

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING

Tuesday, March 26, 2024, 7 p.m. 3rd Floor - Poplar Room 315 Jespersen Ave

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REQUEST FOR DECISION

MEETING DATE:	March 26, 2024
TITLE:	Minutes - January 30, 2024 Organizational Meeting of Economic Development Advisory Committee and Economic Development Advisory Committee Meeting
DIVISION:	City Manager's Office

SUMMARY:

The minutes of the previous Economic Development Advisory Committee are placed on the agenda for approval.

PROPOSED MOTION:

THAT the January 30, 2024 Organizational Meeting of Economic Development Advisory Committee meeting minutes and Economic Advisory Committee meeting minutes be approved as presented.

BACKGROUND / ANALYSIS:

n/a

OPTIONS / ALTERNATIVES: n/a

CONSULTATION / ENGAGEMENT: n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a

DRAFT



THE CITY OF SPRUCE GROVE

Minutes of the Organizational Meeting of EDAC

January 30, 2024, 7 p.m. 3rd Floor - Poplar Room 315 Jespersen Ave

Members Present:	Councillor Oldham, Chair
	Councillor Carter, Vice Chair
	Councillor Houston
	Bruce Mullett, Commercial Sector Representative
	Charlene Bell, Public-at-Large
	Don Cooper, Industrial Sector Representative
	Kelly John Rose, Greater Parkland Regional Chamber Representative
	Teresa Bateman, Public-at-Large
	Tyler Perozni, Commercial Sector Representative
	Victor Moroz, City Centre Business Association Representative
Members Absent:	Robert Smith, Industrial Sector Representative
Also in Attendance:	Dave Walker, Director of Economic and Business Development Jodi Fulford, Economic Development Specialist, Commercial Karla Daniels, Economic Development Specialist, Industrial Jennifer Maskoske, Deputy City Clerk

1. <u>CALL TO ORDER</u>

Councillor Oldham called the meeting to order at 7 p.m.

1.1 <u>Economic Development Advisory Committee - Member Introductions</u>

The Economic Development Advisory Committee members made introductions.

2. <u>AGENDA</u>

Resolution: EDAC-001-24

Moved by: Victor Moroz

THAT the agenda be adopted as presented.

Unanimously Carried

3. <u>BUSINESS ITEMS</u>

- 3.1 <u>Chair and Vice-Chair Economic Development Advisory Committee 2024</u> Jennifer Maskoske, Deputy City Clerk, reviewed the appointment process of the Chair and Vice-Chair for the Economic Development Advisory Committee.
- 3.2 <u>Committee Code of Conduct Economic Development Advisory Committee</u>

Jennifer Maskoske, Deputy City Clerk, presented an overview of the Committee Code of Conduct, and the members of the Economic Development Advisory Committee signed the Committee Code of Conduct Declaration.

3.3 <u>Meeting Procedures 101 - Economic Development Advisory Committee</u>

Jennifer Maskoske, Deputy City Clerk, presented on Meeting Procedures 101.

3.4 <u>Economic Development Advisory Committee 2024 Meeting Schedule</u>

Jennifer Maskoske, Deputy City Clerk, reviewed the 2024 meeting dates for information.

3.5 <u>C-1121-20 - Economic Development Advisory Committee Bylaw</u>

Dave Walker, Director of Economic and Business Development, presented an overview of C-1121-20 Economic Development Advisory Committee Bylaw. As well, an overview of the 2024 Economic Development Advisory Committee Workplan was provided.

4. <u>ADJOURNMENT</u>

Organizational Meeting of EDAC - January 30, 2024

DRAFT

Resolution: EDAC-002-24

Moved by: Kelly John Rose

THAT the Economic Development Advisory Committee Organizational Meeting adjourn at 7:37 p.m.

Unanimously Carried

Dave Oldham, Chair

Jennifer Maskoske, Recording Secretary

Date Signed

DRAFT



THE CITY OF SPRUCE GROVE

Minutes of Economic Development Advisory Committee

January 30, 2024, 7:37 p.m. 3rd Floor - Poplar Room 315 Jespersen Ave

Members Present:	Councillor Oldham, Chair
	Councillor Carter, Vice Chair
	Councillor Houston
	Bruce Mullett, Commercial Sector Representative
	Charlene Bell, Public-at-Large
	Don Cooper, Industrial Sector Representative
	Kelly John Rose, Greater Parkland Regional Chamber Representative
	Teresa Bateman, Public-at-Large
	Tyler Perozni, Commercial Sector Representative
	Victor Moroz, City Centre Business Association Representative
Members Absent:	Robert Smith, Industrial Sector Representative
Also in Attendance:	Dave Walker, Director of Economic and Business Development Jodi Fulford, Economic Development Specialist, Commercial Karla Daniels, Economic Development Specialist, Industrial Jennifer Maskoske, Deputy City Clerk

1. CALL TO ORDER

Chair Oldham called the meeting to order at 7:37 p.m.

2. <u>AGENDA</u>

Resolution: EDAC-003-24

Moved by: Victor Moroz

THAT the agenda be adopted as presented.

Unanimously Carried

3. <u>MINUTES</u>

3.1 <u>Minutes - November 14, 2023 Economic Development Advisory Committee</u> <u>Meeting</u>

Resolution: EDAC-004-24

Moved by: Charlene Bell

THAT the November 14, 2023 Economic Development Advisory Committee meeting minutes be approved, as amended.

The following was amended:

The attendance was updated to reflect Councillor Oldham leaving the meeting at 6:25 p.m. and Councillor Carter assumed the Chair.

Unanimously Carried

4. **DELEGATIONS**

4.1 <u>Start Ups and Early Stage Business Support Study Roundtable Workshop</u>

Rick Davidson and Kessler Douglas with Campus Innovation Consulting engaged with the Committee asking questions and exploring the services and supports needed for new businesses in Spruce Grove.

Chair Oldham called a recess at 8:33 p.m.

Chair Oldham called the meeting back to order at 8:38 p.m.

4.2 Event Tourism Discussion - Consultation and Presentation

Anna Look and Jessica Haire with Look Ahead Consulting presented to the Committee, their report on strategic recommendations for developing and implementing an effective Event Tourism Strategy.

5. <u>BUSINESS ITEMS</u>

There were no Business Items on the agenda.

6. **INFORMATION ITEMS**

6.1 <u>2024 Economic Development Advisory Committee Workplan Review</u>

The 2024 Economic Development Advisory Committee Workplan was addressed during the Organizational Meeting with the Economic Development Advisory Committee bylaw.

