Prepared for:

TOWN OF HEARST 925 Alexandra Street Hearst, ON P0L 1N0 Prepared by:

J.L. RICHARDS & ASSOCIATES LIMITED 834 Mountjoy Street S, PO Box 10 Timmins, ON P4N 7C5

COMMERCE MANAGEMENT GROUP 46 Pine Street South Timmins, ON P4N 2J8

Town of Hearst Industrial CIP **Draft Background Report**





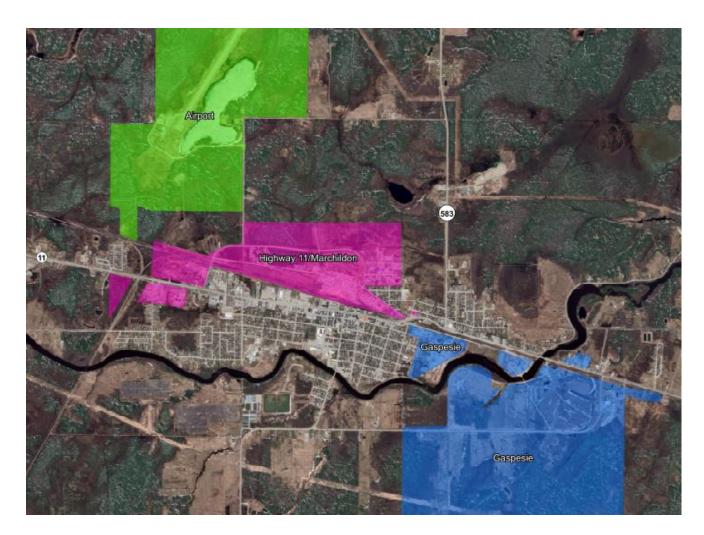


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1.0 Introduction

The Town of Hearst (Hearst) is strategically situated on the Highway 11 Corridor in Northern Ontario. The community was established in 1913 as a divisional point on the transcontinental railway system. Since this time, Hearst has evolved into a progressive and dynamic predominantly francophone community of approximately 5,000 people. Traditionally, Hearst's economy has been rooted in the forestry sector. Today, the Town's economy is more diverse. According to the 2016 Census, 15 percent of working age residents were employed in the health care and services industry followed by manufacturing (12.4 percent), retail trade (12.2 percent), educational services (10.4 percent), construction (8.5 percent) and transportation and warehousing (7.2 percent). Hearst is also home to the Université de Hearst, which has campuses in Hearst, Timmins and Kapuskasing.

The Town of Hearst is a regional economic leader and is consistently looking for ways to further diversify and grow their local economy to ensure community sustainability. Hearst retained J.L. Richards & Associates Ltd. (JLR) and the Commerce Management Group (CMG) to prepare a Community Improvement Plan (CIP) to stimulate investment and growth within its planned employment areas.

A 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 sets out design guidelines for public and private sector improvements. The CIP can provide programs for municipal grants, loans, and rebates for private sector improvements.

The purpose of the Industrial CIP will be to stimulate new industrial and commercial investment, prioritize areas for future development, create new employment opportunities, increase the municipal tax assessment base, increase municipal tax revenue and improve the social and environmental conditions in Hearst.

This first Background Report informs and support Hearst's new Industrial Community Improvement Plan (Industrial CIP). This Background Report includes the following sections:

- Section 2 describes the Industrial Community Improvement Project Area
- Section 3 reviews the legislative and policy framework for the Industrial CIP
- Section 4 describes other municipal CIP precedents that serve as a benchmark for the Industrial CIP
- Section 5 offers conclusions and next steps.

The Industrial Community Improvement Project Area 2.0

This section of the report establishes the "community improvement project area", as required by Section 28 of the Planning Act.

2.1 **Project Area**

The community improvement project area for the Industrial CIP includes all lands within the Town of Hearst that are designated Industrial District and Airport District in the Official Plan of the Hearst Planning Area. The boundaries of the community improvement project area are illustrated in Figure 1.

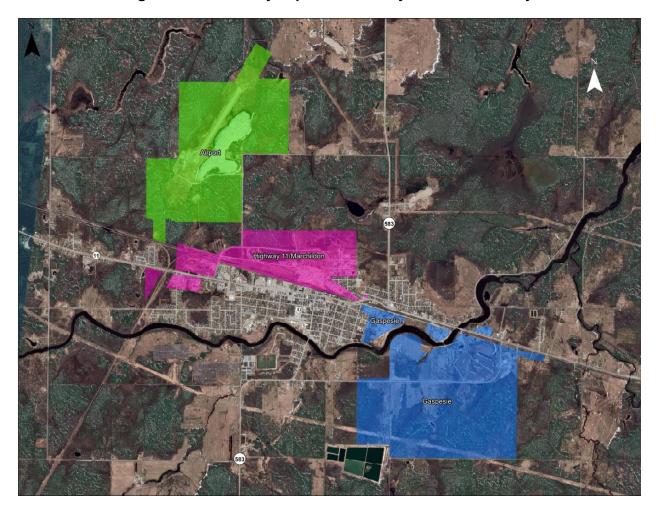


Figure 1. Community Improvement Project Area Boundary

2.2 **Project Area Districts**

The community improvement project area includes three distinct districts including: the Gaspésie Road District; the Highway 11/Marchildon Road District; and, the Airport District.

2.2.1 The Gaspésie Road District

The Gaspésie Road District is situated in the southeastern corner of the community and includes the land on the north and south sides of the Mattawishkwia River. It is approximately 464 hectares in area and contains a mix of organic and Class 3 soils. It includes 68 parcels of land, averaging 6.8 ha in area. The majority of lands are privately owned. The majority of land is vacant. Some lands have been developed for industrial, commercial and residential uses. Major industrial uses include Columbia Forest Products plywood facility and PEPCO. The District also includes a large brownfield site. The District is well served by road and rail. Lands on the north side of the Mattawishkwia River are serviced with municipal water and sewage services. Two properties on the south side of the river are serviced with municipal water. The District's existing conditions is illustrated in Figure 2. Detailed information on the Districts parcel fabric and existing land uses, Official Plan designations and Zoning is included in Appendix A.

Figure 2. Gaspésie Road District Existing Conditions

2.2.2 The Highway 11/Marchildon Road District

The Highway 11/Marchildon Road District is situated along the Highway 11 Corridor. This District includes lands north of Highway 11 and lands near the intersection of Highway 11 and Labelle Street. This District is approximately 194 hectares in area and also contains a mix of organic and Class 3 soils. Most of the Class 3 soils have been developed. It includes 70 parcels of land, averaging 2.8 ha in area. This District is partially developed with industrial and commercial uses. This District is anchored by a large lumber mill and yard and includes several transportation related businesses. The majority of lands are privately owned. Hearst owns one parcel of land on the north side of Marchildon Road and a second at the end of Rousse Street. The District is well served by road and rail. The western and eastern ends of the District are serviced with municipal water and sewage services. The central portion of the District on Marchildon Road is not yet serviced with municipal water and sewage services, given the nature of existing uses in the area. The District's existing conditions is illustrated in Figure 3. Detailed information on the Districts parcel fabric, existing land uses, Official Plan designations and Zoning is included in Appendix B.



Figure 3. Highway 11/Marchildon Road District Existing Conditions

2.2.3 The Airport District

The Airport District is situated northwest of the Highway 11/Marchildon Road District and includes the René Fontaine Municipal Airport and surrounding lands. This District is approximately 273 hectares in area and contains a mix of organic and Class 3 soil. It includes 12 parcels of land, averaging 22.8 ha in area. The District is anchored by the René Fontaine Municipal Airport, which currently serves cargo flight, air ambulance, forest fire fighting and aircraft maintenance. The land surrounding the airport are owned by the Town of Hearst, providing a unique opportunity to establish an air oriented municipal industrial park. The District includes Johnson's Lake and associated recreational infrastructure (i.e. municipal park and beach, multipurpose trails). The District is accessible to Highway 11 via Johnson's Lake Road and Fontaine Drive. The District is not currently serviced with municipal water or sewage services. The District's existing conditions is illustrated in Figure 4. Detailed information on the Districts parcel fabric and existing land uses, Official Plan designations and Zoning is included in Appendix B.



Figure 4. Airport District Existing Conditions

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3.0 The Legislative and Policy Framework

The legislative and policy framework for the Industrial CIP is formed by the Municipal Act, the Planning Act, the Provincial Policy Statement 2020, the Growth Plan for Northern Ontario and the Official Plan for the Hearst Planning Area.

3.1 Municipal Act

The *Municipal Act* is passed by the Legislative Assembly of Ontario. The purpose of the *Municipal Act* recognizes that municipalities are created to be responsible and accountable governments with respect to matters within their jurisdiction and that each municipality is given legislative authorities for the purpose of providing "good government".

