

TOWN OF FORT FRANCES

Economic Development Executive Committee

AGENDA - September 8, 2021, 12:00 PM

MEETING - Civic Centre

Session #8

Microsoft Teams meeting

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1. **Call to Order/Roll Call**
2. **Disclosure of pecuniary interest and the general nature thereof**
3. **Approval of Previous Committee Minutes**
 - 3.1 Session no 7 - 04 August 2021 3 - 4
4. **Items Referred from Council - None**
5. **New Business**
 - 5.1 Tax Incentive Zones Report 5 - 8
6. **Outstanding Items**
 - 6.1 **Ranier Bridge** - Letters to Stauber and Klobuchar - Concerns re rail bridge. C. Vangel to communicate with CN Public Affairs group and bring further information back to next meeting. Working group to be created and consist of C. Vangel, J. Caul, J. McTaggart and D. Cridland. 2021/06/09: Working group to meet within next two weeks 2021/07/07: Conversation with CN Public Affairs and C. Vangel re future status of Ranier Bridge. Concerns identified included flood risk and economic gateway between two communities. Project in infancy stage with 3-5 year potential. TOFF requested to be kept apprised of consultation process.

Orea White Paper Small Towns Big Opportunities - Further information re action plan/seeking organizations that can assist in lobbying to be sought. Item identified at RRDMA - on radar, may assist in lobbying going forward. Query pilot project. 2021/06/09: Item to proceed to NOMA in January with CAO involvement. 2021/07/07: No updates. Keep as item on agenda.

Winnipeg to Thunder Bay tourism route initiative - Work in progress. NOMA tourism panel aware - possible intent to draw people to Hwy 11 and onto 71 corridor. 2021/06/09: No updates. 2021/06/29: Heart of Canada Touring Route 2021/07/07: In final stages of touring route between Winnipeg and Thunder Bay. Regional initiative and a focus on Highway 71 corridor. Recommendation via Committee for Council to support RRFDC by way of resolution a seat on affiliated steering committee. Public launch of initiative to occur at 2022 Rendez-vous Canada. 2021/08/04: We need to ensure we are included in marketing and get our message out there. Councillor Behan is our representative at the Steering Committee.

Cross Border Fishing Activity - Status of reciprocal agreement re walleye report to be determined. 2021/06/09: Correspondence forwarded. No further updates. 2021/07/07: Correspondence outstanding. Keep as item on agenda. 2021/08/04: Greater police presence observed on the lakes. Mayor Caul to initiate discussion with Marcus Powlowski at the meeting scheduled for Friday, 06 August 2021.

7. **Information**

7.1 RRFDC Report September 2021

9 - 12

8. **In-Camera - None**

9. **Adjourn / Next Meeting Date - 06 October 2021**

TOWN OF FORT FRANCES

MINUTES

SESSION NO. #7

August 4, 2021

The meeting of Economic Development Executive Committee of the Town of Fort Frances was held virtually in the Civic Centre on August 4, 2021 from 1200 hrs to 1244 hrs.

PRESENT: Councillor J. McTaggart, Councillor M. Behan and Mayor J. Caul (ex-officio)

ALSO PRESENT: D. Brown, CAO, C. Vangel, CBO / Municipal Planner, T. Drysdale, Economic Development Consultant, G. Gillon, RRFDC, L. Slomke, Clerk, K. Haney, Deputy Clerk, Joerg Ruppenstein, CAO FFPC, Jamie Pryde (1203 hrs)

REGRETS: Chairperson D. Judson, D. Cridland, T. Ryll, J. Forbes, Human Resources Manager

1. Call to Order @ 1200 hrs/ Roll Call

2. Disclosure of pecuniary interest and the general nature thereof - None

3. Approval of Previous Committee Minutes

3.1 Session 6 - 07 July 2021 - Accepted as presented

4. Items Referred from Council - None

5. New Business

5. MAT meeting follow up - Post Covid discussion re attracting and retaining staff for local businesses.

<https://www.forbes.com/sites/billconerly/2021/07/07/the-labor-shortage-is-why-supply-chains-are-disrupted/?sh=b7b8f2f301d5V>

<https://financialpost.com/executive/executive-summary/posthaste-labour-shortages-are-set-to-get-worse-in-canada-and-you-can-blame-immigration#:~:text=Brown%20says%20the%20reason%20for,permanent%20residents%20into%20the%20country.>

Discussion included job fairs, foreign worker programs, student housing, incentive programs, shared employee pool between same industries, modifying and simplifying industries to reduce staffing need. We need to remain cognizant of challenges associated with staffing of future industries. Councillor Behan to raise topic at next meeting of Chamber BIA. RRFDC to work on possible next items and bring back next meeting. Item to remain on agenda.