7. <u>CLOSED SESSION</u>

There was no Closed Session on the agenda.

8. BUSINESS ARISING FROM CLOSED SESSION

There was no Business Arising from Closed Session.

9. ADJOURNMENT

Resolution: EDAC-005-24

Moved by: Victor Moroz

THAT the Economic Development Advisory Committee Meeting adjourn at 9:44 p.m.

Unanimously Carried

Dave Oldham, Chair

Jennifer Maskoske, Recording Secretary

Date Signed



REQUEST FOR DECISION

MEETING DATE:	March 26, 2024
TITLE:	Start Ups and Early Stage Business Support Study - Findings and Recommendations
DIVISION:	City Manager's Office

SUMMARY:

Rick Davidson and Kessler Douglas with Campus Innovation Consulting facilitated a roundtable workshop during the January 30, 2024 EDAC meeting with the members exploring the services and supports needed for new businesses in Spruce Grove. Rick Davidson and Chris Lerohl are now providing the findings and recommendations from the January roundtable workshop for members to consider.

PROPOSED MOTION:

A motion is not required.

BACKGROUND / ANALYSIS:

Campus Innovation Consulting Group's (CICG) scope for this project was to explore establishing a "Business Incubator, Accelerator, and Enhanced Business Services Program" for Spruce Grove, aimed at fostering entrepreneurial growth and sustainable business development. The initiative evaluates the feasibility of a physical incubator and the effectiveness of a broad versus industryspecific strategy to support startups and early-stage businesses, guiding future city actions with well-informed recommendations.

The consultant will provide a series of recommendations for the City to consider, and ask EDAC to provide feedback.

The Start Ups and Early Stage Business Support Study relates to Item 1 of the <u>2024 Workplan</u>. It will support the outcome by providing recommendations for business support for new businesses that the City should consider to promote business retention and expansion.

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a



Comprehensive Solutions for Spruce Grove's Business Ecosystem – Executive Summary

CONFIDENTIAL

Submitted by: Campus Innovation Consulting Group (CICG) (Chris Lerohl MBA, Rick Davidson)

Submitted to: The City of Spruce Grove (Jodi Fulford & Dave Walker)

March 19th, 2024

Executive Summary

Campus Innovation Consulting Group's (CICG) scope for this project was to explore establishing a "Business Incubator, Accelerator, and Enhanced Business Services Program" for Spruce Grove, aimed at fostering entrepreneurial growth and sustainable business development. The initiative evaluates the feasibility of a physical incubator and business support program. It also considers the effectiveness of a broad versus industry-specific strategy to support startups and early-stage businesses, guiding future city actions with well-informed recommendations.

This report synthesizes four months of research, including primary and secondary sources, to analyze the needs of Spruce Grove's business community and the broader Alberta business support ecosystem. It encompasses surveys and interviews with local business owners and incubator staff, aiming to inform strategic recommendations for supporting startups and early-stage businesses in Spruce Grove.

Spruce Grove's Economic Growth and Business Environment Overview

- Spruce Grove, near Edmonton, surpasses provincial economic growth rates.
- Targeted efforts improve the business environment and attract investments.
- Population and labor force growth outpace Alberta averages.
- Developments like the Civic Centre boost local prosperity.
- Competitive real estate and strong community support business expansion.
- Strategic location and infrastructure enhance regional hub status.
- Retail sector set for growth with demographic advantages.
- Office market shows signs of post-pandemic recovery.
- Despite slight business number decline in 2022, growth potential remains.
- A broad, general strategy is favored for the diverse business ecosystem.

Key Strategies for Entrepreneurial Support: Incubators, Accelerators, and Business Support Programs in Alberta

- Business incubators and accelerators support entrepreneurship and growth.
- Incubators provide holistic, innovation-focused support; accelerators target rapid, competitive scaling.
- Program effectiveness varies by mentorship quality, network strength, and startup alignment.
- Successful models offer mentorship, networking, financial resources, affordable leases, and startup support.
- One key benefit of business support programs generally is networking and community, useful for businesses at all stages.
- Collaboration with local entities and chambers of commerce is vital.
- Coworking incubators cater to sectors like tech and social enterprises, offering flexibility.
- Community collaboration and diverse business models ensure financial stability.
- Virtual and hybrid models increase accessibility for startups.
- Alberta's examples show a variety of incubation approaches, emphasizing the need for customization.
- Emphasis on supporting home-based businesses is important.

• Spruce Grove could benefit from implementing tailored entrepreneurial support systems.

Insights into Spruce Grove's Entrepreneurial Challenges and Opportunities

- Primary research from Spruce Grove businesses informs business support program benefits and functions.
- 28 of 42 business owners chose Spruce Grove for its supportive community and low competition. Many feel that community is one of their largest needs.
- Many lacked prior business experience or conducted minimal market research.
- Key needs include startup support, skilled labor, marketing, and easier access to funding.
- Challenges identified: licensing, permits, and navigating regulatory processes.
- Industry cluster approach not recommended due to the absence of concentrated sectors.
- Identified business types: small commercial/retail, home-based, startups, each with unique needs.
- Coworking space currently not a priority based on market analysis and demand.
- Home-based businesses need virtual support and flexible access to resources.
- Prioritize startup support, regulatory navigation, and training for entrepreneurs with limited business experience.

Key Recommendations: Strategies for Enhancing Business Support in Spruce Grove

To optimize support for Spruce Grove's diverse business landscape, research suggests adopting a comprehensive strategy that caters to the needs of commercial spaces, home-based businesses, and startups. A business support program, open to all entrepreneurs, including targeted mentorship and training, particularly in marketing and business strategy, is recommended. A proposed "Early-Stage Business Supports Program" (EBSP) should collaborate with existing entities like incubators for shared success. The EBSP should be guided by communication between local entrepreneurs, business leaders, and city representatives; the Economic Development Advisory Committee (EDAC) could be a useful starting point, with an entrepreneurial focused subcommittee created in future years. Financial support from the City of Spruce Grove to help access funding, grants, and sponsorships is essential, with a hybrid model favored over a physical space to ensure flexibility and accessibility for all entrepreneurs.

To ensure the success and sustainability of startups in Spruce Grove, the proposed business support program, led by a dedicated Program Lead, will offer a comprehensive suite of training and mentorship focused on essential business skills such as marketing, financial management, and legal considerations. By leveraging partnerships with proven external programs like SMARTStart and incorporating diverse learning formats including workshops and speaker series, the program aims to cater to varied entrepreneurial needs. Risk mitigation strategies include regular feedback collection and maintaining strong organizational commitments, with performance measured by session attendance, participant feedback, and the diversity of educational content.

