



Committee Report

To: Councillor Steve Hammell, Chair and
Members of the Planning and Development Committee

From: Mark Paoli
Director of Planning and Development

Date: March 17, 2022

Re: Enhanced Spruce the Bruce Program - Local Consultation Follow-Up

Staff Recommendation:

That the Enhanced Spruce the Bruce Program as described in the Enhanced Spruce the Bruce Program - Local Consultation Follow-Up report, be endorsed; and,

That \$125,000 of undispersed funds remaining from the Support the Bruce Business Sustainability Fund - Emergency Business Sustainability Loan be transferred to the 2022 Spruce the Bruce Program operating budget; and,

That staff work with Local Municipalities to develop an equitable and phased plan for implementation of the Enhanced Spruce the Bruce Program; and,

That staff be authorized to initiate an Amendment to the County Official Plan to enable Community Improvement Plans to be established outside of Primary Urban Communities.

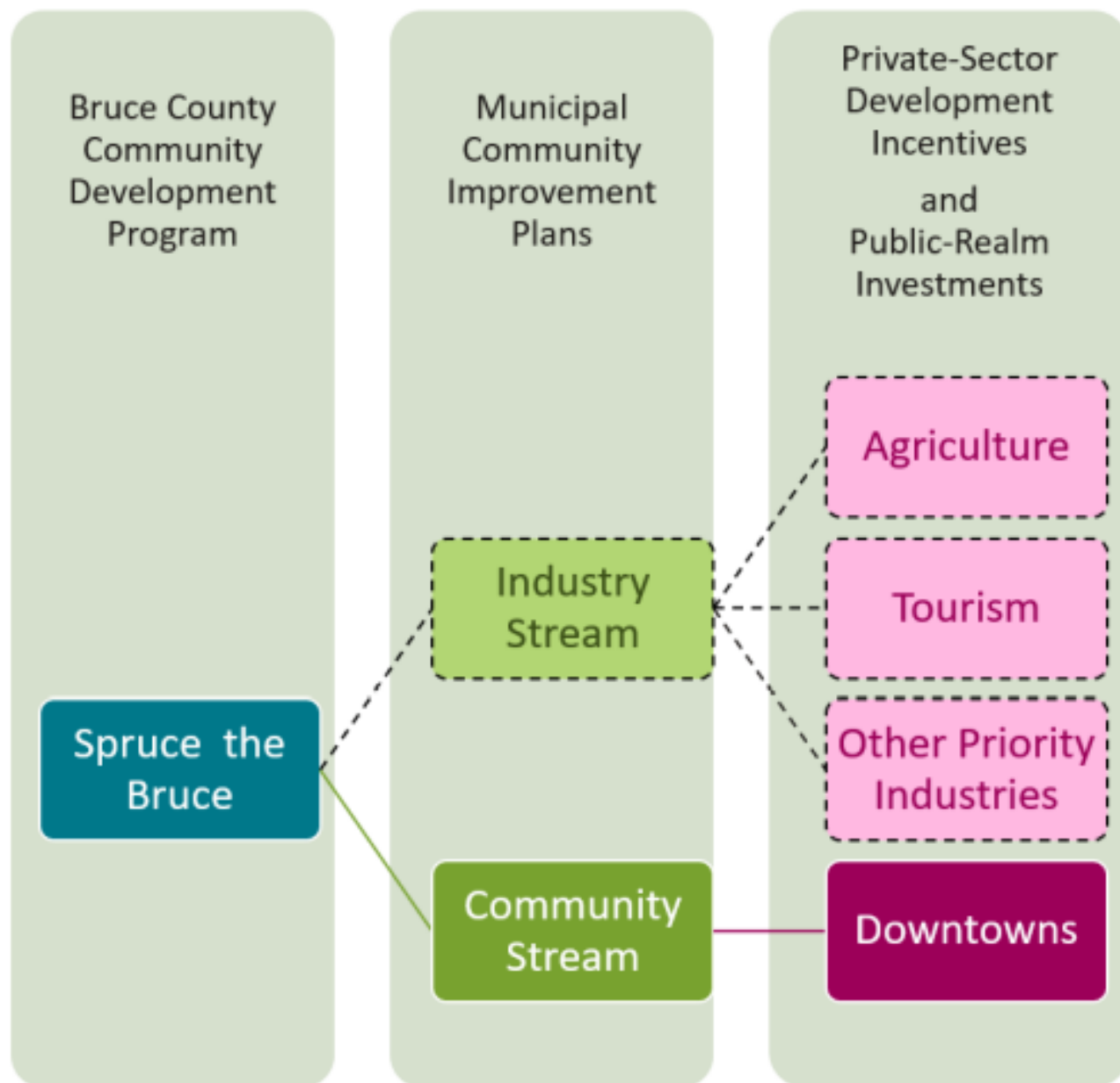
Background:

