
HALDIMAND COUNTY

Report EDT-14-2018 Rural Business and Tourism Community Improvement Plan – 2 Dover Street, Port Maitland-Phase 2



For Consideration by Council in Committee on December 11, 2018

OBJECTIVE:

To seek Council approval of one (1) application for funding made under the Terms and Conditions of the Haldimand County Rural Business and Tourism Community Improvement Plan (RBTCIP).

RECOMMENDATIONS:

1. THAT Report EDT-14-2018 Rural Business and Tourism Community Improvement Plan – 2 Dover Street, Port Maitland-Phase 2 be received;
2. AND THAT the project as outlined in Report EDT-14-2018 for the property at 2 Dover Street, Port Maitland-Phase 2, be approved for a grant to be funded from the Community Improvement Plan Reserve to a maximum of \$37,500;
3. AND THAT the Mayor and Clerk be authorized to execute the Rural Business and Tourism Community Improvement Plan Financial Incentive Program Agreement with the respective property owner;
4. AND THAT the terms set out in the agreement between the Property Owner and Haldimand County shall include a clause that identifies that the property at 2 Dover Street, Port Maitland must operate as a short-term accommodation serving the needs of the travelling or vacationing public for a minimum of 3 years. If these terms are not met, the grant will be repayable to Haldimand County as determined by staff.

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Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

The proposal is to renovate a portion of an existing multi-residential building at 2 Dover Street, Port Maitland into commercial roofed accommodations utilizing financial support from the Rural Business and Tourism Community Improvement Plan (RBTCIP). Economic Development and Tourism staff recommend that this application be approved for funding under the RBTCIP, as all program eligibility requirements have been met.

BACKGROUND:

In May 2008, Haldimand County Council adopted the Haldimand County Downtown Areas Community Improvement Plan (CIP) and corresponding Downtown Community Improvement Project Areas (CIPAs). The CIP provides Council with the ability to offer financial incentives to private property owners to revitalize, redevelop, and renovate properties and buildings within the CIPAs. The CIPAs are identified as the downtown areas of the communities of Caledonia, Cayuga, Dunnville, Hagersville, Jarvis and Selkirk. In September 2013, Council approved the Rural Business and Tourism Community Improvement Plan (RBTCIP). The RBTCIP targets key Haldimand County economic objectives by supporting hamlets, commercial roofed accommodations and value added agricultural businesses. Amendments in November 2014, added a new program to the Downtown Areas CIP to include interior renovations for places of assembly related to arts and culture, commercial roofed accommodations and restaurants, and expanded eligible costs for existing programs.

Economic Development and Tourism (EDT) staff continue to promote both financial incentive programs to the communities and stakeholders. EDT staff also assist proponents with their applications, in order to bring eligible projects before Council in a timely manner. Further, staff continue to work with applicants to ensure that their projects move forward to completion.

As of this report date, one hundred and twenty-five (125) Downtown Areas CIP applications and twenty (20) RBTCIP applications have been approved (including this report EDT-14-2018). One hundred and twenty-eight (128) of the previously approved applications have been completed and the files have been closed on three (3) applications. Downtown area grants have been approved in Caledonia, Cayuga, Dunnville, Hagersville, Jarvis and Selkirk. Grants have been approved for value added agriculture projects in the rural areas of Haldimand County; as well, projects in the hamlets of Fisherville, Port Maitland and York have been approved under the RBTCIP.

Summary of the 145 Downtown Areas CIP and RBTCIP Applications (including EDT-14-2018) Considered by Council:

Financial Incentive Program <i>(Including EDT-14-2018)</i>	Downtown Areas	Rural Business and Tourism
Application and Permit Fees Refund	\$167,681	\$17,704
Building Restoration, Renovation and Improvement	\$48,527	\$145,712
Downtown Housing Grant	\$127,971	N/A
Heritage Improvement Grant	\$20,000	\$29,923
Façade Improvement Grant	\$753,065	\$87,412
Total value of CIP grants provided by the County**	\$1,117,244	\$280,751
Total construction value of CIP Projects	\$5,098,113	\$976,432
Grant values as a percentage of construction values	22%*	29%
Council approved transfers from CIP Reserve for other initiatives	\$6,360	
Total funds remaining in CIP Reserve	\$65,582***	

* **Grant as a % of Construction** – This calculation shows the leveraging factor; basically, how much funding the County is contributing to the project compared to the total cost of the project. As it currently stands, for every dollar granted by the County, approximately \$5.00 of private funding has been invested. The Kinsmen Park Revitalization and Dunnville Farmers Market Project are not included in the total construction values.

