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# HALDIMAND COUNTY

**Report EDT-05-2019 Community Improvement Plan – 431 Queen Street,  
Dunnville-The Reeve Bed and Breakfast**



**For Consideration by Council in Committee on March 26, 2019**

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## **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-05-2019 Community Improvement Plan – 431 Queen Street, Dunnville-The Reeve Bed and Breakfast be received;
2. AND THAT the project as outlined in Report EDT-05-2019 be approved for a grant to be funded from the Community Improvement Plan Reserve, to a maximum of \$23,645, subject to Council approval of the additional contribution to the Community Improvement Plan Reserve as included in the Draft 2019 Tax Supported Operating Budget;
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.

**Prepared by:** Zach Gable, MAES, EcD, Senior Economic Development Officer

**Reviewed by:** Lidy Romanuk, BA, EcD, CEcD, Manager, Economic Development and Tourism

**Respectfully submitted:** Craig Manley, MCIP, RPP, General Manager of Community & Development Services

**Approved:** Donald G. Boyle, Chief Administrative Officer

## **EXECUTIVE SUMMARY:**

This proposal is to undertake improvements to an existing Bed and Breakfast operation to create more functional and attractive tourism supportive accommodations by relocating two existing bedrooms and adding washrooms. Economic Development and Tourism staff recommend that this application be approved for funding under the Downtown Areas Community Improvement Plan Financial Incentives Program, 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-seven (127) Downtown Areas CIP applications and twenty (21) RBTCIP applications have been approved (including this report EDT-05-2019). 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 148 Downtown Areas CIP and RBTCIP Applications (including EDT-05-2019) Considered by Council:**

<b>Financial Incentive Program</b> <i>(Including EDT-05-2019)</i>	<b>Downtown Areas</b>	<b>Rural Business and Tourism</b>
Application and Permit Fees Refund	\$222,863	\$17,789
Building Restoration, Renovation and Improvement	\$73,527	\$159,272
Downtown Housing Grant	\$127,971	N/A
Heritage Improvement Grant	\$20,000	\$39,923
Façade Improvement Grant	\$771,898	\$87,412
<b>Total value of CIP grants provided by the County**</b>	<b>\$1,216,259</b>	<b>\$304,396</b>
Total construction value of CIP Projects	\$9,594,147	\$976,432
Grant values as a percentage of construction values	13%*	31%
Council approved transfers from CIP Reserve for other initiatives	\$6,360	
<b>Total funds remaining in CIP Reserve</b>	<b>\$92,921***</b>	

\* **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 \$7.00 of additional private funding has been invested in the Downtown Areas of the County. 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:**

The final completed application for the property known as 431 Queen Street, Dunnville was received in January of 2019. A location map has been included in this report as Attachment 1. Known as the Sime-Lyell House, the property was Heritage designated in 2011. The house was built in 1869 and was home to Dunnville first's Reeve (Mayor). It represents one of the large original homes in Dunnville with much of the exterior being items for designation including: the hipped roof and projecting eaves, the exterior brick, the front doors and carved corbels.

Since 2016, the property at 431 Queen Street, Dunnville has operated as The Reeve Bed and Breakfast.

Since opening The Reeve Bed and Breakfast (B&B) in 2016, the operators continue to offer their guests a high-end experience. In addition to their accommodation suite options, the owners have worked with multiple businesses in the Dunnville area to add different packages, experiences and itinerary options to visitors. The owners have previously served on the Heritage Haldimand advisory committee and were recognized for their dedication to heritage restoration by winning the Heritage Haldimand Award at 2018 Haldimand County Volunteer Recognition Night.

This property was the subject of a previous application (PED-EDT-03-2016) to establish the B&B and make other heritage improvements to the property. These improvements were completed in 2017.

The current proposal is intended to expand room capacity at 431 Queen Street, Dunnville. Currently, the B&B has rentable 3 units, one unit located on the main floor and two on the third floor. The challenge with the current arrangement is that the two units located on third floor share a sitting area and washroom. The property owner's preferred standard level of service is to ensure each guestroom has access to a private washroom and therefore, have only been renting one of the third floor units at any given time. In order to increase room availability and viability, the owners are relocating the two guests rooms on the third floor to two separate rooms with private ensuites and sitting areas in each room on the second floor. The new standalone units will ultimately accommodate more guests at the B&B.