The EBSP aims to foster entrepreneurial growth through mentorship, leveraging partnerships for support. Initiatives include tailoring education for various business stages and collaborating with organizations like Startup TNT to enhance funding access. A dedicated Program Lead will manage these programs, ensuring their relevance and sustainability. Risk assessments focus on

maintaining program quality and securing funding. The long-term strategy includes youth education, potentially in partnership with local educational institutions, to nurture future entrepreneurs. This comprehensive approach seeks to build a robust business ecosystem in Spruce Grove.

Enhancing the Spruce Grove business environment involves streamlining permitting processes and optimizing the city's website for better accessibility. Implementing a Program Lead can significantly improve the efficiency of navigating city regulations, acting as a bridge between entrepreneurs and permitting departments. Continuous feedback collection from business owners will be essential to adapt and refine these processes. Key performance indicators, including web traffic and user satisfaction, will measure the effectiveness of these improvements, aiming for a more supportive and accessible framework for local businesses.

Implementation Strategy:

Year 1

Activities:

- Engage with EDAC
- Hire a program manager
- o Conduct partnership discussions with existing incubators
 - Establish partnerships
 - Trial launch service offering
 - Initiate networking and learning series
 - Begin recruitment for future mentorship program
 - Assess the Trial Programs
- o Create a marketing strategy to build awareness of services

Budget should include:

- Resources for Marketing
- Resources for Program Lead
- Resources for Engagement (events, networking, catering space, etc.)
- Resources for Administrative Support

Year 2

Activities

- o Build a subcommittee for entrepreneurship within EDAC
- Build mentorship program
- Continue and expand existing programs

Budget should include:

- Resources for Marketing
- Resources for Program Lead
- Resources for Engagement (events, networking, catering space, etc.)
- Resources for Administrative Support
- Resources for SMARTStart (or similar programming)
- Resources for Mentorship program

If a separate organization is chosen, operational costs and resources will significantly increase due to the need for comprehensive administrative support and additional expenses such as rent and associated facility costs.

Comprehensive Solutions for Spruce Grove's Business Ecosystem March 26th, 2024 Chris Lerohl MBA, Rick Davidson





The scope for this project was to explore establishing a "Business Incubator, Accelerator, and Enhanced Business Services Program" for Spruce Grove, aimed at fostering entrepreneurial growth and sustainable business development. Primary objectives are to evaluate:

- Feasibility of a physical incubator, virtual incubator, or business support program
- Effectiveness of a broad versus industry-specific strategy to support startups and earlystage businesses

Project Stages:

- Stage 1: Project Launch and Preparation Work
- Stage 2: Interviews and Data Gathering: business survey and stakeholder interviews
- Stage 3: Analysis and Recommendations (CURRENT)
- Stage 4: Final Reporting



Economic Growth and Business Environment Overview

Economic Growth

- Spruce Grove surpasses provincial economic growth rates, including population and labor force growth
 - Despite slight business number decline in 2022, growth potential remains.
 - Competitive real estate and strong community support business expansion.
 - Office market shows signs of post-pandemic recovery.
- Strategic location and infrastructure enhance regional hub status.
 - Developments like the Civic Centre boost local prosperity.
- Key business sectors:
 - Home-based make up ~500/1200 active businesses in SG
 - Retail sector set for growth with demographic advantages
- A broad, general strategy is favored for the diverse business ecosystem.

Local Landscape

- Active entities: Economic Development Advisory Committee, City Centre Business Association, Greater Parkland Regional Chamber of Commerce, Community Futures Capital Region, Edmonton Regional Innovation Network
- Existing programs: channels for business-government communication, youth education, mentorship, loans
 - Generally underused/lack of awareness



Key Strategies for Entrepreneurial Support: Incubators, Accelerators, and Business Support Programs in Alberta

- Business incubators, accelerators, and business support programs encourage entrepreneurship and growth.
 - Incubators provide holistic, innovation-focused support; accelerators target rapid, competitive scaling.
 - Models: coworking, virtual, hybrid; private, partnership, municipal-run
- Program effectiveness varies by mentorship quality, network strength, and startup alignment.
 - Successful models offer mentorship, networking, physical and financial resources, affordable leases, and startup support.
 - Collaboration with local entities and chambers of commerce is vital.
 - Supporting home-based businesses is important.
- Alberta's examples show a variety of approaches to business support programs, emphasizing the need for customization.
 - Localized models: Innovate Cochrane, NABI, Leduc Lighthouse, Beaumont Seed
 - Larger networks/potential partners: ERIN, AWE, Airdrie Entrepreneur Common (SMARTstart)



Spruce Grove's Entrepreneurial Challenges, Company Profiles, and Needs

- Primary research from Spruce Grove businesses informs business support program benefits and functions.
 - 28 of 42 business owners chose Spruce Grove for its supportive community and low competition.
 - Many lacked prior business experience or conducted minimal market research.
 - Key needs include startup support, skilled labor, marketing, and easier access to funding.
- Industry cluster approach not recommended due to the absence of concentrated sectors.
 - Small commercial and retail businesses: Coworking space currently not a priority based on market analysis and demand.
 - Home-based businesses need virtual support and flexible access to resources.
 - Startups: interviewees were inexperienced, lacked training. Needs include: regulatory navigation, funding, mentorship.



Key Recommendations: Strategies for Enhancing Business Support in Spruce Grove

- 1. Working with EDAC, working towards potential subcommittee for entrepreneurial advisory
- 2. Entrepreneurial Start-up Support, Education, and Training Services
- 3. Mentorship, Networking and Learning
- 4. Access to Financial Resources
- 5. Education for Youth (longer-term horizon)
- 6. Community and City Support; Operational and Regulatory Challenges



Implementation Strategy: Year 1

Activities:

- Engagement with EDAC
- Hire a program manager
- Partnership Discussions with Existing Incubators
 - Establishment of Partnerships
- Trial Launch of a Service Offering
 - Initiating Networking and Learning Series
 - Mentorship recruitment for future mentorship program
 - Assessment of Trial Program
- Create a marketing strategy to build awareness of services offered

Budget:

- Resources for Marketing
- Resources for Program Lead
- Resources for Engagement (events, networking, catering space, etc.)
- Resources for Administrative Support

Implementation Strategy: Year 2

Activities:

- Look at building a subcommittee for entrepreneurship within EDAC
- Build mentorship program

Budget:

- Resources for Marketing
- Resources for Program Lead
- Resources for Engagement (events, networking, catering space, etc.)
- Resources for Administrative Support
- Resources for SMARTStart (or similar programming)
- Resources for Mentorship program

THANK YOU !

