

Municipality of Chatham-Kent
Community Development

To: Mayor and Members of Council

From: John Norton, General Manager, and Karen Loney, Community Development Coordinator

Date: January 24, 2020

Subject: Chatham-Kent Council Growth Strategy

Recommendations

It is recommended that:

1. The definition and metrics adopted in the Chatham-Kent Growth Strategy be:
 - a. Population,
 - b. Jobs, and
 - c. Tax Assessment
2. That the following targets be set as goals for Chatham-Kent:
 - a. Population to increase at an annual rate of 1%
 - b. Jobs to increase at an annual rate of 0.5% (half percent), and
 - c. Tax Assessment to increase at an annual rate of 1.5%
3. That administration continue to work on strategies to encourage and facilitate growth and report back with various options throughout 2020-2021.

Background

On July 15, 2019, Council approved “Chatham-Kent Council 2018 – 2022 Term of Priorities” report. This included the following four priorities:

- Growth: Our population and economy is growing.
- Community Wellness: Everyone is safe and able to thrive.
- Environmental Sustainability: Acting today for a better tomorrow.
- Community Engagement: The voice of community is reflect in municipal decision-making.

In the recommendations section of this Report to Council, administration was tasked with reviewing how each municipal department would support Council's priorities and align departmental business plans with these priorities.

The General Manager of Community Development brought the Community Development Leadership Team together to review Council's priorities and to discuss alignment of resources and business plans for achieving these priorities. The Community Development Leadership Team requested help on reducing barriers to growing Chatham-Kent. To move forward it was determined that a growth strategy for Chatham-Kent would be beneficial and would require actions from Council, all municipal departments, all sectors in Chatham-Kent, and the community at large.

Over several months in the fall of 2019, the Community Development Leadership Team sought input on this strategy from the Community Development Advisory Committee and internal staff of various departments.

On December 2, 2019 Council received and adopted the, '2019 Municipal Comprehensive Review Phase 1 Report' (25-Year Growth Forecasts, Land Supply and Land Needs Analysis), prepared by Watson & Associates Economists. The following key messages from the report confirmed and highlighted a sense of urgency to focus on growth:

- While Chatham-Kent's population and employment base has recently been experiencing a modest increase, the annual population growth projection from 2019 to 2049 is predicted to only be 0.1%
- Chatham-Kent's population and labour force base is aging which puts downward pressure on longer-term population and employment growth rates
- Housing preferences are anticipated to shift to medium and high density housing

Additionally, Council directed that "administration develop specific strategies and recommendations in 2020 to encourage and facilitate growth in accordance with the growth management framework in the Chatham-Kent Official Plan."

In December a one-year contract for Community Development Coordinator position was filled through a secondment from Public Health, to support a strategy that fuels growth in Chatham-Kent. This one-year position was funded from the provincial efficiency grant.

There currently are multiple initiatives that contribute positively to growing Chatham-Kent, which are championed both corporately and from the community. There is no one solution to growing Chatham-Kent in the right way. It is a dynamic challenge to ensure

needed capital and infrastructure, supportive policies and processes are in place combined with being a welcoming community.

As the topic of growth is broad, the scope and metrics proposed in the “CK Growth Strategy” include the following core indicators to measure progress:

- Population: The Census population profile provides insight into Chatham-Kent's collective ability to meet the demand for labour for business growth, to expand the residential housing inventory, and to add to the tax base.
- Jobs: The employment rate, provided by the Workforce Planning board on a monthly basis can be used as a proxy measure to indicate trends in the labour force.
- Tax Assessment: Using the annual Municipal tax levy reflects the revenue that will be available for Municipal corporate services and amenities that support resident quality of life.

Comments

To achieve long-term sustainability as a community, Municipal Council began the discussion on the need for growth. An open public strategy session focusing on growth was held January 14, 2020 at the John D. Bradley Centre. The purpose of the growth strategy session was:

- To review the projected growth projections and impact,
- To confirm metrics to be used to define growth,
- To provide examples of practices and innovative ideas for growth, and
- To assess Council's readiness to implement strategies that can fuel growth.

No formal decisions were made in the session but rather it was an opportunity for Council and the Executive Management Team (EMT) to collaborate, envision the future of Chatham-Kent and discuss options that could support growth.