Section 106 of the Municipal Act includes provisions pertaining to what is known as the "bonusing rule". This section states in part that "... a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose. ... including giving or lending municipal property/money, guaranteeing borrowing, leasing/selling municipal property at/below fair market value, giving a partial/total exemption from any levy, charge or fee. ... unless Council is exercising its authority under Section 28 (6), (7) or (7.2) of the Planning Act."

3.2 Planning Act

The Planning Act is also passed by the Legislative Assembly of Ontario. The purposes of the Planning Act are, in part "... to promote sustainable economic development in a healthy natural environment within the policy and by the means provided under this Act, ... to encourage cooperation and co-ordination among various interests; and to recognize the decision-making authority and accountability of municipal councils in planning."

Section 28 (2) of the *Planning Act* gives municipalities, with provisions in their Official Plans relating to community improvement, to designate all or part of an area covered by the Official Plan as a community improvement project area.

Section 28(1) defines a community improvement project area as "... a municipality or area within a municipality, the community improvement of which in the opinion of council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability or for any other environmental, social or community economic development reason."

Section 28(1) defines community improvement as "... planning or re-planning, design or redesign, re-subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, ... and the provision or such residential, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities or spaces therefor, as may be appropriate or necessary."

Sections 28(3)(4) of the Planning Act state that once municipal council has passed a by-law to establish a community improvement project area, it may "... acquire land within the community improvement project area; hold land acquired before or after the passing of the by-law within the community improvement project area; clear, grade or otherwise prepare the land for community

improvement; and ... prepare a plan suitable for adoption as a community improvement plan for the community improvement project area ..."

Sections 28(6)(7) of the *Planning Act* states that once a CIP has come into effect, the municipality may:

- 1. construct, repair, rehabilitate, or improve buildings on land acquired or held by it in conformity with the community improvement plan;
- 2. sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the Community Improvement Plan; and
- 3. make grants or loans, in conformity with the Community Improvement Plan, to registered owners, assessed owners and tenants of land and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for whole or any part of the eligible costs of the community improvement plan.

Section 28 (7.1) of the *Planning Act* specifies that the eligible costs of a CIP for the purposes of Subsection 28 (7) 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 (7.3) of the *Planning Act* specifies that the total of all grants and loans made in respect of particular lands and buildings under Section 28(7) and (7.2) of the *Planning Act* shall not exceed the eligible cost of the Community Improvement Plan with respect to those lands and buildings.

Through the creation and implementation of the Industrial CIP, Hearst will exercise its legislative authorities under Section 106 of the *Municipal Act* and Section 28 of the *Planning Act*.

3.3 The Provincial Policy Statement 2020

The Provincial Policy Statement 2020 (PPS) is issued under Section 3 of the *Planning Act* and is intended to guide municipalities in making planning decisions. Section 3(5) of the *Planning Act* requires that municipal decisions in respect to the exercise of any authority that affects a planning matter "shall be consistent with" the PPS. The PPS came into effect on May 1, 2020 and applies to decisions on all planning matters rendered after that date.

The PPS contains a comprehensive set of policies that are designed to support the creation of strong healthy communities. These policies speak to employment and long-term economic prosperity.

Section 1.3.1 of the PPS requires that municipalities promote economic development and competitiveness by "... providing for an appropriate mix and range of employment uses ... to meet long term needs; providing opportunities for a diversified economic base ...; facilitate 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; ...".

Section 1.7.1 of the PPS states that long term economic prosperity should be supported by "... promoting opportunities for economic development and community investment readiness; ... optimizing the long-term availability and use of land, resources, infrastructure and public service facilities; ...".

The Industrial CIP will be consistent with these policies.

3.4 Growth Plan for Northern Ontario

The Growth Plan for Northern Ontario (Growth Plan) is prepared under the legislative authority of the *Places to Grow Act*. It applies to the Northern Ontario Growth Plan Area, which include the Industrial CIP community improvement project area. Municipal decisions on land use planning matters must conform to/not conflict with the Growth Plan.

The Growth Plan includes a comprehensive set of policies that are designed to strengthen Northern Ontario's economy. Section 2.2.1 and 2.2.2 of the Growth Plan identifies 11 existing and emerging priority economic sectors and calls on all stakeholders, including municipalities, to collaborate on economic development strategies for these sectors, which include advanced manufacturing; agriculture, aquaculture and food processing; arts, culture and creative industries; digital economy; forestry and value added forestry sectors; health sciences; mineral sector and mining supply and services; renewable energy and services; tourism; transportation, aviation and aerospace and water technologies and services. Section 2.2.3 states that economic development strategies for these sectors will "... attract investment, growth and retain competitive businesses ...". Section 2.3. of the Growth Plan calls on "appropriate parties" to "grow and diversity each existing and emerging priority economic sector."

The Industrial CIP will conform to/not conflict with these policies.

3.5 The Official Plan for the Hearst Planning Area

The Official Plan for the Hearst Planning Area (Official Plan) was developed pursuant to the legislative authority of the Planning Act. The Official Plan came into effect on [include date].

Section 2.2. speaks to the purposes of the Official Plan, which includes "... to promote the sustainable development and economic growth within the Hearst Planning Area ...".

Section 3 speaks to the basis of the Official Plan. This section states that the following principles provide the fundamental basis for the Official Plan:

- "i) The Town of Hearst shall continue to be the principal residential, commercial, industrial, social and cultural centre of the Planning Area.
- ii) Hearst shall be the regional centre for business services ranging from goods to skilled trades ...
- iii) Hearst shall achieve economic growth through a balanced diversification program. It shall foster and champion the development of new valued added forestry sectors, mining opportunities and the strengthening of service and support industries and commerce, while at the same time expanding the tourism sector. This will balance long-term growth and reduce dependence upon one traditional sector. ...

- v) Catalyst projects created through public private partnerships shall result in investment, job creation and expansion of Hearst's tax base. New
- vi) New economic activity in Hearst shall be environmentally sustainable and congruent with the interests of the forestry and the mining sector.
- vii) With its large forest industrial base supported by physical and social infrastructure and served by a sophisticated industrial support sector, Hearst shall build on its existing industrial cluster and encourage its expansion into new fields and economic opportunities. ... "

3.5.1 Growth Management

Section 5.1 sets out strategic growth management policies for the Hearst Planning Area. This section describes lands designated for industrial uses as "areas of existing industrial development and lands suitable for industrial growth and attenuating zones ...". Lands designated as the Airport District are described as " ... lands devoted to the landing and departure of aircraft, including related commercial and industrial uses, and that area immediately surrounding René Fontaine Municipal Airport which requires constraints on heights of buildings and structures to ensure aircraft safety." This section goes on to state that "... the urbanized areas and their adjacent readily serviceable lands within municipalities which are designated as ... Industrial Districts shall comprise the Settlement Areas for the Town of Hearst ...".

3.5.2 Economic Development

Section 5.2 sets out the economic development policies for the Hearst Planning Area. These policies speak to the Town of Hearst preparing an Economic Development Strategy that sets out Council's approach to building the economy of Hearst in a sustainable manner and state that the "underlying target of each economic development strategy shall be job growth." These policies clearly distinguish between the role of the private and public sectors. The policies state that it shall be the role of the Town of Hearst to work in concern with regional stakeholders to create an environment that is conducive to private sector investment. The policies also set out the objectives for the Economic Development Strategy which include:

- "a) support the economic competitiveness of Hearst and area businesses through the efficient provision of municipal services and through an equitable tax levy;
- b) establish Hearst as a leader in forestry value-added manufacturing; ...
- d) achieve controlled economic diversification without compromise to the core elements of the existing economic infrastructure;
- e) create development catalysts to encourage private sector investment and job creation;
- g) ensure that Hearst is mining-ready with opportunities available for the development of support industries and services, including the development of a commercial/industrial subdivision at the René Fontaine Municipal Airport and the establishment of the Gaspésie Road Industrial Park; ..."

Section 5.2.2. sets out economic strategy targets, stating that to expand the economy strategies are aimed at five fronts: "sustaining local businesses, jobs and reinvestment; growing local

business, jobs and opportunities; attracting and retaining a workforce; attracting external businesses and investments; and, developing existing tourism assets."

Section 5.2.3. speaks to strategy balance. This section states the Town of Hearst "... shall work towards a diverse and balanced portfolio, which recognizes the importance of the following: investment anchor jobs; small business creates new net jobs; globally competing industry is the foundation of the Hearst economy; public sector financial risk is unacceptable; economic strategies are long term investments; stakeholder participation is essential; and recognition of the public sector bottom-line including the importance of balancing social, environmental and economic considerations over the long term is critical to success."

Section 5.2.4. speaks to the important leadership role that Hearst Council plays in achieving the desired economic outcome for the community. This section commits Council to pursuing a four part strategy that includes specialized support for select business sectors in order to balance economic activity amongst multiple sectors. "Council shall: support existing primary forest industries currently operating in this sector; foster development of value-added forest manufacturing industry; ... support mining exploration and assist existing projects; ... encourage the growth and ambitions of the industrial support sector; ...".

