

Staff Report



To	General Committee
Subject	Proposed Employment Development Community Improvement Plan (CIP)
Date	November 26, 2025
Ward	All
From	S. Schlichter, Director of Economic Development
Executive Member Approval	B. Araniyasundaran, P. ENG., PMP, General Manager of Infrastructure and Growth Management
CAO Approval	M. Prowse, Chief Administrative Officer
Staff Report #	ECD010-25

Recommendation(s):

1. That Staff Report ECD010-25 regarding Financial Incentives and Implementation Process in the Employment Development Community Improvement Plan (CIP) be approved and the following actions be undertaken:
 - a) That the new Employment Development Community Improvement Project Area By-law, being By-law No. 2025-XXX contained in Appendix "A" to Staff Report ECD010-25, be approved;
 - b) That the new Employment Development CIP By-law, being By-law No. 2025-XXX, to approve the proposed new Employment Development Community Improvement Plan (CIP) contained in Appendix "B" to Staff Report ECD010-25, be approved;
 - c) That at the time of writing Staff Report ECD010-25, the Industrial/ Commercial Land Reserve Fund had a total of approximately \$856,000 which shall be reallocated for Employment Development CIP use to the end of 2026, and any remaining funds will be carried forward for the following year; and
 - d) That commencing by the end of the first quarter of 2026, staff will launch a continuous application intake for the Employment Development CIP to be implemented as per the eligibility criteria outlined in the Employment Development CIP contained in Appendix "C" to Staff Report ECD010-25.
2. That pursuant to Sections 17(22) and 28(5) of the *Planning Act*, no further public notification is required prior to the passing of the by-laws.

Executive Summary:

This report provides a comprehensive overview of the proposed Employment Development CIP for approval, found in Appendix “C”, expanding on the financial incentive programs’ general eligibility and requirements, policy and legislative context, the defined project area, and program goals and objectives. Through the CIP, the City seeks to proactively stimulate investment and job creation.

The incentive programs include an Employment Ready Review, a Tax Increment Equivalency Grant (TIEG), Site Plan and Building Permit Fee exemptions and rebates, Study Grants, and Development Charge Deferrals. These programs are grounded in a robust eligibility and administrative framework, ensuring alignment with Council priorities and recent provincial legislative directives. Funding is managed through Council oversight and reserve allocations, enabling flexibility, accountability, and measurable outcomes for Barrie’s economic development.

The Employment Development CIP will be a five (5) year program and will be reviewed and updated on a five (5) year cycle.

Key Findings:

Policy and Legislative Framework

The Draft Employment Development CIP is grounded in statutory and policy support enabling Council to provide financial incentives for strategic employment areas.

Notably the following:

- *Planning Act (Section 28)*: Authorizes municipalities with appropriate Official Plan policies to establish Community Improvement Plans (CIPs), designate project areas, and offer grants or loans for eligible costs related to development, redevelopment, and rehabilitation.
- *Municipal Act (Sections 106, 106.1)*: Permits incentives and grants for targeted economic activities aligned with provincial objectives—recent legislative updates further facilitate tailored support for key industries.
- *City of Barrie Official Plan (Sections 7.3.3, 9.6)*: enables CIPs for brownfields, underutilized lands, and employment areas, supporting Council’s strategic direction to enhance job creation, economic diversity, and revitalization in alignment with the Provincial Planning Statement, 2024.

These policy statements empower Barrie to target incentives for land development and ensure statutory compliance in the delivery of programs.

Project Area—Community Improvement Project Area

The Community Improvement Project Area for the Employment Development CIP includes all lands within the City of Barrie municipal boundary as it existed on the date of passing this By-Law, as shown on Figure 1 below, and in Schedule 'A' of By-law XXXX-2025.

Projects must be employment or industrial uses (as defined in the PPS 2024) including but not limited to advanced manufacturing (inclusive of priority sectors such as automotive, defense, mining, and life sciences). Residential, mixed-use, office, commercial and retail projects would not be eligible.



Goals and Objectives

The overarching goal of the CIP is to foster a competitive, 'open for business' environment, leading to private-sector investment and sustainable job creation.

