



County of Wellington Invest Well Programs Review and Update

ECONOMIC DEVELOPMENT COMMITTEE PRESENTATION
APRIL 25, 2023

Presentation Agenda

1. Upper Tier Context
2. Purpose of Review
3. Current Invest Well Programs/Results
4. Key Review Findings
5. Draft Invest Well Programs
6. Draft Invest Well Evaluation Framework
7. Next Steps

Upper Tier Context

- Several Ontario Regions and Counties offer funding to assist Local Municipalities (LMs) in implementing CIP grant/loan programs.
- Regions have long offered matching grant funding, substantial TIG programs, and even DC Exemptions/Reductions/Grants for downtown revitalization and brownfield redevelopment.
- Region focus shifting to TIG funding for projects that achieve key Regional objectives such as brownfields, affordable housing, employment uses, and sustainability -- performance based.
- Counties have smaller CI budgets, tend to offer less substantial TIG programs, and smaller grants that focus on facade improvement, building renovation, and housing unit rehabilitation/conversion.

Purpose of Review

- All 7 LMs in Wellington County have CIPs that were prepared or had last major update between 5 and 8 years ago.
- County of Wellington (C) Invest Well (IW) Programs approved in 2018 and incorporated into LM CIPs between 2018 and 2019.
- LM CIPs and Upper Tier Incentive Programs should be reviewed/updated approx. every 5 years, similar to Official Plan (OP).
- CIP review/update should incorporate lessons learned, new policy directives, and address incentive program gaps/issues.
- Township of Centre Wellington CIP and County IW Programs being reviewed/updated at same time to help ensure more responsive County programs, and better coordination.

Purpose of Review

Methodology

- RCI working with Senior County/Township Staff Project Team (SPT).
 - ✓ Reviewed key policy and planning framework at both levels;
 - ✓ Conducted Best Practices Review – emerging/innovative programs ;
 - ✓ Reviewed uptake/results of existing CI Programs at both levels;
 - ✓ Toured existing CIPAs with County staff;
 - ✓ Reviewed key community improvement needs, goals and program gaps;
 - ✓ Developed updated IW Goals, Draft Incentive Programs and Application Evaluation Framework;
 - ✓ **Purpose of Today** - Provide EcDev Committee with a project update and obtain feedback.

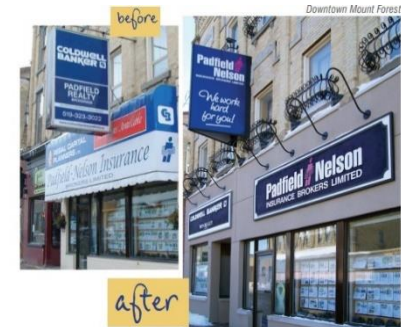
Current County Invest Well (IW) Programs

- 1. Invest Ready Phase One Pre-Development Design/Study Grant** = up to 100% of eligible design/study costs to max. grant of **\$20K** per property/project.
 - 2. Invest More Grant** = up to 50% of eligible costs to max. grant of **\$10K** per property/project. *Cannot be combined (stacked) with Invest Ready TIEG.*
 - 3. Invest Ready Phase Two TIEG** = annual grant for 5 years based on 100% of County TI in Year 1, 80% in Year 2, 60% in Year 3, 40% in Year 4, and 20% in Year 5. *Cannot be combined (stacked) with Invest More Grant.*
- For Programs 1 and 3 above, project must score minimum 40% on County IW Evaluation Framework. For Program 2, project must score minimum 20% on County IW Evaluation Framework.

Current County IW Programs and Results

Program Results (2019 to 2021)

- 36 applications received with 29 approved/ 7 not approved.
- 27 Invest More Grants, and 2 Invest Ready Phase One Design/Study Grants approved.
- No Invest Ready Phase Two TIEGs approved.
- Total of \$200K in County grants and \$278K in LM Grants leveraged \$3.95M in building improvements. Leverage Ratio = **12.7** Very good.



Key Review Findings

- **Current IW Programs** cumbersome, confusing, not well organized.
- “Invest Well”, “Invest Ready” and “Invest More” nomenclature does not clearly indicate intent of respective incentive programs.
- General program requirements/program specific requirements not clear.
- Poor uptake of Invest Ready Programs (Study Grant and TIEG) to date.
- Study Grant Program uptake should be higher – “chicken before egg”?
- Some types of studies not eligible for Study Grant.
- \$10K cap on Invest More applications too low to support some projects.
- Prohibition on stacking of Invest More and Invest Ready TIEG is a major deterrent, and does not reflect best practices elsewhere.
- Applicants sometimes made aware of County incentive programs too late in process. Need earlier contact (pre/early-development stage) with County and better coordination between LM CIP staff and County staff.

Key Review Findings

- **Recent Key Policy Directives** (Attainable Housing Strategy and Climate Change Mitigation Plan) identified new policy directions, but current IW Programs do not adequately reflect updated County policy goals such as:
 - ✓ Additional rental and affordable housing;
 - ✓ Agricultural manufacturing/value added farm products and new and innovative farm related agriculture/agri-business uses;
 - ✓ Reduction of impacts of climate change, incorporation of energy efficient and sustainable/green design and building.
- **Current Application Evaluation Framework:**
 - a) difficult for project to score high enough to receive Invest Ready Study Grant;
 - b) does not adequately reflect County's key long-term planning and economic development goals;
 - c) produces scoring results not reflective of relative contribution of different scaled projects to achievement of County's key long-term planning and economic development goals.

