

A Rural CIP for North Grenville: A proposal to the Agricultural and Rural Affairs Advisory Committee

Last updated February 27, 2024

Introduction:

The Municipality of North Grenville is determined to see its Rural area become a thriving, vibrant area for locals and visitors, generating employment opportunities and contributing to a complete community.

The Municipality created this Rural CIP to address present and future opportunities in rural areas.

Part of this plan includes a suite of incentive programs through the Rural CIP to foster development in rural areas. Staff can guide individuals looking to submit applications to any of the criteria.

General Eligibility Criteria:

1. Final eligibility criteria will be determined through the demonstrated success of the project through all stages of application (as required) for planning approval, building permit issuance, and building code compliance, construction, occupancy, financial viability, and evaluation by the Ontario Municipal Property Assessment Corporation.
2. All proposals shall conform to the Official Plan, Zoning By-law and Council approved design guidelines and other planning requirements.
3. Property taxes shall be in good standing at the time of application and throughout the length of any incentive or grant commitments. Where arrears exist, an application will not be approved and/or grants will not be advanced until arrears are eliminated.
4. The property must conform to all property standards.
5. During preparation of its annual budget Council will determine the contribution to be made available to the various CIP programs for the following year. The financial incentive programs available under this CIP will be administered by staff within the budget established by council. Projects will not be approved that result in over-expenditure to what has been allocated to the CIP programs by council.
6. If the applicant is in default of any program requirement or any other requirement of the Municipality, the Municipality may delay, suspend or cancel the amount of its program approval and/or the financial incentives.
7. The Municipality reserves the right to audit any studies and/or works approved under the incentive program.
8. The Municipality may at its discretion and without further amendment to the CIP, extend or discontinue any program when it deems appropriate. Notwithstanding this, participants in various programs prior to their discontinuation may continue to receive approved incentives/grants after the closing of the program as determined through individual agreement with the Municipality and subject to available funding approved by the Municipality.
9. No application is guaranteed an approval, the Municipality has full authority over all decisions, and final decisions with respect to applications and the allocation of funds shall be made in accordance with the guidelines below.
10. As a condition of the approval, the applicant and/or owner of the property are required to enter into an Agreement with the municipality. Depending on the nature of the program applied for,

these agreement may be registered on title of the applicable property. The agreement may be made with respect to terms, duration, default, penalty, and termination provisions of the financial incentive.

11. Funding will only be provided after an agreement is executed, if required, and once all other conditions have been met.
12. Successful applicants are ineligible to participate in the Program again for two (2) calendar years. All eligible applications will be considered on a competitive basis. There is no guarantee of funding for any of the applicants.
13. If the funding is recurring over multiple years, then funding will only be issued if appropriate documentation is provided and accepted by the Municipality each year, as required.
14. Grants will not be applied retroactively to works started prior to the application intake date.
15. In accordance with Section 28(7.3) of the *Planning Act*, the total amount of financial incentives (including tax assistance) given by the Municipality to a specific development shall not exceed the eligible costs with respect to those lands and buildings.
16. In addition to the foregoing, eligible properties must meet the following specific requirements to be eligible to apply for the Rural CIP program:
 - a. Eligible Owners and authorized Tenants of lands and buildings located in agricultural or rurally zoned areas of North Grenville (outside of Service Area 1/Kemptville urban boundary) may apply for funding. Project activities must take place within this area.
 - b. The type of property or use subject to an application must be clearly identified as eligible. Generally, this includes properties with a full or partial commercial use, or properties designated as agricultural, rural, outdoor/recreational, etc.
 - c. To be eligible for funding, proposed projects must demonstrate some level of improvement over the existing conditions and not simply represent a Life-cycle replacement or ongoing operating costs.

Commented [PM1]: Perhaps instead: works commenced after submitted an application but prior to application approval are done at the applicant's risk?

Commented [PM2]: Can also have more specific eligibility criteria based on the activity.

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General Project Types:

- Tax-Increment Equivalent > Commercial Grant
 - o The tax increment equivalent farm grant (TIEFG) program is designed to support the development of agricultural operations in the rural area of North Grenville.
 - o Eligibility: In addition to the general eligibility criteria, the following program-specific eligibility criteria apply:
 - A minimum of 1000 ft² of new agricultural space, livestock facility, manure storage facility as an addition to existing or as a stand-alone structure is proposed to be developed.
 - Bona fide farmer / farm registration
 - o Municipal Contribution:
 - The maximum amount of the grant is 90% of the annual tax increment, over the agreed base assessment and property tax liability in year 1, declining by 10% per annum.
 - The maximum duration of the program is 10 years.

Commented [PM3]: Committee to specify minimum area.

- The maximum total grant amount is limited to the lesser of the total tax increment over the duration of the program or the total eligible costs.
- The program does not apply to the portion of tax levied by the United Counties of Leeds and Grenville.
- The program does not apply to the education portion of the tax rate.
- Steps to Follow:
 - The applicant will schedule an appointment with the program administrator who will determine eligibility. The applicant must be ready to provide information on the property and the proposed project.
 - An agreement will be executed establishing the terms of the tax rebates.
 - After completion of the construction of the new agricultural space, livestock facility, manure storage facility and a reassessment by MPAC, the Municipality will establish the rebate schedule.
 - The rebates will be paid after the applicant has paid their annual taxes in entirety.