The core objectives of the CIP include:

- Incentivizing projects with substantial job creation and economic spin-offs.
- Attracting both large- and small-scale enterprises with particular focus on employment or industrial uses including but not limited to advanced manufacturing (inclusive of priority sectors such as automotive, defense, mining, and life sciences).
- Supporting the rehabilitation of vacant or underutilized industrial sites and facilitating brownfield cleanup, potentially via coordination with programs such as the Ontario Brownfields Financial Tax Incentive Program.

- Delivering the program through a transparent, accountable, and periodically reviewed system.

This plan will support Barrie's competitiveness for provincial, national, and international investment, including opportunities emerging from the electric vehicle and green technology supply chains.

Submission Process and Review

A submission will be required for any property owner seeking to access programs through the Employment Development CIP. The submission will follow the following process:

- The City will open a continuous submission intake for financial incentive programs under the Employment Development CIP.
- Submission details will be made available on the City of Barrie's Employment Development CIP webpage.
- Submissions and supporting documentation will be reviewed by Invest Barrie staff as received.
- Approval of grants will be delegated to City staff. Invest Barrie staff will review the submissions against the applicable submission scorecard and make recommendations to an interdepartmental Grants Review Group consisting of members of the Senior Leadership and Executive Management Teams. The Grants Review Group will make decisions on the allocation of grants.
- Notification will be provided regarding the CIP award, including instructions on next steps for accessing grant money.

Financial Incentive Programs - General Eligibility and Requirements

The CIP's incentives are made up of several individual programs designed to incentivize and support the attraction and development of existing and new businesses in Barrie. The programs are comprised of the following:

Incentive Program	Description
Employment Ready Review	A complimentary preliminary plan review and meeting with City Staff to determine the planning process required and to discuss general development requirements prior to development or building permit applications.
Tax Increment Equivalency Grant (TIEG)	Incentivizes the development by providing a yearly grant via property tax offset for up to 5 years. The value of the grant is equal to the incremental increase in

municipal property tax resulting from the improvements. The grant starts with 100% in year one and declines 20% per year for an additional four (4) years.

Exemption from Site Plan Application Fees and rebate of Building Permit Fee

Allows for the upfront waiving of Site Plan Application fees and the rebating of 50% of the base Building Permit fee for qualifying employment land development projects up to a maximum of \$150,000.

Study Grants

50/50 matching grant; City will provide a grant for up to 50% of cost of eligible studies up to maximum of \$30,000 per study and \$100,000 per property.

Development Charge (DC) Deferral

Qualifying projects can get DC payment deferred without interest, from time of permit issuance to when occupancy permit is issued (or 24 months whichever comes first). Currently on-hold while Pilot DC Deferral Policy is in effect.

- *General eligibility requirements:*

- Application intake is continuous and evaluated on a first-come, first-served basis; all required documentation must be submitted for review.
- Projects must be wholly within the City of Barrie municipal boundary as it existed on the date of passing this By-Law and conform to all CIP requirements.
- Proposals in environmentally sensitive areas (flood, erosion, wetlands) or non-eligible land uses (residential, mixed-use, office, commercial, and retail) are not eligible to apply.
- Applicants must demonstrate:
 - No property tax arrears (unless approved payment schedule).
 - With the exception of applying for the Employment Ready Review, applicants must demonstrate that adequate municipal services (e.g. water, wastewater, and storm water) and utilities (e.g. hydro, natural gas, etc.) with appropriate capacity to service the proposed development are available or can be made available.
 - With the exception of Employment Ready Review applications and Exemption from Site Plan Application Fees applications, projects must have an approved Site Plan Agreement, if applicable, prior to making an application to any CIP program. Applications must be submitted before an Occupancy Permit is issued by Building Services, and the Building Permit must have an issuance date of January 1, 2025, or later.

