



Creating a Business Plan for Thorold

A 2008 Budget Submission Request

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Introduction

Municipal budgets are more than just about road repairs and snow removal. For the City of Thorold, the budget is an intricate process that must balance core services with that of future growth requirements needed in order for the city to be continue to grow and be competitive, vibrant and prosperous. It's never easy – and there are no easy answers.

The St. Catharines – Thorold Chamber of Commerce is committed to ensuring a vibrant business and investment environment in Niagara. Municipalities play an important role in fostering an environment that encourages business development and investment. The Chamber recognizes the importance of municipal planning and budgeting, and we are committed to working with municipal staff and elected officials in supporting an environment that allows our members to be successful.

Chamber's Municipal Budget Submission Guiding Principles

The tenets of the Chamber's municipal budget submission are grounded in the following priority economic development principles established in 2006:

Economic Growth and Diversification

The St. Catharines – Thorold Chamber of Commerce believes that future economic growth depends on supporting existing business sectors, and attracting emerging economic sectors as a means to diversify and strengthen the local economy, and generate new employment opportunities.

Downtown Revitalization

The St. Catharines – Thorold Chamber of Commerce supports the revitalization of downtown cores and it recognizes Thorold's downtown as an area of opportunity for growth that will translate into a more vibrant, prosperous community that is a centre of economic activity.

Efficiencies in Government

The St. Catharines – Thorold Chamber of Commerce believes there is need for constant examination and assessment of municipal services to ensure core services are delivered efficiently and effectively. The Chamber strongly urges adherence to business plans and strategic planning documents to guide regional and municipal governments. In addition, we advocate that local governments work together and develop synergies wherever possible as a means to reduce duplication and increase efficiencies.

Strengthening Existing Business Sectors

The St. Catharines – Thorold Chamber of Commerce believes that existing business sectors remain a core of Niagara's competitive advantages. Sectors such as advanced manufacturing, tourism and agriculture are areas of opportunity for continued growth in Niagara. Within the tourism industry, Thorold is a position to continue to build on its assets such as the Welland Canal and its significant War of 1812 historical sites as a means to focus its tourism brand within the larger Niagara tourism experience.

Creating a Business Plan to Guide Thorold's Growth

Much like many communities in Niagara, and indeed throughout Ontario, Thorold has lost a significant portion of its manufacturing base. Currently, approximately 24 per cent of the tax base of the Thorold is derived from the business sector – which includes commercial, industrial and large industrial.¹ With the loss of large industry over the years, this percentage has continued to drop placing an even greater tax burden on residential and small retail. Moving forward, Thorold must take proactive steps to stem the decline in tax revenue from the business sector by creating an environment that attracts business and fosters development.

The Chamber maintains that in order to fully realize the city's economic potential there must be holistic a action-based plan in place to guide staff, council and the community. The following outlines key opportunities that can be the basis of a business plan that can help anchor, transform and sustain a vibrant economic environment in Thorold.

1. Thorold Hydro Reserve

Thorold has a Hydro Reserve, which over the next 10 years will yield approximately \$750,000 in interest.² A portion of these monies have been committed to debt servicing while a large portion has been put towards a reduction in tax rates. There is a strong need in Thorold to create a development environment that is ready to respond to opportunities. This reserve has the potential to foster this environment if deployed strategically.

2. Industrial Development Reserve

Thorold, through strong council and staff leadership, has invested in an Industrial Development Reserve. This reserve is replenished through a function of surplus distribution within the operating budget.³ Such funds are an important economic asset as it provides the opportunity to develop new industry that will serve as an economic catalyst for the city. With the decline of manufacturing, the fund plays a critical role in reversing the effects of this decline. The reserve has had uncommitted funds as high as approximately \$1 million in the 2006 budget. The Chamber believes that the current fiscal year is an appropriate time to establish strategic opportunities, which will ensure the proper use of the funds in the Industrial Development Reserve moving forward.

3. Facade Improvement Plan Grant Program

Thorold provides grants of up to a maximum of \$10,000 (50 per cent of which comes from the Region) to help property owners and tenants restore or improve the exterior appearance of their building.⁴ Timelines from approval to implementation are short so as to promote maximum efficiency, work must commence within six months of the grant being approved and must be completed within a year of the grant approval.⁵ It is therefore important for Thorold to develop a long-term plan for facade improvements with measurable benchmarks to ensure a holistic improvement of the downtown. This plan should be integrated into a larger strategic plan for the downtown.

4. Highway 20 & 406 Interchange

Prior to provincial downloading, Highway 20 ran through the heart of the Niagara starting at the QEW in Hamilton and running to Montrose Road in Niagara Falls. Despite the highway's importance, it was downloaded from the province to the region in 1998. Only a short 1.9 km long segment of Highway 20 was retained in the provincial network, reportedly as it could be incorporated as part of the 406 Highway.⁶ With the completion of the 406 interchange at Highway 20, there is an opportunity for Thorold to develop the area as a business corridor between St. Catharines and Welland. The land around the new interchange, if serviced, offers the opportunity for Thorold to increase its attractiveness as an investment destination for a variety of business operations including industrial, residential and large-scale commercial developments. Planning for this development should commence immediately, and it incorporated into a business plan.