The Economic CIP is a key tool that Council can use to achieve its desired strategic economic outcomes for the community.

3.5.3 Community Improvement

The Official Plan includes a comprehensive set of policies that recognizes existing and set the stage for future CIPs.

Section 5.3.1 states that the entire Town of Hearst is a community improvement project area for *Planning Act* purposes. This designation was achieved with Council's passing of the By-law to adopt the Official Plan. This section also states that future CIPs will provide the Town of Hearst with "... various powers to address infrastructure deficiencies and facilitate beautification projects and other identified community improvements. These include incentives to stimulate or encourage other private and/or public investments where they advance the public interest."

Section 5.3.2 sets out the strategic policies for CIPs.

- These policies recognize that the overall quality of life and well being of residents and businesses can be enhanced by promoting "... the rehabilitation and/or redevelopment of areas characterized by deficient, underutilized and/or vacant lands and buildings, land use conflicts, economic instability or deficient municipal hard services; encouragement of private sector participation in community improvement; and, economic growth and development in underutilized or older commercial and industrial areas."
- These policies state that community improvement shall strive to "... encourage the renovation, rehabilitation ... of obsolete buildings and/or underutilized lands by the private sector; provide, upgrade and improve municipal services and public utilities ...; ... improve traffic circulation ...; ... encourage the revitalization, conversion and redevelopment of obsolete ... greyfield lands".

• This section also states that the selection of future industrial community improvement project areas shall be based on "... need for water, sanitary and storm sewer infrastructure and/or upgrading; deficiencies in off-street parking; need for maintenance, rehabilitation, intensification, reuse/conversion or redevelopment of building stock; ... the need for development/redevelopment of unused or underutilized lands including brownfield and greyfield sites."

The Economic CIP will conform to the OP's CIP policy framework.

3.5.4 Industrial District

Section 6.8 of the Official Plan sets out land use planning policies for lands that are designated Industrial District in the planning area, including the lands that will be included in the Industrial CIP community improvement project area. Section 6.8.3.1 of the Official Plan states that predominant uses shall be for activities such as manufacturing, processing, warehousing, wholesaling, repairing and servicing, transportation terminals and the storage of goods and equipment. Research and development centres, central processing yards for sorting, grading and shipping wood and secondary manufacturing plants shall also be permitted, as well as ancillary uses, provided that they do not interfere or detract from the primary industrial function of the area. The Industrial CIP will be designed to stimulate investment in such uses in the Industrial District.

3.5.5 Airport District

Section 6.13 of the Official Plan sets out the land use planning policies for the Airport District. Section 6.13.3.1 states that the predominant uses shall be for the landing and take-off of aircraft, ancillary commercial and industrial uses which are related to airport operations, as well as other commercial and industrial uses which are dependent on close proximity to the airport for the viability of their operations. The Industrial CIP will be designed to stimulate investment in such uses in the Airport District.

4.0 Community Improvement Plan Precedents

Over the years, many Ontario municipalities have adopted CIPs to revitalize their downtown, main streets and arterial corridors; stimulate investment in 'brownfield' and 'bluefield' sites and promote the creation of more affordable housing in the communities.

Some municipalities have focused their CIPs on their community's economic goals and objectives, similar to the Industrial CIP. This section focuses on those economically-focused CIPs, specifically the community improvement plan area, incentives offered and other strategies in the CIP to ensure that Hearst's Industrial CIP reflects successful municipal policies and practices elsewhere and that Hearst remains competitive with the incentives being offered by other municipalities.

The precedents selected for comparative purposes include small and big communities in Northern, Eastern and Southwest Ontario. Despite their size, these communities have one thing in common – they are all looking to attract new investment and growth to their communities either in response to traditionally modest growth rates or due to major economic changes.

The precedents selected for comparative purposes include the following communities:

- 1. City of Kenora, Former Mill Site Community Improvement Plan
- 2. City of Thunder Bay, Airport Community Improvement Plan
- 3. City of Sault Ste. Marie, Economic Growth Grant Program
- 4. City of North Bay Growth Community Improvement Plan
- 5. City of Quinte West Industrial Lands Community Improvement Plan
- 6. City of Windsor Economic Revitalization Community Improvement Plan

Key details for each CIP precedent is summarized in Appendix D. The remainder of this section describes the project areas, incentives and other strategies included in the selected CIPs.

4.1 Community Improvement Project Area

The precedent municipalities have established community improvement project areas that align with their strategic community economic development goals. In some cases, like Kenora's former Mill CIP, the community improvement project area applies to a defined geographic area in the community. In other cases, like Sault Ste. Marie's Economic Growth Grant Program, the entire municipality is established as the community improvement project area and criteria are established to determine the types of projects that are eligible for incentives. Hearst's proposed Industrial CIP can combine these approaches. As described above, the Industrial CIP will apply to three defined geographic areas in the community. Given the Official Plan policies that speak to the community achieving a balanced economic portfolio, there is an opportunity to include eligibility criteria in the Industrial CIP that would focus an future incentives and community improvement activities towards improvement activities the forestry sector, new value added forestry sectors, mining and mining service related opportunities and other service and support industries and commerce.

4.2 CIP Incentives

The precedent municipalities have established community improvement plan incentives that are designed to fully or partially address market barriers or challenges that prevent desired economic activities from occurring. While the range of incentive programs vary, they generally fall within four categories:

- 1. Tax increment equivalent based grant programs, which are designed to capture the incremental increase in assessment and tax revenue associated with an investment in an eligible property and return the increment to the property owner (registered or assessed) or assigned third party (e.g. lessee) to offset the cost of the initial investment. These types of incentives are effective for projects where the investment is of a scale sufficient to trigger a reassessment of the property and increase in assessed value. The amount of incentive provided (e.g. 100% of increment, 50% of increment) varies as does the duration of the incentive itself (e.g. 3 years to 25 years). This type of incentive is commonly used and a viable incentive for inclusion in the Hearst Industrial CIP.
- 2. Direct grants. Some of the precedent municipalities included more traditional grants in their CIP's to achieve a specific purpose. For example, Sault Ste. Marie's Economic Growth Grant Program offers a grant of up to \$100,000 for projects that meet program criteria. North Bay also offers grants of 75% of the cost to a maximum of \$5,000 to hire a professional engineer, architect and/or qualified designer to develop plans and designs for buildings within the Industrial Target Area. These types of incentives are also commonly used and a viable incentive for inclusion in the Hearst Industrial CIP.
- 3. Municipal fees. The majority of the precedent municipalities included grants designed to offset all or part of the cost of municipal user fees, such as planning application fees and building permit fees. These incentive programs are viable candidates to include in the Industrial CIP.
- 4. Development Charges. Some of the precedent municipalities included grants that are designed to offset the cost of development charge payments. The Town of Hearst already provides this incentive as it does not impose development charges to recover growth related capital costs.

4.3 Other strategies

With the exception of the Windsor example, none of the precedent CIP's included policies that speak to other community improvement project activities that the municipality may undertake in the defined community improvement areas. Given the characteristics of the Industrial CIP's three districts and the Official Plan policies that speak to a broad range of activities that can occur in a community improvement project area, such policies should be included in the Hearst CIP (e.g. land acquisition, land preparation, land servicing, etc.).

From a municipal finance perspective, any incentive that is offered should be considered an investment that will generate a return to the community in terms of new employment growth, increased assessment and taxation after the incentive ends. Some municipalities will allocate through the annual budget process to fund the CIP incentives through the establishment of a capital account, operating account or reserve. Others finance the CIP on an annual basis, after receiving applications within the preceding fiscal year. The latter approach reduces certainty for those looking to access the CIP and invest in the community.

5.0 Conclusions and Next Steps

This Background Report was prepared to support the creation of a new Industrial CIP for the Town of Hearst. This report:

- 1. defines the Industrial Community Improvement Plan project area;
- 2. describes the key characteristics of the three districts within the project area;
- 3. reviews the legislative and policy framework for the Industrial CIP;
- 4. examines successful practices in several Ontario municipalities that are also using CIP's to grow their local economies.

This section summarizes the key observations made throughout this report.