Duration/Period	Grant Share	Annual Tax Increment on Municipal Portion	Grant Value Payable	Taxes Retained by Municipality
Year 1	90%	\$50,000	\$45,000	\$5,000
Year 2	80%	\$50,000	\$40,000	\$10,000
Year 3	70%	\$50,000	\$35,000	\$15,000
Year 4	60%	\$50,000	\$30,000	\$20,000
Year 5	50%	\$50,000	\$25,000	\$25,000
Year 6	40%	\$50,000	\$20,000	\$30,000
Year 7	30%	\$50,000	\$15,000	\$35,000
Year 8	20%	\$50,000	\$10,000	\$40,000
Year 9	10%	\$50,000	\$5,000	\$45,000
Year 10	0%	\$50,000	\$0	\$50,000
Total		\$500,000	\$225,000	\$275,000

- Building Fees > Grant

- The Building Fees Grant is in place to reduce the burden of developing agricultural-related development / expansion for farm businesses.
- Eligibility: In addition to the general eligibility criteria, the following program-specific eligibility criteria apply:
 - Bona fide farmer with valid farm registration number
 - Additional criteria to be determined with Committee contribution
- Municipal Contribution:
 - Building fees are rebated up to a maximum of 50% up to \$2,500. Fees are rebated and not waived outright. Fees are to be paid when due and will be reimbursed to approved applicants, to a maximum set by Council each year, upon the execution of required agreements, and proof of occupancy. Fees

associated with any other municipal process, or outside agencies are not subject to the rebate.

- Steps to Follow:
 - The applicant will schedule an appointment with the program administrator who will determine eligibility. The applicant must be ready to provide information on the property and the proposed project.
 - An agreement will be executed establishing the terms of the tax rebates.
 - The Grant will be paid according to the terms of the agreement upon obtaining a successful final inspection report.
- Roadside Improvement > Grant
 - The Roadside Improvement Grant provides funding to eligible rural property owners and tenants who want to establish farm produce sales stands. Grants are only considered for proposals that offer:
 - Farm stands that are less than 160 ft².
 - Farm stands that comply with all setback requirements established by local and county requirements.
 - Eligibility: In addition to the general eligibility criteria, the following program-specific eligibility criteria apply:
 - The property must sell only those products produced on the property, or which otherwise have value added to them on the property.
 - If the total value of all grant applications exceeds the amount of funding available, the applications will be rated based on predetermined criteria. The applications that receive the highest scores will be eligible to receive a Grant.
 - Criteria includes, but is not limited to:
 - Quality of design
 - Quality of materials used
 - Quality of signage.
 - Properties that have received a roadside improvement grant the previous years are not eligible. Properties with new owners may be exempt from this criteria.
 - Municipal Contribution:
 - Eligible rural property owners and tenants are eligible to receive grants of up to \$5,000 per street address or roadside stand.
 - The value of the grant cannot exceed 50% of the total cost of the eligible work. In other words, if your grant application is approved, we may pay up to half of the total cost of your project.
 - Steps to Follow:
 - The applicant will schedule an appointment with the program administrator who will determine eligibility. The applicant must be ready to provide information on the property and the proposed project.
 - An agreement will be executed establishing the terms of the grant.
 - The Grant will be paid according to the terms of the agreement upon completion of the project.

- Energy Efficiency > Grant

- o The Energy Efficiency Grant provides funding to improve existing farm facilities within the CIP area to provide for increased energy efficiency. Eligible energy improvements include:
 - Replacement of existing heating systems, central air conditioning systems, hot water system with recognized energy efficient systems (e.g. energy star systems).
 - Insulation upgrades to attics, exterior walls, exposed floors, basements and crawl spaces.
 - Replacement of windows or doors with energy star models.
 - Installation of small-scale renewable energy generation systems which are not subject to approval under the Green Energy Act, as determined by the Ministry of Energy.
 - Any other related improvement works as approved by the Municipality.
 - Any combination of criteria above.
- o Eligibility: In addition to the general eligibility criteria, the following program-specific eligibility criteria apply:
 - Bona fide farmer with a valid farm registration.
 - **Minimum size of building to be improved?**
- o Municipal Contribution:
 - Eligible rural property owners are eligible to receive grants of up to \$5,000 per street address.
 - The value of the grant cannot exceed 50% of the total cost of the eligible work. In other words, if your grant application is approved, we may pay up to half of the total cost of your project.
- o Steps to Follow:
 - The applicant will schedule an appointment with the program administrator who will determine eligibility. The applicant must be ready to provide information on the property and the proposed project.
 - An agreement will be executed establishing the terms of the tax rebates.
 - The Grant will be paid according to the terms of the agreement upon obtaining a successful final inspection report.

- Equipment Improvements > Grant

- o The Equipment Improvement Grant provides funding to improve or modernize existing farm equipment. Types of improvements eligible include:
 - Facility equipment (robotic milkers, etc.)
 - Infrastructure that assists with structure automation.
- o Eligibility: In addition to the general eligibility criteria, the following program-specific eligibility criteria apply:
 - Bona fide farmer with a valid farm registration.
 - **Minimum size of building to be improved?**
- o Municipal Contribution:

Commented [PM4]: This requires legal review. Under 28(7.1) of the Planning Act, improvements is loosely stated. I think it can be argued that it's permitted. If the committee wants it to stay, and Council provides ultimate direction, we will circulate to legal for review.

- Eligible rural property owners are eligible to receive grants of up to \$5,000 per street address.
- The value of the grant cannot exceed 50% of the total cost of the eligible work. In other words, if your grant application is approved, we may pay up to half of the total cost of your project.
- Steps to Follow:
 - The applicant will schedule an appointment with the program administrator who will determine eligibility. The applicant must be ready to provide information on the property and the proposed project.
 - An agreement will be executed establishing the terms of the tax rebates.
 - The Grant will be paid according to the terms of the agreement upon obtaining a successful final inspection report.
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