** Includes grant amounts related to staff approved projects under \$5,000.

*** Includes contribution from the Association of Municipalities of Ontario for Main Street Revitalization Funding Program in the amount of \$69,936 (Report PED-EDT-05-2018).

ANALYSIS:

Contact with Economic Development and Tourism staff for Phase 1 occurred in September 2017 which resulted in a RBTCIP application submitted in December 2017 and approved by Council in February 2018. This application was for the creation of four (4) short-term occupancy units for the travelling and vacationing public and façade improvements to a portion of the building. Photos of the Phase 1 application completed improvements can be found in Attachment 2.

In October 2018, for the property known as 2 Dover Street, Port Maitland, staff received a new application for Phase 2. A location map has been included in this report as Attachment 1.

This Phase 2 application is for renovations, and will utilize the Façade, Landscape & Signage Improvement Grant, Building Restoration, Renovation and Improvement Grant, Development Charges, and Planning Fees & Building Permit Grant programs. The property currently is a mix of multi-residential units and units for vacation rentals.

Proposed Improvements

The application being presented for Council's consideration utilizes multiple grant programs for conversion of residential space into commercial roofed accommodation under the provisions of the County's Rural Business and Tourism Community Improvement Plan. The proposed improvements to the property include the renovations of a portion of the building at 2 Dover Street, Port Maitland to renovate four (4) additional units serving the needs of the travelling or vacationing public by offering temporary occupancy. This includes reframing of the existing space as well as electrical, plumbing, drywall work, installation of kitchen cabinets and new bathroom fixtures, the draft layout can be found in Attachment 3. Exterior improvements include new windows and doors to establish new entries for the units. An exterior photo of the existing façade to be improved can be found in Attachment 4. The intent is for the unit renovations and exterior improvements to match the completed units, as seen in Attachment 2.

Port Maitland has always been a well known tourist destination and had a reported 130 rooms for rent in the early 1900's. The property at 2 Dover Street was previously known as the Hotel Exchange and Maitland Arms Hotel and were popular hotels and entertainment establishments. Unfortunately, due to fires on the property the original structures were replaced by the building that is currently located as 2 Dover Street. The current occupancy is a mix of long term rental of rooms and vacation rental units. The proposed improvements will convert the tenancy of the building from long-term tenants to attracting the travelling and vacationing public. It is the property owners' intent moving forward, to no longer provide long term tenancy, as this has been the case for the last number of years.

Intent of the Rural Business and Tourism Community Improvement Plan

The recently approved Tourism Strategic plan identifies the current lack of accommodations as an obstacle to growing the tourism sector in Haldimand County. This continues to be an ongoing issue from an economic development perspective and represents a lost opportunity for tourism revenue in

the County. Regional statistics demonstrate that the average spend per person per overnight visit in Ontario's Southwest region (including Haldimand County) is \$182, while the average spend per person per same-day visit is \$67.

Increasing the number of commercial roofed accommodations available for tourists in Haldimand County is one of the key priorities of the Rural Business and Tourism Community Improvement Program. All commercial roofed accommodations are eligible under either program. Other initiatives to increase the number of accommodations have included zoning reforms to allow for the establishment of bed and breakfast or farm stays as a value added agricultural activity.

Port Maitland is of particular significance to tourism development in Haldimand County. The hamlet is one of the few areas of publically owned waterfront property which was identified through the Lakescape Action Plan. A number of improvements have been made in the Port Maitland area to facilitate improved recreational activities for visitors and residents. This has included paving of the parking lot, upgrades to the Port Maitland Esplanade Park and additional public parking and beach access off of Dover Street.

The applicant has noted that Phase 1 of the project has been successful. With a limited operating season, all four (4) units were regularly occupied during weekends throughout the summer months. Visitors included anglers as well as families and included some international travellers. It is anticipated that with the addition of another 4 units new employment opportunities for housekeeping and property maintenance will be created.