The Enhanced Spruce the Bruce Community Development Program report was presented to Planning and Development Committee at its November 2021 meeting. The Report outlined the recommended changes to the Spruce the Bruce program. The recommended changes arose from: the Spruce the Bruce Community Development Program Review that was prepared by MDB Insight (MDB) and endorsed by Council in August 2021; and subsequent research and analysis to design the enhanced program. At its November 2021 meeting the PDC directed staff to circulate the “Enhanced Spruce the Bruce Community Development Program” report to local municipalities for comments.

Enhanced Spruce the Bruce: Structural Change

The recommended enhancements to the program include establishing two streams - the Community Stream and the Industry Stream.

The chart below illustrates the proposed recommended structure for the STB program that was endorsed in August 2021. The items with dashed lines would be new.



Community Stream:

The Community Stream assists communities with focused improvements in downtowns that make them more attractive, distinctive, and pedestrian-friendly destinations. Except as noted below, the Community Stream continues the current Spruce the Bruce program. The downtown focus involves the development and implementation of supporting tools through the onboarding process to maximize the impact of the grants.

Existing Community Stream Grant options to be continued:

1. Façade Building Improvement (Exterior)
2. Fascia Signage*
3. Patio Installation*
4. Perpendicular Signage
5. Awning*
6. Streetscape Beautification
7. Community Signage
8. Community Marketing

*Note these grants were permitted projects, available under existing grants. They have been ‘broken down’ and separated into individual grants to allow for increased clarity, value and impact of individual projects.

New Community Stream Grant option to be added:

1. Commercial Building Interior Renovation

Industry Stream:

The Industry Stream is proposed to be added to promote economic goals that extend within and/or beyond the downtowns and main streets in settlement areas for key industries in Bruce County and regional priorities such as housing and transportation. The onboarding process would not be required for the Industry Stream.

The grant options listed below, if endorsed, would be new, except for the Destination Infrastructure grant. Destination Infrastructure grants were available to municipalities under the current Spruce the Bruce program and are proposed to be available beyond downtowns and main streets.

1. Business Accessibility Adaptability
2. Enhanced Product Development
3. Destination Infrastructure and Active Transportation
4. Agri-Food Innovation
5. Residential Improvement

The existing grants will continue to be available to those eligible where they are located within existing local downtown Community Improvement Plan (CIP) area. It is understood that the CIP would need to be updated to include new grants in order for an applicant to be eligible for the new recommended grants.

Municipal Feedback on the Enhanced Spruce the Bruce Program:

Feedback on the November 2021 Enhanced Spruce the Bruce Program report was received from all eight Local Municipalities. The comments were very helpful and led to follow-up conversations to clarify and/or further program research and design. For a copy of the Municipal Feedback & Comments, please contact the Clerk or Deputy Clerk.

The feedback was organized and reviewed relative to specific grants and other feedback themes. There is broad support for continuing the Community Stream grants that are already available through Spruce the Bruce, while there were concerns expressed about the proposed new grant for Commercial Building Interior Renovations, discussed below. In terms of the Industry Stream, most local municipalities offered positive comments about the change overall, although there were some funding concerns as well as a number of specific questions and comments that are also discussed below.

1. Community Stream: Commercial Building Interior Renovation

Comments summary:

- Concern about the property owner benefiting from the increased value of the building with taxpayers' dollars spent on improving the interior of a commercial building.

Discussion:

Occupied buildings increase the vibrancy of the downtown. Older commercial buildings downtown are more likely to be occupied when they are updated on the exterior and the interior.

