

REPORT

REPORT TO: Members of the Corporate Affairs Committee
REPORT FROM: Doug Penrice, Economic Development Officer
DATE: July 4, 2016
REPORT NO.: ADMIN-2016-0034
RE: Economic Development Manufacturing Expansion Fund

RECOMMENDATION:

THAT REPORT ADMIN-2016-0034 regarding the Economic Development Manufacturing Expansion Fund (Fund) be received,

AND FURTHER THAT the Corporate Affairs Committee recommends to Council that the Economic Development Manufacturing Expansion Fund cover the fees related to the following applications: Adept Inc. operating as Purity Life Ltd. (\$15,806.00) and ISPA Store Fixtures (\$8,693.00). Total for the two applications is \$24,499.00.

BACKGROUND:

In August of 2007 the Economic Development Committee accepted report EDO-2007-0032 and recommended to Council that the Town of Halton Hills establish an Economic Development Manufacturing Expansion Fund. The purpose of the fund was to assist in the retention of local established manufacturing businesses by covering the cost of certain Town fees when they expanded their facilities. An amendment was made to the Fund based on Report EDO-2008-0040 following a request from a local manufacturer to include ancillary structures and Conditional Building Permits.

The specific fees under the policy as amended that are covered include:

- Site plan
- Site alteration
- Minor variance (if required)
- Cash in lieu of parkland
- added fees related to obtaining Conditional Building Permits to enable an earlier construction start to meet production timetables or deadlines

The criteria to qualify for payment from the Fund for such fees is as follows:

- the manufacturing business must have been on the site for at least 5 years

- existing zoning permits continued manufacturing or industrial use and allows for the expansion
- the site in total for expansion must be one acre or more and must be within the existing urban areas and the rural industrial area (Mansewood) of the Town of Halton Hills
- there must be an existing building on site and the current manufacturing/industrial employment of at least 50 employees
- the expansion must be for manufacturing use
- the expansion must be over 5,000 sq. ft. or the estimated property taxes from the addition payable to the Town of Halton Hills, must be estimated to be a dollar value in total within 10 years to be at least an amount equal to the fees that would have been paid from the fund
- Or the expansion consists of ancillary structures such as production or storage silos or other such structures which are primarily used to increase production in the existing plant.

Report ADMIN-2015-0022 contained the following recommendation which was approved to change the administration and approval method for the Fund.

AND FURTHER THAT future applications for use of the Fund shall be presented to the Economic Development Committee for approval and subsequent recommendation to Council.

The EDO promotes the Fund with on-site visits, on the Web Site and through direct email contacts; any measure which encourages local businesses to expand is worthwhile. The modest initial outlay of funds provides a timely payback to the Town through increased assessment and stable levels of employment.

COMMENTS:

Currently there are two companies that qualify for the Fund, details are as follows:

1. Adept Inc. operating as Purity Life Ltd. 6 Commerce Crescent (Acton)
 Purity Life was established in Acton over 30 years ago and is one of the area’s largest employers. The company has been operating in three separate buildings and needs to consolidate the operation to one building. An approximately 2,800 m2 addition is planned to accommodate future growth. Total fees to be covered are:

Type of Fee	Amount
Site Plan	\$5,963.00
Minor Variance	\$4,793.00
Cash-in-lieu	\$5,050.00
TOTAL	\$15,806.00

2. ISPA Store Fixtures, 114 Armstrong Ave. (Georgetown)

ISPA manufactures high quality store fixtures and interiors for the Canadian and US markets. Due to continued growth an addition of approximately 2,800 m2. is planned to accommodate future growth. Total fees to be covered are:

Type of Fee	Amount
Site Plan	\$8,693.00
TOTAL	\$8,693.00

The fees will be collected from the applicants at the time of the Site Plan application and refunds will be paid when the project is completed in accordance with the terms of the site plan and building permits.

RELATIONSHIP TO STRATEGIC PLAN:

Fostering a Prosperous Economy is a goal of the Strategic Plan.

FINANCIAL IMPACT:

Funding for the Economic Development Manufacturing Expansion Fund comes from the Tax Rate Stabilization Reserve to a maximum of \$40,000. Total funding for the two applications is \$24,499.00.

COMMUNICATIONS IMPACT:

There is no impact on communications contained in this report.

SUSTAINABILITY IMPLICATIONS:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life. The relationship between this report and the Strategy is summarized below:

Creating and maintaining local employment levels enhances the economic and social well-being of our community. Local economic activity has a multiplier effect adding to the Town’s growth, additional non-residential assessment provides significant property taxes to the Town, Region of Halton and local school boards.

Do the report’s recommendations advance the Strategy’s implementation?
 Yes, the report’s recommendations advance the Strategy’s implantation as it relates to economic prosperity. The sustainably implications of this report would be considered to align excellently with the Community Sustainability Strategy.

CONSULTATION:

Senior staff were consulted in the preparation of this report.

CONCLUSION:

The Economic Development Manufacturing Expansion Fund has assisted local companies since 2007 to undertake expansions in the community resulting in increased property taxes and employment levels. As the Fund is restricted to generally larger companies in the manufacturing sector, the overall investments tend to be substantial. With continued funding, it will further assist our manufacturing sector remain viable. The manufacturing sector in Ontario has been declining in the last 15 years and efforts to maintain Halton Hills' manufacturing operations is important to the economic prosperity of our community.

Respectfully submitted,

Doug Penrice
Economic Development Officer

Reviewed and Approved by,

Brent Marshall
Chief Administrative Officer