

Appendix “A” to the Report to Council dated April 14, 2025

Industrial & Commercial – Community Improvement Plan (CIP)

SECTION 1 INTRODUCTION

One of the Town’s strategic priorities 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. This Community Improvement Plan has been prepared to incentivize private sector investment and the creation of quality employment opportunities within the Town of Kingsville.

SECTION 2 LEGISLATIVE AND POLICY FRAMEWORK

A Community Improvement Plan (CIP) is a municipal planning tool used to establish strategies, actions, and financial programs for improving identified areas within a municipality.

2.1 Municipal Act, 2001

Section 106(1) and (2) of the *Municipal Act, 2001* prohibits municipalities from directly or indirectly assisting any industrial or commercial enterprise through the granting of bonuses. Prohibited actions include:

- Giving or lending any property of the municipality, including money;
- Guaranteeing borrowing;
- Leasing or selling any municipal property at below fair market value; and,
- Giving a total or partial exemption from any levy, charge or fee.

This prohibition is generally known as the “bonusing rule”. Section 106(3) of the *Municipal Act, 2001* provided an exception to this bonusing rule for municipalities exercising powers under subsection 28(6), (7) or (7.2) of the *Planning Act* or under Section 365.1 of the *Municipal Act, 2001*. It is the exception under Section 28 of the *Planning Act* that allows municipalities to prepare and adopt community improvement plans (CIPs).

2.2 Planning Act

Section 28 of the *Planning Act* allows the council of a local municipality with provisions in their official plans relating to community improvement to designate by by-law the whole or any part of the area covered by such an official plan as a “community improvement project area” (Section 28(2)) and prepare and adopt a community improvement plan (CIP) for that area (Section 28(4)).

Once a CIP has come into effect, the municipality may 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 the whole or any part of the eligible costs of the community improvement plan (Section 28(7)).

2.3 Official Plan

The County of Essex Official Plan was adopted by County Council and received approval from the Province of Ontario in 2014. This Plan applies to all seven local Essex County municipalities, including the Town of Kingsville.

The following Essex County Official Plan goals and policies are particularly relevant and applicable to the Town's new Industrial and Commercial Community Improvement Plan:

"Essex County Goals:

Goals for a Healthy County

- 1.5 (i) To maintain and attract manufacturing, agribusinesses and tourism related businesses and activities that can provide well-paying employment opportunities to existing and future residents.

Goals for Land Use Policies

- 3.2.2 (f) to increase the opportunity for job creation within each local municipality by attracting and maintaining industries and businesses closer to where County residents live;
- 3.2.2 (g) to support long term economic prosperity by providing infrastructure and public service facilities to accommodate projected growth;"

The Town of Kingsville's Official Plan underwent its 5-year Conformity Review in 2023. Subsection 8.3 of the Town's Official Plan articulates the Town's intention approve Community Improvement Policies for economic development and the creation of employment opportunities.

SECTION 3 ECONOMIC DEVELOPMENT COMMUNITY IMPROVEMENT PROJECT AREA

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

This Community Improvement Plan applies to all eligible investments within the municipal boundaries of the Town of Kingsville.

SECTION 4 COMMUNITY IMPROVEMENT PLAN OBJECTIVES

The objectives of this Community Improvement Plan are as follows:

- 1) to strength and diversify the local economy by attracting major new investment and development;
- 2) to stimulate and encourage job creation in Kingsville through the attraction of major new industrial and commercial development and/or the expansion or retention of existing industrial and commercial businesses;
- 3) to assist with the redevelopment and revitalization of existing industrially and commercially zoned lands; and
- 4) to be financially responsible to taxpayers, by focusing on targeted financial incentives that do not adversely impact the municipality.

The above noted objectives are an expression of the intended outcomes resulting from the implementation of this Community Improvement Plan. They will also be used to guide decisions that are being made during the life of the plan, and as guideposts to monitor the performance of the CIP.

SECTION 5 FINANCIAL INCENTIVES AVAILABLE

To achieve the strategic economic development goals of Council, and the stated objectives of this Community Improvement Plan, the following Financial Incentive Programs are being offered to eligible projects:

5.1 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 and 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. This program would provide **up to 50%** of the MPTI **in years 6 -8**, and **up to 25%** of the of the MPTI **in years 9 -10**. This property tax rebate program is summarized in Table 1 below.

Table 1 – Industrial Development Property Tax Increase Grant Rebate Factors

Year	1	2	3	4	5	6	7	8	9	10
MPTI Grant	100%	100%	100%	100%	100%	50%	50%	50%	25%	25%

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)**.

Eligible Permanent Full-Time Job means a person employed by a business who is normally scheduled to work a minimum of 35 hours per week for at least 48 weeks per year. The permanent full-time employee must be physically working within the municipal boundaries of the Town of Kingsville and earning at least 125% of the Provincial Minimum Wage.

The minimum new Eligible Permanent Full-Time Jobs must be met for the full calendar year in which the grant is sought. If the number of jobs is not met initially, the grant can be sought for subsequent years when the number of required jobs is met.