Implications for Affordable Housing in Haldimand County

While the previous phase and the current application will effectively increase accommodations in Port Maitland, the grant essentially aides in dislodging of three current residents at 2 Dover Street, Port Maitland. With current rents ranging from \$550 to \$850 monthly, the loss of the units could represent a loss of affordable housing. According to the Canada Mortgage and Housing Corporation, housing is considered affordable if it costs less than 30% of a household's before-tax income. In this regard, these rent levels translate into housing that is affordable for persons with an annual income in the range of \$22,000 to \$34,000.

The property improvements by the owner creates a situation known as gentrification which occurs when investment and increasing property values leads to the displacement of one socioeconomic group as a result of economic decisions. The owner has expressed that the previous long-term residential rental tenancies did not generate enough revenue for the ownership of the building to be sustainable which led to the conversion into vacations units. All existing residents were to be out of the building by December 1, 2018. With or without the CIP grant the owner has the ability to convert the units as proposed.

Outside of the municipal contribution to the Haldimand Norfolk Health and Social Services Department, there currently is no Haldimand County strategy or programming in place to provide affordable housing. The Rural CIP program is an economic focussed program designed to generate investment into private buildings and over the long term improve the quality of the environment and generate additional taxation revenue from these investments.

Given that this project aligns with the intent of the Rural Business and Tourism Community Improvement Plan and the Haldimand County Tourism Strategic Action Plan, and that there is currently no affordable housing strategy in place, staff recommend this application for creation of rental units for the travelling and vacationing public.

Review Panel Recommendation			The application is complete and recommended for approval.		
File No.	Community	Address	Value of Project	Value of Grant	Grant as a % of Construction
20	Port Maitland	2 Dover Street	\$187,500	\$37,500	20%
Façade, Landscape, & Signage Improvement Grant					\$10,000
Building Restoration, Renovation & Improvement Grant					\$25,000
Development Charge, Planning Fees & Building Permit Fees					\$2,500
Total Grant to 2 Dover Street, Port Maitland					<u>\$37,500</u>
Project Description		Conversion of existing residential space into 4 units for temporary occupancy for the travelling or vacationing public.			
Conditions		<ol style="list-style-type: none"> 1. Property taxes must be in good standing and the property must be in conformity with all County/Provincial/Federal by-laws and legislation throughout the term of the program – i.e. property standards, zoning by-laws, official plan, etc. 2. Building Permit will be required. 3. The renovated portion of the property at 2 Dover Street, Port Maitland must operate as an establishment serving the needs of the travelling or vacationing public by offering temporary occupancy for a period of at least 3 years, otherwise the grant will be repayable to Haldimand County as determined by staff. 			

FINANCIAL/LEGAL IMPLICATIONS:

The Downtown Areas Community Improvement Plan (CIP) was established in 2008, with an annual allocation of \$100,000 contributed to a Community Improvement Plan Reserve to be used to fund approved grant applications under the financial incentives component of the Downtown Areas CIP. In 2013, the annual contribution was increased to \$150,000, to incorporate the Downtown Areas CIP and the Rural Business and Tourism Community Improvement Plan. Upon approval of this application, Council will have approved a total of \$1,404,355 from this Reserve. This application requires \$37,500 in funding from the Reserve leaving a balance of \$65,582 remaining from the approved funding allocation should this application receive Council approval.

Legal: A grant agreement will be prepared for execution by the Mayor and Clerk should Council approve this application. The grant agreement was reviewed by legal counsel in the spring of 2008.

STAKEHOLDER IMPACTS:

All Community Improvement projects are circulated and reviewed by a staff committee that consists of representatives from Building & Municipal Enforcement Services, Planning and Development, Community Development and Partnerships (Heritage and Culture) and Finance Divisions. Once this project has received Council approval, staff from the Building & Municipal Enforcement Services will be required to assist Economic Development and Tourism staff to ensure that all proposed works are carried out in the manner applied for, and that terms and conditions are met.

The project is taking place in the hamlet of Port Maitland and aligns with a number of tourism development and promotion projects. Former residents of 2 Dover Street, Port Maitland have had their leases terminated to allow for the redevelopment of the property.

REPORT IMPACTS:

Agreement: Yes

By-law: No

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. Location Map of 2 Dover Street, Port Maitland.
2. Existing Photo of completed works at 2 Dover Street, Port Maitland.
3. Draft Floorplan of Phase 2 at 2 Dover Street, Port Maitland.
4. Existing Exterior Photo of 2 Dover Street, Port Maitland.