


**Subject: Update on the Downtown Revitalization Incentives Program**
**APPROVALS:**

**Jamie Doyle**

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Director

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Chief Administrative Officer

**Recommended Motion:**

THAT Administration be directed to bring forward an updated Downtown Revitalization Incentives Program Policy (FIN-320) for Council consideration by March 2021.

**Summary:**

The 2018-2021 Strategic Plan identifies Downtown Revitalization and Regional Economic Development as strategic priorities. These priorities took on greater significance and urgency in 2020 with the combined impacts of the global downturn in oil prices, COVID-19 and the downtown flooding. Launched at the end of June 2020 as a pilot program, the Downtown Revitalization Incentives Program (the "Program") provided eligible property and business owners access to four grants to encourage facade improvements, interior renovations, new and upgraded patios, and beautification projects and murals. The Program ends on December 31, 2020.

It has been well received and at the time of writing, 14 grant applications have been approved, totaling approximately \$596,600 (resulting in over \$1 million in investment once constructed). Stakeholder feedback supports the Program's continuation.

**Background:**

On June 23, 2020, Council approved the Downtown Revitalization Incentives Program Policy - FIN-320. The objectives of the Program are:

- To retain existing businesses, while helping attract new types of businesses that will increase pedestrian presence on the streets;
- To introduce new features and amenities that create interest and vibrancy, helping transform the downtown into a place where residents want to spend time; and
- To improve the aesthetic qualities within the downtown.

COUNCIL REPORT – Update on the Downtown Revitalization Incentives Program

The Program currently provides grants to commercial, institutional and mixed-use buildings in the downtown (Attachment 1). All grants are provided in the form of a 50 percent matching reimbursement grant and include:

- Facade Improvement Grant - provides up to \$75,000 per building (mid-block buildings) to \$100,000 (corner buildings);
- Interior Improvements Grant - provides up to \$50,000 per building;
- Patio Grant - provides up to \$10,000 per building; and
- Beautification Projects and Murals Grant - Provides up to \$5,000 per building for beautification projects and up to \$30,000 per building for murals.

The Program forms part of a "toolbox" of incentives designed to restore investor confidence, attract new businesses and encourage existing businesses to stay downtown. Other tools include the Property Tax Exemption (Bylaw 20/018) for new commercial development and waived offsite levies for new downtown developments.

Interest and Uptake:

The Program has received considerable interest. Over the past five months, the Community Investment Program (CIP) branch has received approximately 130 inquiries and Planning and Development has held 70 pre-application meetings. To-date, approximately \$596,600 has been approved, resulting in more than \$1 million of investment in the downtown once constructed. The grants were a deciding factor for several businesses in choosing or remaining downtown. The following grants were approved:

Grant Name	Number of Approved Applications
Façade Improvement Grant	4
Interior Improvements Grant	9
Patio Grant	1
Beautification Projects & Murals Grant	0

Public Engagement:

Administration engaged applicants and stakeholders throughout the Program, obtaining feedback during pre-application meetings, one-to-one conversations, stakeholder discussions and a targeted online survey. Respondents shared insights on Program challenges, rated their satisfaction, and contributed ideas for possible new grants (Attachment 2). Feedback suggests that the following aspects of the Program are working well:

- Communication of the Program, web page, making inquiries and participating in a pre-application meeting with staff.

Feedback suggests that the following may make it difficult to participate in the Program:

- Deadlines - December 31, 2020 deadline is too short for some businesses and the construction time frames are a challenge to meet given the short construction season.
- Timing of Funding - Receiving funding upon project completion poses a financial burden on businesses. Stakeholders would like the Municipality to explore funding alternatives, as well as the possibility of retroactive funding.
- Estimates - Obtaining two contractor estimates adds time to the application process and there have been some challenges obtaining them.
- Facade Improvement Grant - The existing design requirements may be too onerous given the financial challenges facing businesses. There is interest in a simpler version of this grant whereby less 'comprehensive' projects would be eligible.
- Beautification Projects and Murals Grant - There are opportunities to work more closely with the arts community to better align this grant with industry practices.

Administration is prepared to explore how these issues and other opportunities can be resolved and/or acted upon as Phase 2 of the Program. While the majority of respondents want the Program to be offered in 2021, many stated that the current incentives do not cover the types of work they wanted to undertake. Administration received interest in the following:

- Facade improvements that are less comprehensive.
- Facade improvements for multi-family apartment and condominium buildings.
- Parking lot improvements.
- Landscaping improvements.

#### Program Promotion and Awareness Building:

The Program was promoted using a variety of approaches (Attachment 3).

**Monitoring and Reporting:**

Administration will continue to monitor the 2020 Program and the impact of the grants on participating businesses as projects are completed.

**Budget/Financial Implications:**

On June 23, 2020, Council allocated \$5,000,000 from the Municipal Reserve Emerging Issues budget to implement the Program. As of mid-November 2020, \$596,600 has been allocated to 14 projects, with \$4,403,400 remaining unallocated.

**Rationale for Recommendation:**

Fort McMurray's downtown is the key service centre for the Region's communities. Creating a viable and vibrant downtown is imperative to the societal and economic health of the Region. The Program directly responds to Council's strategic priorities, the needs of downtown stakeholders and our community at-large.

Based on the positive support received during the pilot phase of the Program (Phase 1), Administration recommends that the Program be offered in 2021 in a modified form. A second phase (or Phase 2) of the Program may encourage more businesses to apply as they see improvements made by surrounding businesses. It may also support those businesses which have been preoccupied with flood recovery and the challenges of COVID-19.

Launched as a pilot program, there are lessons learned that can now be implemented. Moving forward, Phase 2 is an opportunity to build upon the successes, challenges and learnings of the existing Program, better meeting the needs of downtown businesses, operators and property owners.

If approved by Council, Phase 2 could reopen to applications by the end of March 2021. In the interim, the coming weeks will provide Administration with the time and resources to thoughtfully consider the feedback and learnings received to-date, and to bring forward improvements and new grant streams. For example, exploring options to provide funding in installments or new grant streams under the Façade Improvement Grant. Staff would continue to be available to answer questions in the interim and to process grant applications received on or before the December 31, 2020 deadline.

**Strategic Priorities:**

Downtown Revitalization  
Regional Economic Development

**Attachments:****1. Subject Area Map of Downtown**

**2. Engagement Summary Report**

**3. Summary of Promotional Efforts**

**Downtown Revitalization Incentives Program Presentation**







# SUBJECT AREA MAP

## Downtown Revitalization Incentives Program – Downtown Area

## Attachment 1



Attachment: 1. Subject Area Map of Downtown (Downtown Revitalization Incentives Program Update)

-  Subject Area
-  Water Bodies
-  RMWB Lands
-  Park
-  Survey Parcels
-  Roadways



1 cm = 183 meters



Map Produced by the Geographic Information System