CICG

Campus Innovation Consulting Group Inc.

http://campusinnovation.ca





REQUEST FOR DECISION

MEETING DATE:	March 26, 2024
TITLE:	City Centre Development Incentives Research Report
DIVISION:	City Manager's Office

SUMMARY:

The City Centre Development Incentives Research Report explores economic incentives and land-use bylaw measures that have been employed by other Canadian municipalities to promote downtown development and revitalization.

PROPOSED MOTION:

A motion is not required.

BACKGROUND / ANALYSIS:

In December 2023, FBM Planning was appointed by the City of Spruce Grove to carry out a study of economic incentives and land-use bylaw measures that have been employed by other Canadian municipalities to promote downtown development and revitalization. Twelve cities were selected for study by the project team.

In addition to detailing the relevant policy measures adopted by these cities, this study investigates the results of these efforts, and attempts to identify policies potentially suitable for adoption by the City of Spruce Grove.

The City Centre Development Incentives Research Report is in the draft phase and will be presented to EDAC for feedback prior to finalizing the report.

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a

City Centre Development Incentives Research

EXECUTIVE SUMMARY

For City of Spruce Grove March 2024



Submitted by: FBM Planning Ltd 101-5560 Cunard St., Halifax, NS Canada B3K 1C4 Contact: Kieron Hunt, Planning Studio Lead hunt@fbm.ca | (902) 429-4100 x 143

Acknowledgements

We wish to acknowledge the assistance of staff of several Canadian municipalities who kindly shared their knowledge and insights with the study team:

Cory Bluhm, Executive Director of Economic Development, City of Kitchener Susan Frampton, Planner, Regional Municipality of Wood Buffalo Vito Grammatico, Senior Economic Development Officer, City of Windsor Adena Malyk, Downtown Revitalization Coordinator, City of Airdrie Salvatore Marchese, Junior Planner, Planning and Enterprise Services, City of Sault Ste. Marie Shawn McCauley, Manager, Business Retention and Expansion, City of St. Albert Thea Mistry, Downtown Development Assistant, City of Kitchener Dennis Peck, Manager, Planning and Development, City of Leduc Kim Pinnock, Acting Director of Economic Development, City of Grande Prairie Jennifer Wardle, Planner, Regional Municipality of Wood Buffalo Tyler Westover, Director, Economic Development, City of Maple Ridge Viktoriia Yalanska, Downtown Action Plan Coordinator, City of Fort Saskatchewan

Executive summary

In December 2023, FBM Planning was appointed by the City of Spruce Grove, Alberta to carry out a study of economic incentives and land-use bylaw measures that have been employed by other Canadian municipalities to promote downtown development and revitalization. Twelve cities were selected for study by the project team. In addition to detailing the relevant policy measures adopted by these cities, this study investigates the results of these efforts, and attempts to identify policies potentially suitable for adoption by the City of Spruce Grove.

The ultimate aim is to jump-start development activity in the city centre, thereby generating confidence among developers and businesses, supporting downtown revitalization, and building on recent municipal investments in local infrastructure and amenities.

Preliminary findings

The downtown areas of many North American cities suffered from disinvestment in the mid-tolate 20th century. In response, municipalities have made various economic, urban design, and land-use policy interventions intended to revitalize their town centres by promoting growth and development there. Relevant measures identified to date in the case study cities are outlined below:

Grants

The case study municipalities make available, to business and property owners, a variety of grants intended to stimulate downtown redevelopment and revitalization. These often take the form of a 50 per cent matching grant (up to a prescribed limit), or a defined sum. To ensure compliance, grants are generally provided in the form of a reimbursement following satisfactory completion of a project to program requirements.

<u>Shopfront beautification and improvement grants</u> are common. There are grants for both temporary/seasonal beautification projects as well as permanent renovation works. Stated goals of these types of grants include improving the exterior appearance of downtown shops, enhancing the pedestrian realm, and generally making downtown more vibrant. Examples of temporary or non-building-related improvements covered by such grant programs include window displays, planter installation, holiday lighting, street furniture, and bike racks.

<u>Building exterior renovation grants</u> can target street-level shopfront renovation only or building facade improvements more broadly. These cover such items as building/shopfront cladding, architectural features, windows and doors, exterior lighting, signage (several cities offer a separate signage grant), weather protection, and exterior accessibility improvements.

<u>Premises improvement grants</u> are offered by some of the case study cities in support of landscaping projects, parking lot improvement, new amenities, and (in the case of Fort McMurray) fire-resistant landscaping. Lethbridge, AB and Maple Ridge, BC both offer grants for projects built in accordance with the concept of crime prevention through environmental design (CPTED), aiming to improve safety and discourage crime. Eligible projects include motion-activated lighting, fencing, surveillance camera systems, etc.

<u>Building interior improvement grants</u> aim to improve the aging building stock found in many of the surveyed cities, helping to attract businesses to vacant spaces as well as encouraging existing tenants to remain downtown. These grants can cover accessibility improvements (some cities offer a distinct "barrier-free grant"); heating, ventilation, and air conditioning upgrades; plumbing, electrical upgrades, interior configuration and decoration. Windsor, ON offers a grant in this category that targets retail space only, which aims to increase the concentration of retail within the downtown core. A separate grant aims to incentivize building owners to convert underused or vacant upper-storey spaces into new residential units.

<u>New development grants</u> are offered by some cities, providing direct government support for redevelopment of existing buildings, or new development on vacant land. Windsor, ON offers one such program targeting new downtown residential development, providing a grant worth \$2,500 per new residential unit (up to a limit of \$50,000 per property).

<u>Mural grants</u> are offered by many cities often in collaboration with local business associations and arts organizations. These aim to beautify downtown areas and improve the appearance of blank walls, as well as support local artists. Murals and other forms of public art can also draw new visitors downtown.

<u>Activation, events, and collaboration grants</u> aim to activate public and/or private spaces in downtown areas by providing support for events and initiatives that draw visitors to the city centre and animate underused spaces. Some cities already offer festival/event grants that are not specific to the downtown area.