### **Proposed Improvements**

This application is for the Building Restoration, Renovation and Improvement Grant, the Development Charge, Planning Fees and Building Permit Grant and the Heritage Property Commercial Use Grant. The Building Restoration, Renovation and Improvement Grant provides a matching grant of 50% up to a maximum of \$25,000 for a variety of interior building renovations, improvements, and additions/expansions for eligible properties. Under this grant program, the owners have applied to construct an ensuite to an existing room to establish a B&B suite on the second floor. The current application is strictly related to improvements to create a standalone bathroom suite. This amenity has been identified as highly desirable by visitors. Some of the required work involves significant plumbing and electrical work, framing in the bathroom and installation of fixtures that include a shower, sink and toilet. These improvements will require a plumbing permit which is rebatable under the CIP. A photo of the existing residential room on the second floor and exterior of the building can be found in Attachment 2, and a floor plan of B&B can be found in Attachment 3 (owners sketch).

The work proposed under the Heritage Property Commercial Use Grant involves replacement of eleven windows with heritage appropriate windows that will retain the rounded arch and grill. Only windows that are associated with the operation of the B&B are being replaced.

### **Local Economic and Tourism Impact**

The project is desirable from a cultural and tourism perspective. The work as proposed, will ensure the preservation of a heritage designated building and at the same time continue to enhance this boutique accommodation.

The 2017 approved Tourism Strategic plan, identifies the current lack of accommodations as an obstacle to growing the tourism sector in Haldimand County. Increasing the availability of roofed accommodations in Haldimand County will help to raise the County's tourism potential as the economic spin-off of tourists is significantly increased when an overnight stay is included. Regional statistics from 2016, demonstrate that the average spent per person per overnight visit in Ontario's Southwest region (including Haldimand County) is \$182, while the average spent 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 under which this project is eligible.

The Queen Street location of The Reeve Bed and Breakfast is within the periphery of Downtown Dunnville where the County has made significant investments over the years including streetscaping, applications approved under the Downtown Areas CIP and most recently completion of the Waterfront park and pavilion where the Dunnville Farmers Market operates.

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
21	Dunnville	431 Queen Street	\$49,820	\$23,645	47%
Building Restoration, Renovation and Improvement Grant					<b>\$13,560</b>
Development Charge, Planning Fees and Building Permit Grant					<b>\$85</b>
Heritage Property Commercial Use Grant					<b>\$10,000</b>
<b>Total Grant to 431 Queen Street, Dunnville</b>					<b><u>\$23,645</u></b>
<b>Project Description</b>	Renovations to create second floor ensuite washroom, and installation of heritage windows associated with the B&B.				
<b>Conditions</b>	<ol style="list-style-type: none"> <li>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.</li> <li>2. A plumbing permit is required for installation of ensuite.</li> </ol>				

## 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 \$1,527,015 from this Reserve. This application requires \$23,645 in funding from the Reserve. There are currently insufficient funds within the Community Improvement Plan Reserve to accommodate this application. However, contained within the Draft 2019 Tax Supported Operating Budget (to be presented to Council April 2-4, 2019) is an additional contribution to this reserve of \$150,000. If the additional contribution is approved, this would bring the projected balance of the Community Improvement Plan Reserve to \$92,921. Staff propose that this application be approved, contingent upon the approval of this additional funding as part of the overall Operating Budget deliberations.

Additional funds were received from the Association of Municipalities of Ontario for the Main Street Revitalization Funding Program in the amount of \$69,935.67, as presented to Council on April 24, 2018 through Report PED-EDT-05-2018, and were added to the Community Improvement Plan Reserve.

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.

## **REPORT IMPACTS:**

Agreement: Yes

By-law: No

Budget Amendment: No

Policy: No

## **ATTACHMENTS:**

1. Location Map of 431 Queen Street, Dunnville.
2. Photos of the existing suite at 431 Queen Street, Dunnville.
3. Renovation Concepts of 431 Queen Street, Dunnville.