The agenda for the session included the following items:

- Welcome and Background
- Introduction: CKPlan2035 – Council Term of Priorities
- Presentation by General Manager John Norton: The Future or is it?
- Exercise: Best case / Worse case scenarios for our future
- Small group discussions – Case Scenarios
- Exercises
 - Out of the Box Thinking
 - Snapshot on Funding Growth
 - Metrics and Targets
- Closing

The Chief Administrative Officer began the session by commenting that there are three options for Council to address the rising costs of inflation, expense downloading, and

the shifting demographic changes in the landscape of the services provided. Options include raising taxes on existing business, agriculture, and residential base; to cut services residents and businesses rely on; or the preferred option of growing Chatham-Kent which can increase the tax base and provide increased tax assessment.

General Manager of Community Development provided an overview and confirmed the following assumptions, namely that:

- Everyone agrees we need to grow;
- This needs to happen as a team;
- There is the need to make difficult choices;
- Growth requires long-term planning and implementation;
- The need to act to fuel Growth is becoming critical;
- Definition of Growth and What to measure: Population, Jobs, Tax Assessment

In addition, the following strategies other communities use to attract industry, people and fund growth were highlighted:

- Community Improvement Plans which provide a policy and program to give incentives to business and developers which will fuel growth
- Public Private Partnerships
- Investment in “Shovel Ready” Lands – public and private
- Marketing to attract business and family/younger population from GTA / other to support the workforce demands
- Culture Change for Growth; ensuring red tape is reduced, thinking long-term is the normal culture
- Development Charges or that ‘growth pays for growth’.

Council and EMT worked together to review case studies that highlighted examples of barriers to growth and funding ideas.

The final activities of the session were to consider Out of Box ideas, funding and metrics.

Council was able to indicate their ideas for funding growth incentive programs and needed infrastructure to support new growth:

| # | Method for funding | Results from Council ideas |
|---|---|----------------------------|
| 1 | Taxes | 2 |
| 2 | Development Charges | 15 |
| 3 | Divestment of urban municipal buildings | 15 |
| 4 | Divestment of rural infrastructure | 2 |

| | | |
|---|---|---|
| 5 | Reduce and consolidate municipal service levels | 1 |
| 6 | Strategic Reserves | 6 |
| 7 | Debt financing (for major business parks) | 2 |

Council was asked, “Should targets be set for growth and if yes what would should be?” Feedback received from Council was as follows:

| Metric | Proposed Target | Results from Council - Yes | Results from Council - No |
|----------------|--------------------|----------------------------|---------------------------|
| Population | 1% annual increase | 6 | 1 |
| Jobs | 0.5% annual | 8 | 0 |
| Tax Assessment | 2% annual | 2 | 7 |

Next Steps:

Moving forward the feedback from the Growth Strategy session provides context for administration to investigate strategies that will support and increase population, jobs and tax assessment.

Throughout the next 18 months, the following policies/programs will be investigated and, if deemed valuable, will be brought forward to Council for consideration:

1. A new Community Improvement Plan (CIP) to allow market driven investment for targeted needs throughout all of Chatham-Kent (i.e. rental/affordable housing, commercial and employment business growth). It is intended that the new comprehensive CIP would replace the existing Downtown, Commercial and Employment CIPs. It is proposed to bring forward and/or enhance the most popular programs from the existing CIPs and introduce new incentives focused on encouraging much needed rental housing and affordable housing. Consideration of a new CIP must follow a public planning process, similar to any planning application.
2. Amendment of fees for building permits, planning applications and license fees to encourage targeted growth throughout Chatham-Kent.
3. Completion of a background study to investigate additional development charges to support municipally owned growth-related infrastructure, with a view to

implementing new development charges. For years, the Public Utilities Commission (PUC) has collected development charges to fund growth-related water and wastewater infrastructure; however, the Municipality has not collected development charges on other eligible services, such as roads, stormwater works, etc. Increased growth will continue to put pressure on needed growth-related infrastructure. This is currently being experience based on the increased number of unfunded projects in the Municipality's Capital Works Program.

4. Investigation of the value of a non-profit land development corporation to support public and private partnership in land acquisition and development opportunities for identified investment in strategic areas.
5. Investigation of new industrial public and privately owned business parks to encourage business and job growth.
6. Proposals to prepare "shovel ready" land (fully serviced) that is zoned appropriately for job growth.
7. Initiate next phase of the Official Plan Review process once the new Provincial Policy Statement is issued by the Province
8. Suggestions to the PUC, Entegrus, fiber internet companies, and other public and private utilities, to encourage infrastructure and user growth of utility services in Chatham-Kent.

Financial Implications

There are no specific financial implications identified in this report, however, the various growth initiatives will require financial investment and the details of those investments will be brought back to Council for decision at later dates.

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