- 1. A 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 sets out design guidelines for public and private sector improvements. The CIP can provide programs for municipal grants, loans, and rebates for private sector improvements and other public sector activities.
- 2. The purpose of the Industrial CIP will be to stimulate new industrial and commercial investment, prioritize areas for future development, create new employment opportunities, increase the municipal tax assessment base, increase municipal tax revenue and improve the social and environmental conditions in Hearst.
- 3. The community improvement project area for the Industrial CIP includes all lands within the Town of Hearst that are designated Industrial District and Airport District in the Official Plan of the Hearst Planning Area. This includes the Gaspésie Road District, the Highway 11/Marchildon Road District and the Airport District. The boundaries of the community improvement project area are illustrated in Figure 1 above.
- 4. The Districts vary in character. The Gaspésie Road District, which bridges the Mattawishkwia River, has significant development potential, especially in the southern portion of the District, which is not yet serviced by municipal water and sewage services. The Highway 11/Fournier Road District is more established as an employment centre and has substantial potential for expansions, re-use and redevelopment. This District is relatively well-serviced. The Town of Hearst owns some land in this area and can use their land assets to achieve their desired economic outcomes. The Airport District also has significant development potential for aviation related commercial and industrial purposes. The Town of Hearst owns the land surrounding the airport and can play a significant role developing these lands.
- 5. The legislative and policy framework for the Industrial CIP is formed by the Municipal Act, the Planning Act, Provincial Policy Statement, Growth Plan for Northern Ontario and Official Plan for the Hearst Planning Area. This framework supports the creation of the Industrial CIP and the Industrial CIP will meet the standards set by this framework.

6. Several comparable Ontario municipalities are using CIPs to achieve the economic goals and objectives of their communities. These CIP's use either an area or criteria based approach and employ incentives that are tax increment equivalent based in nature, direct grants and grants to offset the cost of municipal user fees. The precedent grant programs will be examined more closely in the next phase of the project and incorporated into the Draft Industrial CIP.

J.L.	RICHARDS	& ASSOCIATES	S LIMITED and	COMMERCE	MANAGEMENT	GROUP
Pre	pared by:					

DRAFT DRAFT

Jason Ferrigan, RPP, MCIP, MSc.Pl. Senior Planner J.L. Richards & Associates Ltd

Kraymr Grenke, Senior Consultant Commerce Management Group

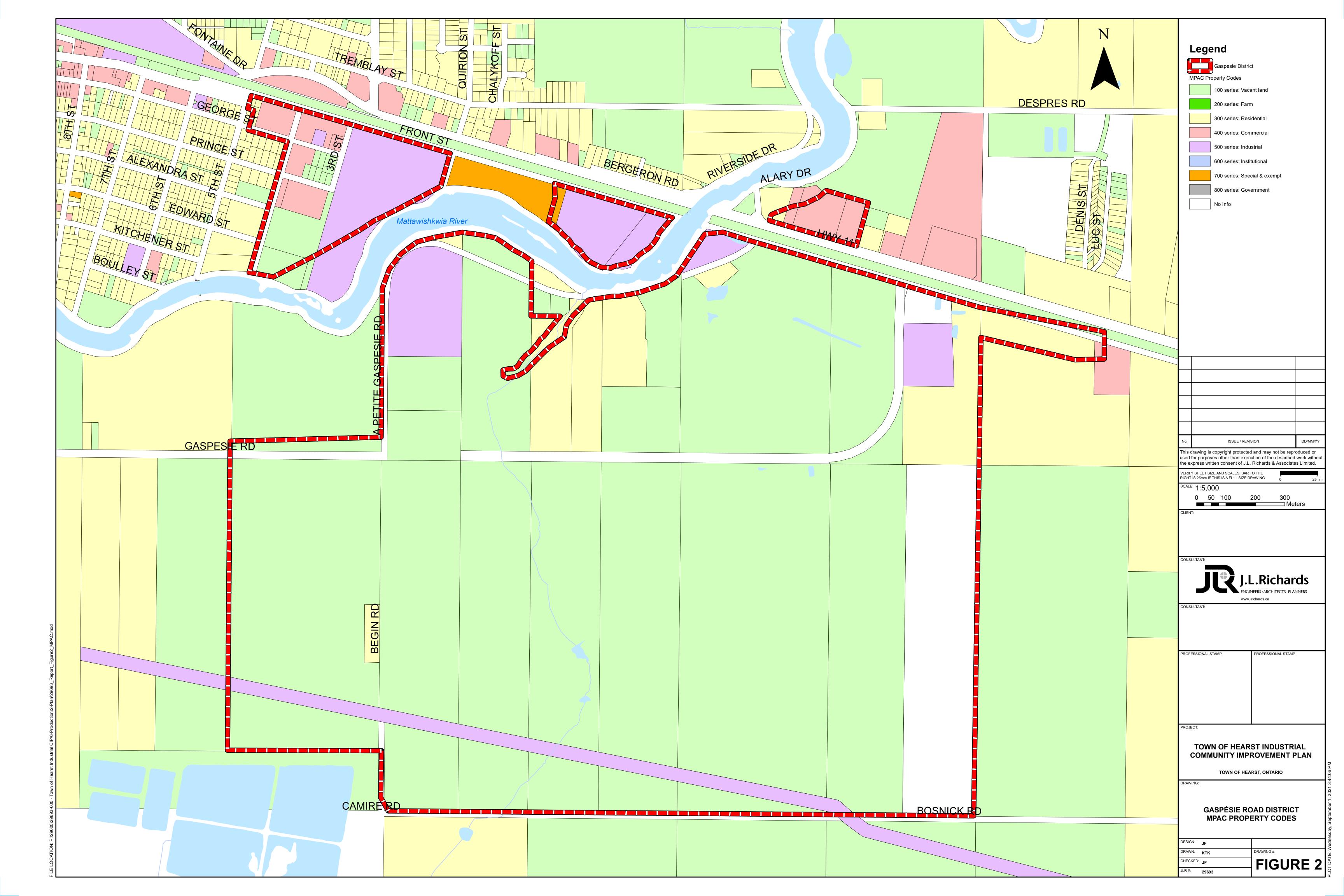
This report has been prepared for the exclusive use of Town of Hearst, for the stated purpose, for the named facility. Its discussions and conclusions are summary in nature and cannot be properly used, interpreted, or extended to other purposes without a detailed understanding and discussions with the client as to its mandated purpose, scope and limitations. This report was prepared for the sole benefit and use of Town of Hearst and may not be used or relied on by any other party without the express written consent of J.L. Richards & Associates Limited.