- Payment of grants is provided to the owner (registered or assessed), tenant or assigned third party and will occur following the property owners' entering into an agreement with the City of Barrie, if applicable, which may be registered on title at the discretion of the City. The provision of the applicable documentation must be provided to demonstrate that the work has been completed as required.
 - Development projects that previously received a 40 per cent Development Charge discount for industrial projects through a previous Development Charge By-Law are not eligible for any program under this CIP.
 - In addition to the general eligibility requirements summarized above, program specific eligibility requirements are detailed in Section 3.3 of the Employment Development CIP.
- Apart from Employment Ready Review applications, priority is given to projects that will bring significant economic impact to the city, such as:
 - Creating or retaining a large number of jobs.
 - With large proposed construction value or gross floor area.
 - In priority sectors such as automotive, defense, mining, and life sciences.
 - or obtaining external funding—such as Invest Ontario support.
 - Applicants may stack multiple CIP incentives (provided total awards do not exceed total eligible costs) and combine with other government support programs.
 - Grant agreements may be executed with the City, which may be registered on title at the discretion of the City; non-compliance may result in rescission of incentive and requirement for repayment with interest.
 - Funding is subject to Council-determined program allocations and the availability of designated Industrial/Commercial Land Reserve funds (to be renamed the Employment Development reserve fund); grants can be discontinued or deferred depending on budget cycles.

This robust set of criteria ensures financial incentives are directed only to high-impact, policy-aligned, shovel-ready employment projects.

The detailed administration of these programs is set out in the CIP, including application review, decision authority (Grants Review Group), and program monitoring/reporting requirements.

The scorecard used for prioritizing projects and determining eligibility can be found in Appendix “D”.

Financial Implications:

- The Tax Increment Equivalent Grant (TIEG) program is a non-reserve CIP program considered to be revenue neutral, as it is funded through new money coming into the City not billed on yet, and so it does not need to be funded through tax revenue or other revenue sources. Instead, this program is absorbed through losses in new assessment growth directly resulting from the development project receiving the TIEG.
- To mitigate any risk to the City’s finances that could result from a lower new assessment growth figure, which helps offset tax rate increases, careful tracking, and monitoring of approved TIEGs is required. The Revenue team within the Finance Department would be responsible for review and approval of TIEG applications submitted concurrently with the building permit application, so that they are able to track TIEGs, ensure they are paid out on time, and adjust our growth forecasting for budget purposes.
- Building Permit grants and Study grants constitute up-front or short-term impacts. There are legislative requirements under Section 7 of the Building Code Act which require Building Services to be revenue neutral, and as such, the waiving of any building permit fees through a CIP is possible but would need to be funded through a CIP capital reserve fund (they could not simply be absorbed by the City as lost revenue). Grants for study fees would also need to be funded through a CIP capital reserve fund.
- The Exemptions from Site Plan Application Fees program is a non-reserve CIP program that is absorbed as lost revenue by the Development Services Department. There would be no costs other than staff time associated with the Employment Readiness Review.
- The Approval to Defer Development Charges (DC) program is a non-reserve CIP program that is revenue neutral, as proposed. Under the current City of Barrie Pilot DC Deferral Policy (Policy No: FIN-25-010), all residential and non-residential projects are eligible for interest-free DC deferrals. While this pilot is active—or if the policy is extended—the CIP DC deferral incentive will remain inactive.
- All program expenditures are subject to annual reconciliation. There are no current impacts beyond Council-controlled reserve allocations. Over time, successful investments will produce significant lasting benefits to the City’s tax base and local employment.
- The costs associated with the annual commitment of funds to the Employment Development Reserve fund (currently Industrial Land Reserve Fund) would be an annual budget consideration by Council.
- The proposed Employment Development CIP, which contains five programs, will require appropriate resources to administer successfully (e.g. developing new processes, evaluating applications, monitoring programs, and administering funds). At this point, no

new staff resources are being requested, and the Economic Development Department will make internal workplan adjustments to resource administration as required. If it is determined that additional staff resources are required, it will be brought forward through a subsequent budget process.

