<table>
<thead>
<tr>
<th>Report Title</th>
<th>Community Improvement Plan Application – 95 Spruce St</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report No.</td>
<td>DCS 19-17</td>
</tr>
<tr>
<td>Author</td>
<td>Cephas Panschow</td>
</tr>
<tr>
<td>Meeting Type</td>
<td>Council Meeting</td>
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<tr>
<td>Council Date</td>
<td>JULY 8, 2019</td>
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<tr>
<td>Attachments</td>
<td>CIP Application</td>
</tr>
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**RECOMMENDATION**

THAT Council receive Report DCS 19-17 Community Improvement Plan Application – 95 Spruce St;

AND THAT the 95 Spruce Street property be approved for $100,000 in funding through the Town’s Community Improvement Plan to encourage redevelopment of the property subject to a funding agreement being brought back to Council for consideration;

AND THAT funding be provided through the Tax Rate Stabilization Reserve.

**EXECUTIVE SUMMARY**

The purpose of this report is to seek Council approval for a Community Improvement Plan application received from Inovata Foods Corp for their 95 Spruce St facility in Tillsonburg. The application is for enhancements to their wastewater management system, which will reduce impacts to the Tillsonburg Waste Water Treatment Plant while retaining existing jobs in the community and supporting the ongoing growth and diversification of a local food processing company.

**BACKGROUND**

Inovata Foods Corp (Tillsonburg) is a manufacturer of frozen food entrees that was established in Tillsonburg in 1989 as Otter Valley Foods. They are Tillsonburg’s longest standing food processing company and they employ approximately 214 people, which makes them Tillsonburg’s largest food processor and within the top five largest private sector employers within the community.

Inovata’s products are sold to major grocery chains and their lasagna, cabbage rolls and Shepherd’s Pie entrees (among others) can be found in local stores.

Since Inovata Foods Corp purchased the former Otter Valley Foods in 2013, they have invested significantly in technology and process improvements to both modernize the facility and to support increased product diversification. In 2017, they were successful in securing $975,000 in Federal Government funding through FedDev Ontario’s Investing in Business Growth and Productivity Initiative. This funding supported an overall investment of $3.9 Million to add a new production line and install a second freezer.
The current application is for funding to support enhancements to Inovata’s waste water management system, which will have the added benefit of reducing impacts to the Tillsonburg Waste Water Treatment Plant. Inovata has been experiencing challenges in the waste flows they produce and this has downstream impacts on the Waste Water Treatment Plant. They have been working over the past years to rectify this problem, which has been found to be due to both the products they produce and the cleaning products used. While they have been able to find ways to improve their operations to reduce this impact, a more permanent solution is required.

Inovata Foods Corp has an existing Over-Strength Wastewater Agreement with the County of Oxford, who is the operating authority for the Tillsonburg Water and Waste Water systems. This Over-Strength Agreement enables them to discharge higher levels of waste into the Waste Water Treatment System.

The proposed solution (see Schedule A for design concept) involves installing two tanks and related connections that will enable the pH levels to be balanced and the second to reclaim water used to cook their pasta products. The estimated capital investment is approximately $250,000 and Inovata has provided a detailed budget including multiple cost estimates for various components needed for the enhancements. The funding application is specifically to:

- Install a pH balancing system including related pumps, instruments, plumbing and controls to enable continuous control of effluent pH levels; and,
- Install a storage tank and related pumps, instruments, plumbing and controls to enable reclamation of blancher waste water for reuse.

The Food Processing sector is a key sector for the Town of Tillsonburg in terms of diversifying and growing our local economy and supporting this investment will enable the growth of a food processing business and employment in the Town.