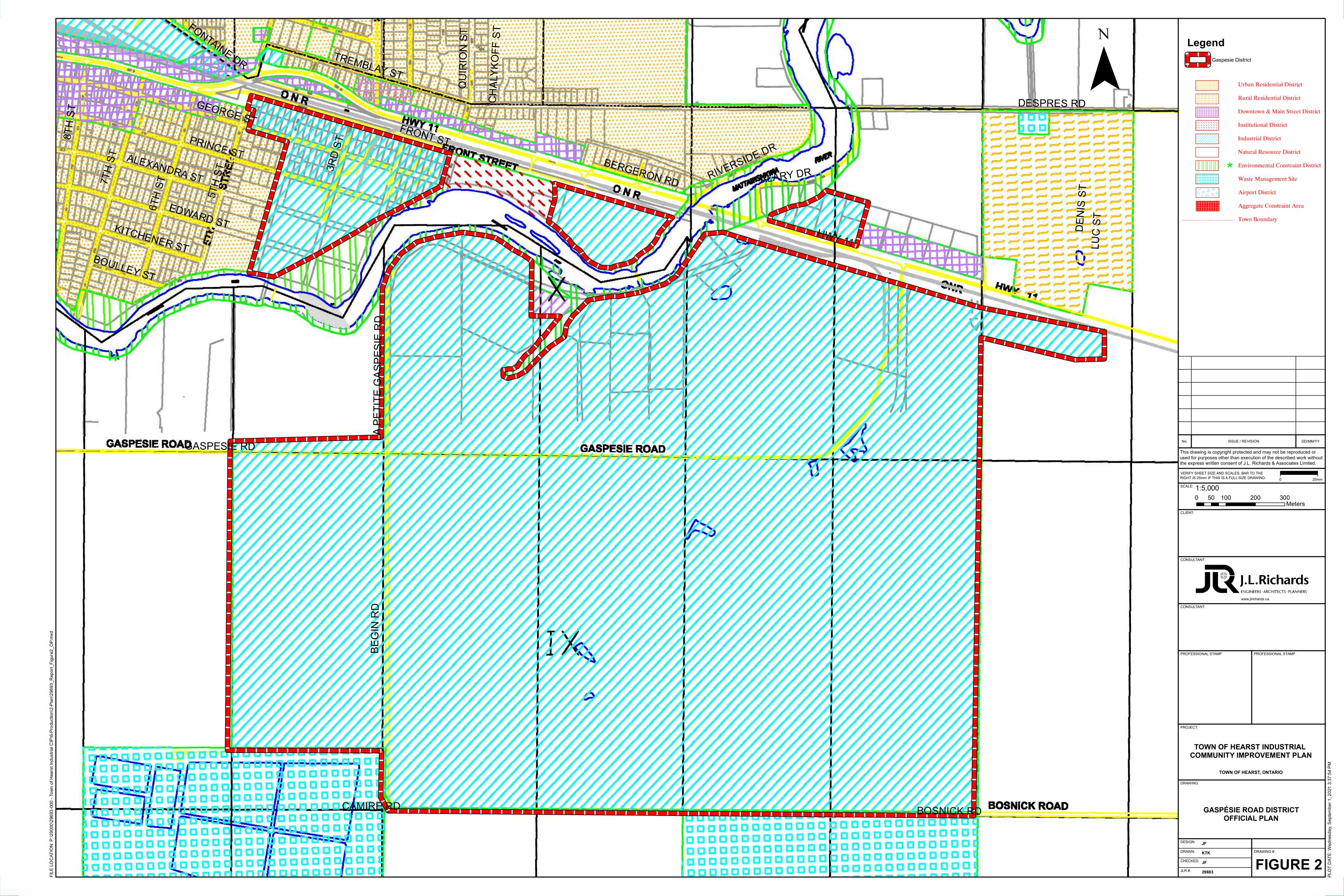
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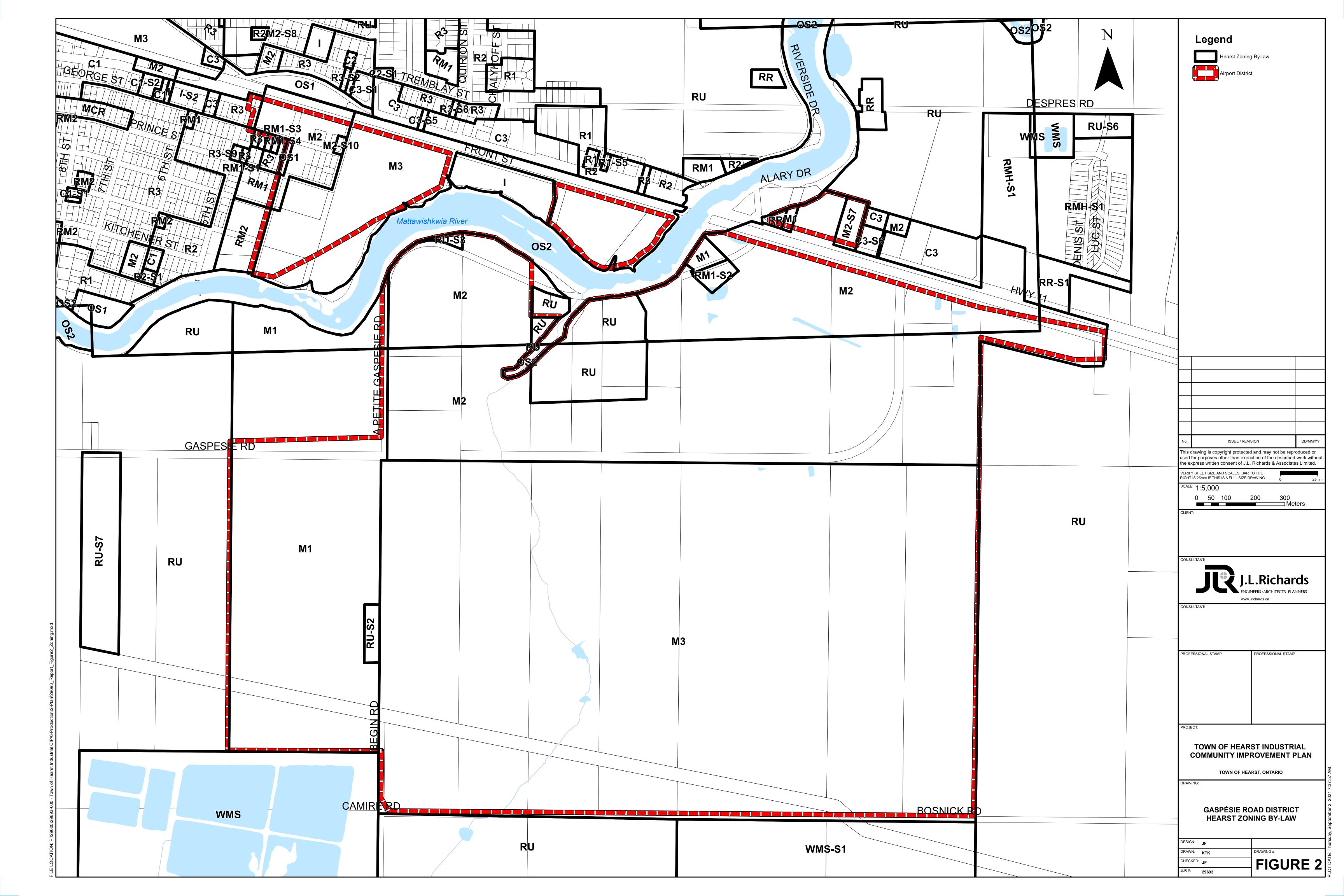
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Appendix A

