



## Regular Council Meeting Agenda

January 15, 2018, 6:00 pm

Essex Civic Centre

360 Fairview Avenue West

Essex, Ontario

Pages

1. **Call to Order**
2. **Closed Meeting Report**
3. **Declarations of Conflict of Interest**
4. **Adoption of Published Agenda**
  - 4.1 **Regular Council Meeting Agenda for January 15, 2018**

Moved by  
Seconded by

**That** the published agenda for the January 15, 2018 Regular Council Meeting be adopted as presented / amended.
5. **Adoption of Minutes**
  - 5.1 **Regular Council Meeting Minutes for December 18, 2017** 1

Moved by  
Seconded by

**That** the minutes of the Regular Council Meeting held December 18, 2017 be adopted as circulated.
6. **Public Presentations**
7. **Unfinished Business**
8. **Reports from Administration**
  - 8.1 **Verbal Report - Winter Control in the Downtown Core** 12

Provided by Chris Nepszy, Director, Infrastructure Services

Moved by  
Seconded by

That the verbal report provided by Chris Nepszy, Director, Infrastructure Services on Winter Control in the downtown core, be received.
  - 8.2 **Building Report 2017-12** 13

RE: December 2017 Building Report.

Moved by  
Seconded by

**That** Building Report 2017-12, dated January 3, 2018 providing Council

with building activity in the Town of Essex to December 31, 2017, be received.

8.3

Economic and Development Report 2018-01

17

RE: Hotel Feasibility Study Results

Advisory Report

RE: Hotel Feasibility Study Report prepared for the Town of Essex by CBRE Limited.

Moved by

Seconded by

**That** Economic Development Report 2018-01, prepared and submitted by Nelson Silveira, Economic Development Officer, entitled "Hotel Feasibility Study Results", dated January 15, 2018, providing Council with an overview and findings of the hotel feasibility study recently completed by CBRE Limited for the Town of Essex, be received.

8.4

Economic Development Report

97

RE: November and December 2017 Update

Moved by

Seconded by

**That** Economic Development Report, prepared and submitted by Nelson Silveira, Economic Development Officer, providing Council with an Economic Development activity report for the months of November and December 2017 within the Town of Essex, be received.

8.5

Verbal Report - ELK Outages

98

RE: Harrow Service Area

Provided by Donna Hunter, Chief Administrative Officer

Moved by

Seconded by

**That** the verbal report provided by Donna Hunter, Chief Administrative Officer on ELK Electrical Outages in the Harrow service area, be received.

9.

Reports from Youth Members

10.

County Council Update

11.

Correspondence

11.1

Correspondence to be received

**That** correspondence listed in Agenda Item 11.1 be received and, where indicated, to further share such information with the community using suitable methods of communication.

11.1.1

Union Water Supply System Joint Board of Management

99

RE: October 18, 2017 Meeting Minutes

11.1.2

Town of Amherstburg

Amherstburg Council supported the following resolutions at

their November 13, 2017 Council Meeting:  
 1) The Township of North Frontenac's resolution regarding the negative impacts of Bill 148.  
 2) The Town of Mono's resolution regarding the On-Call Provisions in Bill 148.

11.1.3	Erie St. Clair	103
	RE: News Release that Erie St. Clair Local Health Integration Network (ESC LHIN)has received \$1.39 million that will be invested into Musculoskeletal Care to support capacity and operations to our regional Rapid Access Clinics.	
11.1.4	Ministry of Finance, Charles Sousa	106
	RE: Update on the Province's work underway to establish a retail and distribution channel for legal cannabis.	
11.2	<b>Correspondence to be considered for receipt and support</b>	
11.2.1	Town of Lakeshore	108
	RE: Resolution regarding the Provincial Flood Insurance Program.	
	Moved by	
	Seconded by	
	<b>That</b> the copy of correspondence from the Town of Lakeshore to The Honourable Kathleen Wynne, Premier, dated October 11, 2017 requesting that the Government of Ontario create a Provincial Flood Insurance Program to cover those individuals, families and businesses who are unable to secure flood insurance for their properties, be (received/received and supported);	
	<b>And that</b> if Council chooses to support the Town of Lakeshore's resolution a letter of support be sent to the Premier of Ontario, The Honourable Kathleen Wynne and the Town of Lakeshore.	
11.2.2	Town of Amherstburg	110
	RE: Resolution supporting Morris-Turnberry's resolution regarding the Tenanted Farm Tax Class.	
	<b>That</b> correspondence from the Town of Amherstburg, dated December 20, 2017 advising Council of their support for the Municipality of Morris-Turnberry's resolution requesting that the Municipal Property Assessment Corporation (MPAC) conduct a review on the effects of the tax class shift from farm land to residential, be (received/received and supported);	
	<b>And that</b> if Council chooses to support the Municipality of Morris-Turnberry's resolution, a letter of support be sent to the Premier of Ontario, The Honourable Kathleen Wynne, the Minister of Finance, MPAC and the Municipality of Morris-Turnberry.	