- The City of Barrie previously incentivized employment-related development through Development Charge (DC) abatements. The City's 2023 update of the DC By-law removed previous DC abatements and included a recommendation that any future business development incentives be administered through a CIP so that proper programs, evaluation criteria, business case review processes, and budgets can be established.
- The previous DC abatement program saw an average expense of approximately \$2.1-million over the final six years the program was available. Annually, those expenses ranged from approximately \$930,000 to \$2.9-million.
- At this time, an annual budget is not proposed for the Employment Development CIP. However, staff have completed an analysis of what an impactful budget contribution to the Employment Development CIP might look like on an annual basis based on both the historical expenses of the former DC abatements program and recent major employment related development projects.
- Initial funding is to be drawn from the Industrial/Commercial Lands Reserve fund, to be renamed to the Employment Development Reserve fund, with discretion for Council to allocate program-specific or pooled limits and to carry over unallocated funds annually.
- The current balance of the fund is approximately \$856,000 and will be used to fund the Study Grants program and the Building Permit Fees Grant program through to the end of 2026 or until the funds are fully allocated. While any unallocated funds will be carried over to the following year. Based on projects expected to move forward in the remainder of 2025 and in 2026, it is anticipated that the current funds available may be fully allocated. A funding request for the 2027 program will be submitted through the 2027 budget process, based on program needs and uptake and anticipated development projects.
- Council has the authority to determine whether to fund all programs through one pool of funding, or to allocate a set amount of the CIP and/or Commercial/Industrial Lands Reserve funds (to be renamed the Employment Development Reserve fund) to specific programs.
- While the draft Employment Development CIP proposes several programs, it allows for the ability to place programs on hold and does not include program-specific budgets or funding allocation percentages within the CIP. The intent of this is to allow Council the flexibility to strategically implement programs based on changing needs and priorities.

Alternatives:

Alternative 1: Do not adopt the CIP financial incentives and implementation strategy. Not recommended: This would reduce competitiveness for major investment and hinder achievement of growth in target sectors.

Alternative 2: Restrict or alter specific programs or eligibility criteria. Possible, but would undermine the CIP's effectiveness and economic objectives.

Strategic Plan Alignment:

Affordable Place to Live	X	Directly advancing Barrie's Open-for-business philosophy, expanding employment diversity and enabling sustainable economic growth in alignment with Provincial policies.
Community Safety		
Thriving Community		
Infrastructure Investments		
Responsible Governance		

Additional Background Information and Analysis:

This CIP is crafted to ensure local alignment with Invest Ontario and Invest in Canada, provincial and federal economic development agencies and partners, and brownfield remediation programs.

- Programs are administered by Invest Barrie staff, with citywide communication and engagement to maximize participation.
- Detailed reporting on uptake, jobs, investment, and assessment growth supports transparent, evidence-based program evolution.

Consultation and Engagement:

- Internal consultations were conducted across Invest Barrie, Development Services, Building Services, Finance, and Legal Services.
- Public consultation has been undertaken with information provided through a public meeting and via the City and Invest Barrie websites, press releases, and social channels.
- Stakeholder and internal input has provided for some adjustments to the CIP to tailor its effectiveness.
- There was one response from the general circulation to partners and commenting agencies of the CIP during the public meeting process in May 2025 from the Nottawasaga Valley Conservation Authority (NVCA). They provided the following

response: Thank you for circulating the NVCA with the Notice of Public Meeting for the City's Employment Lands Development Community Improvement Plan. NVCA Planning staff has reviewed the proposal and has no comment or concerns.

- No other responses or comments were provided through the consultation process.

Amendments to the Proposed Employment Development CIP Following Consultation:
Several modifications to the draft Employment CIP were made based on feedback, and to improve the overall organization and readability of the CIP. These proposed changes are summarized together with a rationale for why in Appendix "E" – Summary of Proposed Changes to the Draft Employment Community Improvement Plan (CIP).

Employment Development Community Improvement Plan (CIP) By-law

Staff recommend that a new Employment Development CIP is enacted by two new By-laws under Section 28(2) of the Planning Act:

- DRAFT BY-LAW NUMBER 2025-XXX: A By-law of The Corporation of the City of Barrie to designate a Community Improvement Project Area. See Appendix "A"
- DRAFT BY-LAW NUMBER 2025-XXX: A By-law of The Corporation of the City of Barrie to adopt a Community Improvement Plan. See Appendix "B"

Environmental and Climate Change Impact Matters:

- The CIP furthers environmental sustainability by focusing investment on brownfields and underutilized employment lands, reducing pressure for urban sprawl, and indirectly supporting green sector projects.
- All projects must avoid flood-prone or other hazard lands and comply with related policy constraints.

Appendix:

Appendix A – Draft Community Improvement Plan Area By-law

Appendix B - Draft Employment Development Community Improvement Plan By-law

Appendix C - Draft Employment Development Community Improvement Plan

Appendix D - Draft Employment Development CIP Score Card

Appendix E - Summary of Proposed Changes to the Draft Employment Development Community Improvement Plan (CIP).

Report Author:

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File #:

Not Applicable

Pending #:

Not Applicable