<u>Patio grants</u> aim to bring business activity onto streets, making downtown more vibrant. Such grants are offered to owners of street-level downtown businesses and go toward the cost of new patios. Patio grant programs can be well suited for implementation in concert with streetscape improvement projects.

<u>Demolition grants</u> are offered by some cities to incentivize private property owners to remove vacant, underutilized, or unmaintained buildings in the downtown core.

<u>Development grants</u> are commonly offered by the case study cities in support of new construction, renovation projects, or both. These take the form of grants toward the cost of

construction, or toward other expenses, such as upsizing of water and wastewater connections.

<u>Heritage grants</u> are offered by some cities in support of restoration of historic buildings. These grants can be put toward repair or restoration of original and architecturally significant building elements. Projects of a non-historic nature (including routine maintenance work) are typically ineligible. In addition, eligible buildings must be defined in some way (for example, a grant program could apply to registered heritage buildings only).

<u>Business development grants</u> aim to attract new business to downtown areas, support and retain existing local businesses, and help draw new customers downtown. Examples include grants for marketing, special events, and employee training. Kitchener, ON offers a unique "startup landing pad grant" to downtown building owners who renovate their upper-storey spaces and agree to reserve space for startups for a defined period.

A <u>parking structure subsidy</u> is offered by one of the case study cities (Airdrie). It aims to encourage dense downtown development by contributing to the cost of constructing structured parking that forms part of a larger development project. This subsidy is a response to Airdrie's minimum parking requirements.

Tax incentive measures

Aside from grants, many of the same types of projects outlined above can be incentivized using tax exemptions, reductions, or refunds, granted for a defined period. In the surveyed cities, property tax exemptions are commonly offered in support of brownfield redevelopment, renovation of heritage buildings, new downtown construction, and building renovation projects.

Fee reductions, exemptions, and rebates

Some cities reduce or waive various development-related fees for projects that contribute to downtown revitalisation. Examples of charges that are waived, reduced, or rebated include:

- building permit fees
- development charges
- rezoning fees
- demolition permit fees
- service connection fees
- inspection fees
- service infrastructure modelling fees
- charges for land title searches and filings

Priority processing

Some of the case study cities offer expedited processing of applications for new downtown developments, renovation works, and redevelopment. To provide certainty to project proponents, the expedited timelines are clearly defined. This type of incentive may require cooperation and resources from various municipal business units, or even funding for third-party support if existing municipal resources are insufficient to meet demand within the required timelines.

Business loan programs

The City of Lethbridge provides interest-free loans (up to \$20,000) to downtown businesses to support a variety of improvement works such as building repairs, renovations, accessibility interventions, and landscaping. The loans can also support the purchase of business equipment and technology. Loan interest is paid for by a municipal committee.

Kitchener, Ontario formerly offered a similar loan program. Staff commented that pursuing loan repayment was burdensome for city administration.

Land-use policy

Many cities have undertaken planning exercises focused on their downtown area, creating local area plans and strategies with a greater level of detail regarding density, urban design parameters, heritage and brownfield considerations, and so on. Often, these efforts focus on creating more housing in downtown areas (through upzoning or other land-use bylaw measures) as well as creating jobs in the local area.

Community benefit density bonusing is offered by some municipalities within downtown areas, or in zones that are exclusively found in downtown areas. Under such arrangements, developers are permitted to build additional floorspace in exchange for prescribed community benefits such as heritage conservation or restoration works, provision of publicly accessible amenity areas, or additional residential floor area.

Cities across North America are increasingly relaxing (or eliminating) parking requirements, which can improve the economic viability of new development especially in city-centre areas with smaller lot sizes and higher land values. Parking reform can also contribute to better urban design and walkability outcomes by helping to create pedestrian-oriented streets with fewer driveways and surface parking lots.

Notes on implementation

Although this study focuses on efforts to improve downtown areas in particular, some of the programs examined by the project team were not specific to the core area of their respective city – for example, St. Albert's storefront beautification grant program applies to any "storefront

business" within the city. However, most of the measures examined were available exclusively within a defined program area (generally downtown, but sometimes inclusive of downtown-adjacent districts also deemed in need of reinvestment and revitalization).

Certain grants were further targeted toward a subset of the program area – for example, a particular retail street within a downtown – depending on local needs and conditions. Others apply only to certain properties within the program area, as was the case for many brownfield development incentives, which typically apply to specific brownfield properties that were considered potentially contaminated and therefore in need of environmental remediation.

Some types of grants are inherently targeted toward a particular type of applicant. For example, a facade improvement grant would most likely benefit a property owner, rather than a tenant. A patio grant would attract applications from restaurant owners, not property owners.

A wide range of eligibility conditions were observed, which allow the surveyed cities to exercise a high degree of influence over incentive program outcomes. Many incentives are available only if projects meet a certain investment threshold, thereby encouraging greater investment in the downtown area and supporting projects with a greater impact. Most municipalities surveyed also define the costs that grants can be applied to – sometimes grant money can be put toward soft costs such as design fees, while in other cases funding is provided only for construction cost. Some cities require that grant beneficiaries adhere to specific urban design guidelines, or that projects create a minimum number of new residential units.

Some incentive programs are funded and/or administered by city governments alone. Others are implemented with the involvement of other levels of government, downtown business associations, and non-governmental organizations. Some mural and public art programs involve local arts groups and educational institutions. External involvement may extend in some form to assessing grant applications, project monitoring, or assessment of compliance, thereby helping to relieve the additional burden placed on municipal staff.

Incentive programs may be incorporated into the annual operating budget of a city department, or supported through a dedicated fund whereby the program runs until the fund is exhausted, at which point the program is reassessed. Potential sources of funding include general tax revenues, debt, business licence fees, BIA fees, and other levels of government.

Typically, applicants are limited in their ability to receive funding from a grant program on a repeat basis. Normally, a business or property owner is only eligible to receive a particular grant once within a designated time frame (e.g. once every five years). In addition, some cities with multiple-grant incentive programs specify that applicants can only receive one of the grants – they must choose one.

The project team observed that incentive programs and land-use bylaw reforms have been tailored widely in response to local conditions and the priorities of each community. For example, Windsor's programs aim to support downtown retail; Kitchener (a university city) seeks to create a supportive environment for startup businesses; and Lethbridge's CPTED policy aims to address anti-social behaviour in the downtown area, such as vandalism. Reflecting on local issues and priorities will help the project team identify the types of incentive measures that may be most suitable for the City of Spruce Grove.

Program design considerations and recommendations

Identify objectives

A downtown incentive program should be developed with specific and clear objectives in mind. It should contribute to the goals of a higher policy document, such as a downtown plan. Guidance can also be sought from city council where needed.

