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Community Improvement Plans: An analysis of content and outcomes of Community Improvement Plans in Ontario

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Community Improvement Plans:

An analysis of content and outcomes of Community Improvement Plans in Ontario

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Abstract

Community Improvement Plans are an often used, but seldom studied economic development and planning tool used to spur economic growth within an economically depressed area. But are they effective? This paper answers two questions concerning Community Improvement Plans. First, “How are Community Improvement Plans used in the Province of Ontario?”; and second, “Is the execution of these plans resulting in greater economic prosperity for the communities that have enacted them?”. This work is undertaken by reviewing the content of 202 Community Improvement Plans across the Province of Ontario. Regression tests on municipal assessments from 2001-2018 to determine what effect the adoption of Community Improvement Plans has on assessment values. This paper highlights differences in Community Improvement Plan usage according to the regions they were written in, the size of municipality that has enacted them, and nature of their authorship. It also seeks to use changes in municipal assessment over time as a measure for the effectiveness of Community Improvement Plans. Although many of the outcomes are statistically significant, it is determined that changes in assessment are tied too closely to the size of a municipal population to be an effective tool to measure the effect of Community Improvement Plans

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Community Improvement Plans, a Background

Many election campaigns ranging from American Presidential elections to municipal elections in rural Ontario have been fought on the grounds that one candidate has the ability to increase the economic viability of a community. It is often only when pro-business candidates in Ontario win that they realize how limited their powers are. In Ontario, municipalities are for the most part, unable to induce local development and growth through the distribution of either direct or tax-based subsidies. As a result, municipalities that are looking to growth their collective wealth engage in traditional forms of economic development, including business retention and expansion programs, small business supports and place making programs. In addition to these traditional programs, a municipality has one tool at its disposal to induce development, through the institution of a Community Improvement Plan.

Community Improvement Plans are formal planning tools authorized under section 28 of the Ontario Planning Act. These tools enable municipalities to offer tax-based redevelopment grants, façade improvement grants, development charge abatements, as well as a variety of other programs. When projects come to fruition in communities that have adopted Community Improvement Plans, these tools are often extolled as being the only reason a new development took place. There is a formal set of provincially mandated steps to enact a Community Improvement Plan, the first of which is that a municipality must enable it as a tool under their municipal Official Plan. From there, the municipality must define a Community Improvement Project Area through a bylaw. The rationale for establishing a CIPA is described well in the City of London's Hamilton Road Area Community Improvement Plan:

When a Community Improvement Plan is being prepared, a Study Area is established early in the process to maintain focus and to help avoid “scope creep”

as the project moves forward. From the Study Area, a Project Area is then identified as the area for improvement and included in the final Community Improvement Plan document that is adopted by Municipal Council. According to Provincial regulations, the Project Area is to be based on an area that in the opinion of Municipal Council, improvement is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social, or community economic development reason (Hamilton Road Area Community Improvement Plan, p.4).

Lastly, a municipality would then undertake a mandatory and formalized planning process to implement the Community Improvement Plan. This process would use necessarily require public consultations as well as justifications of their work.

To help guide the creation of Community Improvement Plans, the Province of Ontario published the Community Improvement Plan Handbook in 2006 (*No page number* Important Note to User Section). The document provides an overview of the reasons and rationales for why the Community Improvement Plan program exists within the Province of Ontario. It is also a tool that can be used to facilitate the development of Community Improvement Plans.

From an economic perspective, the needs of municipalities across Ontario are extremely diverse. Smaller communities like the City of Kawartha Lakes face a variety of economic hardships including a rapidly aging population with education levels lower than the provincial average (City of Kawartha Lakes, Office of Economic Development 2017, p.5 & p.10). Other larger urban municipalities could have a much younger and highly educated population who possess higher household incomes, but who are unable to purchase a home due to the high costs of housing. Community Improvement Plans are intended to be a versatile set of tools that can cater to the unique needs of communities. Rural municipalities can establish programs to revive a downtown core, while urban communities can create incentives for developers looking to build low income housing options. The uses and outcomes of these programs are as varied as the

communities in the province. The Handbook provides the following objective for the Community Improvement Plan program:

to continually invigorate communities through the realization of environmental, social, cultural and economic benefits achieved from more sustainable growth management and development practices. It is this self-rejuvenating foundation that allows municipalities to decide how they wish to position themselves within a fluid and highly competitive global marketplace (Handbook 2006, p.1).

Section 28 (7) of the Planning Act gives a wide range of powers to local municipalities including the ability to:

make grants or loans, in conformity with the Community Improvement Plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the Community Improvement Plan.

The handbook (2006, p. 3) draws a distinction between municipally driven programs and incentive-based programs. Municipally Driven Programs include the following types of programs:

- Infrastructure works,
- Municipal property acquisition,
- Municipal facility construction,
- Public space, parks and recreation works, and
- Signage, streetscape and landscaping improvements.

In addition, Incentive Based Programs include:

- Preservation and adaptive reuse of heritage and industrial buildings,
- Brownfield redevelopment,
- Commercial façade improvements,
- Downtown and waterfront redevelopment,
- Space conversions,
- Structural improvements, and
- Property tax assistance for remediation purposes.

Given that there is no other major tool that enables Ontario municipalities to provide inducements to new or existing businesses, it is useful to provide an accounting of the Community Improvement Plans in the province as well as their description of how they are performing. No academic paper or provincial report has undertaken this review. This is the purpose of this paper.

Research Questions

The Major Research Paper seeks to answer two very simple questions: First, “How are Community Improvement Plans used in the Province of Ontario?”; and second, “Is the execution of these plans resulting in greater economic prosperity for the communities that have enacted them?”. The paper takes a deductive approach answering these questions by compiling and analyzing all Community Improvement Plan documents in effect across 443 Ontario municipalities. It then reviews outcomes materials to determine what effect, if any, these programs had. This project will not examine Community Improvement Plans adopted by the City of Toronto. The City of Toronto falls under different provincial legislation than the other municipalities in Ontario. Although similar to the Municipal Act, the City of Toronto Act bestows additional powers to the City of Toronto which are not granted to other Ontario municipalities. Including the City of Toronto would not be a like-to-like comparison with the other municipalities in the province. In addition, this research report does not examine municipally driven programs, instead looking at incentive-based programs. The intent of this paper is to determine whether or not Community Improvement Plans are effective at spurring economic growth. As such, programs that invest in public infrastructure will be omitted from any counts.

The study of Community Improvement Plans is important for a variety of reasons. They are a tool that is used in communities all across the province. Information from 2016 indicated that roughly 25% of communities in Ontario have adopted formal Community Improvement Plans (Baxter 2016, par. 4). As these programs are in effect private sector subsidies, it is pertinent to know the aggregate cost of these programs across the province. If it is determined that individuals would have made their investments in the province regardless of whether or not there a Community Improvement Plan was enacted, was it really of value? The justification for these programs is that municipalities are now competing at a global level. Is this true? It remains to be seen how many large international projects Community Improvement Plans have been successful in attracting.

Another key reason this study is needed is that municipalities are consistently being asked to do more with less. Every dollar invested into Community Improvement Plans is paid for by the residents. If these programs bring additional tax revenue and jobs to a municipality, it would be important to investigate what the payback period is for these programs.

Lastly, if it is determined that municipalities are really just competing against their neighbours to expand a local business, it would bring into question the entire Community Improvement Plan program. This ‘beggar-thy-neighbour’ policy would be no better than engaging in traditional ‘smokestack chasing’ by using direct subsidies to lure industrial investment. It would likely have a greater net negative economic impact than ‘smokestack chasing’ as the relocating firm would not be paying less in taxation and fees that it would have otherwise in a hypothetical scenario, but in an actual one. If this were shown to be the case,

would it make sense for municipalities to be engaged in the business of relocation inducements, or would that be best left up to the Province?

Literature Review

Although the study of economic development is plentiful, to date there is no single academic paper that has a focus on Community Improvement Plans in Ontario. There is plenty of information about economic development in Ontario including the opinions of practitioners of economic development as well as a content analysis of economic development strategies in Ontario. In addition, there are articles surrounding the evaluation of place based programs from other jurisdictions whose methods could be replicated if sufficient information were publicly available. Below is an overview of some papers focused locally, as well as some works focused on the evaluation of localized grant programs.

Arku provides a robust overview of the context and programs that support local economic development across the province of Ontario (2015). He highlights the outcomes of a constrained policy context where practitioners are unable to offer inducements to local businesses looking to grow. Information was received via a mailed survey to every city in the province with a population greater than 15,000. Survey results were divided into descriptive statistics which focused on general information about the municipality, business attraction tactics, small business development plans and business retention plans. Interesting outcomes of this research indicate that cities in Ontario employ economic development strategies at a greater rate than previous American studies have indicated, 80% in Ontario versus metrics that generally hover between 48 and 52% (2015, p. 611). Arku concludes that much of the work of economic development practitioners is focused on business attraction, retention and small business development. Arku

also highlights that much of this work is done via traditional and conservative means. Such as utilizing marketing and promotional programs to attract new businesses, promoting a community's quality of life, engaging in trade missions and attending trade shows (2015, p. 612).