6. Outstanding Items

6.1 Standing items for updating:

Ranier Bridge - Letters to Stauber and Klobuchar - Concerns re rail bridge. C. Vangel to communicate with CN Public Affairs group and bring further information back to next meeting. Working group to be created and consist of C. Vangel, J. Caul, J. McTaggart and D. Cridland. 2021/06/09: Working group to meet within next two weeks
2021/07/07: Conversation with CN Public Affairs and C. Vangel re future status of Ranier Bridge. Concerns identified included flood risk and economic gateway between two communities. Project in infancy stage with 3-5 year potential. TOFF requested to be kept apprised of consultation process. **2021/08/04: Working group has not yet met.**
Orea White Paper Small Towns Big Opportunities - Further information re action

plan/seeking organizations that can assist in lobbying to be sought. Item identified at RRDMA - on radar, may assist in lobbying going forward. Query pilot project. 2021/06/09: Item to proceed to NOMA in January with CAO involvement. 2021/07/07: No updates. Keep as item on agenda. 2021/08/04: Tannis advised she will have more information next meeting.

Winnipeg to Thunder Bay tourism route initiative - *Work in progress. NOMA tourism panel aware - possible intent to draw people to Hwy 11 and onto 71 corridor. 2021/06/09: No updates. 2021/06/29: Heart of Canada Touring Route 2021/07/07: In final stages of touring route between Winnipeg and Thunder Bay. Regional initiative and a focus on Highway 71 corridor. Recommendation via Committee for Council to support RRFDC by way of resolution a seat on affiliated steering committee. Public launch of initiative to occur at 2022 Rendez-vous Canada. 2021/08/04: We need to ensure we are included in marketing and get our message out there. Councillor Behan is our representative at the Steering Committee.*

Cross Border Fishing Activity - *Status of reciprocal agreement re walleye report to be determined. 2021/06/09: Correspondence forwarded. No further updates. 2021/07/07: Correspondence outstanding. Keep as item on agenda. 2021/08/04: Greater police presence observed on the lakes. Mayor Caul to initiate discussion with Marcus Powlowski at the meeting scheduled for Friday, 06 August 2021.*

7. Information

7.1 City of International Falls - Resolution No. 48-2021 - Mayor Caul to initiate discussion with MP Marcus Powlowski during meeting scheduled for Friday, August 8th, 2021

7.2 July - TOFF 2 year workplan REPORT to EDEC - Accepted as presented

8. In-Camera - none

9. Adjourn @ 1244 hrs / Next Meeting Date - 08 Sept 2021

Executive Committee Chair

D. Brown, CAO



September 2, 2021

Opportunity for Tax Incentives

In the fall economic statement, the Province of Ontario announced:

“Over the coming months, the government will be consulting on ways to encourage investment into rural and undercapitalized areas of the province with the goal of restoring Ontario’s competitiveness and allowing the private sector to create jobs and growth. The outcome could include exploring potential changes to the tax system that may benefit overlooked areas of the province and new, upcoming industries.”

This followed OREA’s (the Ontario Real Estate Association) request of the Government of Ontario. The Minister of Economic Development and Trade has informed us that they may be interested in exploring this conceptually when the Government is through the priorities set by the pandemic.

This is an important potential opportunity for Fort Frances.

Recent History in Ontario

The thought of introducing tax incentive zones is not new for Ontario. In 2002, tax incentive zones were announced in both the Throne Speech and budget in Ontario. The incentives were to be for both large and small businesses and for smaller, rural, and northern communities. Municipalities were to provide full municipal property tax relief for all eligible businesses. The tax incentives would then be in place for 10 years, starting 1 January 2004. Northern Ontario was eventually selected as the first tax incentive zone. Eligible businesses that are located in a tax incentive zone would not be required to pay the provincial business education tax, capital tax or employer health tax. However, the program was never implemented.

Recent History in the U.S.

The U.S. has greater experience with tax incentive zones. Renewal Communities (RCs), Enterprise Communities (ECs), and what is more well known as Empowerment Zones (EZs) are all federally designated areas with high levels of poverty and economic distress. In these geographic areas, businesses and local governments may be eligible for federal grants and tax incentives. There was one round of RCs authorized by Congress since 1993, which occurred in

2000. There have also been two rounds of ECs (1993 and 1997) and three rounds of EZs (1993, 1997, and 1999) authorized by Congress since 1993.