Conclusions

- IW Programs Document requires revisions and updating.
 - ✓ Restructured, reordered, and revised nomenclature to make Program document more user friendly.
 - Study Grant Program;
 - Minor Activity Grant Program; and
 - Major Activity Grant Program (TIEG)
 - ✓ Adjusted Program eligibility requirements, maximum grant amounts, and introduced “targeted program stacking” to make programs more responsive, effective and reflective of County planning and economic development policies.
 - ✓ Revised Application Evaluation Framework to ensure County only invests in projects that directly and strongly support County’s long-term planning and economic development priorities.
 - ✓ Developed a formal early warning system to County staff for LM CIP applications, and a quarterly check-in by County staff with LM staff.

Comparison of Current and (Draft) County Invest Well Programs

Current Program Name	Current Program Description	Revised Program Name	Revised Program Description
<p>1) Invest Ready Pre-Development Design/ Study Grant</p>	<p>County grant up to 100% of eligible study costs to max. grant of \$20K per property/ project.</p> <p>LM not required to participate financially in grant.</p> <p>Proposed project must score at least 40% on County IW Evaluation Framework in order to be eligible.</p> <p>Maximum County grant increases as evaluation score increases.</p>	<p>1) Study Grant</p> <p style="text-align: center;">➔</p>	<p>County grant up to 100% of eligible study costs to max. grant of \$10K per study, and max. of 2 grants per project.</p> <p>LM not required to participate financially in grant (no change).</p> <p>Requirement for proposed project to meet min. score against IW Evaluation Framework eliminated.</p>

Draft Invest Well Programs

Comparison of Current and (Draft) County Invest Well Programs

Current Program Name	Current Program Description	Revised Program Name	Revised Program Description
<p>2) Invest More Grant</p>	<p>Grant up to 50% of total eligible costs approved under non-TIEG Local CIP Program, to a max. County grant of \$10K per property/project.</p> <p>Project must score at least 20% on County IW Evaluation Framework to be eligible.</p> <p>Max. County grant increases as evaluation score increases.</p> <p>Cannot be stacked with IW TIEG.</p>	<p>2) Minor Activity Grant</p> <p style="text-align: center;">➔</p>	<p>County grant up to 50% of total eligible costs approved under non-TIEG Local CIP Program to a max. County grant of \$20K per project.</p> <p>Proposed and “as built” project must score at least 20% on Revised County IW Evaluation Framework to be eligible.</p> <p>Max. County grant increases as evaluation score increases.</p> <p>Can be stacked with County TIEG <u>only if</u>:</p> <p>a) proposed land use is/includes one of following targeted uses:</p> <ul style="list-style-type: none"> i) industrial/manufacturing; ii) affordable housing; iii) new/innovative farm related agriculture/agri-business use; AND, <p>b) LM CIP permits stacking and application has been approved by LM for both corresponding Local Minor Activity Grant and Local TIEG.</p>

Draft Invest Well Programs

Comparison of Current and (Draft) County Invest Well Programs

Current Program Name	Current Program Description	Revised Program Name	Revised Program Description
<p>3) Invest Ready TIEG</p>	<p>Annual County grant for up to 5 years after project completion (Grant equal to 100%, 80%, 60%, 40% and 20% in Years 1, 2, 3, 4 and 5 respectively).</p> <p>Project must score at least 40% on County IW Evaluation Framework to be eligible.</p> <p>Cannot be stacked with County Minor Activity Grant.</p>	<p>3) Major Activity Grant (TIEG)</p> <p style="text-align: center;">➔</p>	<p>Annual County grant for up to 5 years after project completion (Grant equal to 100%, 80%, 60%, 40% and 20% in Years 1, 2, 3, 4 and 5 respectively).</p> <p>Proposed and “as built” project must score at least 40% on Revised County IW Evaluation Framework to be eligible.</p> <p>Can be stacked with County Minor Activity Grant <u>only if</u>:</p> <p>a) proposed land use is/includes one of following targeted uses:</p> <ul style="list-style-type: none"> i) industrial/manufacturing; ii) affordable housing; iii) new/innovative farm related agriculture/agri-business use; AND, <p>b) LM CIP permits stacking and application has been approved by LM for both corresponding Local Minor Activity Grant and Local TIEG.</p>

Draft Invest Well Evaluation Framework

Current IW Evaluation Framework		Draft Proposed IW Evaluation Framework		
INVESTMENT CRITERIA	SCORE	INVESTMENT CRITERIA	SCORE	CRITERIA
PRIORITY #1 - USE LAND STRATEGICALLY	20%	PRIORITY #1 - USE LAND STRATEGICALLY	15%	Similar
PRIORITY #2 – PROVIDE HOUSING CHOICES	20%	PRIORITY #2 – PROVIDE HOUSING	25%	Added points for min. 25% affordable units.
PRIORITY #3 – IMPROVE BUILDINGS AND INFRASTRUCURE	20%	PRIORITY #3 – IMPROVE BUILDINGS AND INFRASTRUCURE	15%	Added publicly accessible spaces and active transportation
PRIORITY #4 – DIVERSIFY THE ECONOMY	20%	PRIORITY #4 – DIVERSIFY THE ECONOMY	20%	Added targeted uses, points for job creation, advanced technology and R&D
PRIORITY #5 – PROMOTE TOURISM	20%	PRIORITY #5 – PROMOTE TOURISM	13%	Similar
		PRIORITY #6 – INCORPORATE SUSTAINABILITY	12%	Points for design and green building features that mitigate climate impacts
TOTAL	100%		100%	

Next Steps

1. Receive input from EcDev Committee (April).
2. Revise Draft IW Programs as required (May).
3. Prepare Final Draft IW Programs Document (May-June).
4. Review by County staff, and further consultation with LMs as required (July-August).
5. Public Information Session/Meeting (August-September).
6. Final Updated IW Program Document presented to County Council for adoption (September).