Define program area

The extent of the incentive program area must be clearly defined. Some program areas are coextensive with the local business improvement district, while other align with a definition of the city centre derived from land use planning documents or area redevelopment plans.

If the program area is too large, it may dilute the effects of the incentive program. Certain types of incentives, such as storefront improvement grants, could be offered within a smaller defined area, such as a particular shopping street. The city must decide where improvements should be focused.

Identify candidate incentives

The types of incentives to be offered should respond not only to municipal objectives, but to local needs. Carry out targeted stakeholder engagement to understand the aspirations of downtown businesses and other organizations.

Incentives should aim to encourage activities that aren't happening in the downtown area organically. If a desired behaviour is already happening naturally, there is likely no need to incentivize it. The types of incentives to carry forward should be feasible within the envisaged program budget and with regard to staff capacity.

Facade improvement grants are consistently cited as being among the most popular offered by the municipalities surveyed.

Define grant amounts

The municipalities examined provide grants and incentives worth various amounts. There are advantages and disadvantages to both smaller and larger grants. Applications for smaller grants may be easier for staff to assess – the cost estimates are simpler and easier to understand. Larger grants may attract more interest or effect stronger results, but can make evaluating applications more difficult.

Smaller grants are potentially more flexible in the sense that they can support building owners to undertake a wider variety of projects. Larger grants, on the other hand, tend to apply to big-ticket investments only. Smaller grants may be more accessible to local business owners (as opposed to building owners / developers).

Grant amounts should be commensurate to program funding so that available funds are not exhausted too quickly. Grant amounts should also be responsive to local needs.

Some cities offer different grant amounts depending if the application is for a "simple project" or a "comprehensive project", with smaller and larger grants on offer in each case, respectively. This provides applicants with greater flexibility to undertake a range of project types.

If an incentive program is implemented on a short-term basis (e.g. a six-month pilot program), then smaller grant amounts may be more appropriate. Larger grants may entail higher investment by building owners, which normally requires a longer-term outlook.

Higher grant amounts should demand more stringent application requirements. For example, some cities require the involvement of a professional designer to improve the quality of grant applications and make assessment easier for municipal staff.

Define eligible costs

For each grant or incentive, clearly define eligible and ineligible costs in a two-column table. This will help to provide a greater degree of clarity to applicants and municipal staff alike and help to shape program outcomes.

Grants that contribute to building enhancements (interior or exterior) should be targeted in this way so as to bring about genuine improvement projects, rather than simply contribute toward necessary building maintenance, which property owners should carry out regardless.

Identify other potential ways to promote downtown development, such as tax measures, fee waivers, and priority application processing

Aside from financial grants, it is worth considering introducing other targeted incentives to promote downtown revitalization, such as tax reductions (or exemptions) for downtown development, priority development application processing, and fee waivers.

Reduction or exemption of municipal property taxes, provided over a defined period (often on a sliding scale, with the tax reduction decreasing each year following project completion), is a common way to encourage new development or the redevelopment of brownfield sites. Compared to a downtown development grant, this can be a less costly way to incentivize new development.

We recommend that municipal staff take stock of potential opportunities to exempt (in whole or in part) taxes and fees on new downtown development. In addition, staff could investigate opportunities to provide fee waivers and priority processing for proponents of certain types of downtown developments, with due consideration for available staff resources in each department.

Such incentives should, like grants, be targeted to encourage desired development types (e.g. mixed-use developments meeting a certain density threshold).

Identify funding model and program duration

Funding of an incentive program can come from a variety of sources including general tax revenue, debt, another level of government, or taxes and fees levied on businesses. Program funding may form part of a departmental operating budget or it could come in the form of a dedicated fund requiring periodic replenishment.

Grants and incentives that aim to promote new development must be implemented on a longer-term basis, as property developers need to be able to plan around the program.

Some cities accept grant applications on an annual basis, up to a yearly deadline. This can result in an uneven, unmanageable workload for municipal staff as most applications tend to be submitted just before the deadline. We recommend exploring an arrangement in which the municipality offers grants on an ongoing basis to avoid this issue and also provide greater flexibility to businesses and building owners, as grant applications may better align with their needs (such as the timing of the commencement of a retail lease).

Explore opportunities for collaboration

Some other cities provide downtown incentive programs in collaboration with business improvement areas, local community groups, and other levels of government. A collaborative

approach could potentially provide various benefits, such as helping to foster a sense of civic pride among business owners. Some incentive programs are administered with the involvement of local BIAs, reducing use of municipal resources and helping draw on local expertise.

However, handing off program administration to a local BIA also presents challenges in terms of ensuring responsible and defensible use of municipal funding. Record keeping may be a challenge especially where funding from other sources (e.g. provincial agencies) is involved.

In developing a downtown incentive program, it is worth exploring opportunities to promote collaboration among downtown stakeholders, including businesses, community groups, and local educational institutions. Certain types of incentives can also provide support for local artists and tradespeople, and help connect them to downtown entrepreneurs and local property owners.

Define application assessment process

Some cities empower their economic development staff to vet grant applications. Others use internal committees comprising representatives from economic, planning, building, and finance departments. There may be a final vote by city council (or a council subcommittee).

As mentioned above, some cities involve the local BIA in program administration.

Consider developing a program review process

It is recommended to prepare a follow-up survey for recipients of municipal incentives so as to help gather feedback that can inform the evolution of the downtown incentives program.

Explore opportunities to amend the land-use bylaw to support downtown revitalization

Many cities are reducing or eliminating minimum parking requirements, thereby incentivizing dense forms of development by reducing or eliminating the high costs associated with building structured parking.

Some cities reduce parking requirements for particular types of buildings that they seek to encourage, for instance, multi-unit residential structures.

Staff of several of the case study cities expressed that their downtown areas possess an excessive amount of surface-level car parking, negatively impacting the pedestrian experience. There are opportunities to discourage excessive parking through land-use bylaws, such as by defining maximum permissible car parking provision or disallowing standalone surface parking lots.

Recommended incentives

The recommendations outlined below are tentative and subject to further discussion between the consultants and City of Spruce Grove staff. The municipal lease or land acquisition scenarios are not direct incentive programs, but rather act as indirect incentives by encouraging development by attempting to minimize costs and perceived risk for developers.