The Gaspésie Road District

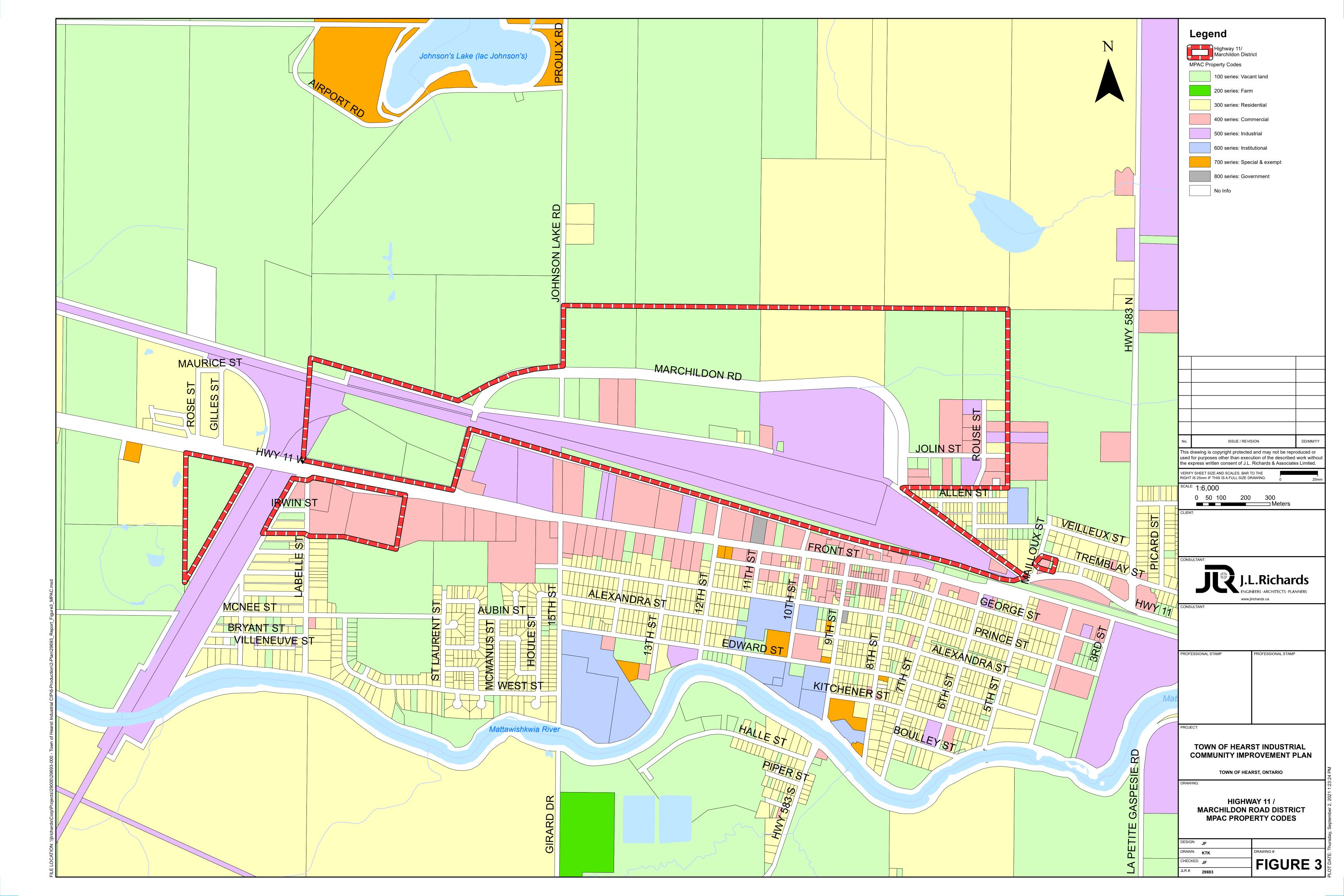


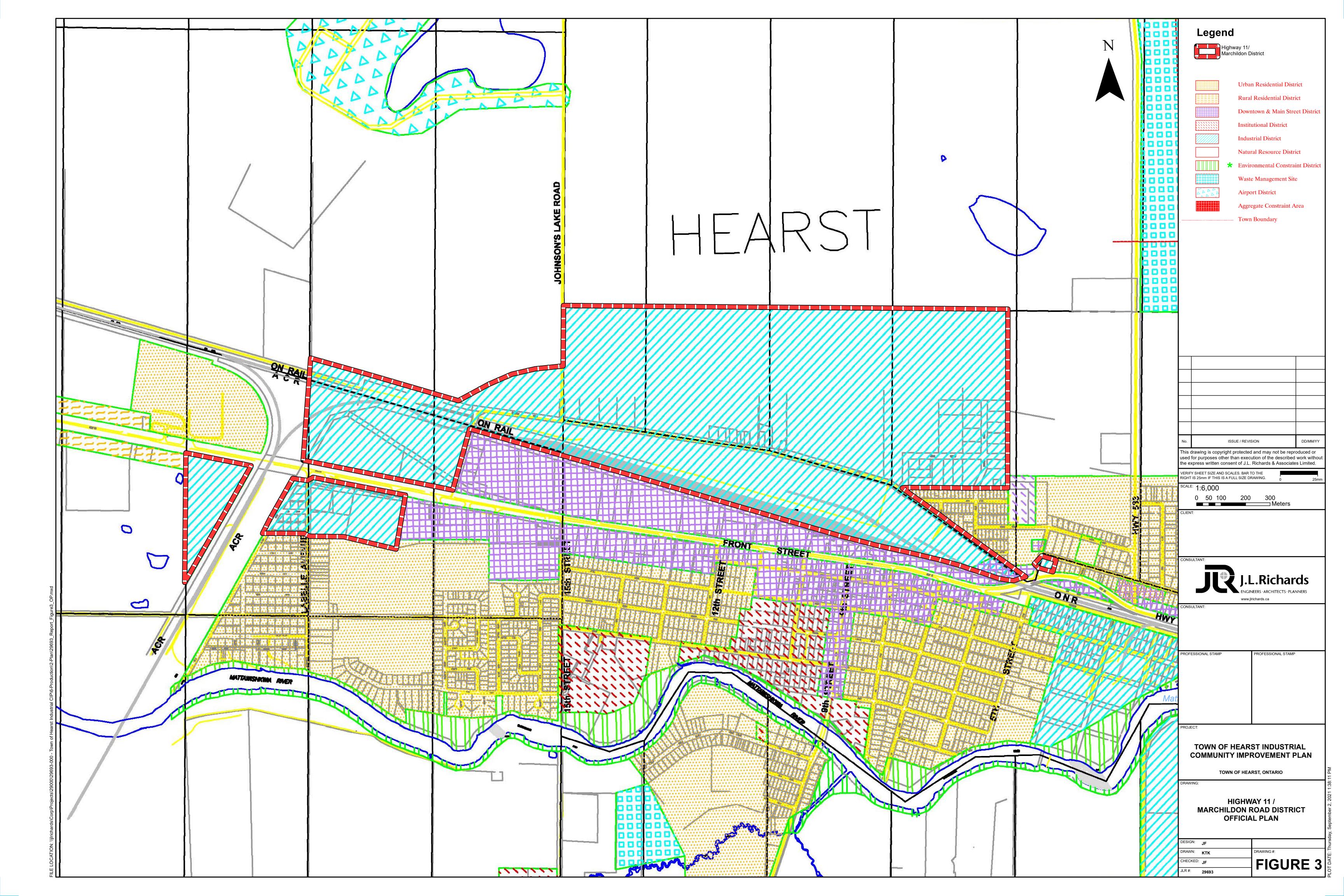


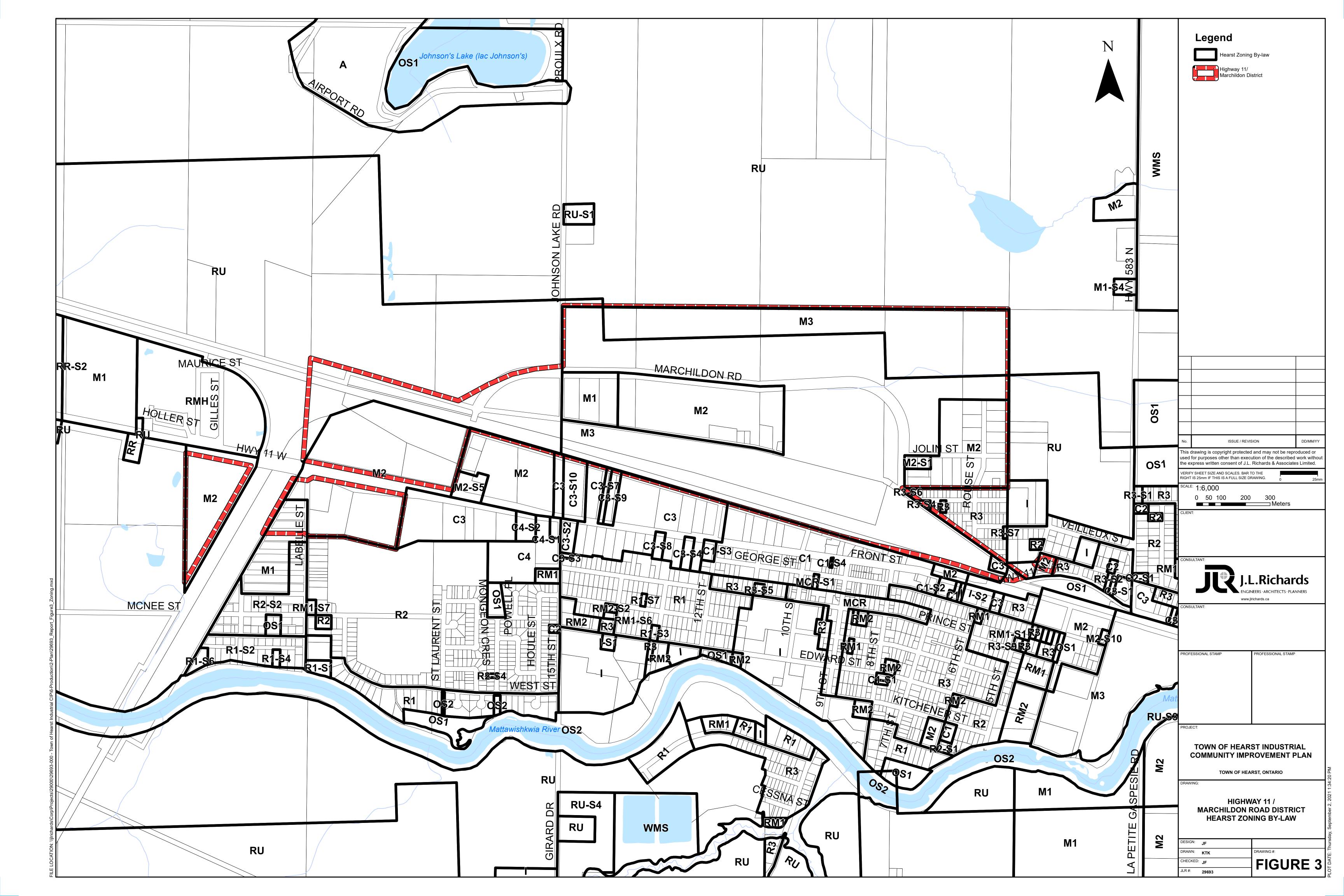


Appendix B

The Highway 11/Marchildon Road District



