific basis as deemed appropriate:

Table 2 Industrial Programs - General Criteria

Industrial Programs – General Criteria	
1	<p>All industrially zoned lands within the geographical area of the Township have been designated under the Industrial Community Improvement Plan and properties within the plan area may be eligible for the incentives provided they meet the following zoning use definitions (from zoning by-law 2001-38, as amended):</p> <ul style="list-style-type: none"><li>▪ "GENERAL INDUSTRIAL USE" means the use of land, building or structures for the manufacturing, processing, fabricating or assembly of raw materials or goods, merchandising or bulk storage of goods and related accessory uses"</li><li>▪ "INDUSTRY, INFORMATION" means an operation where advanced or sophisticated devices, especially in the fields of electronics and computers are either manufactured, assembled, tested packaged, or stored; or are used to organize, process, store or disseminate large amounts of data.</li><li>▪ "MANUFACTURING, LIGHT" means a plant which is wholly enclosed and the process of producing a product exhibits reasonably high performance standards and whose operations are not considered offensive because of heat, smoke, noise, dust, smell, vibration and heavy transportation.</li><li>▪ "SUBJECT WASTE TRANSFER FACILITY" means a facility licensed by the Ministry of the Environment &amp; Climate Change or successor Ministry, and operated under the requirements of Ontario Regulation 347.</li><li>▪ "WORKSHOP" means a building or part of a building where fabrication or manufacturing is performed by tradesmen requiring manual or mechanical skills and may include a carpenter's shop, an upholsterer's shop, a locksmith's shop, a gunsmith's shop, a machine shop, a tinsmith's shop, a commercial welder's shop, or other similar uses and activities.<sup>13</sup></li></ul>

<sup>13</sup> Loyalist Township Zoning By-law 2001-038 as amended, 3-15, 3-17, 3-19, 3-30, 3-33

## Industrial Programs – General Criteria

- 2 Owners of eligible property that is proposed for industrial uses as defined herein within the plan area are eligible to apply for an incentive program. For the purposes of interpretation, Owner shall also include an entity that has entered into a binding purchase and sale agreement with the Township to acquire municipally owned industrially zoned lands.
- 3 Owners of eligible properties may apply for the ITIEG program provided that the estimated costs of the development or redevelopment of the eligible property results in an increase in assessed value and property tax revenues for that property; building construction value must exceed \$500,000 and lead to at least ten (10) full time permanent jobs throughout the term of the grant. The total amount of any ITIEG shall not exceed 50% of the total cost of the improvements.
- 4 The Owner is required to enter into an agreement satisfactory to the Township to govern the administration of the incentive program prior to incurring any costs for which an incentive is applied for.
- 5 Works completed prior to approval by the Township are not eligible.
- 6 The grant available under this program is generally paid to the original property owner who developed or redeveloped the property, even if the property is subsequently sold before occupancy. The grant may be assigned by the original property Owner to a third party, subject to approval by the Township, but this is limited to a one-time assignability by the original property Owner with an approved ITIEG Application and Agreement.
- 7 The annual grant available under the ITIEG Program can be paid once a property has been developed or redeveloped and any building(s) have obtained an occupancy permit (final building inspection) and reassessment of the property has taken place, and property taxes have been paid in full for the year in which the grant is to be provided.
- 8 Property Owners who are in arrears of taxes, water and sewer or any other municipal accounts receivable are not eligible to receive a loan or grant.
- 9 All outstanding work orders must be satisfied.

## Industrial Programs – General Criteria

10	<p>The tax increment grant is provided to the property Owner annually over a four-year period after all real property taxes have been paid. Once approval is given by Council, a by-law is passed, and all applicable agreements are entered into. The Owner will receive an annual grant from the Municipality in accordance with the following formula, commencing the year the property is occupied after development/redevelopment:</p> <ul style="list-style-type: none"><li>▪ Year one, 100% of the value of the tax increment</li><li>▪ Year two, 75% of the value of the tax increment</li><li>▪ Year three, 50% of the value of the tax increment</li><li>▪ Year four, 25% of the value of the tax increment</li><li>▪ At the end of year four, the Owner shall no longer receive tax increment grants</li></ul>
11	<p>The Township may discontinue the program contained in this Industrial CIP at any time, but Owners with approved grants will still receive said grant, subject to the meeting the general and program specific requirements.</p>
12	<p>Development must conform to approved Official Plan, Zoning By-law and all other municipal bylaws, legislation and supporting regulations/approvals by other levels of government.</p>
13	<p>Should the property Owner default on any of the conditions outlined in the Agreement, the tax assistance provided (plus interest) will become payable to the Township.</p>
14	<p>If a building(s) erected on a property participating in this program is demolished before the grant period expires, or if all or any of the ten (10) jobs are eliminated, all grant payments shall cease.</p>
15	<p>If the Owner is in default of any of the general or program specific requirements, or any other requirements of the Township, the Township may delay, reduce or cancel the approved incentives and require repayment of the approved incentives.</p>
16	<p>Council has the absolute discretion to approve or refuse any incentive in the Industrial CIP program.</p>

### 3.3.1 Purpose

The Industrial Tax Increment Equivalent Grant (ITIEG) provides a grant to the full amount or a portion of the amount of the property tax increase after the property is developed or redeveloped, subject to the terms noted under the application process.