Although the work undertaken by Arku provides a good basis to understand the landscape that economic development practitioners can work within, it is not complete. The work fails to mention the existence of any Community Improvement Plans. Although unable to provide abatements in Ontario, it is acceptable to engage in bonusing through the use of Community Improvement Plans. This omission undercuts Arku's argument.

Taabazing, Arku and Mkandawire expanded the previous work of Arku (2015) and others in the article "Economic development approaches in a changing global economy: what do practitioners think?" (2015). This article provides insight with regards to how Ontario based economic development practitioners are responding to changes in the global economy.

Taabazing, Arku and Mkandawire undertook a qualitative survey of economic development practitioners from communities across Ontario. The work highlights changes in both approach and techniques employed by economic development practitioners. The greatest changes were going from a reactive model of economic development to a proactive model. This resulted in techniques that focused on place building, community economic development and leveraging partnerships.

Again, it is interesting that this article did not directly mention community improvement plans as a program that was being utilized by municipalities. The article indicates that the techniques of lowering development charges in downtown areas, providing incentives for exiting industrial and commercial properties were no longer effective (2015, p. 157). If this were the

case, why do so many communities continue to utilize Community Improvement Plans as a means to improve the chances that someone would invest in a community? This article, as well as the previous one, are points of reference for research focusing on gathering and analyzing qualitative survey results related to economic development practices relating to Community Improvement Plans.

The final article with an Ontario focus is Cleave, Arku and Chatwin's content analysis of economic development plans in Ontario (2017). The purpose of this study was to systematically review the content of economic development plans for Ontario based cities. First, Cleave, Arku and Chatwin broke down the cities based on their population, then investigated whether or not they had formal plans, how they were written and whether or not the plans were current. Subsequent to this, they read each of the plans and noted overlapping content between the plans. The authors noted positive social elements of the plans – that they focused on sustainable growth as well as municipal resiliency. It also highlighted negative elements of the plans namely, the homogeneity of the plans. As the authors noted, of the communities that used consultants to develop their plans, 13 of the 24 cities used the same consultancy firm. The results were plans that utilized much of the same methodologies and as a result had very similar content (2017, p.367).

This text provides a strong methodology that could be replicated in an analysis of Community Improvement Plans. First this paper will seek to evaluate the plans at face value, and will then analyse the content in a qualitative way. Unfortunately, this work is being completed without an additional party to review documents.

Outside of Ontario, Richard Smith sought to determine whether or not place-based community renewal tax incentive programs encouraged business relocation at the expense of other neighbourhoods (2016). The study looked at the Empowerment Zone/Enterprise Community initiative funded by the federal government in the United States. Smith's research looked at differences between the development inside the subsidized areas versus the areas situated 1,000 feet outside of those areas. He studied areas in Los Angeles, Knoxville, Santa Ana, Fresno Chattanooga, Memphis, San Diego, and San Francisco. Within these areas there were four separate place-based programs. These programs included wage subsidies, grants, and tax incentives. Smith looked net in-flow of businesses. With the exception of San Diego, there was no statistically significant effects.

Overall this study was well executed. One limitation is that it focuses on net business relocations and not the number of jobs associated with these relocations. Had Smith been able to incorporate this type of information, it would have been possible to measure the scale of the moves in addition to the quantity of moves. The methodology is directly transferable to the current project, however move in/move out data may be difficult to find in Ontario. It would be more feasible to complete a similar study utilizing the number and size of approved Community Improvement Plan grants.

Hanson and Rohlin have written two articles that are of use for this paper. In the first, they identify that the outcomes of program evaluations like the one employed by Smith in the example above vary widely depending on the methodology used (2017). Hanson and Rohlin provide an overview and review the following methods of evaluation: Cross Section Regression Comparisons; Difference-in-Difference Comparisons; Triple Difference Comparisons;

Instrumental Variables with Differencing; and, Regression Discontinuity Design. Hanson and Rohlin recommend employing more than one evaluation method.

In their second article, Hanson and Rohlin provide a toolkit for the evaluation of spatially targeted urban redevelopment incentives (2018). In it, they describe primary considerations of evaluation which include: Observable and unobservable bias, ensuring that targeted area should be similar to the comparison area; application bias, whether or not well managed municipalities are more likely to participate in these programs; site selection and endogenous policy assignment, whether the communities who participate are more likely to succeed; and spillovers and spatial equilibrium effects, whether or not areas are affected by the success or failure of nearby communities. Hanson and Rohlin also provide another review of methods for evaluating spatially targeted urban redevelopment incentives. This section provides a similar overview to their earlier work.

In light of the observable and unobservable bias that Hanson and Rohlin describe, the City of Toronto from this analysis due to the fact that is governed by separate legislation that provides it with powers not afforded to other municipalities in Ontario. This creates an observable difference between the City of Toronto and other communities in Ontario. These powers are highlighted on the City of Toronto's website. Some of these powers include:

- Authority to regulate appearance and design features and exterior sustainable design of buildings, such as green roofs,
- The authority for loan agreements for housing projects without provincial approval provided that the city provides an indemnity,
- Explicit recognition of authority to enter into agreements with the federal government,
- Broad permissive authority to raise new taxes, and
- Authority to benefit private businesses in the City of Toronto within the context of a community improvement plan without provincial approval. (City of Toronto n.d.)

Research Design

The project unfolds in two phases. First, it evaluates every Community Improvement Plan across the province of Ontario (except the City of Toronto). The main goal of this research is to evaluate how Community Improvement Plans operate in the province of Ontario. As a result, the use of Community Improvement Plans will be the main unit of measurement. Because all Community Improvement Plans must be registered with the provincial government, it was anticipated that communities that had implemented Community Improvement Plans could be easily identified. The Ministry of Municipal Affairs and Housing provided a list of municipalities that have implemented Community Improvement Plans. This list was used to retrieve Community Improvement Plans from municipal websites. The content of the retrieved Community Improvement Plans was evaluated according to several criteria: dates of adoption and subsequent revision, authorship, geographic focus, thematic focus, number of programs and types of programs.

- *Dates of adoption and subsequent revisions:* Years of adoption were included as well as subsequent revisions. In some cases, the years of adoption were not readily available. When those cases arose, council meeting minutes were sought, but as a last resort the creation date of the .pdf file was used as an indication of publication date.
- *Authorship:* In most cases, authors and contributors were easily indicated on the documents. In cases where this was not the case, authorship was attributed to the municipality.
- *Geographic focus:* Community Improvement Plans were broken down into the three following categories, Citywide which encompassed the entire municipality, Multiple areas which was used to classify Community Improvement Plans that selected non-

contiguous locations as its designated Community Improvement Project Area, finally the last category specific location was utilized when municipalities designated a specific geographic area as its CIPA.

- *Thematic focus:* This criterion looked at the focus area of the CIP. Community Improvement Plans were broken down into the following criteria:
 - *Residential focus:* Community Improvement Plans that focused on affordable housing, student housing, or designated heritage districts.
 - *Commercial focus:* Community Improvement Plans that focused on commercial and downtown cores.
 - *Industrial focus:* Community Improvement Plans that focused on designated industrial lands, the development of contaminated lands, designated employment areas, or transportation related hubs (i.e. airports or port lands).
 - *Multiple focus:* Community Improvement Plans that focused on more than one of the above.
- *Number and types of programs:* The Community Improvement Handbook outlined seven incentive based programs that can be used in CIPs. Of these the programs, most were easy to identify when reviewing Community Improvement Plans. Some were difficult to distinguish. As an example, the handbook list programs that focuses on the preservation and adaptive reuse of a property, downtown development, and space conversions. To facilitate this, these programs were each combined into a single program that focused on physical construction. It became obvious through the evaluation of Community Improvement Plans that three other categories were needed as they appeared with frequency. These are identified below. An “other” category was added for programs that

did not fit in any of the other categories. Each Community Improvement Plan program was counted and coded along the following criteria which follow the general stages of development:

- *Program 1:* Studies and design consultants,
- *Program 2:* Municipal Fees (not identified in the Community Improvement Plan handbook),
- *Program 3:* Development charge rebates (not identified in the Community Improvement Plan handbook),
- *Program 4:* Commercial façade improvements,
- *Program 5:* Construction programs,
- *Program 6:* Structural improvements (including accessibility, building code improvements and engineering fees),
- *Program 7:* Property tax assistance for remediation purposes,
- *Program 8:* Brownfield remediation,
- *Program 9:* Housing development (not identified in the Community Improvement Plan handbook), and
- *Program 10:* All other programs not identified in the Community Improvement Plan handbook.

For the second phase of the project, the goal is to evaluate the effectiveness of Community Improvement Plans. I had first hoped to collect to the number of Community Improvement Plan applications, the types of applications, the value of successful projects, the number of jobs that have resulted from the project. Unfortunately, the information is not readily available. Municipalities do not report on this information in a consistent fashion. In some cases,

municipalities did not report on the information at all. Although the information likely would have been available through the use of multiple FOI requests, the costs of doing so likely would have been prohibitive.