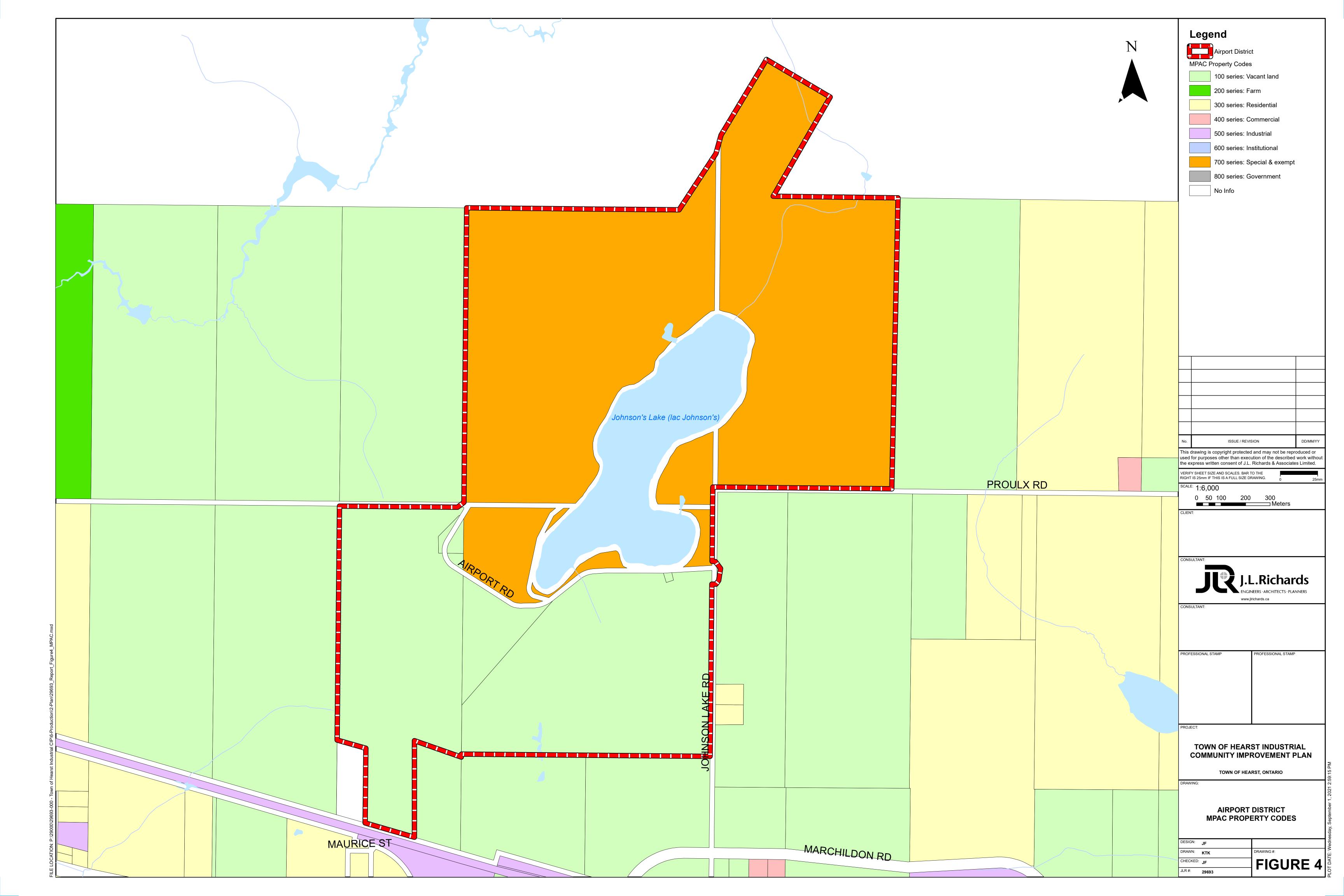


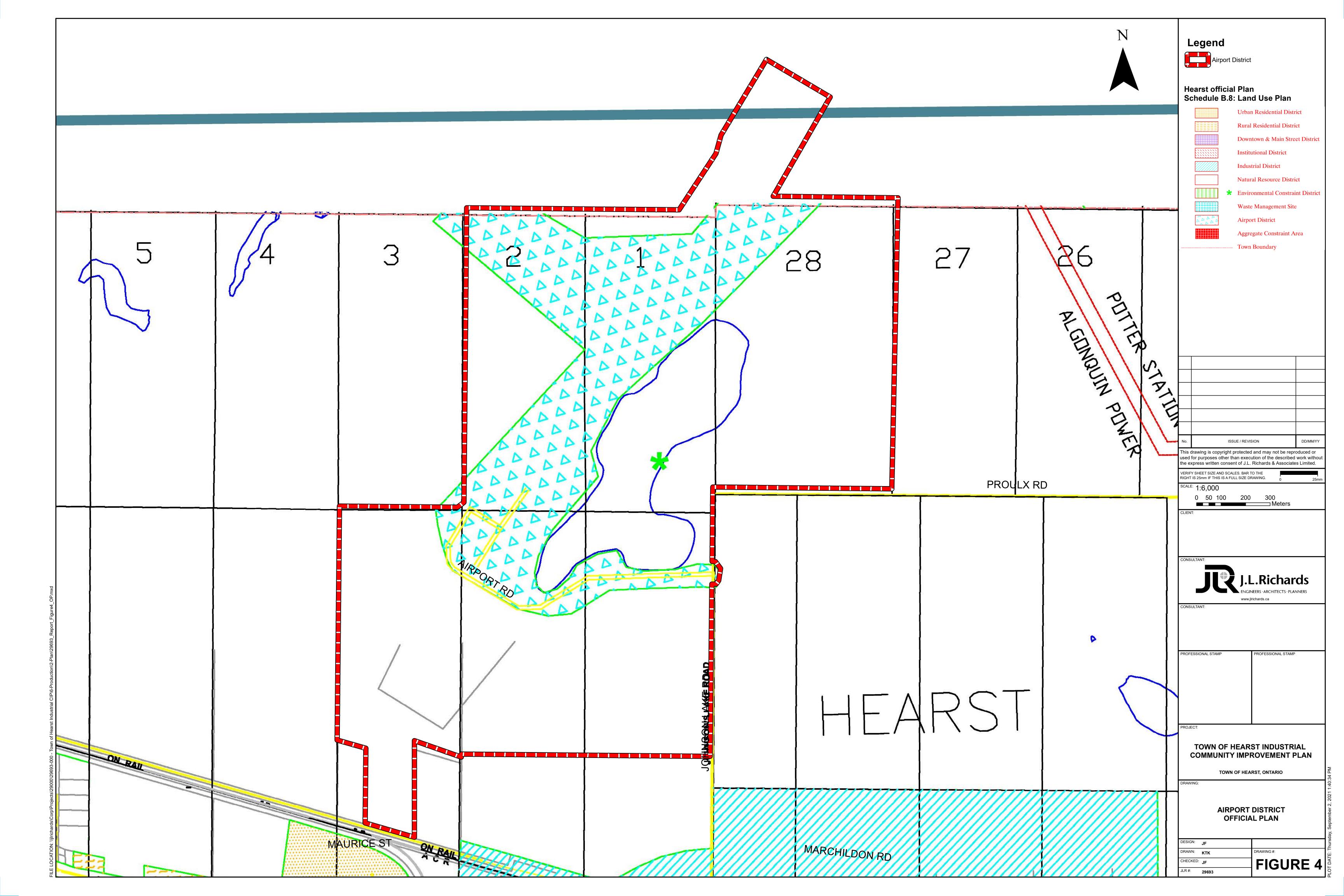


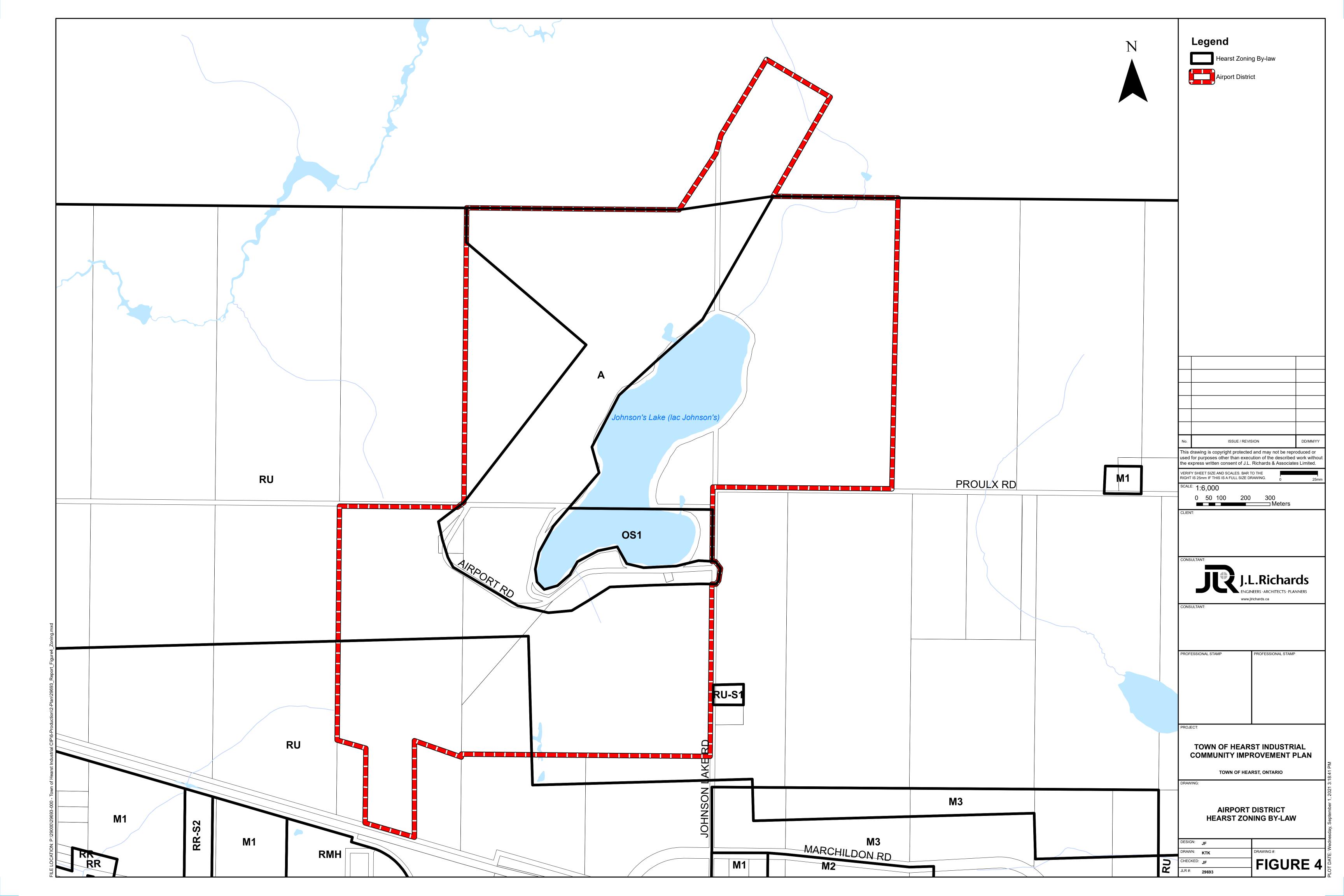
Town of Hearst Industrial (CIP
Draft Background Report	