As noted by MDB in the Spruce the Bruce Community Development Program Review report, "some municipalities have numerous vacant commercial properties within their downtowns that are in poor condition and not move-in ready. Finding tenants for these buildings can be difficult, according to municipal EDOs, especially when there are few programs in place that can help offset the cost of renovations." Interior renovations can help with regulatory issues such as Ontario Building Code Act requirements.

The Municipality of South Bruce's CIP supports grants offered for interior building improvements. The applicants are required to obtain all building and other required permits and conform with all applicable health and safety standards.

Response:

Clarification that the Commercial Building Interior Renovation grant should be focused on projects in the downtown that:

- Offer incentives to downtown and commercial private property owners that propose significant commercial projects that substantially renovate, restore, improve and update a building or structure (for example: flooring, drywall, ceilings, electrical, plumbing, etc.); and
- Meet all building and other required permits and is in conformance with all applicable health and safety standards.

2. Industry Stream: Business Accessibility Adaptability

Comments summary:

- General support / interest in the grant was received from most.
- A comment that, as accessibility compliance and regulations are provincial, any grant should be a provincial program and not a County program.

Discussion:

Communities with more accessible businesses are safer and more inclusive for everyone.

Research was done to explore the above comment and we found that, besides the Ontario Trillium Foundation's Community Building Fund - Capital Stream grant, which is not available to for-profit businesses, we are not aware of Provincially-funded programs to support AODA upgrades directly to a business.

As noted by MDB in the Spruce the Bruce Community Development Program Review report, "Many municipalities believe that the Spruce the Bruce program could be expanded to address more current issues facing municipalities, such, as ... AODA compliance...". Several Bruce County municipalities' CIP's currently support and fund Accessibility Enhancements to commercial buildings through a Tax Increment Equivalent Grant (TIEG).

This grant would not duplicate funding of other levels of government and would reinforce local initiatives in this regard.

Response:

Clarification that the Business Accessibility/Adaptability grant should be focused on projects in which:

- A commercial building's interior or exterior is renovated and / or upgraded to remove barriers for people with disabilities; and
- The renovations / upgrades are compliant with the requirements of the AODA.

3. Industry Stream: Residential Improvement

Comments summary:

- Questions about whether this would duplicate existing County housing programs and/or is there an opportunity for County's housing programs to be a funding source.

Discussion:

Through follow-up conversations with the Bruce County Human Services Department, it was confirmed that the proposed Residential Improvement grant would not duplicate efforts of the housing program offerings through Human Services. The Human Services' Home Repair Program offers low-income (less than \$75,000) homeowners whose home's market value is less than \$340,000 a 10-year forgivable loan to make home upgrades (such as roofing, windows, furnaces, accessibility, etc.). In fact, the Residential Improvement grant would directly support Bruce County's overall Housing and Homelessness Plan and provide additional assistance around supports to increase the supply of affordable and attainable housing options.

- Question was raised around whether the grant is intended to be available throughout existing built-up residential areas and in greenfield areas.
- Question around the possibility of the grant assisting any housing project in any zoned area if it provided long-term or seasonal long-term accommodation for workforce. This question includes considering agricultural operators housing their seasonal employees.

Discussion:

This question led to further review and discussion to clarify the scope of the residential improvement grant.

There are municipalities whose CIP's currently support residential projects through grants or a Tax Increment Equivalent Grant (TIEG). Specifically, the Municipality of Arran-Elderslie and the Town of Saugeen Shores both offer grants to assist with increasing or rehabilitating housing units and options within the downtown CIP (Arran-Elderslie) and the settlement area (Saugeen Shores).

One of the comments offered a caution around opening this grant up to all residential zones. MDB noted a best practice in another County of providing incentives for upper floor apartments in mixed use buildings to increase rental housing options. Some communities have mixed use (commercial-residential) zones outside of the downtown that would also provide residential rental opportunities. When rental units are available in downtowns or areas with a mix of uses, it increases the potential for retail, commercial, and personal services and employment opportunities, to be available to the tenants without reliance on having a car.

The scope clarification below would not affect eligibility in those Local CIPs where such grants are available more broadly.