To test the effectiveness of Community Improvement Plans, a variable was needed that met multiple criteria. It needed to be quantitative, and reported consistently across municipal boundaries over time. The variable would also need to account for the differences in size between municipalities.

Although qualitative information has a place in the study of Community Improvement Plans, the goal of this analysis is to effectively measure the impact of Community Improvement Plans on the communities that have adopted them. While a survey of practitioners would be able to measure the impression of effectiveness from economic development practitioners, administrators or councillors, it would not be a good indicator of actual success. In addition, these impressions may be biased if the public administrator is directly responsible for the administration of CIPs; likewise, impressions may be biased from a politician if they voted for or against the implementation of the CIP. For that reason, it is best to base the evaluation on objective quantitative information.

With regards to the second criterion, the data source would need to be reported on consistently across municipal boundaries over time. Consistency in this case is measured in two distinct ways. First, we need to ensure that the same data are used from one municipality to another. In many cases, municipalities devise their own metrics that they track, undermining consistency between municipalities. As an example, the Regions of Peel and York both release annual progress reports in support of each of their strategic planning documents. The Region of

Peel measures 10 Key Performance Indicators (KPIs) for their *Living* pillar, 12 KPIs for their *Thriving* pillar, and 9 KPIs for their *Leading* pillar (Region of Peel n.d.). Likewise, the Region of York measures 6 KPIs for *Economic Vitality*, 12 KPIs for *Healthy Communities*, 7 KPIs for *Sustainable Environment*, and lastly 6 KPIs for *Good Government*. Without judging these two reporting mechanisms, it is certainly apparent that the two reporting structures are not comparable. Any indicator would need to be developed at a provincial level, or by a third-party organization that can standardize across municipalities. The second element of consistency is relating to consistent measurements over time. It is important that the measurement selected is regularly updated. Using a tool like the Canadian Census would provide excellent information, however it only provides a snapshot of information every five years. That level of data collection would provide only provide four opportunities to measure over a 20-year period.

The third requirement for this variable is that it would need to account for difference in municipal size. If, for example, we used jobs as the variable, and we determine that two municipalities each grew by 100 jobs, the picture could be incomplete. If those communities were Markham and Vaughan, it tells a very different story than if they were Markham and Val Rita-Harty Township. The size of the municipality impacts the way that the data are evaluated, and it helps to tell the overall story of the data. A better option would be to look at the rate of change in employment from one year to the next. This ensures a more meaningful way of measuring the data *in situ*.

Assessment data were chosen on the basis of these criteria. Assessment in this case refers to the total value of properties within a municipality. Assessments can be analyzed either by property classes, including commercial, industrial, residential, or by total assessed value.

Compiling assessment data from successive years enables a robust, year-over-year review of the tax base which takes into account the specific size and traits of the municipality.

Assessment data were retrieved from the Ministry of Municipal Affairs and Housing's Financial Information Returns (FIR). The FIR is a tool that collects standardized financial and statistical information from all municipalities across Ontario, including assessed value of properties (Ministry of Municipal Affairs and Housing 2020). The Ministry of Municipal Affairs and Housing readily provides the Financial Information Returns (FIR) for all Ontario municipalities online in an easy to access database.

It should be noted that an additional datapoint from the FIR was considered, Section 79 on Community Improvement Plans. This data set reports on four key themes, total grants, total loans, tax assistance relief granted, and long-term commitments. At first blush this would be an excellent tool to be used in the analysis of the effectiveness of Community Improvement plans. There are two major problems with the data, however. First, reporting of this information was only introduced in 2009. This would limit the amount of years that could be analysed. It is not an insurmountable problem, but it is an issue that must be taken into account. The data also appear to be incomplete. This is highlighted later in the paper.

Assessment data over time is not a perfect data set. It does pose one problem that must be addressed. The data could be viewed as a lagging economic indicator for the success of the municipality. It stands to reason that if a municipality is prospering, more people will want to move to that community, which would make property values and assessments go up. Alternatively, if a community is suffering, assessment value would likely be in decline. If a community is suffering, it may choose to implement a Community Improvement Plan with the

hopes of reversing the negative trend. To provide a more in-depth analysis another datapoint, the change in population size over time will be employed as a control variable in the analysis.

The time period was scoped from 2001 to 2018. The start date was selected because the last round of municipal amalgamations came into effect in 2001. The end date was selected as only 25% of all municipalities have as of yet reported data in the 2019 FIR Report.

Additional datasets are used to categorize the municipalities in Ontario. This information will help identify differences by geography, population size and municipality type. These categories are:

- *Geographic location:* This category groups municipalities based on location within the Province of Ontario. These groupings are Eastern, Western, Central, North Eastern and North Western.
- *Municipal Tier:* Single Tier, Lower Tier or Upper Tier.
- *Location within two-tier systems:* This category groups municipalities regionally by their upper tier municipality. Separated Cities are grouped with the adjacent upper tier municipality.
- *Population:* Five population levels were determined; Level 1, 0-10,000 residents; Level 2, 10,001-25,000 residents; Level 3, 25,001- 100,000 residents; Level 4, 100,001-250,000 residents; and Level 5, 250,001+ residents

Data Analysis

The analysis is divided into two phases. The first reviews Community Improvement Plans across Ontario. The second evaluates whether the Community Improvement Plan program

has resulted in greater economic prosperity for the communities that have enacted them. Below is an overview of how these two phases were completed.

Phase 1 – Evaluation

As described earlier in the text, the content of Community Improvement Plans was evaluated utilizing a variety of criteria: dates of adoption and subsequent and revision, authorship, geographic focus, thematic focus, number of programs, and the types of programs. I then used an ANOVA analysis to determine how similar all Community Improvement Plan documents are across the province of Ontario. These investigations were divided along geographic lines, the type of municipality (single tier, lower tier, or upper tier), and based on the population size of the municipality. An ANOVA test evaluates whether groups are meaningfully different from another. Cleave, Arku and Chatwin (2017) undertook a similar analysis based not Community Improvement Plans, but instead on economic development plans in Ontario. Some of this work followed their methodologies

A secondary layer of analysis on this information included a spatial and temporal analysis of these plans. This method was inspired by the *Border Method* described by Hanson and Rholin (2018, p13). At the core of the method is the belief that communities situated in close proximity to one another face economic conditions that are similar. This similarity allows the researches to measure the differences between treated and comparison areas. Although not employing the methodology described by Hanson and Rholin, the purpose of this layer of study was used to investigate the propagation and use of Community Improvement Plans over time in the Province of Ontario. This provides insight into the diffusion of Community Improvement Plans across Ontario over the last 20 years.

Phase 2 – Effectiveness

The effectiveness of Community Improvement plans is measured using change the change in assessment values over time in Ontario municipalities. The Assessment information collected from the FIR database was generally complete, however it needed to be standardized in two ways. The first dealt with municipal name changes and amalgamations. Since 2001, there have been three amalgamations in Ontario, forming the municipalities of Temiskaming Shores, Charlton and Dack, and Gordon/Barrie Island. Many more municipalities have undertaken either minor or major name changes since 2001, information was consolidated accordingly. Second, in 2009 the Province adopted a new methodology for recording FIR data by introducing phased in property assessments. As a result, the data from 2009-2011 included blank cells. When the information was investigated further, it was determined that many municipalities had placed their data in the wrong cell, this was rectified in the data set.

Having validated the annual municipal assessment figures for each of the major property classes (Industrial, Commercial, Residential and Total Assessment), formulas utilized to transform the figures to represent annual change in assessment. Recognizing that a one-year window is likely not sufficient to measure the change in assessment, additional formulas were included to represent 3-, 5- and 10-year changes in assessment. The same work was completed for the population of municipalities so that this metric could be utilized as an independent variable in the analysis.

Utilizing the information collected in Phase 1 of the analysis, the year a municipality first adopted a Community Improvement Plans as well as the year it first adopted either a Residential, Commercial, or Industrial Community Improvement Plan was encoded into the final data sheet. This enabled a regression analysis to be completed to determine what, if anything, is the future

effect of implementing a Community Improvement Plans on municipal assessments. It also allows for a more in-depth analysis to determine what effects Commercial, Industrial and Residential Community Improvement Plans have on Commercial, Industrial and Residential assessments.

Research Limitations

This research has several limitations. First, despite best efforts to find every municipal Community Improvement Plan, several could not be located. The Town of Bradford-West Gwillimbury has three documents that were unavailable online. The Town of Orangeville advertises a façade improvement program on their municipal website without any reference to a Community Improvement Plan. One City of Orillia Community Improvement Plan document references another two Community Improvement Plan documents that are not available online. Overall, I accessed Community Improvement Plan documents from more than 30% of Ontario's 443 municipalities (excluding Toronto), accounting for 97% of adopted Community Improvement Plans.

Second, unlike Cleave, Arku & Chatwin's (2017) article, I was unable to pursue a strategy of inter-coder reliability testing. If this work were to be replicated by another researcher, there may be minor differences in the categorization that is employed which could affect the findings.