A paper by the Congressional Research Service, published on 14 February 2011, titled “Empowerment Zones, Enterprise Communities, and Renewal Communities: Comparative Overview and Analysis” found the following:

“A number of studies have evaluated the effectiveness of the EZ, EC, and RC programs. Several government-sponsored studies have failed to link EZ and EC designation with a general improvement in community outcomes. In addition, several academic researchers have evaluated the effectiveness of zone incentives. Overall, these studies have found modest, if any, effects, and call into question the cost-effectiveness of these programs.”

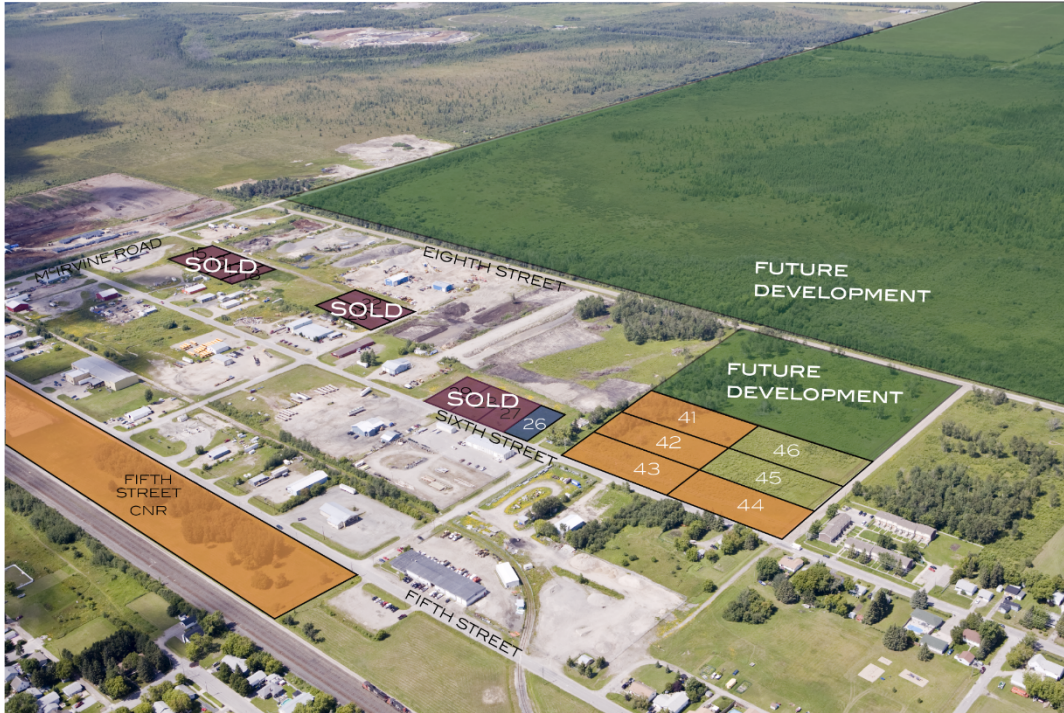
One of the studies reviewed by this paper found that while poverty and unemployment did decrease in some EZs the decrease that occurred was not dissimilar from areas that did not receive an EZ designation, and therefore did not receive any corresponding tax incentives or grants. Another study reviewed by this paper found it was not possible to determine there was any effect from the EZ designation and resulting support for these areas. As a result, the paper arrived at the following,

“These results suggest that the program had no statistically significant effect on income, unemployment, or poverty, a finding shared by recent research on state-level enterprise zones.”

The Opportunity Alignment of Fort Frances

The Town of Fort Frances has made the investments necessary to support the growth a tax incentive zone could create. The Town of Fort Frances has a variety of affordable industrial and commercial properties that are either serviced or serviceable and ready for development.

The Town of Fort Frances has created opportunities for development by offering land below general market value and the entire Town of Fort Frances is included in the Community Improvement Plan approved by the Province of Ontario.



The Town of Fort Frances also ideally matches the requirements that the Province of Ontario has laid out for regions to be eligible for a potential tax incentive zone. Not only is the Town of Fort Frances undercapitalized compared to other growing parts of the province, but with the closing of the mill the town has experienced a significant decapitalization, which would help support the argument to create tax incentives for the town.

In the Town of Fort Frances, the 2016 median household income was \$62,928 per year. The median household income in the town is lower than the 2016 national household median income of \$82,110, a difference of almost 25%. This further demonstrates both the need and eligibility of the Town of Fort Frances for a tax incentive zone.

There are several projects in the early interest stages for the undeveloped portions of the community. These could leverage the strength of the public utility and the communities border access.