Response:

Clarification that the Residential Improvement grant should be made available to support projects in downtowns or mixed use (commercial-residential) zones that permit residential uses, for:

- New residential units, or renovations or additions to increase occupancy in existing or redeveloped mixed-use buildings where the units are offered to rent long-term only (i.e. grant eligibility criteria may include a minimum period for which units must be available for long-term rental, and repayment clauses and contract enforcement may be required in partnership with local municipalities); and
- Where the improvements meet zoning and all building and other required permits and is in conformance with all applicable health and safety standards.

4. Industry Stream: question about the scope of Agri-Food Innovation

Comments summary:

- Question as to whether the Agri-Food Innovation grant is intended to include value-added processing on farms.

Discussion:

MDB noted in the Spruce the Bruce Community Development Program Review report that a best practice in their research of other municipalities' CIPs is "incorporating value-added agricultural uses as a way to encourage economic diversity in primarily rural and agriculture-based economies (i.e. incentives for the development of processing facilities)". In the preamble to their Recommendations, MDB state that "...Bruce County must collaborate with its municipal partners to fund new incentive programs that may be outside of the program's original mandate, such as...value-added on-farm agricultural uses...".

Response:

Clarification that the Agri-Food Innovation grant would include value-added processing on farms.

5. Industry Stream: Enhanced Product Development

Comments summary:

- There was overall support for or interest in the grant. However, there were around duplicated efforts of existing grants, and geographic eligibility. These included:
 - questions if the Enhanced Product Development grant was a duplicate to the Patio Installation grant, as it includes allowing funding to be used to install a patio; and a related question to this grant was,
 - if a business outside of the downtown CIP will be eligible to receive a Façade Improvement grant (or other community stream grants available to businesses)

Discussion:

The popularity of patios as an option for dining was heightened during the pandemic and that trend is expected to continue. The Patio Installation grant is a specific grant for businesses in the community's downtown, as are the other Community Stream grants for businesses (Façade Improvement, Perpendicular Signage, Fascia Signage, and Awning).

The purpose of breaking down the proposed grants into two streams - Community and Industry - is to ensure that there is a focus on the end-goals for each stream. Grants in the Community Stream will remain available only to downtown businesses, as supporting the downtown is ultimately the goal of the Community Stream - to create vibrant, friendly, and physically attractive downtowns. The introduction of an Industry Stream will provide for grants potentially within and/or beyond the downtown, as it is meant to address regional priorities in key sectors, housing and transportation.

The Enhanced Product Development grant is intended to support tourism product or experience development or enhancements that would assist tourism businesses outside of the downtown core, i.e., potentially municipality wide. Through this grant, a business whose products or services are directly related to tourism (ex. accommodations, retail, food services, etc.) would be eligible for funding. To enhance the customers' tourism experience, eligible projects could include completing exterior façade improvements, installing new signage, awnings, or patios, etc.

Response:

The Enhanced Product Development grant should be renamed to 'Product & Experience Development/Enhancement' and clarification that the grant could be available municipality-wide for projects completed by a tourism business that:

- Develop or enhance existing products or experiences which are specifically related to improving the value and experiences for tourism-based customers.

6. Program Structure: funding for the enhanced Spruce the Bruce

Comments summary:

- Most local municipalities had concerns or questions about spreading the current funding across the existing Community Stream and the new Industry Stream. These concerns were expressed from two points of view.
 - One concern, based on the view that expanding beyond downtowns with the addition of the Industry Stream is not desirable, was that there will be less money available to downtown commercial businesses; while,
 - A different but related concern, based on the view that expanding beyond the downtowns by adding the Industry Stream is desirable, was that there will not be enough money available for the Industry Stream.

Discussion:

In their “Spruce the Bruce Community Development Program Review” report, MDB noted that:

“The most successful CIPs create an equilibrium between geographic targets (e.g., downtown revitalization) and industry-related priorities (e.g., value-added agriculture, tourism, and culture). Too narrow a focus on specific sectors or clusters can limit the applicability and appeal of CIP initiatives.”

Accordingly, the broader geographic base for the Industry Stream recognizes the interconnections between urban and rural areas that are intrinsic to community development in the Bruce County context.

The point from the feedback is well taken though: that if we proceed with the two streams, there is potential to dilute the impact on the downtowns; and/or, that there won't be enough funds to make the desired impact in other sectors or areas through the Industry Stream.