Urban Residential Development Incentive

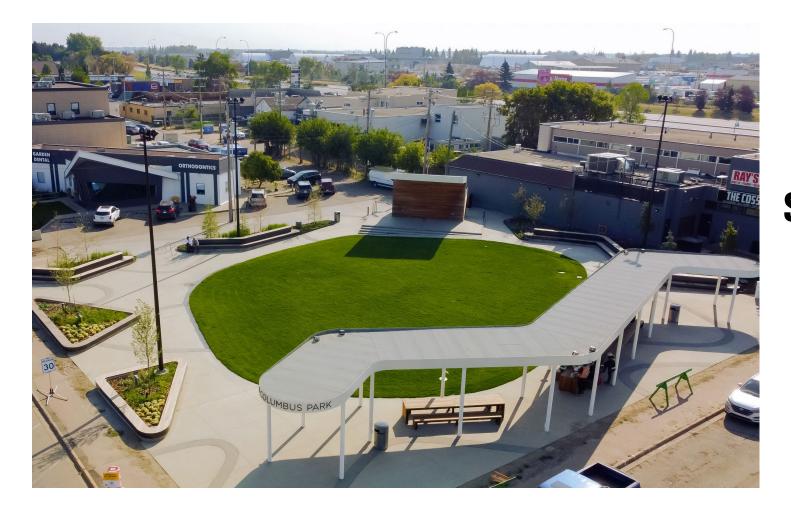
We propose to introduce an incentive, either in the form of a grant or temporary tax abatement, in support of new multi-unit residential or mixed-use development within the city centre. Several of the case study cities – including Windsor (Ontario), Grande Prairie, and Fort Saskatchewan – introduced similar programs. We view this type of incentive as the most direct, targeted means of sparking interest among developers in downtown development.

Municipal Lease Agreements

The city should also explore the possibility of establishing agreements between the City of Spruce Grove and developers to lease space in private developments for a set period of time, incentivizing downtown development while simultaneously meeting the needs of a growing municipality. An example includes neighbouring Stony Plain which leased just under 15,000 sq. ft. for a new library as part of a new Seniors Apartent building as part of its Downtown revitalization. Other examples include the City of Port Coquitlam which purchased and used space in a former Canada Post building to add an art gallery and artist-in-residence program and community services. In Stratford, Ontario, the municipality leases space in downtown buildings for city offices and services, contributing to the area's appeal as a destination for residents and tourists alike. Spruce Grove itself already has applied this example in the successful Queen Street Medical Centre where the city leased space for Family & Community Support Services (FCSS) to assist financing of the project.

Municipal Land Acquisition or Assembly

The city should maintain a database of existing properties that are listed for sale as well identify other underutilized or brownfield sites that could be acquired by the city. This process could help the city create a potential strategy for assembling land that could create more viable developable parcels for development. Strategic acquisitions of buildings or land assemblies can catalyze real estate development. Examples include Smiths Falls, ON, which has seen significant revitalization efforts in its downtown, partly due to the acquisition and repurposing of buildings by the town. Notably, the town has worked on acquiring properties to support the development of recreational facilities and cultural spaces in the downtown.





Spruce Grove City Centre Development Incentives Research Study

Preliminary Findings & Recommendations



Presentation Outline

Background

Project Overview

Case Study Cities

Key Findings

Program Design Considerations

Preliminary Recommendations

Recommended Incentives (for Discussion)

Q&A

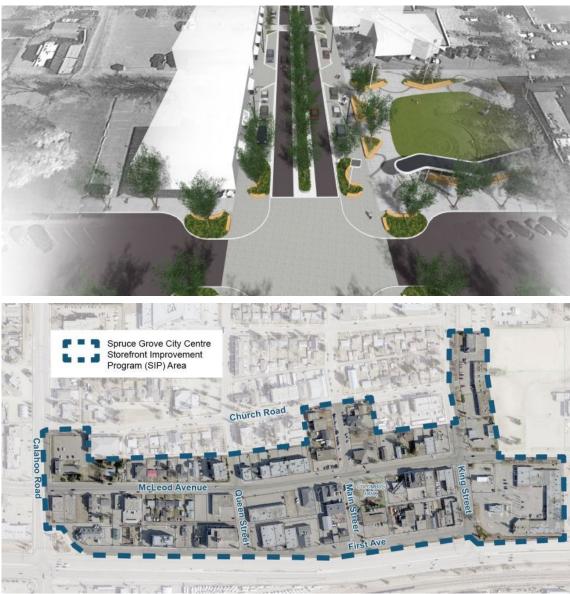


Background

Downtown revitalization efforts to date

- City Centre Area Redevelopment Plan
- Storefront Improvement Program (SIP)
- City centre LUB amendments to reduce parking requirements (2023)
- Streetscape revitalization project
- Improvement of downtown infrastructure

How do we build on this momentum and continue to encourage investment in the City Centre?





Project Overview

FBM was appointed to carry out a study of economic incentives and land-use bylaw measures employed by other Canadian municipalities to promote downtown/city centre development and revitalization.

From conversations and research, the objective is to identify potential future actions for Spruce Grove with regard to the ongoing City Centre ARP implementation.

The ultimate aim of these efforts is to jump-start development activity in the city centre, thereby generating confidence among developers and businesses, supporting downtown revitalization, and building on recent municipal investments in local infrastructure and amenities.





Case Study Cities

12 case study municipalities have been examined (seven in Alberta, five out-of-province):

Provincial case studies	Status of Incentives Program
Airdrie	City is in the process of introducing a suite of eight new downtown incentives.
Fort McMurray	Downtown revitalization incentives program launched 2020; staff provided valuable information on its performance and implementation.
Fort Saskatchewan	New program (est. 2022) providing two incentives (development grant, brownfield tax exemption).
Grande Prairie	Three incentives programs provided a robust suite of incentives in support of downtown development.
Leduc	Storefront and patio incentives recently offered. New downtown master plan under development.
Lethbridge	Established incentives program supporting redevelopment, improvement of existing premises, CPTED
St. Albert	Under development in concert with pending LUB update; creation of new downtown BIA.



Case Study Cities (continued)

National case studies	Status of Incentives Program
Kitchener, ON	Long-established incentives program (2003) that has contributed to successful downtown comeback.
Maple Ridge, BC	Downtown incentives program ended in 2018. Staff are currently developing a new suite of incentives that will aim to meet housing density targets and address the issue of aging building stock.
Mission, BC	Relatively robust suite of downtown development incentives ran until 2022.
Sault Ste. Marie, ON	Similar position as Spruce Grove, with the downtown area the focus of municipal reinvestment in recent years. Five grants were introduced with provincial support.
Windsor, ON	Windsor offers five downtown grants and tax incentives that aim to support downtown retail, construction of new housing, and improvement of existing properties.