Appendix C

The Airport District







Town of Hearst Industrial CI	P
Draft Background Report	

Appendix D

Municipal CIP Precedents

Municipality	City of Kenora		
CIP	Former Mill Site Community Improvement Plan		
CIP Area	33 ha (81 acre) former Mill Site in the central portion of Kenora		
CIP Incentives	1. Tax Increment Based		
	Property tax break based on varying percentages over 5 years		
	2. Brownfield Redevelopment Tax Assistance		
	Cancellation of the municipal and education property tax for up to 3 years.		
	3. LEED Tax Assistance		
	Assistance based on a percentage up to 100% of the assessed value for the first		
	year only based on the level of LEED certification achieved for new buildings.		
	4. Application and Permit Fees Assistance		
	Waiving of fees equivalent to 100% of the planning and building permit		
	application fees paid by the applicant, to a maximum of \$5,000.		
	5. Accessibility Grant		
	A grant of 50% to a maximum of \$2,500 is available to assist property owners		
	or tenants or assignees to encourage accessibility to the existing buildings.		
	6. Industrial Building Improvement Grant		
	Grant equivalent to 50% of the cost of eligible interior and exterior building and		
	maintenance improvement works to industrial buildings to a maximum grant of		
	\$20,000.		
	7. Residential Grant		
	A grant of up to \$4,000 per new residential dwelling unit created, to a		
	maximum of \$40,000, for a development of 4 or more units.		
	8. Seniors Housing Study Grant		
	A grant of 50% to a maximum of \$5,000 of eligible project costs for studies to		
Oth - Charter's	support a new seniors housing development of 4 or more units.		
Other Strategies	Includes a high level business process for CIP applications, marketing strategy		
	and monitoring.		

Municipality	City of Thunder Bay
CIP	Airport Community Improvement Plan
CIP Area	345 hectares (850 acre) Airport Lands
CIP Incentives 1. Airport Development Grant Program	
	Applies to aerospace-related development on Airport Lands.
	Aerospace-related development describes a use that is directly associated with
	or directly related to the operation of an airport.
	Available to property owners and tenants who apply by December 31, 2030.
	Grants back all incremental increase in municipal property tax for up to 25
	years, provided the total grant back cannot exceed the total value of the
	eligible development work.
Other Strategies	N/A

Municipality	City of Sault Ste Marie		
CIP	Economic Growth Grant Program		
CIP Area	City of Sault Ste Marie		
CIP Incentives	 1.Grant Program #1 An annual grant of up to three years to fully or partially offset property tax increases resulting from an improvement of lands and/or buildings. 2. Grant Program #2 A grant of up to \$100,000 per project, or as approved by City Council. 		
	 Other Information General program requirements include significant investment, located within the city, protecting and creating permanent jobs (not temporary construction jobs), business must be primarily export based and in the targeted industry sectors. Evaluation criteria include targeted industry sectors; building and/or land related considerations; economic impact (e.g. # of jobs protected and created, amount of investment, tax revenue). 		
Other Strategies	Includes information on related senior level of government funding opportunities including the Co-operative Education Tax Credit, the Ontario Exporters Fund, the Ontario Research Fund, NOHFC Infrastructure and Community Development Program, the Scientific Research and Experimental Development Program and FedNor.		

Municipality	City of North Bay
CIP	Growth Community Improvement Plan
CIP Area	4 Target Areas – Housing, Industrial, Downtown and Waterfront
CIP Incentives	1.Ta x Increment Rebate
(Industrial Target Area)	Can provides an annual tax increment based rebate of up to 100% in year 1,
	75% in year 2, 50% in year 3 and 25% in year 4, following the completion and
	occupancy of a building that has been constructed or renovated.
	2. Municipal Fee Rebate
	Can provide a rebate of 100% of the municipal fees to a maximum of \$250,000
	required for the development or redevelopment of a project.
	3. Development Charges Rebate
	Can provide a rebate of up to 100% of the required Development Charge up to a maximum of \$250,000.
	4. Professional Study Grant
	Can provide a grant equal to 75% of the cost to a maximum of \$5,000 to hire a professional engineer, architect and/or qualified designer to develop plans and designs for buildings within the Industrial Target Area.
	Other Information
	Industrial Target Area is defined as the entire City of North Bay. Eligible projects would include industrial development, redevelopment,
	rehabilitation and/or adaptive re-use of industrial buildings on properties zoned M1, M2, M3, M4, MBP, MR, MAP-A, or MAP-G through Zoning By-
	law 2015-30 as amended.
Other Strategies	N/A

Municipality	City of Quinte West
CIP	Industrial Lands Community Improvement Plan
CIP Area	City owned vacant industrial lands in the North Murray, Wolfe Street an
	Carrying Place Industrial Parks.
CIP Incentives	1.Tax Increment Equivalent Grant
(Industrial Target Area)	A rebate of up to 100% of the municipal portion of a property tax increment
	resulting from development, redevelopment or building improvements, paid in
	increments of 5 years.
	2. Zoning By-law Amendment/Demolition Permit Application Fee Grant
	A rebate equal to 100% of the City's fees to a maximum dollar value to cover
	the cost of Zoning By-law Amendment applications or demolition permit
	applications.
Other Strategies	Includes a high level business process for CIP applications, marketing strategy
	and monitoring.

Municipality	City of Windsor		
CIP	Economic Revitalization Community Improvement Plan		
CIP Area	The City of Windsor		
CIP Incentives	1.Business Development Grant Program		
CIP Incentives (Industrial Target Area)	1.Business Development Grant Program New businesses will be eligible to receive a grant for a percentage of the tax increment generated from the investments made in the development or redevelopment of the building or property. Development or redevelopment must result in 50 new jobs in manufacturing sector and 20 new jobs for all other sectors. 2.Business Retention and Expansion Grant Program Existing businesses are eligible to receive a grant for a percentage of the tax increment generated from the investments made in the development or redevelopment of the building or property. The development or redevelopment must result in the creation/retention of 50 jobs in the manufacturing sector and 20/35 jobs in all other sectors. 3. Small Business Investment Grant Program New businesses or existing businesses that are expanding are eligible to receive a grant for a percentage of the tax increment generated from the investments made in the development or redevelopment of the building or property. The incentive is available to small manufacturing businesses with less than 50 employees or less than 20 employees for all other sectors. 4. Development Charges Grant Program Businesses will be eligible to receive a grant for a percentage of the Development Charges owing from the development or redevelopment of buildings or property. The grant is up to 100% of the Development Charges paid. Other information: • Applies to targeted sectors and uses. Targeted sectors include creative industries, health and life sciences, management of companies and enterprises, manufacturing, professional services, renewable energy and		
	related technologies and tourism.		
Other Strategies	Includes policies for other community improvement activities and actions (e.g. property acquisition) and monitoring.		



www.jlrichards.ca

Ottawa

864 Lady Ellen Place Ottawa ON Canada K1Z 5M2 Tel: 613 728-3571

......

ottawa@jlrichards.ca

Kingston

203-863 Princess Street Kingston ON Canada K7L 5N4 Tel: 613 544-1424

kingston@jlrichards.ca

Sudbury

314 Countryside Drive Sudbury ON Canada P3E 6G2 Tel: 705 522-8174

Tel. 703 322-6174

sudbury@jlrichards.ca

Timmins

834 Mountjoy Street S Timmins ON Canada P4N 7C5

Tel: 705 360-1899

timmins@jlrichards.ca

North Bay

501-555 Oak Street E North Bay ON Canada P1B 8L3

Tel: 705 495-7597

northbay@jlrichards.ca

Hawkesbury

326 Bertha Street Hawkesbury ON Canada K6A 2A8

Tel: 613 632-0287

hawkesbury@jlrichards.ca

Guelph

107-450 Speedvale Ave. West Guelph ON Canada N1H 7Y6

Tel: 519 763-0713

guelph@jlrichards.ca



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