For context to this discussion of funding, the following points are noted:

- Annual County funding for Spruce the Bruce was \$125,000 from 2010 to 2019.
- In 2020 and 2021, the annual County funding increased to \$250,000 to support adaption to and recovery from the pandemic.
- The approved 2022 budget for Spruce the Bruce is \$125,000.

It is difficult to precisely forecast the demand for grants in advance of offering them, and MDB advise that there is no CIP benchmarking of other municipalities to work from. It was offered in one of the local comments that some of the Industry Stream grants were piloted during the COVID pandemic. So, the uptake in grants under the Support the Bruce: Business Sustainability Fund may provide a guide.

Lessons learned through Support the Bruce:

The experience with broader supports for business in 2020 and 2021 during the pandemic indicates that there would be demand for an increase to the Spruce the Bruce budget envelope in 2022 to support the Industry Stream. The uptake for Spruce the Bruce grants doubled in 2020 and 2021, as the budget was doubled through the Support the Bruce funding. Momentum and requests for business supports has continued and increasing the Spruce the Bruce funding can directly assist in meeting these demands.

Response:

It is recommended that the concern about funding a broader Spruce the Bruce program be addressed for this year by transferring \$125,000 of the unspent STBBSF to the 2022 Spruce the Bruce Program budget. That increase would align with the 2019 and 2020 pandemic funding levels (\$250,000) and would align with the Support the Bruce fund goals to help with the stability of Bruce County businesses as they continue to navigate uncharted territory.

7. Concerns related to updating, expanding Community Improvement Plans

Comments summary:

- Some municipalities are working towards updated CIPs and await the enhanced Spruce the Bruce changes.
- Concern with the need to make the ‘entire municipality’ a CIP for businesses to be eligible for Industry stream grants, particularly agriculture businesses as most farms are scattered around the entire municipality
- Noting in some cases the need for some help from the County to support the update to their CIP so that they can fully participate.

Discussion:

It is understood that there would be a need to expand CIP areas where there is interest in broader access to the Industry Stream grants, including the Agri-food innovation grant. Equally, if a municipality does not see value in a specific grant, they need not include it in their CIP. There is opportunity for each municipality to offer incentives for those projects, areas, and industries they choose to support, aligning with their own strategic, economic, and community objectives. The value and support to the agricultural industry directly aligns with Bruce County’s Strategic Plan and many local objectives.

It is also noted that the current County Official Plan requires community improvement policies to be included in Local Official Plans for Primary Urban Communities; however, the County Official Plan does not explicitly authorize Community Improvement Plans beyond the Primary Urban Communities. For Local Official Plans, County staff would work with local municipal staff on amendments where CIP expansion beyond Primary Urban Communities is desired.

Response:

- Bruce County is offering support and assistance to municipalities who are interested in updating and/or expanding their CIPs and/or Official Plans.
- It is recommended that staff be authorized to initiate an Amendment to the County Official Plan to add policies that would enable Community Improvement Plans to be established outside of Primary Urban Communities.

8. Questions about onboarding for Industry stream grants

Comments summary:

- Question as to whether a community must be ‘onboarded’ into the Spruce the Bruce program in order for the local businesses and community partners to be eligible for the Industry stream grants

Discussion:

The onboarding process for the Community Stream, which results in developing a community toolkit (and therefore, a specific brand identity and coordinated branding elements), will not be required in order for businesses and local partners and stakeholders to be eligible for the Industry Stream grants as the Industry stream grants do not have the same geographic focus that entails the same branding requirements. Where a municipality wishes to add a new community to the CIP to allow those downtown businesses to access Community Stream grants, that would require onboarding into the STB program.

Response:

Clarification provided above; no program design changes required.

9. Comments about promotion challenges

Comments summary:

- Noted that the County can increase collaboration with municipalities and expand promotional outreach efforts, especially with the new grants.
- Concern around communication challenges to reach all agricultural communities about the available resources and grants.

Discussion:

The Economic Development team will ensure that advertising, marketing, and communication efforts go beyond digital means, and include site visits with hard-copy information around the grants, how to apply, etc. Presenting at local Economic Development Committee meetings, Chamber of Commerce meetings, Business Improvement Area (BIA) meetings, etc., in addition to collaboratively conducting site visits with municipal partners will ensure there is broad awareness and understanding of the program. Staff will work with the applicable local municipalities to ensure all agricultural operators are made aware and followed up with.