Municipal Property Tax Increase (MPTI) is calculated as the difference between the pre-construction assessment value and the post-construction assessment value, multiplied by the applicable municipal tax rate. The grant is only applicable to the Town of Kingsville portion of property taxes and does not include the Education portion payable to the Province of Ontario, and any property taxes payable to the County of Essex. It also does not apply to Drainage Assessments or other Special Area Levies.

5.2 Commercial Development Property Tax Increase Grant Program

This program is intended to attract new commercial businesses to Kingsville. It would provide a grant equivalent **up to 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)**. This property tax rebate program is summarized in Table 2 below.

Table 2 – Commercial Development Property Tax Increase Grant Rebate Factors

Year	1	2	3	4	5
MPTI Grant	50%	50%	50%	50%	50%

Definitions for Eligible Permanent Full-time Job and Municipal Property Tax Increment are as described above in section 5.1.

5.3 Industrial-Commercial Property Tax Freeze Program

This program aims to retain existing Industrial and Commercial operations with 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**.

The grant is only applicable to the Town of Kingsville portion of property taxes and does not include the Education portion payable to the Province of Ontario, and any property taxes payable to the County of Essex. It also does not apply to Drainage Assessments or other Special Area Levies.

Applicants must submit evidence to support their claim that the sale is to an arm's length third party. The sale must be a bona fide third-party transaction at fair market value. The Town may ask for additional information and the decision of the Town in regard to whether this is an arm's length transaction shall be final.

SECTION 6 PROGRAM ADMINISTRATION

A detailed application form will be prepared and utilized by Town Administrative Staff to receive applications and to determine eligibility under one or more of these financial incentive programs.

Approval of the Financial Incentives identified in section 5, will be determined by the Town's CAO, Director of Finance and Corporate Services, Director of Planning & Development, and Economic Development Officer in accordance with the eligibility criteria set out in this Community Improvement Plan. The decision of this administrative committee shall be final in all matters related to this CIP, without right of appeal to Council.

Applicants will be required to pay their tax levies in full and submit an annual compliance report to receive their CIP incentive grant no later than **February 28th** of the following year. Penalties and interest on late payments are not eligible for rebate.

The following program requirements will apply. These requirements are not necessarily exhaustive, and the Town of Kingsville reserves the right to include other requirements and conditions as it deems necessary.

- An application for any of the incentive programs contained in this CIP can only be made for properties located within the Town of Kingsville.
- If the applicant is not the registered owner of the property, the applicant must provide written consent from the owner of the property on the application. The

registered property owner may also be required to be a party to any agreement for the financial incentive programs.

- The applicant will be required to submit a complete application to the Town describing in detail the work that is planned. This may include reports, floor plans, conceptual site plans, business plans, estimates, contracts, and other details as may be required to satisfy the Town with respect to conformity of the project with the CIP.
- All drawings, reports and/or materials submitted to and/or requested by the Town to support a financial incentive program application shall be prepared by qualified professionals to the satisfaction of the Town.
- The applicant must address all outstanding work orders and/or other fees from the Town (including tax arrears) against the subject property to the satisfaction of Administration prior to the grant being approved.
- The Financial Incentives only apply to industrial or commercial developments or property acquisitions occurring after the formal approval of this CIP by Council. The date of industrial or commercial development will be based on the date of the issuance of a building permit. No Financial Incentives will be retroactively applied to any work that has taken place prior to the execution of this CIP.
- As a condition of approval of an application for any of the financial incentive programs contained within this CIP, the applicant must enter into an agreement with the Municipality. The agreement will be registered against the land to which it applies and will specify the terms, duration, and default provisions of the grant.
- All proposed works approved under the incentive programs and associated improvements to buildings and/or land shall conform to all provincial laws, municipal by-laws, policies, procedures, standards, and guidelines, including applicable Official Plan and zoning requirements and approvals.
- The Town of Kingsville may undertake an audit of any information supplied in connection with the grant application. This may include municipal staff, officials, and/or agents of the Municipality to inspect any property that is the subject of an application for any of the financial incentive programs offered by the Municipality.
- The Municipality is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant.
- Council at its discretion may at any time discontinue a program; however, any participants in the program prior to its discontinuance will continue to receive grants as approved for their property in accordance with the agreement signed with the Municipality.
- If the applicant is in default of any of the general or program specific requirements, or any other requirements of the Municipality, the Municipality may

delay, reduce, or cancel the approved grant, and any grant amount paid will be recovered by the Municipality.

- If a building that was erected or improved with a program grant is demolished prior to the expiry of the grant period, the grant is terminated and will be recovered by the Municipality.
- The Town has the right to perform annual inspections, and to request information from the applicant with respect to full time employment numbers and payroll data, to ensure compliance with the agreement.

SECTION 7 PROGRAM DURATION AND MONITORING

This Community Improvement Plan is intended to be in effect for 5 years from the date of adoption by Council. The CIP may be extended at the sole discretion of Council but such extensions are not guaranteed and should not be assumed.

Town Staff will put in place a monitoring program and will prepare an annual report to assist Council with evaluating the effectiveness of this Community Improvement Plan. This monitoring report will also be used to identify if there are refinements that need to be made to the CIP to address changing economic conditions that may arise from time to time.

All approved applications will be publicly listed on the Town's website.