Community Improvement Plans in Ontario: Evaluation

Usage

In total, 202 Community Improvement Plans from across 133 municipalities in Ontario were found for this research. This represents over 30% of all municipalities in Ontario, an

increase of 5% since the figure was estimated in 2016. The vast majority of these municipalities (103) have only one Community improvement plan. London holds the most Community Improvement Plans with 8, while Fort Erie, Oshawa and Windsor each have 6.

Broken down regionally, it was determined that Community Improvement Plans are used much more prevalently in Southern Ontario than they are in the North. Community Improvement Plans are used in 46.6% of municipalities in Central Ontario, 39.2% in the Western Region, 31.2% in Eastern Ontario, 25% of the North West and, surprisingly, in only 7% in the Northeast. The information was also broken down by municipal government tier. Community Improvement Plans were used by 36.9% of lower-tier municipalities, 23.8% of single-tier municipalities, and only 10% of upper-tier governments. (See Figure 1.)

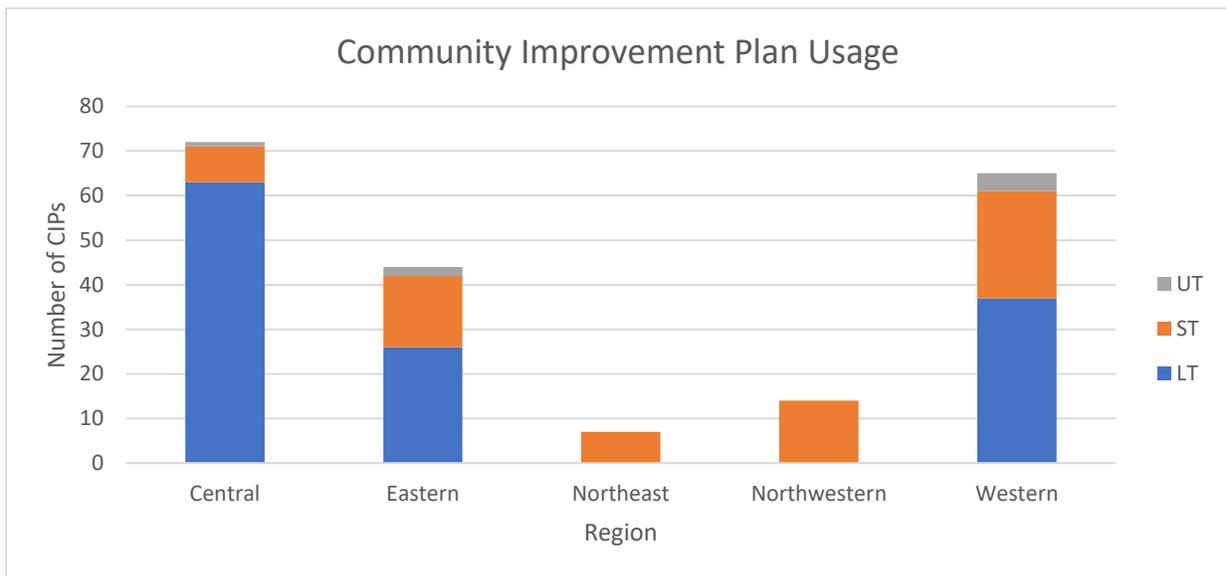


Figure 1: Community Improvement Plan Usage by Tier and Region

If the provincial breakdown were reflected at the regional level of government, we would expect that 30% of municipalities within each upper-tier unit would have a community improvement plan. Instead, there is considerable variation from one region of the province to the next. In the Central region, one regional government (Dufferin County) has no approved

Community Improvement Plans whereas Durham (66.7%), Niagara (53.8%), Peel (75%), and York (60%) each have more than 50% adoption rate within their municipalities. In the Eastern Region one regional government (County of Lennox and Addington) has no approved Community Improvement Plans whereas Frontenac (83.3%) and Stormont, Dundas and Glengarry (75%), each have more than 50% adoption rate within their municipalities. In the Northeastern region, no municipality has more than a 25% adoption rate of Community Improvement Plans, two regions (Manitoulin and Timiskaming) representing 32 municipalities have none. In the Northwest, 55.6% of Kenora's Communities have adopted Community Improvement Plans, however none of the other districts have an adoption rate higher than 20%. In the West, Elgin (66.7%), Perth (57.1%) and Waterloo (50%) have adoption rates above 50%, only Haliburton has not adopted any. This variation may be explained by several factors: the municipality's population size and economic fortunes, or diffusion effects, whereby municipalities near to one another are more likely to adopt each other's practices.

Indeed, municipal population sizes play an important role in determining whether a municipality would use a CIP. Municipalities that had a population of less than 10,000 residents only used Community Improvement Plans at a rate of 17.1% whereas larger municipalities employed Community Improvement Plans at a more frequent rate. Community Improvement Plans were used in 15 out of 19 (78.9%) of municipalities that had a population between 100,001 and 250,000. The remaining municipalities had usage rates between 40.2% and 53.4%. This could be an indication that municipalities between 100,001 and 250,000 face additional competition (real or imagined) than other municipalities.

Looking at the Council adoption date for the Community Improvement Plans, figure 2 provides an overview of the year in which Community Improvement Plans were first adopted.

Two interesting trends are observed. First, Community Improvement Plans began to be adopted in greater numbers after the 2008 recession, although there is insufficient information to determine whether this was the impetus or if Community Improvement Plans were simply beginning to be seen as best practice. The second interesting feature are the peaks in the years 2010, 2014 and 2018. Those dates correspond to municipal election years in Ontario. This could be an indication that municipal councils were adopting Community Improvement Plans as “proof” that they are actively engaged in economic development initiatives to increase the likelihood that they will be successful in re-election bids.

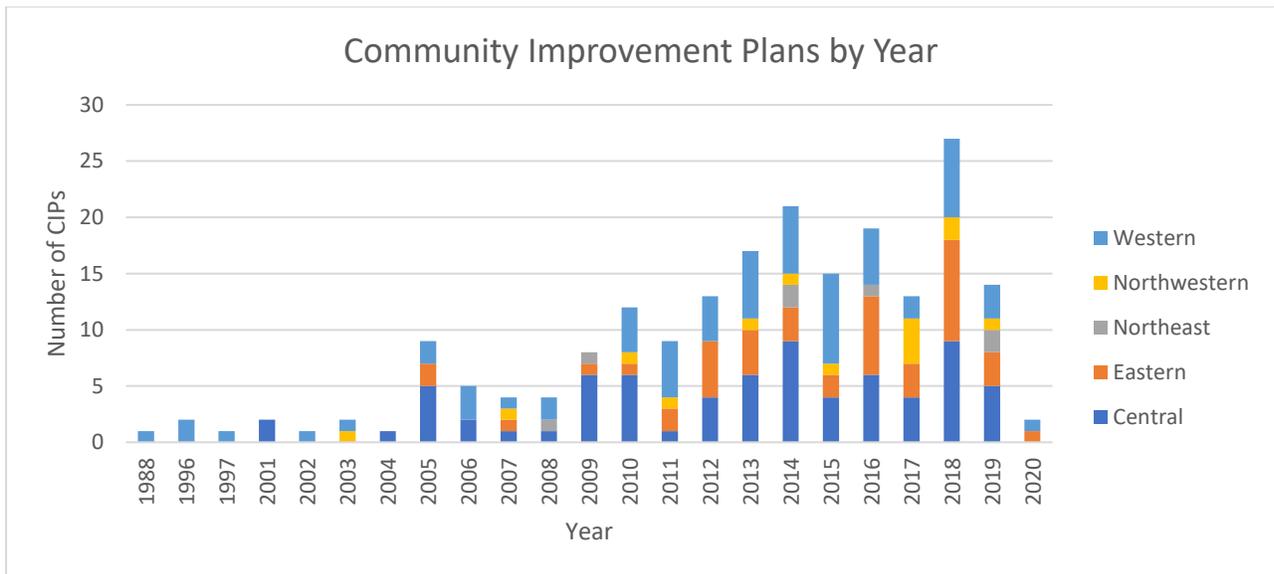


Figure 2: Community Improvement Plans by Year and Region

Authorship

While a majority of CIPs were prepared by municipal staff, outside consultants drafted a significant minority. The community improvement planning process should be undertaken utilizing extensive community-based consultation. The plans that come out of this process should be an accurate reflection of the needs of the community. If this community-based knowledge is enhanced with a review of best-practices in community improvement planning, then texts authored by municipalities or planning consultants should be similar to one another. Cleave, Arku and Chatwin suggest that communities, especially smaller communities, utilize consultants because they do not have the institutional capacity to undertake this work internally (p.363).

A total of 128 Community Improvement Plans written by the municipality (or which did not otherwise attribute authorship). Of the 74 (36.7%) worked on by consultants, there was an average of approximately 1.5 consultants who worked on each CIP. Three firms stood out from the rest; RCI Consulting Inc., MMM Group, and WSP, who worked on 27%, 24% and 15%, respectively, of the 74 plans. It would not be correct to draw from this that these three firms are responsible for 66% of all consultant-led Community Improvement Plans. In some cases, these firms worked together to complete the plans.

