

**Town of Fort Frances
Administrative Report**

TO: Economic Development Executive Committee
FROM: Cody Vangel, Chief Building Official & Municipal Planner
SUBJECT: Erin Crescent Lot Incentives
DATE: August 3, 2022

Issue:

Consideration of various incentives for the marketing and sale of Erin Crescent residential building lots in conjunction with the Town's Community Improvement Plan.

Strategic Impact:

11. Undertake residential development

Options/Alternatives:

1. Direct administration to further research the preferred development incentives and their compliance with the Town's existing Community Improvement Plan or necessity for amendment thereto.

Administrative Recommendation:

N/A – this report is intended to generate discussion and direct further research into incentive options to bring back to Committee for consideration and recommendation to Council.

History:

The Economic Development Executive Committee has tasked administration with seeking options for incentivizing the sale of Erin Crescent residential lots along with the subsequent promotion of development.

Analysis:

The following incentives are intended to generate discussion and direction from the Committee and will be recommended to be vetted through legal opinion prior to authorizing and enacting any incentives.

The Municipal Act has stringent context to prohibit various forms of bonusing. These prohibitions outlined in the Municipal Act to prohibit bonusing are rather convoluted and unclear, therefore prior to enacting any incentives, these should be reviewed by legal for confirmation.

From research, it generally appears that a municipal Community Improvement Plan is one of the best source tools to permit various types of incentives.

Currently, our primary incentive tool through our Community Improvement Plan is the Residential Revitalization Grant program. This generally applies to improvements on existing residential lots, whether simply constructing a garage, or demolishing or rebuilding. This is subject to the construction works costing a minimum of \$25,000.00 allowing in-kind incentives up to \$2,000.00 with additional criteria embedded within the program. Amendments to this program specific to Erin Crescent can be considered.

Looking into various option I stumbled upon the Community Improvement Plan (CIP) for Smooth Rock Falls, Ontario, the municipality famous in the media for marketing the “\$500 Lot”. Smooth Rock Falls has two programs within their CIP which the Committee may consider for discussion purposes surrounding Erin Crescent lots:

1. Tax Increment Grant Program (Schedule A)
 - a. Purpose: To stimulate private investment and to promote the undertaking of building improvements and development on vacant land.
2. Municipal Property Acquisition and Sale Program (Schedule B)
 - a. Purpose: To stimulate private investment in properties by selling municipally-owned properties for less than market value.

Both of these incentives may be options for consideration, however, further review and legal advice would be recommended prior to approving to ensure we remain compliant with the Municipal Act, as well, to determine if an amendment to our Community Improvement Plan would be necessary which would generate the need for Ministry of Municipal Affairs and Housing review and approval.

It should be noted that completing a new Community Improvement Plan has been included in our 5-year capital budget plans, which would be best suited upon completion of the Town’s new Official Plan and Zoning By-law in 2024.

Consultation:

- Chief Administrative Officer

Supporting Document / Financial Documents:

- Schedule A – Smooth Rock Falls CIP Excerpt – Tax Increment Grant Program
- Schedule B – Smooth Rock Falls CIP Excerpt – Municipal Property Acquisition and Sale Program