Key Findings (1)

Grants and Tax Incentives

Municipal grants are a common form of development/revitalization incentive, some of which recently established in the City Centre. Grants are provided in support of a variety of undertakings:

- Storefront improvements
- Building exterior renovations
- Premises improvements
- Building interior improvements
- Murals / public art
- Activation, events, and collaboration

- Patios
- Demolition
- New developments
- Heritage restoration
- Business development
- Parking

Aside from grants, many of the same types of projects can be incentivized through tax exemptions, abatements or rebates, granted for a defined period following project completion.



Key Findings (2)

Fee Reductions or Waivers, Priority Processing

Some municipalities reduce of waive various development-related fees for projects that contribute to downtown revitalization. Examples of charges that are waived, reduced or rebated include:

- Building permit fees
- Development charges
- Rezoning fees
- Demolition permit fees
- Service connection fees
- Inspection fees
- Service infrastructure modelling fees
- Charges for land title searches and filings

Some cities also provide expedited processing of applications for new downtown or city centre developments. This provides greater certainty to applicants but may reduce additional municipal resources.



Key Findings (3)

Other Incentives and Initiatives

<u>Business loans</u> – Two of the case study cities offered business loans exclusively to downtown businesses. These could be used in support of a variety of improvements such as building repairs, renovations, or put toward capital expenses such as new technology.

<u>Land-use bylaw measures</u> – Many municipalities are updating downtown planning documents to help facilitate downtown redevelopment by allowing higher densities, and by reducing parking requirements to improve the economic viability of multi-unit residential development.

<u>Implementation</u> – Through interviews with municipal staff at most of the case study cities, an abundance of information and advice on the implementation and administration of downtown incentive programs was gathered.



Program Design Considerations

If Spruce Grove chooses to offer a wider suite of incentives in support of its city centre revitalization, the city should bear in mind the following considerations:

- **Identify objectives** A city centre incentive program should be developed with clear and specific objectives, contributing to the goals of a higher policy document, such as the City Centre ARP.
- Define incentive amounts There are advantages and disadvantages to both smaller and larger grants (or tax rebates).
- Define eligible costs Costs that the incentive program may support should be clearly defined. This
 provides clarity to both municipal staff and applicants, helps shape program outcomes, and prevents
 misuse of municipal resources.



Preliminary Recommendations (1)

- Identify funding model and program duration Funding of a city centre incentive program may come from a variety of sources such as general tax revenue, debt, another level of government, or taxes and fees. Program funding could form part of a departmental operating budget or a dedicated reserve fund. Without receiving Housing Accelerator Funding (HAF), creativity in capital budgeting may be required.
- 2. Explore other means to support downtown redevelopment Aside from financial incentives, it is worth introducing other targeted incentives to promote city centre revitalization, such as fee waivers, municipal lease agreements with developers, or priority application processing. This requires collaborative planning among different municipal units.
- **3. Review the incentive program regularly** To ensure the incentive program remains responsive to local needs and changing conditions, a process should be established whereby applicant feedback informs the evolution of the program.



Preliminary Recommendations (2)

4. Refine the assessment / award process

- Some cities empower municipal staff to approve grant applications, while others have established internal committees or rely on council votes. Some cities also involve the local business improvement association in program administration to varying degrees.
- There is broad potential to involve community groups, business interests, or local educational institutions in downtown incentive programs.

5. Explore opportunities to update the land use bylaw in support of downtown redevelopment –

Planning document reforms are contributing to the ongoing revitalization of long-neglected city centres in many North American cities. A particular trend is to reduce (or eliminate) minimum parking requirements to enhance the pedestrian experience and incentivize denser forms of residential development (this has already been established in Spruce Grove's city centre).



Recommended Incentives (for discussion) (1)

Urban Residential Development Incentive

- <u>Purpose</u> Incentivize new multi-unit or mixed-use development in the city centre
- <u>Examples</u>
 - Windsor, ON grant for \$2,500 per residential unit created
 - Fort Saskatchewan, AB grant worth 3% of eligible costs
 - Grande Prairie, AB grant of \$10,000 to \$15,000 per residential unit

Rather than a grant, this incentive could take the form of a property tax abatement for a defined period of time.



Image: User Sk5893, Wikimedia Commons (Licence: CC BY-SA 4.0)



Recommended Incentives (for discussion) (2)

Municipal Lease Agreements

- <u>Purpose</u> Incentivize new development in the city centre by establishing agreements with developers for the city to lease space in new projects.
- <u>Examples</u>
 - Spruce Grove, AB (Queen Street Medical Centre)
 - Stony Plain, AB (Library in Seniors Apartment)
 - Cochrane, AB (Community Hub in railway building)
 - Port Coquitlam, BC (Leigh Square Arts Centre in former post office building)
 - Stratford, ON (city offices and services)



Recommended Incentives (for discussion) (3)

Municipal Land Acquisition or Assembly

- <u>Purpose</u> Incentivize new development in the city centre by acquiring and/or assembling under-utilized parcels or brownfield sites to create viable developable parcels
- <u>Examples</u>
 - Cumberland, BC (hotel acquired)
 - Port Hope, ON (derelict building)
 - Clarenville, NL (vacant land)



Thank You



REQUEST FOR DECISION

MEETING DATE:	March 26, 2024
TITLE:	The Annual Builder and Developer Luncheon
DIVISION:	City Manager's Office

SUMMARY:

The Annual Builder and Developer Luncheon is an appreciation event exclusively for builders and developers who are active in the City of Spruce Grove.

PROPOSED MOTION:

A motion is not required.

BACKGROUND / ANALYSIS:

The Annual Builder and Developer Luncheon is an appreciation event hosted by the City of Spruce Grove exclusively for builders and developers who are active in Spruce Grove. This appreciation luncheon is typically held annually in May or June at the Links Golf Course.

The event starts with a complimentary buffet luncheon followed by a presentation by Mayor Acker on the city's Economic Outlook and Strategic Plan. This year's Keynote Speaker is Jason Strudwick, former NHL player, TV Personality, and current Broadcaster and Co-Host of the 'Got Yer Back YEG' podcast, who will deliver a presentation titled 'Building Winning Teams: Lessons from the Ice and Beyond'.

Members of EDAC are invited to attend this event.

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

n/a

FINANCIAL IMPLICATIONS:

n/a