It is interesting to note that despite consultants being responsible for 36.7% of all Community Improvement Plans, they were responsible for 66.7% of Community Improvement Plans that did not reference a CIPA within the document the Community Improvement Plan document. Consultants were also only responsible for 18.8% of Community Improvement Plans that designated the entire municipality as the CIPA. I hypothesize that the reason some municipalities are beginning to omit CIPAs from their Community Improvement Plans is likely related to the amendments process. A municipality can make changes to a by-law with their own

authority, whereas a municipality must go through a formal planning process and advise the Province of any changes they are making to their Community Improvement Plan. Having a CIPA exist outside of the Community Improvement Plan document streamlines the process to update the eligibility of a property, or set of properties, to the Community Improvement Plan. This knowledge is likely gathered by working on a variety of Community Improvement Plans which is why consultant lead projects have implemented this process more frequently. One of the reasons a municipality would engage a consultant is to purchase the knowledge that they would not be able to acquire otherwise. As a consultant, you would want to ensure that municipalities continue to see your work as highly specialized. This may also explain why so few consultant-led projects designate entire municipalities as CIPAs—anyone can do that! Municipalities may not see the need to continue using consultants if their work is applied equally across a municipality like cheap paint.

Regional differences played an interesting role in the use of consultants. The Northwestern region is an outlier in that municipalities used consultants more frequently than staff to develop Community Improvement Plans, using consultants in 8 out of 14 (57.1%) cases. Central, Eastern and the Northeast regions utilized consultants at comparable rates ranging from 34.1% in Eastern Ontario to 45.8% in Central Ontario. Surprisingly, Western Ontario had a much lower usage rate only employing consultants 23.1% of the time. Figure 3 highlights these usage rates.

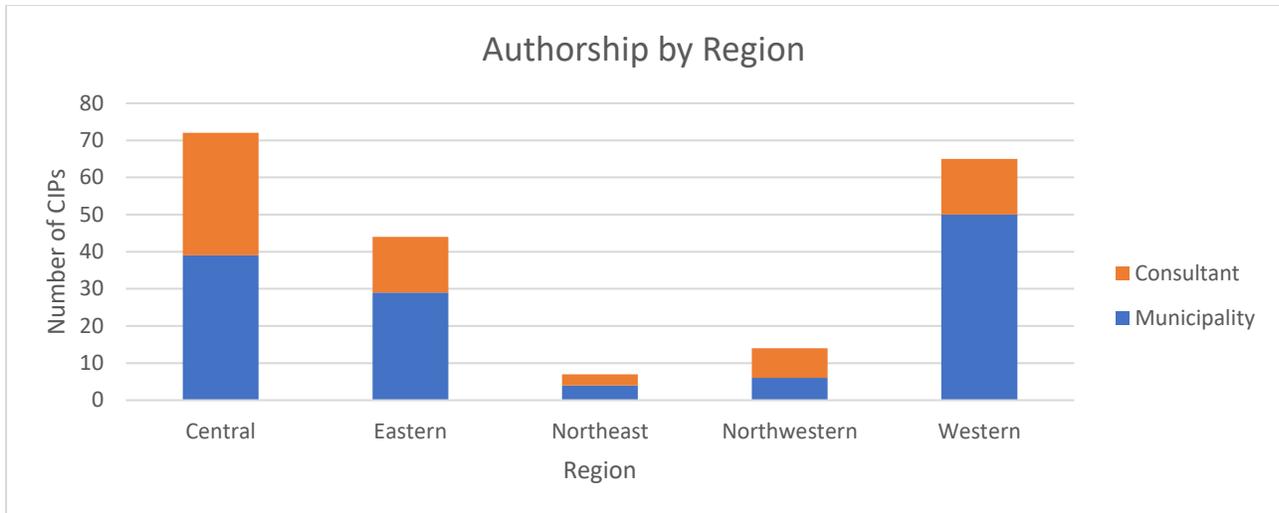


Figure 3: Authorship by Region

A municipality's decision to utilize a consultant to develop a Community Improvement Plan likely comes down to a variety of factors including their staff's familiarity with developing Community Improvement Plans, and a municipality's budget to develop this program. All 8 of the municipalities that employed consultants to write their plans in the Northwest had populations that were less than 25,000. This could be an indication that the decision to use a consultant came down to staff's lack of familiarity with Community Improvement Plans. Due to the frequency that Community Improvement Plans are used in Central and Western Ontario, it follows that more plans are written by municipalities in Western Ontario. The higher use of consultants in Central Ontario, could be a factor of having municipalities with higher populations on average, and thus a larger budget and greater staff experience.

As shown in Figure 4, the size of a particular municipality played a large role in determining whether or not a municipality would employ a consultant in the development of a Community Improvement plan. Each of the three smaller municipality groupings utilized consultants at a similar rate. Municipalities with a population of up to 10,000 used Community Improvement Plans 43.4% of the time, those that are between 10,001 and 25,000 used

Community Improvement Plans 53.5% of the time, and municipalities between 25,001 and 100,000 used Community Improvement Plans 50% of the time. The outlier in this scenario are municipalities that have between 100,001 and 250,000, and those that are above 250,001 residents which employed consultants in 5.6% and 4.8% of cases, respectively, perhaps due to the factors noted above.

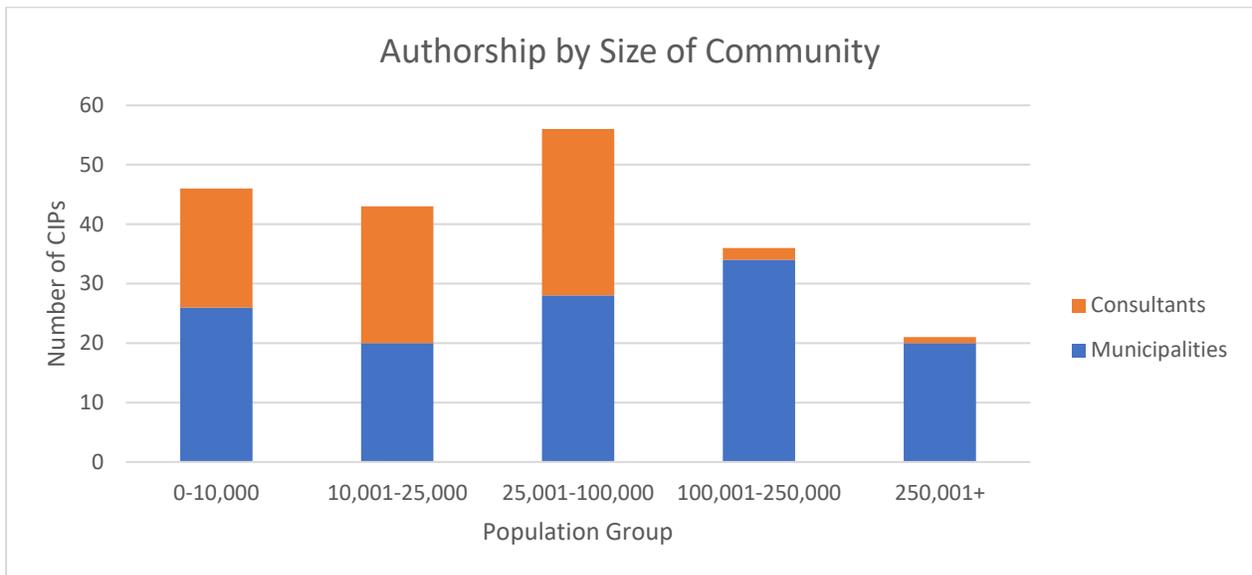


Figure 4: Authorship by Population group

Tier of local government also plays a small role, with lower-tier and single-tier municipalities employing consultants 38.9% and 34.8% of the time respectively, whereas upper-tier municipalities used consultants only 14.2% of the time.

Content

Looking at the thematic focus of CIPs, it was determined that of the 202 Community Improvement Plans, 123 focused on Downtown/Commercial Cores, 29 had an Industrial focus, and 6 focused on housing. The remaining 46 Community Improvement plans are focused on some combination of these themes. Of the Community Improvement Plans that had a downtown

focus, 80 (65%) were written by municipalities and not consultants. This is in contrast to those that were focused on housing initiatives, where all six were written by consultants. This brings additional strength to the argument that municipalities utilize consultants to purchase knowledge that they do not have internally. Community Improvement Plans that focus on a downtown by far and away the most common type of Community Improvement Plan, there are examples across the province. The effort needed to gain this type of knowledge is relatively low compared to other types of Community Improvement Plans. Conversely, Community Improvement Plans for housing are much more rare, municipalities are likely more inclined to utilize a consultant because these studies require more specialized knowledge. It should also be noted that the north had no Community Improvement Plans focusing on housing development. This makes sense as the cost of housing is much less expensive in the north than in the south, and it is likely that the development of additional affordable housing stock is not necessary.

From a geographic perspective, the majority of Community Improvement Plans (104) applied to single locations within municipalities, 60 to multiple locations, and 32 designated the entire municipality as the Community Improvement Project Area (CIPA). Interestingly, six of these plans did not identify CIPAs, but instead referring the reader to other municipal bylaws.

