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# HALDIMAND COUNTY

## Report EDT-10-2020 Rural Business and Tourism Community Improvement Plan – 54 Dunrobin Drive, Caledonia



For Consideration by Council in Committee on October 27, 2020

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### OBJECTIVE:

To approve an application for funding made under the Rural Business and Tourism Community Improvement Plan.

### RECOMMENDATIONS:

1. THAT Report EDT-10-2020 Rural Business and Tourism Community Improvement Plan – 54 Dunrobin Drive, Caledonia be received;
2. AND THAT the project as outlined in Report EDT-10-2020 be approved for a grant to be funded from the Community Improvement Plan Reserve, to a maximum of \$9,328;
3. AND THAT the Mayor and Clerk be authorized to execute the Downtown Areas Community Improvement Plan Financial Incentive Program Agreement with the respective property owner.

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

**Respectfully submitted:** Mike Evers, MCIP, RPP, BES, General Manager of Community & Development Services

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

### EXECUTIVE SUMMARY:

This proposal is to undertake various improvements to an existing bed and breakfast operation at 54 Dunrobin Drive, Caledonia. Economic Development and Tourism staff recommend that this application be approved for funding under the Rural Business and Tourism 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 based on supporting the growth of the County's tourism businesses.

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 thirty-two (132) Downtown Areas CIP applications and twenty-six (26) RBTCIP applications have been approved (including reports EDT-09-2020 and EDT-10-2020). One hundred and twenty-nine (129) of the previously approved Downtown Areas CIP applications have been completed; twenty-one (21) Rural Business and Tourism files 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, Rainham Centre and York have been approved under the RBTCIP.

**Summary of the Downtown Areas CIP and RBTCIP Applications (including EDT-09-2020 and EDT-10-2020) Considered by Council:**

<b>Financial Incentive Program</b> (Including EDT-09-2020 & EDT-10-2020)	<b>Downtown Areas</b>	<b>Rural Business and Tourism</b>
Application & Permit Fee Refund	\$224,947	\$20,024
Building Restoration, Renovation and Improvement	\$73,527	\$194,177
Downtown Housing Grant	\$157,971	N/A
Heritage Improvement Grant	\$20,000	\$49,923
Façade Improvement Grant	\$825,695	\$107,127
<b>Total value of CIP grants provided by the County**</b>	<b>\$1,302,140</b>	<b>\$371,251</b>
Total construction value of CIP Projects	\$10,386,220	\$1,269,282
Grant values as a percentage of construction values	13%	29%
Council approved transfers from CIP Reserve for other initiatives	\$6,360	
Total funds remaining in CIP Reserve	\$91,247***	

**\* 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) plus interest earned on the program funds.

## **ANALYSIS:**

The final completed application for the property known as 54 Dunrobin Drive, Caledonia was received in September 2020. A location map has been included in this report as Attachment 1. Contact with EDT staff occurred in late 2019, and since that time, staff has worked with the applicant to finalize their plans and prepare the subject application for Council consideration. This application will utilize the Building Restoration, Renovation and Improvement Grant one of the incentives available to eligible properties under the Rural Business and Tourism Community Improvement Plan (RBTCIP).

The property owner has previously received funding through the Façade Improvement Grant for signage and through the Development Charge (DC), Planning Fees & Building Permit Grant for a minor variance application and a sign permit. It was determined in 2017 that a minor variance would be required for parking relief which has since been approved by the Committee of Adjustment. The subject application does not require any further relief from the zoning by-law as total number of bedrooms/patrons is not increasing.

The following provides an overview of the improvements proposed under the Building Restoration & Renovation Grant:

### **Building Restoration, Renovation and Improvement Grant**

This property currently operates a two bedroom licensed bed and breakfast. The purpose of this grant is to assist the bed and breakfast Operator to increase their overnight bookings by constructing a second washroom. For the past two seasons this business has been typically operating at 55% capacity, as patrons are unwilling to share a bathroom. Currently, the only bathroom for the bed and breakfast is located within the business's Grand Suite Room, leaving the businesses' Lake Room vacant 95% of the time (unless patrons are previously acquainted). Photos of the building can be found in Attachment 2. Improvements under the Building Restoration, Renovation and Improvement Program would include the construction of a 72" x 80" bathroom; installing drywall; disposing of the old water heater and installation of a new commercial water heater; as well as installing a vanity, shower, faucet & toilet. The proposed work would require the applicant to secure a plumbing permit and building permit.

It should be noted that this business closed in March 2020 due to COVID-19 (and will not be re-opening for the remainder of this year). The owner is using this temporary hiatus to increase future room overnight bookings, as well as retrofit as it relates to new health and safety regulations. These upgrades will better position the business for re-opening in Spring 2021.

### **Application and Permits**

Plumbing and building permits will be required for this project which will be eligible under the Application and Permit Fee Refund Program.

### **Local Economic Impacts**

The 2017 Tourism Strategy as well as earlier research, consistently demonstrates a direct correlation between the lack of accommodations and the ability to attract overnight visitors in Haldimand County. Over the past year, the lack of accommodation specifically in Caledonia has increased as two bed and breakfasts have recently closed. By installing an additional bathroom at this bed and breakfast location, it will allow the applicant to more consistently maximize their bookings. Data demonstrates that an overnight visitor more than doubles their economic spend in the community (based on the Tourism

Regional Economic Impact Model (TREIM)). As a result, the increased attractiveness and functionality of the bed and breakfast will increase the potential number of visitors that are able to stay longer in the community and thus increase their spend within the community.

Review Panel Recommendation			The application is complete and recommended for approval		
File No.	Community	Address	Value of Project	Value of Grant	Grant as % of Construction
26	Caledonia	54 Dunrobin Drive, Caledonia	\$18,385	\$9,328	51%
<b>Building Restoration, Renovation and Improvement Grant</b>					<b>\$9,193</b>
<b>Application &amp; Permit Fees Refund Program</b>					<b>\$135</b>
<b>Total Grant for 54 Dunrobin Drive, Caledonia</b>					<b>\$9,328</b>
Project Description	Work includes constructing a 72" x 80" bathroom; installing drywall; disposing of old water heater and install new commercial water heater; and installing a vanity, shower, faucet & toilet.				
Conditions	<ol style="list-style-type: none"> <li>1. Property owner must secure plumbing and building permit for proposed work.</li> <li>2. 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>3. The renovated portion of the property at 54 Dunrobin Drive, Caledonia 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.</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 \$1,679,752 from this Reserve. This application requires \$9,328 in funding from the Reserve. There are currently sufficient funds within the Community Improvement Plan Reserve to accommodate this application.

## 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 Economic Development and Tourism Division are

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.
2. Existing Conditions.