The space being reclaimed by the demolition of the mill provides other unique opportunities to create growth via incentives.

The incentives could also align with supports provided via NOHFC and FedNor.

What Could the Incentives look like:

- Reduced Provincial corporate taxes
- Reimbursements for capital expenditures
- Incentives directed at hiring such as wage subsidies
- Relocation allowances
- Education tax rebates
- Subsidized hydro rates
- Reductions in Municipal taxes

Next Steps:

- EDEC to report to Council that it believes that Council should lobby the Government of Ontario to be a pilot tax incentive zone.
- Develop a list of incentives that the municipality would contribute to the zone's effectiveness.
- Meet with landowners to discuss their interest in developing businesses on their property within the zone.
- Build a business model that proves the return on investment of the incentive



**RAINY RIVER FUTURE
DEVELOPMENT CORPORATION**
A Community Futures Development Corporation



Dated: September 2, 2021

Period: August 2021

RRFDC 2 Year Action Plan:

	KPI and (Completion Date)	Actions
Mill Site: Planning and collaboration Work with Riversedge/Aazhogan Seek opportunities for development.	Complete study (Q1 2022) Create collaborative plan with partners (Ongoing) Assist with marketing efforts and support (Ongoing)	<ul style="list-style-type: none">• Industrial Rate Study Completed approved by committee and sent to A and F• Second Meeting – Project Progress Updated with a site visit being planned for early October.
MAT Committee: (Tourism) Implement Marketing Plan with FedNor and NOHFC funding Experiential Tourism New product development	Website development (Q2 2021) Host workshops on experiential tourism (Q4 2021) Initialize a digital marketing program (Q3 2021) Return occupancy to pre-COVID-19 levels (Q4 2022) Preparation for growth (2023)	<ul style="list-style-type: none">• Soliciting experiences – workshops fall 2021• Fishing Derby Virtual Derby - Completed• Welcome Back – Banner and Signs up for August 9th border re-opening• Digital Border program August 1 - ongoing
Downtown Re-vitalization and SME Retention: Promote increased use of market square. Support (loans etc.) - Digital Support (Training)	Market the square to micro and home businesses startups (Ongoing) Maintain GL percentage usage (Ongoing-Q4 2022) Add net 2 new merchant members. (Q4 2021)	<ul style="list-style-type: none">• GL new signs• Increased social media• Digital Training Late Fall

- GoLocal		
Woodyard and Gateway: RFI for “Attraction Land” Promote woodyard to hotel developers. Promote site to multi-residential developers.	Issue RFI (Q2 2021) Market property to 40 hotel developers (Q1 2022) Market to housing developers (Q1 2022) Create marketing materials (Ongoing to Q1 2021)	<ul style="list-style-type: none"> • Hotel investment groups list creation is ongoing. • Two presentations to developers • Package in design.
Industrial Lots: Promote the industrial lot sites.	Provide recommendations to Council on economic value (Ongoing)	<ul style="list-style-type: none"> • Two Potential sale in development for multiple acres • Tax Incentive Zones (report attached)
Mining Supply and Service: Market Fort Frances as a location	Two meetings with New Gold (Annually)	<ul style="list-style-type: none"> • Welcome Packages sent • Presentation on Procurement for November 2021 – in development
Rainy Lake Square Activities/Project Petunia/Canada Day: Assist in the transition to museum staff.	Ensure a smooth transition (Q1 2021) Monitor activities and assist were needed (Q3 2021)	<ul style="list-style-type: none"> • Transferring assets and files, aiding as required. • Market is very successful!
Boundary Waters Forest Management/Wood Products: Participate in BWFMC Seek users for available fiber.	Attend BW meetings (Ongoing) Communicate opportunities (Q2/3 2021 start) Market fiber available with BWFMC (Q3 2021) Execute fiber study Q2 2021 (based on NOHFC) Share fiber information with potential users (Ongoing) Meet with 4 possible users (Q4 2022)	<ul style="list-style-type: none"> • Attended BWFMC Meetings • CRIBE Study participation • Early-stage opportunity • Marketing biomass and small round wood • Application to NOHFC approved and project underway

Partnerships and Relationships	Attend BIA and Chamber Meetings RRDMA linkages Meetings with all Ind Ec. Dev Agencies	<ul style="list-style-type: none"> • Meetings with FN Regional Ec. Dev. Corp. and GCT3 • RRDMA presentation January 2022 • RRFDC has attended meetings of the Chamber and the BIA
Additional Activities: <ul style="list-style-type: none"> - Inbound inquires - Requests for information - Support to community groups when requested 		