The CIPs were also coded by type of program. First their overall usage will be looked at, followed by a more in depth look at the way their usage was broken down by population size, whether they were prepared by municipalities or consultants, and region. Out of the 202 plans, the most popular programs were façade improvement programs used 136 times, Tax-Increment Equivalent Grant programs (119), construction related programs, (116), and fees-based programs

appeared in 105 plans. Programs related to studies and design costs appeared in 77 plans. The incidence of other types included development charges grants (54), housing programs (51), programs that support structural improvements (47), and brownfield programs (45). “Other” programs appeared only 27 times. (See Figure 5.)

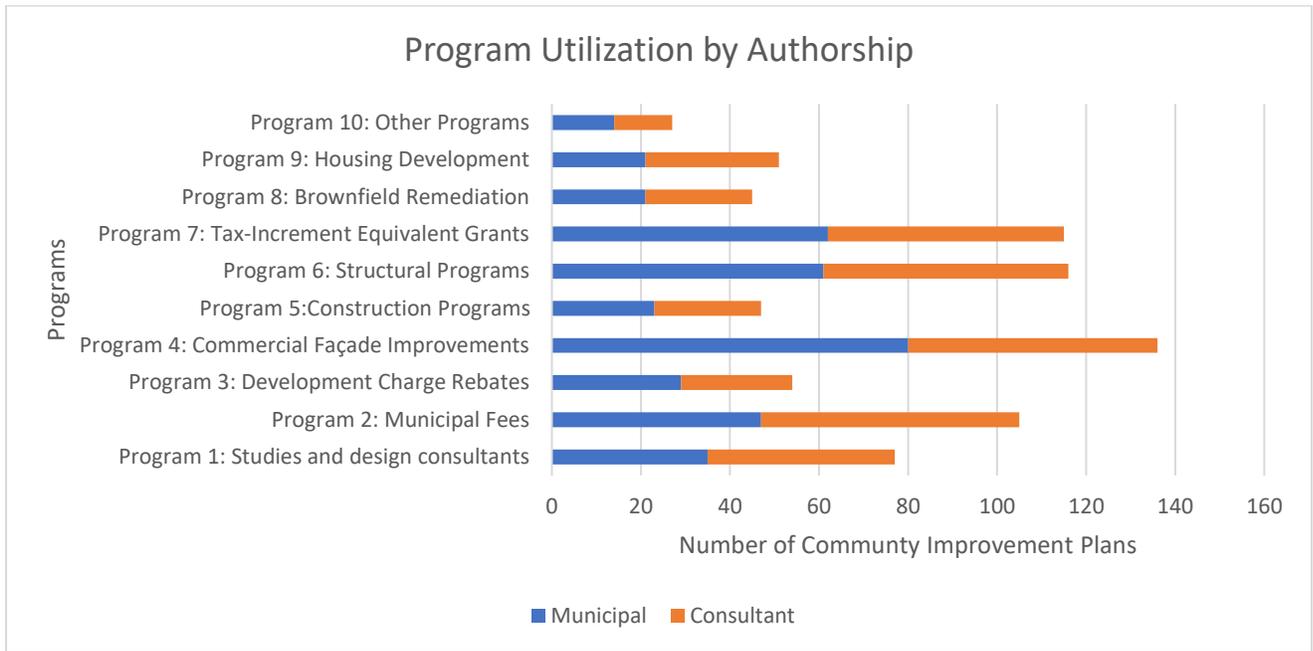


Figure 5: Program Utilization by Authorship

Broken out by authorship, Community Improvement Plans written by consultants, as compared to plans that were written by municipalities, we see some interesting usage rates. In total, Community Improvement Plans that were written by municipalities used 392 programs, whereas those written by consultants used 384 programs in total (see figure 6). On average, each Community Improvement Plan written by a municipality used 3.1 programs, compared to 5.2 programs in those written by consultants. Returning to the concept that a municipality utilizes consultants to purchase knowledge that they do not have internally, the disparity between authorship may indicate that consultants believe a wider application of program tools will be

more beneficial to the community. Figure 6 enumerates the number of programs that are used in the plans overall.

Comparing the authorship groups, on average, the consultants included housing programs 2.4 times as often as municipally authored Community Improvement Plan documents, studies and design consultant programs and fees programs 2.1 times as often as municipalities and brownfield programs 2.0 times often. When considering that consultant authored documents used programs 1.7 times more often than municipally authored programs, at the other end of the spectrum, are façade programs which were only used 1.2 times as often as municipally written CIPs. All other programs had usage rates ranging between 1.5 and 1.8 times which are more in line with the overall usage rates. This follows the previous hypothesis that municipalities typically employ consultants to write community improvement projects when they need something more specialized than a commercial Community Improvement Plan.

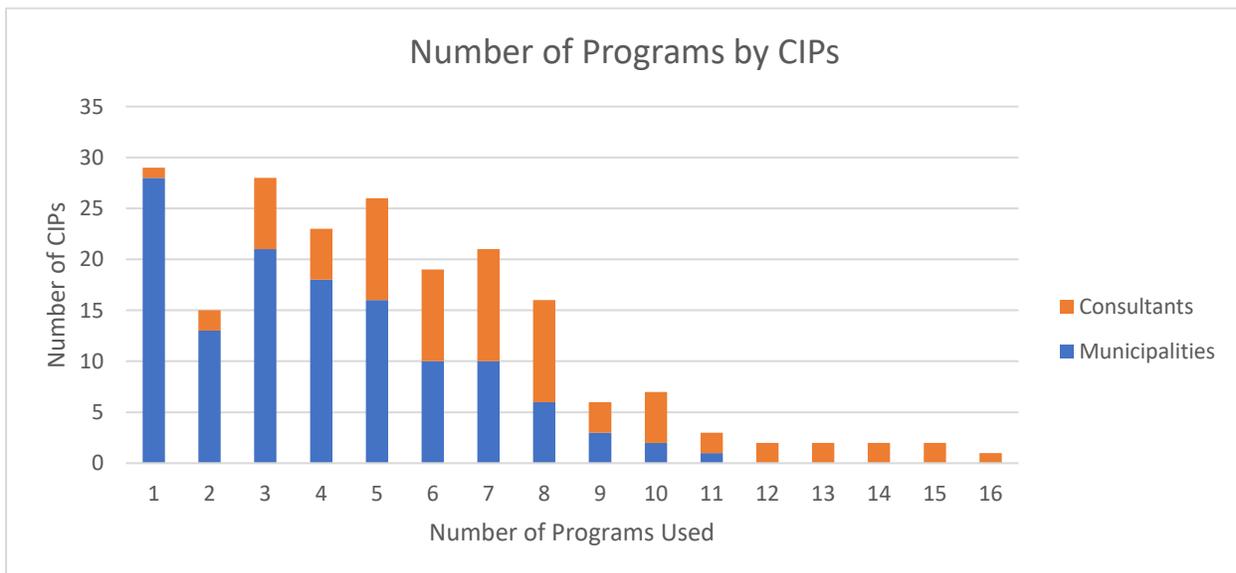


Figure 6: Programs by Authorship

Looking at this information from a population perspective, we see that the smallest population group, municipalities that have 0-10,000 residents, were responsible for 22.8% (46) of all Community Improvement Plans reviewed. They utilized development charge programs at the lowest rate, being responsible for only 3.7% (2 of 54) of all such programs. This group was also the heaviest user of programs to support structural improvements at 38.3% (18 of 47), brownfield programs at 31.1% (14 of 45) and façade improvements at the rate of 30.1% (41 of 136). They were also the most creative of the municipal size groups being responsible for 37% (10 of 27) of all other programs.

When looking at the interplay between authorship, programs and community size, several interesting features become apparent. When it came to the studies and professional fees programs, only 19.2% (5 of 26) of communities that wrote their own plans incorporated them within this population group, however for communities that used consultants, 60% (12 of 20) included this program. A similar pattern is seen with the fees program where, at this population group, 42.3% (11 of 26) of plans written by communities used this program as opposed to 85% (17 of 20) that were written by consultants. The most dramatic shift for this population size group relates to the use of TIEG programs, when written by municipalities only 23% (6 of 26) of municipalities included this program, when written by consultants, 80% (16 of 20) of plans included this program.

The next smallest group, municipalities with between 10,001-25,000 residents, were responsible for 21.3% (43 of 202) of all Community Improvement Plans. Despite this, this tier was responsible for 33.8% (26 of 77) of all programs that focused on programs that supported the creation of studies and professional design fees. They also were responsible utilizing development charge programs at 35.2% (19 of 54). This population size group used the fewest

other programs accounting for only 11.1% (3 of 27) of all programs. Generally speaking, authorship played a smaller role on the inclusion of programs at population group. The only large differences appeared to be with fee-based programs where 55% (11 of 20) of Community Improvement Plans authored by municipalities included a fee program in contrast to 87% (20 of 23) of programs authored by consultants, and housing programs which saw housing programs included in 5% (1 of 20) of plans written by municipalities and 52.2% (12 of 23) of plans written by consultants.