¹ City of Thorold Staff, 'City of Thorold Budget 2007' Pg 26

² City of Thorold Staff, 'City of Thorold Budget 2007' Pg 13

³ City of Thorold Staff, 'City of Thorold Budget 2007' Pg 2

⁴ City of Thorold Staff, Community Improvement Plan, 'Downtown Thorold Facade Improvement Grant Program' Pg 12

⁵ City of Thorold Staff, Community Improvement Plan, 'Downtown Thorold Facade Improvement Grant Program' Pg 12 Pg 12

⁶ http://www.onhighways.com/highway_20.htm

5. Strengthening Thorold's Tourism Sector

Thorold is rich in history and heritage sites. The city's appreciation for its heritage is reflected in the many homes, churches and lands that have been designated historical sites. This has created the opportunity to develop a unique tourist niche that caters to heritage tourism.⁷ Similarly there is need to develop evaluation metrics that monitor the growth and establishment of this niche by Thorold.⁸ In addition, Thorold has a rolling heritage reserve built into its budget. Through strategic use of these funds Thorold can build a very unique tourism niche centred on heritage.⁹

In building upon Thorold's successful designation as Canada's most patriotic city and hone in the various heritage assets that Thorold retains, there is the opportunity to develop specific programming to infuse more tourists to Thorold and Niagara. As a means to harness the city's heritage assets, the city must create greater year-to-year predictability for the business community by establishing a long-term festival master plan that focuses on Thorold's heritage assets. As part of the business plan, the combination of tourism and heritage planning will be an important tool for economic development and investment planning by businesses.

6. Linking with Niagara's Post Secondary Institutions

Brock University and Niagara College are applying their intellectual capital and institutional commitment to a broad range of community development projects. Their program resources and training and teaching staff are helping to build community leadership structures that address social and economic development issues. These two institutions provide the opportunity for the expansion of their infrastructure in the surrounding community and provide the potential economic spin offs that relate to their relocation.

This has been demonstrated in practice with the Waterloo University School of Architecture in the Faculty of Engineering relocation to downtown Cambridge in historic Galt.¹⁰ The project enjoyed the support of the municipal governments, the private sector, the community and the local media. The project purchased a splendid historic building in the heart of old Galt - the former Riverside Silk Mill.¹¹ Once renovated, the former industrial building provided wonderful spaces for design studios, labs and classrooms. The City of Cambridge supported the initiative committing \$7.5 million to the project over 15 years, plus a contribution of \$1.4 million to the capital costs. The City also made the project its sole priority for SuperBuild/ Canada-Ontario Infrastructure programmes of the provincial and federal governments.¹²

Currently, Thorold has municipally-owned buildings that could be used as part of a partnership opportunity with Brock and/or Niagara. The old Thorold Hydro building for example is one building that can be transformed into an innovation centre – combining the historical nature of the building with the budding future ideas developing at the university and college level. The city should include options for partnerships with post-secondary institutions in its business planning.

⁷ <http://www.thoroldtourism.ca/community2.htm>

⁸ <http://www.thorold.com/siteengine/activepage.asp?PageID=91>

⁹ City of Thorold Staff, 'City of Thorold Budget 2007' Pg 317

¹⁰ <http://www.architecture.uwaterloo.ca/frameset/cambridge.html>

¹¹ <http://www.architecture.uwaterloo.ca/frameset/cambridge.html>

¹² <http://www.architecture.uwaterloo.ca/frameset/cambridge.html>

Budgetary Considerations:

The St. Catharines – Thorold Chamber of Commerce recommends the following for Thorold's 2008 budgetary considerations:

Thorold set aside funds in 2008 for a full scale and comprehensive business plan that focuses on the existing and potential assets and strengths of the city. The objective should be to develop an action plan that will guide redevelopment to anchor and enable future private sector development within the municipality. It will also be a complement to the ongoing strategic planning process currently underway in Thorold. In addition, it will provide measurable goals based upon its existing strengths. One project is not enough to spur revitalization; however a comprehensive business plan will strengthen the viability of future commercial and residential developments given that this would provide investors with the predictability for the growth of their investment in Thorold. The business plan should take into account the following areas:

- The strategic deployment of the Hydro and Industrial Development Reserves
- A marketing strategy for the CIP program
- Identification of possible partnerships with Niagara College and Brock University
- Providing funding for the establishment of a tourism destination development and marketing plan focused on heritage tourism.
- Infrastructure funding for the servicing of municipally owned lands at the Highway 20 & 406 interchange.