Response:

No program design changes required, the need for execution of communication and promotion above is noted.

Summary:

Table 1: Summary of Grants by Stream, Status, Eligibility and Potential Locations

Grant Name	Stream	Status	Eligibility: Who	Potential locations (*subject to CIP update)
Façade Building Improvement (Exterior)	Community	Existing	Businesses / Property Owners	Downtown
Fascia Signage	Community	Existing	Businesses / Property Owners	Downtown
Patio Installation	Community	Existing	Businesses / Property Owners	Downtown
Perpendicular Signage	Community	Existing	Businesses / Property Owners	Downtown
Awning	Community	Existing	Businesses / Property Owners	Downtown
Streetscape Beautification	Community	Existing	Municipal & Community Partners	Downtown
Community Signage	Community	Existing	Municipal & Community Partners	Municipality-wide
Community Marketing	Community	Existing	Businesses / Municipal & Community Partners	Downtown
Commercial Building Interior Renovation	Community	New	Businesses / Property Owners	Downtown
Business Accessibility Adaptability	Industry	New	Businesses / Property Owners	Municipality-wide *
Product & Experience Development/Enhancement	Industry	New	Tourism businesses	Municipality-wide *
Destination Infrastructure & Active Transportation	Industry	New	Municipal & Community Partners	Municipality wide
Agri-Food Innovation	Industry	New	Farmers & Agri-food businesses	Municipality wide *
Residential Improvement	Industry	New	Businesses / Property Owners of mixed-use buildings	Downtown and areas with Mixed-Use Zoning

Implementation Considerations:

It is appreciated that, if the enhanced Spruce the Bruce program is endorsed, implementation would involve a number of changes at both the County and Local level, including but not limited to: potential for new or updated Community Improvement Plans and passing of related By-Laws; revisions to Official Plan policy wording; and, coordinated communication and marketing tactics.

Bruce County staff will work with Local municipal staff to assess the challenges and timing aspects of these changes to develop a plan for implementation that is phased and equitable. Ongoing and regular communication will occur to ensure goals are reached and obstacles or opportunities are addressed. Bruce County staff are available to offer guidance and help update to Community Improvement Plans (CIP's) and Official Plans where there is interest.

Additionally, the list below provides a more detailed outline of the main downstream work to be undertaken by Bruce County staff, also in coordination with Local municipalities:

1. Promote and communicate to the business communities, and community stakeholders to develop awareness and interest from potential applicants in advance.
2. Develop and confirm all details of grants including permitted and excluded projects, maximum funding amounts, etc.
3. Develop application forms for each individual grant.
4. Develop marketing materials (images, graphics, ads, etc.) about the overall program and individual grants to be shared through marketing channels and communications.
5. Update Bruce County website with all program and grant details and application forms and ensuring links to each community's CIPs and related information.
6. Simultaneously launch the program / open grant applications, in accordance with phasing and equitable considerations noted above, and begin marketing efforts to promote the program to business communities and community stakeholders:
 - a. Share through social media posts, stories, ads, newsletters and media release;
 - b. Verbal, email and traditional mail communication with business communities and community stakeholders;
 - c. Attend and present the STB program at local Chamber, Business Improvement Area (BIA), etc. meetings; and,
 - d. Conduct "downtown walks" and other community site visits with municipal and community stakeholder representatives to meet with business owners.

Conclusion:

The recommended Enhanced Spruce the Bruce program has been revised and/or clarified, as discussed above to reflect local input.

Financial/Staffing/Legal/IT Considerations:

The transfer of \$125,000 of the remaining Emergency Business Loan of the STBBSF to the Spruce the Bruce would not have any financial impact to the CIBC loan used to fund the program. The loan from CIBC permits early repayments, however it does not reduce the interest owing. As such, there is no advantage in paying the loan off early. The loan repayment is already included in the 2022-2026 budget and forecast, and the budget did not rely on interest from lending all of the \$750,000, so there is no potential revenue shortfall.

Interdepartmental Consultation:

The Corporate Services Department assisted with and was consulted on financial aspects and the Human Services Department assisted with and was consulted on the residential aspects.

Link to Strategic Goals and Elements:

Goal: Stimulate and reward innovation and economic development

Element: Vocally support all industry in Bruce County

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