Population group 3, which encompasses municipalities with between 25,001 and 100,000 residents, utilized the most Community Improvement Plan documents. Their use represents 27.7% (56 of 202) of all CIPs. They utilized the highest amount of housing programs at 35.5% (18 of 51), brownfield programs 31.1% (14 of 45) and fee programs, 30.5% (32 of 105). Of all the population groups, it is the only one that sees a 50/50 split between plans that are written by municipalities, and those that are written by consultants. Authorship played an important role in inclusion of programs for this group. Only 17.9% (5 of 28) of plans authored by municipalities included a program focused on studies and design consultants, this is in contrast to 50% (14 of 20) of studies authored by Consultants. That same is true for fees-based programs which were found in 42.9% (12 of 28) of all plans authored by municipalities and 71.4% (20 of 28) of plans authored by consultants, TIEG programs which were municipally developed plans including the program 39.3% (11 of 28) of the time, but 64.3% (18 of 28) of the time when written by third-party consultants, brownfield programs which saw a 14.3% (4 of 28) and 35.7% (10 of 28) split between municipalities and consultants.

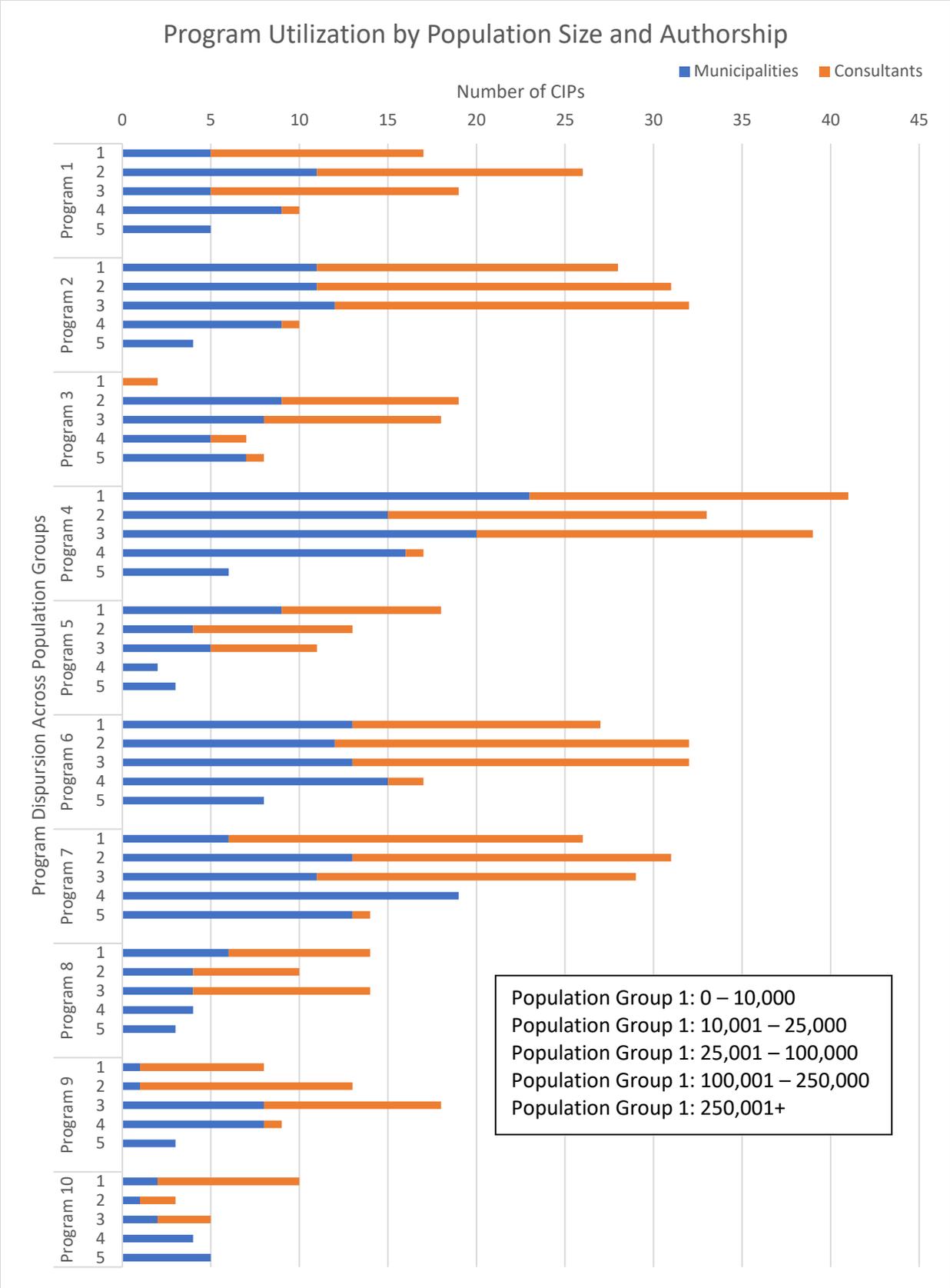


Figure 7: Program Utilization by Population group and Authorship

The second largest population size group, municipalities that are between 100,001 and 250,000 represented were responsible for 17.8% (36 of 202) of all Community Improvement Plans. For this group, only brownfield programs and structural improvement programs at the lowest rates, 6.7% (4 of 45) and 4.3% (2 of 47), respectively.

The largest population size group, communities over 250,001 residents, represented only 10.4% (21 of 202) of all Community Improvement Plans used. Unsurprisingly, this tier used the lowest number of programs in the majority of programs including: studies and consultants 6.5% (5 of 77), fees programs 3.8% (4 of 105), façade improvement programs 4.4% (6 of 136), rehabilitation programs 6.9% (8 of 166), brownfield programs 6.7% (3 of 45) and housing programs 5.9% (3 of 51).

Unfortunately, due to the small number of consultants who were utilized in populations groups 4 (2 Community Improvement Plans) and 5 (1 Community Improvement Plan), it is impossible to look at a comparison between plans written by consultants and those written by communities.

Interpretation

What can be drawn from this information? The first point is that the differences in geographic regions, size of municipality and the level of specialization needed to create a Community Improvement Plan impact whether or not a municipality chooses to develop their own Community Improvement Plan, or engage with a consultant to write their plan. Regional familiarity with Community Improvement Plans and staff resourcing are important factors in determining who writes the plan. As more nearby communities use these plans, staff become more comfortable writing the plans. The largest municipalities have the internal resources to develop their own communities while small municipalities do not necessarily have the internal

staff competencies. This work reinforces Cleave, Arku and Chatwin's belief that smaller institutions utilize consultants because they do not have the internal capacity to complete these projects on their own (p.363).

Second, authorship matters. This fact is significant because this research has demonstrated that Community Improvement Plans written by municipalities use less programs per plan than those written by consultants. There are more options for businesses when consultants write the plans. To digress, it is also interesting that the program used with the most frequency by consultants are programs that relate to planning and building permit fees. For plans written by municipalities, this is the program used with the fourth greatest frequency. It is likely that municipal employees see this program as a direct threat to their departmental budgets, a concern not shared with municipal consultants. Although it appears that smaller municipalities actually have a leg up on their larger competition due to the fact that they their Community Improvement Plans use more programs, the number of programs used is not in and of itself an indicator that a Community Improvement Plan is going to achieve its goals. For that, we will need to use another measure.

Community Improvement Plans in Ontario: Effectiveness

As a final step, multiple linear regressions were performed to assess the effect of Community Improvement Plan adoption. While much of the information gathered was statistically significant, it was difficult to assess causation. As such, after highlighting some of the results, the paper will explain what could be producing them.

The first group of regression tests uses the implementation of community improvement plans as the independent variable, and changes in total assessed value at four time intervals (1, 3, 5, and 10 years) as the dependent variable. These are summarized in Table 1. The analysis

reveals a negative relationship: the longer the time interval since adoption of a CIP, the greater the decrease in municipality-wide assessed value compared to communities that had not implemented community improvement plans. This the opposite of expectations as the presumed purpose of adopting a CIP is to increase, rather than reduce, the value of private property in the municipality. The low R² values indicate that while the models are statistically significant, they have little explanatory power.

The same tests were then run to determine what the inclusion of downtown Community Improvement Plans had on the annual changes of commercial assessments, industrial Community Improvement Plans on industrial assessments, and housing Community Improvement Plans on housing assessments. No statistically significant relationships were found.

Table 1.

Independent Variables	1.1		1.2		1.3		1.4	
	1 Year		3 Year		5 Year		10 Year	
	Est.	SE	Est.	SE	Est.	SE	Est.	SE
Intercept	0.0601***	0.0011	0.1927***	0.0019	0.3446***	0.0032	0.811***	0.0074
Has CIP	-0.0099**	0.0038	-0.0425***	0.0074	-0.0944***	0.0144	-0.1614**	0.0551
R ²	<0.0001		0.0050		0.0075		0.0027	

Note: Intercept represents reference level. Dependent variable is change in total assessed value.
*p<.05, **p<.01, ***p<.001

A second set of models adds controls for region of the province and municipal tier (see Table 2). The pattern is the same. While most coefficients are statistically significant, the explanatory power of the models is low. Model 2.4, which analyzes the effect on ten-year change in assessed value, has the highest R² value – approximately 13% of variation in assessed value is explained by having adopted a CIP, region, and tier.

