



Date: April 14, 2025

To: Mayor and Council

Author: Ryan McLeod, Director of Finance & Corporate Services
Sue Rice, Economic Development & Tourism Officer

RE: Industrial & Commercial – Community Improvement Plan (CIP)

RECOMMENDED ACTION

That the Industrial and Commercial Community Improvement Plan (CIP) for the Town of Kingsville as attached in Appendix A **be approved**.

BACKGROUND

One of the priorities set out in the Town's 2040 Strategic Plan is to create "A Thriving Local Economy". Growing our local economy is a priority because it benefits all Kingsville residents and businesses by creating jobs and improving financial prosperity. The Town aims to create conditions where businesses can innovate, invest and thrive.

Community Improvement Plans (CIP) are a municipal planning tool used to establish strategies, actions, and financial programs for improving identified areas within a municipality. On August 12, 2024 Council directed Administration to prepare a Community Improvement Plan (CIP) providing a 'Property Tax Incentive Grant' for industrial developments. Based on this direction, in addition to subsequent research and consultation, Administration has prepared the attached Community Improvement Plan which includes incentives for both Industrial and Commercial developments.

DISCUSSION

The proposed Community Improvement Plan focuses on incentivizing large-scale industrial and commercial developments that create quality employment opportunities.

The CIP consists of 3 financial incentive programs.

1. Industrial Development Property Tax Increase Grant Program

This program is intended to attract new industrial development to Kingsville, or encourage the expansion of an existing industrial property. The program would provide a grant equivalent of up to 100% of the Municipal Property Tax Increase (MPTI) created

by the project for 5 years after project completion, up to 50% of the MPTI in years 6 -8, and up to 25% of the of the MPTI in years 9 -10.

To be eligible for this grant, the new industrial development (or the expansion of an existing industrial building) must create a minimum of 30 new Eligible Permanent Full-time Jobs and requires a minimum investment of CAD \$10,000,000 (Construction Value).

2. Commercial Development Property Tax Increase Grant Program

This program is intended to attract new commercial businesses to Kingsville. It would provide a grant equivalent of 50% of the Municipal Property Tax Increase created by the project for up to 5 years after project completion. To be eligible for this grant, the new commercial development (or the expansion of an existing commercial building) must create a minimum of 15 new Eligible Permanent Full-time Jobs and requires a minimum investment of CAD \$5,000,000 (Construction Value).

3. Industrial-Commercial Property Tax Freeze Program

This program aims to retain existing Industrial and Commercial operations within the Town of Kingsville, by providing a freeze on Municipal Property Taxes for a period of up to 10 years post-acquisition. To qualify, existing Industrial or Commercial property must be sold to an arm's length third party, must retain a minimum of 30 Eligible Permanent Full-time Jobs for the 10-year duration and requires a minimum acquisition value of \$5,000,000.

For clarity, all 3 grant programs apply only to the Town of Kingsville portion of property taxes, and do not include the County or Education taxes.

An 'Eligible Permanent Full-time Job' refers to a person working a minimum of 35 hours per week and earning at least 125% of the Provincial Minimum Wage.

If approved, all CIP applications will be approved by an administrative panel consisting of the CAO, Director of Finance and Corporate Services, Director of Planning & Development, and the Economic Development Officer. Successful applicants will be publicly disclosed on the Town's website.

The CIP will be in effect for five years from the date of Council adoption, with the potential for extension. An annual monitoring program will be established to assess the CIP's effectiveness and make necessary adjustments in response to changing economic conditions.

FINANCIAL CONSIDERATIONS

All 3 financial grant programs refer to the rebate of incremental property taxes.

Successful applicants will be taxed in the same manner as any other property owner but will be eligible for a rebate in the following year, assuming they meet the program's employment and other criteria.

The net financial impact of this CIP will result in loss of future tax revenue from industrial and commercial growth. If successful, this program will attract, or encourage expansion of, large-scale industrial and commercial developments that will help diversify our economy, generate quality employment opportunities, and contribute to the property tax base for many years beyond the initial grant period.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental implications associated with this CIP.

CONSULTATIONS

PREPARED BY:

Sue Rice

Sue Rice
Economic Development and Tourism Officer

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Ryan McLeod, CPA, CA
Director of Finance and Corporate Services

REVIEWED BY:

John Norton

John Norton
CAO