Section 1.2.4 of the Town’s Community Improvement Plan program outlines the policies included in the County’s Official Plan that are intended to direct County and Area Municipal actions regarding upgrading, redeveloping and rehabilitating the physical environment of existing, older residential neighbourhoods, ancillary open space and recreational areas, commercial centres and industrial areas. The policies are intended to guide both private and public community improvement activities within designated community improvement project areas and are premised on a number of goals, including:

- The upgrade and improvement of municipal hard services, social and recreational facilities and public utilities;
- The preservation and upgrade of older residential neighbourhoods and settlements;
- The strengthening of existing central areas;
- The improvement of existing industrial areas by encouraging further development and redevelopment;

Further, Section 2.3 of the Town’s Community Improvement Plan outlines the goal of encouraging long-term investment that improves the economic climate of the Town.
In reviewing this application, staff believe that it merits support as it:

- Meets the primary intent of the Town’s Community Improvement Plan, which is:
  - “…to promote and encourage renewal, redevelopment and rehabilitation within the key areas of the Town requiring investment”
  - “…the upgrade and improvement of municipal hard services” and “improvement of existing industrial areas by encouraging further development and redevelopment”;
  - Supports the retention of over 200 jobs in the key Food Processing sector; and,
  - Allows for future growth and diversification of the company.

The application has requested the following investment support:

<table>
<thead>
<tr>
<th>Program</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>General CIP Guidelines</td>
<td>Recommended for approval as it fits within the intent of the Town's CIP program, but requires specific Council approval as it is a unique application.</td>
</tr>
<tr>
<td>Permit Fee Grant Back</td>
<td>Recommended for approval</td>
</tr>
</tbody>
</table>

Should Council support the recommendation, staff would prepare an agreement, including specific terms relating to the provision of funds, which would be brought back to Council for approval.

**CONSULTATION/COMMUNICATION**

The new Community Improvement Plan was developed through extensive consultation and input from the Development Committee and the community. There is no public consultation review process for the approved Community Improvement Plan.

**FINANCIAL IMPACT/FUNDING SOURCE**

To date, Council has approved the following Community Improvement Plan applications in 2019:

<table>
<thead>
<tr>
<th>Address</th>
<th>Permit Fee (Estimated)</th>
<th>Rebate (Estimated)</th>
<th>Anticipated Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>165 Broadway</td>
<td>N/A</td>
<td>$3,000</td>
<td>$3,000</td>
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</table>

The approved 2019 Economic Development & Marketing Budget included $20,000 in funding for the Community Improvement Plan. Based on the approved applications, there is approximately $17,000 remaining in the 2019 budget.
The application is for 50% funding of the $250,000 amount or $125,000. Additional funding will be required. The Town has funds that were previously allocated for industrial development support and that have been earmarked for this purpose. Staff are recommending that this application request be funded in the amount of $100,000 from those earmarked funds within the Tax Rate Stabilization Reserve.

**COMMUNITY STRATEGIC PLAN**

1. **Excellence in Local Government**
   - ✔ Demonstrate strong leadership in Town initiatives
   - ☐ Streamline communication and effectively collaborate within local government
   - ☐ Demonstrate accountability

2. **Economic Sustainability**
   - ✔ Support new and existing businesses and provide a variety of employment opportunities
   - ☐ Provide diverse retail services in the downtown core
   - ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy

3. **Demographic Balance**
   - ☐ Make Tillsonburg an attractive place to live for youth and young professionals
   - ☐ Provide opportunities for families to thrive
   - ☐ Support the aging population and an active senior citizenship

4. **Culture and Community**
   - ☐ Promote Tillsonburg as a unique and welcoming community
   - ☐ Provide a variety of leisure and cultural opportunities to suit all interests
   - ☐ Improve mobility and promote environmentally sustainable living
**Report Approval Details**

<table>
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<tr>
<th>Document Title:</th>
<th>Report DCS 19-17 Community Improvement Plan Application - 95 Spruce St.docx</th>
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<tbody>
<tr>
<td>Attachments:</td>
<td>- Application-95 Spruce St.pdf</td>
</tr>
<tr>
<td></td>
<td>- Application-95 Spruce St-pH_and_BoD_Project_Budget.xlsx</td>
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<tr>
<td>Final Approval Date:</td>
<td>Jul 3, 2019</td>
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This report and all of its attachments were approved and signed as outlined below:

![Signature]

David Calder - Jul 3, 2019 - 9:32 AM