Table 2.

Independent Variables	2.1		2.2		2.3		2.4	
	1 Year		3 Year		5 Year		10 Year	
	Est.	SE	Est.	SE	Est.	SE	Est.	SE
Intercept	0.0768***	0.0025	0.2059***	0.0078	0.3554***	0.0128	0.8032***	0.0293
Has CIP	-0.0128***	0.0039	-0.0498***	0.0073	-0.0986***	0.0141	-0.1506**	0.0520
Region (vs. Central):								
Eastern	-0.0127***	0.0032	-0.0333***	0.0055	-0.0418***	0.0090	-0.0674***	0.0209
Northeast	-0.0117*	0.0051	-0.0309***	0.0085	-0.0298*	0.0140	-0.0286	0.0323
Northwest	-0.0261***	0.0057	-0.0891***	0.0096	-0.1528***	0.0158	-0.3409***	0.0365
Western	-0.016***	0.0033	-0.0530***	0.0055	-0.0938***	0.0091	-0.2374***	0.0211
Tier (vs. Single):								
Lower Tier	0.0112**	0.0042	0.0388***	0.0071	0.0711***	0.0117	0.1938***	0.0272
Upper Tier	0.0123	0.0570	0.0364***	0.0096	0.0661***	0.0123	0.1975***	0.0367
R ²	0.0136		0.0603		0.0782		0.128	

Note: Intercept represents reference level. Dependent variable is change in total assessed value.

*p<.05, **p<.01, ***p<.001

A third set of models adds logged municipal population (see Table 3). The addition of municipal population size had no effect on the explanatory power of the models and little effect on the statistical significance of individual coefficients. Separately tested models including logged population and CIP adoption only (not shown) revealed a modest significant association between these variables and assessed value change but limited explanatory power ($R^2 < 0.02$). Together, the models shown in Tables 1–3 suggest that adopting a CIP has little effect on a municipality's assessed property value, and that the small effect is negative rather than positive.

Table 3.

Independent Variables	3.1		3.2		3.3		3.4	
	1 Year		3 Year		5 Year		10 Year	
	Est.	SE	Est.	SE	Est.	SE	Est.	SE
Intercept	0.0501***	0.0103	0.1664***	0.0173	0.2971***	0.0287	0.7358***	0.0672
Pop. (log)	0.0033	0.0020	0.0085*	0.0033	0.0125*	0.0055	0.0143	0.0128
Has CIP	-0.0142***	0.0040	-0.0539***	0.0075	-0.1056***	0.0144	-0.1614**	0.0529
Region (vs. central):								
Eastern	-0.0110***	0.0034	-0.0290***	0.0057	-0.0356***	0.0094	-0.0602**	0.0219
Northeast	-0.0063	0.0060	-0.0171	0.0101	-0.0094	0.0166	-0.0048	0.0387
Northwest	-0.0215***	0.0063	-0.0774***	0.0106	-0.1355***	0.0175	-0.3207***	0.0407
Western	-0.0154***	0.0033	-0.0504***	0.0056	-0.0900***	0.0092	-0.2330***	0.0215
Tier (vs single):								
Lower Tier	0.0127**	0.0043	0.0426***	0.0073	0.0768***	0.0120	0.2009***	0.0279
Upper Tier	0.0100	0.0058	0.0308**	0.0098	0.0579***	0.0162	0.1888***	0.0375
R ²	0.0129		0.0601		0.0777		0.128	

Note: Intercept represents reference level. Dependent variable is change in total assessed value.

*p<.05, **p<.01, ***p<.001

The final analysis examines causes of Community Improvement Plan adoption. Specifically, logistic regression models examine whether single-year changes in population and assessed value predict CIP adoption, controlling for municipality tier and logged population size. (Region of the province is omitted.) Population change and assessed value change indicate whether a municipality is experiencing growth or decline. We may expect that places experiencing decline would be more likely to adopt CIPs. Table 4 presents odds ratios. Values greater than one indicate greater likelihood of adopting a CIP and values less than one less likelihood. The explanatory power of the models is fairly strong, with McFadden pseudo-R²s of between 0.15 and 0.26. Population size is the strongest predictor, perhaps reflecting larger municipalities' greater administrative sophistication and fiscal capacity. Upper-tier municipalities are generally less likely to adopt than single-tiers, and lower-tiers more likely. This is unsurprising given lower-tier municipalities' greater involvement with site-specific land-use matters. Most importantly, it appears that change in population has weak or no effect on CIP adoption. Moreover, increase in assessed value makes it less likely that a CIP will be adopted. These findings suggest that while depopulation may be a poor indicator of economic decline, decreasing property values are associated with CIP adoption.

Table 4.

Independent Variables	4.1	4.2	4.3	4.4
	1 Year	3 Year	5 Year	10 Year
Intercept	0.000***	0.000***	0.000***	0.000***
Pop ch.	0.122*	0.507	1.459	4.432
Assessment ch.	0.080***	0.016***	0.016***	0.055***
Log pop.	4.58***	5.545***	6.791***	9.40***
Tier (vs single):				
Lower Tier	1.196	1.412**	1.593**	2.900***
Upper Tier	0.081***	0.071***	0.030***	0.000
McFadden R ²	0.153	0.186	0.228	0.264

Note: Intercept represents reference level. Dependent variable is adoption of a CIP. Coefficients are odds ratios. *p<.05, **p<.01, ***p<.001

To conclude, is analysis yields no “slam dunk” conclusions, in part because we cannot adequately tease out cause and effect. On the one hand, adopting a CIP appears to have little effect on property values. On the other hand, declining property values are weakly associated with CIP adoption. A more sophisticated statistical analysis would be required to get to the bottom of these issues. What is clear, however, is that no strong relationships were observed. While widely used, CIPs do not appear to move the needle when it comes to a municipality’s economic health, at least as indicated by the assessed value of property.

Discussion and Conclusion

A cursory look at local news publications indicates that many communities are implementing Community Improvement Plans in mitigation and recovery efforts from COVID-19. The County of Middlesex is diverting \$30,000 to support rural businesses. Clarington will be establishing a municipal-wide Community Improvement Plan program and has dedicated \$1,000,000 to support qualifying businesses. The funds will be used to support businesses to open safely.

Given the limited tools in a municipal administrator’s toolbelt, it is no wonder that over 30% of Ontario municipal governments have turned to Community Improvement Plans as they attempt to revitalize downtown cores, spur growth in vacant industrial lands and improve housing availability for those that need it the most. Having investigated their use over a 20-year time span, it is clear that differences exist between the use of community improvement plans based on the geographic location, overall population and authorship of these plans. The fact that they continue to be used, and are used with increasing frequency, is an indication that either economic development practitioners or local politicians think that they work.

It was interesting to note the various approaches that were taken to adopt Community Improvement Plans. Some communities simply adopted Community Improvement Plans by bylaw with all required information contained within, while others produced visually stunning documents in full colour. The County of Elgin and Niagara Region worked with their lower tier municipalities to develop an overall suite of programs that could be adopted by municipalities as needed. Taking a centralized regional approach, as do the Elgincentives Community Improvement Plan and the Niagara Gateway Community Improvement Plan is a contributing factor to Southwestern Ontario's having led the province in the development and implementation of Community Improvement Plans.

Having now completed this research, I am unfortunately no closer to answering the initial question: Do Community Improvement Plans actually work, or do they simply subsidize development that would have happened anyway? Although the analysis of change in assessed values over time did not prove whether Community Improvement Plans are effective in spurring economic growth, it does not disprove it either. Instead, it is safe to say that assessment values are an insufficient basis on which to evaluate the effectiveness of Community Improvement Plans.

If this is so, what would be a better metric? The 2006 Community Improvement Plan Handbook proposes a list of measurement tools that would have assisted with helping to answer this question. It recommends tracking metrics that should increase through the use of community improvement plans, such as employment, housing units, property tax revenues through land use intensifications and retail uses in core areas. In addition, it recommends tracking metrics that should be on the decline when a community improvement plans are implement like retail and

commercial bankruptcies, inflow vs outflow of youth in a community, commercial and industrial vacancy rates.

Many Community Improvement Plan documents include a section on “monitoring”. These sections range from generic statements that indicate that the Community Improvement Plan will be reviewed every five years to comprehensive monitoring and evaluation strategies that included the establishment of baseline conditions, project monitoring requirements and reporting structures. It is clear that the latter use of metrics is preferable to the former. Without establishing measurement criteria at the start of the process, there is no way to evaluate whether goals are achieved. A second, linked criticism regards the number of communities that follow through on their community improvement plan documents that actually complete annual reports on the outcomes of their CIPs. From the reports that have been researched, many of the reports highlight projects and investments, they fail to highlight any additional metrics like new jobs added, or changes in assessed property values as a result of property intensification. These metrics would be imperative to evaluating whether or not these projects have addressed their intended outcome.

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