The purpose of the ITIEG Program is to encourage the improvement of industrial property with buildings that leads to significant employment and assessment growth.

This program applies only to properties zoned for industrial purposes and meets the use definitions in the general requirements section.

### 3.1.2 Application Process - ITIEG Program

Table 3 ITIEG Grant Program Application Process

ITIEG Program Application Process	
1	<p>Pre-project Municipal taxes will be determined before commencement of the project at the time the application is approved. For purposes of the grant calculation, the increase in the municipal portion of real property taxes (“municipal tax increment”) will be calculated as the difference between pre-project municipal property taxes and post-project municipal property taxes that are levied as a result of re-valuation of the property by the Municipal Property Assessment Corporation (MPAC) following project completion. The amount of the grant will be recalculated every year based on the municipal tax increment every year.</p> <p>Participation in the ITIEG Program does not exempt property Owners from an increase/decrease in municipal taxes due to a general rate increase/decrease or a change in assessment for any other reason.</p>
2	<p>Applications will be processed and approved on a first come first serve basis, subject to availability of funding as approved by Council and the Industrial CIP is considered active if Council has approved implementation of the program and Council has approved a budget allocation (as applicable) for the program.</p>
3	<p>An application for Tax Increment incentive program contained in this Industrial CIP may be accompanied by plans, estimates, contracts, reports and other details requested by the Township for purposes of satisfying the Township with respect to costs, design, performance, and conformity of the project with the Industrial CIP.</p>

## ITIEG Program Application Process

4

Review and evaluation of an application and supporting materials against program eligibility requirements will be done by staff (hereinafter called the Review Committee) who will then make a recommendation to Council or Council's designate.

5

As a condition of approval of an application for an ITIEG, the property Owner will be required to enter into an Agreement with the Township. This Agreement will specify the terms, duration and default provisions of the grant. This Agreement is also subject to approval by Township Council or Council's designate.

6

The incentive available is calculated only in relation to the general portion of the total taxes paid and does not include the education taxes levied. County tax incentive availability will only be eligible should the County agree to provide such assistance.

7

The difference in municipal taxes is the portion eligible for a full or partial tax increment-based grant to off-set- eligible costs. This grant is available for a set time period set out in the agreement between the Township and the property Owner.

## 4.0 MONITORING PROGRAM

### 4.1 Purpose

The purpose of the Monitoring Program is to monitor the performance and impact of the incentive programs of the Industrial CIP and to use this information to make adjustments to the incentive programs in order to help ensure that the goals of the Industrial CIP are successfully accomplished.

### 4.2 Description

This Industrial CIP is not intended to be a static planning document. It is intended to be a proactive plan to promote industrial development and redevelopment in the Township. Therefore, monitoring of the uptake and performance of the incentive programs should be done on a regular basis, and the results of the monitoring should be utilized to help ensure that the incentive programs be as effective as possible for industrial projects. Performance indicators are listed on the right column in the chart below.

*Table 4 Industrial CIP Performance Indicators*

Program Funding Phase	Indicators
<b>Industrial Tax Increment Equivalent Grant Program (ITIEG)</b>	<ul style="list-style-type: none"> <li>- Property location</li> <li>- Number of applications</li> <li>- Amount of industrially zoned public land (hectares) sold</li> <li>- Increase in assessed value of participating properties</li> <li>- Estimated and actual \$ amount of ITIEG provided</li> <li>- Hectares/acres of land developed and redeveloped</li> <li>- Industrial/commercial space (sqft) constructed and value (\$) of construction</li> <li>- \$ value of private sector investment leveraged</li> <li>- Jobs created</li> <li>- Number and \$ amount of program defaults</li> <li>- Time required to approve complete application</li> </ul>

## 4.3 Program Adjustments

The individual incentive program contained in this Industrial CIP can be activated, deactivated or discontinued by Council without amendment to this Plan. The Township may periodically review and adjust the terms and requirements of the program contained in this Plan, or discontinue the program contained in this Plan, without amendment to the Plan. Such minor changes or discontinuation of the programs will be provided to the County of Lennox and Addington for information purposes only. Increases in funding provided by the financial incentive contained in this Industrial CIP, the addition of any new programs to this Industrial CIP, or an expansion of the Community Improvement Project Area will require a formal amendment to the Industrial CIP in accordance with Section 28 of the Planning Act.



## 5.0 REFERENCES

### 5.1 References

County of Lennox & Addington Official Plan, Consolidated version, February 13, 2018

Draft Official Plan 2020, Loyalist Township

Larry Turner, *Ernestown Rural Spaces, Urban Places* (Louiseville Quebec: Dundurn Press, 1993)

Loyalist Township Zoning By-law 2001-038 as amended

Loyalist Township Strategic Plan 2018 - 2022

*Municipal Act, 2001*, S.O.2001, c.25,

*Ontario Planning Act*, R.S.O. 1990, Section.28

Orland French, *Lennox and Addington* (Napanee, Ontario: Napanee Beaver and the Friesens Corporation, 2009)

Provincial Policy Statement, 2020, Ontario

## 5.2 Figures & Tables

*Figure 1 Loyalist Township Strategic Plan 2018 - 2022* ..... 12  
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*Table 1 Proportion of Industrial Assessment 2000 - 2019* ..... **Error! Bookmark not defined.**  
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