12. Committee Meeting Minutes

13. Financial

14. New Business

15. Notices of Motion

- 15.1 The following Notices of Motion were presented at the December 18, 2017 Regular Council Meeting and are being brought forward for consideration this evening: 113

15.1.1 Councillor Bondy

RE: That the Town of Essex send a request to the Association of Municipalities of Ontario (AMO) and all other municipalities in Ontario requesting that when school boards make decisions to close schools, that they have to offer the building to the local municipality for a dollar.

Moved by Councillor Bondy  
Seconded by

**That** the Town of Essex send a request to the Association of Municipalities of Ontario (AMO) and all other municipalities in Ontario requesting that when schools boards make decisions to close schools, that they have to offer the building to the local municipality for a dollar.

15.1.2 Councillor Bondy

RE: That Administration receive and review the Ward 4 Feedback items on the list provided and report back to Council with an update on same, or if required, obtain Council's endorsement for any further action items recommended by Administration.

Moved by Councillor Bondy  
Seconded by

**That** Administration receive and review the Ward 4 Feedback items on the list provided and report back to Council with an update on same, or if required, obtain Council's endorsement for any further action items recommended by Administration.

- 15.2 The following Notices of Motion will be brought forward for consideration at the Regular Council Meeting of Monday, February 5, 2018 114

Councillor Bondy:

That Administration review the current speed limit and handicap sign on Ridge Road and report back to Council on any recommended changes, if any.

16. Reports from Council Members

17. Announcements

18. By-Laws

- 18.1 By-Laws that require a third and final reading

18.1.1	By-Law 1659	115
	Being a by-law to amend By-Law 1037, the Comprehensive Zoning By-Law for the Town of Essex.	
	Moved by	
	Seconded by	
	<b>That</b> By-Law 1659, being a by-law to amend By-Law 1037, The Comprehensive Zoning By-Law for the Town of Essex be read a third time and finally passed on January 15, 2018.	
18.1.2	By-Law 1667	121
	Being a by-law to confirm the proceedings of the December 18, 2017 Regular Meeting of the Council of The Corporation of the Town.	
	Moved by	
	Seconded by	
	<b>That</b> By-Law 1667 being a by-law to confirm the proceedings of the December 18, 2017 Regular Meeting of the Council of The Corporation of the Town of Essex be read a third time and finally passed on January 15, 2018.	
18.2	<b>By-Laws that require a first, second, third and final reading</b>	
18.2.1	By-Law 1669	123
	Being a by-law to Amend Position Titles for Certain Non-Union Staff of The Corporation of the Town of Essex	
	Moved by	
	Seconded by	
	<b>That</b> By-Law 1669 being a by-law to Amend Position Titles for Certain Non-Union Staff of The Corporation of the Town of Essex be read a first, a second and a third time and finally passed on January 15, 2018.	
18.2.2	By-Law 1670	125
	Being a by-law to authorize an agreement between Her Majesty the Queen in Right of Ontario as represented by the Minister of Transportation (the "Province") and The Corporation of the Town of Essex (the "Recipient"). (Ontario Municipal Commuter Cycling (OMCC) Program)	
	Moved by	
	Seconded by	
	<b>That</b> By-Law 1670 being a by-law to authorize an agreement between Her Majesty the Queen in Right of Ontario as represented by the Minister of Transportation (the "Province") and The Corporation of the Town of Essex (Ontario Municipal Commuter Cycling Program), be read a first, a second and a third time and finally passed on January 15, 2018.	
18.3	<b>By-Laws that require a first and second reading</b>	
18.3.1	By-Law 1671	195

Being a by-law to confirm the proceedings of the January 15, 2018 Regular Meeting of the Council of The Corporation of the Town of Essex.

Moved by  
Seconded by

**That** By-Law 1671 being a by-law to confirm the proceedings of the January 15, 2018 Regular Meeting of the Council of The Corporation of the Town of Essex be read a first and a second time and provisionally adopted on January 15, 2018.

**19. Adjournment**

That the meeting be adjourned at [TIME].

**20. Future Meetings**

**20.1 Monday, January 22, 2018 - 4:30 - 7:30 PM Special Council Meeting**

RE: 2019-2022 Budget Forecast  
Location - Large Meeting Room, Essex Municipal Building, 33 Talbot Street South, Essex

**20.2 Monday, February 5, 2018 - 5:00 - 6:00 PM Special Council Meeting**

RE: Court of Revision Thompson Drain  
Location - County of Essex Council Chambers, 360 Fairview Avenue West, Essex

**20.3 Monday, February 5, 2018 - 6:00 - 9:00 PM Regular Council Meeting**

Location - County of Essex Council Chambers, 360 Fairview Avenue West, Essex

**20.4 \*\*Tuesday, February 20, 2018\*\* - 6:00 - 9:00 PM Regular Council Meeting**

Location - County of Essex Council Chambers, 360 Fairview Avenue West, Essex

**The Corporation of the Town of Essex**  
**Regular Council Meeting Minutes**

December 18, 2017, 6:00 pm  
Essex Civic Centre  
360 Fairview Avenue West  
Essex, Ontario

Present: Deputy Mayor Richard Meloche  
Councillor Sherry Bondy  
Councillor Steve Bjorkman  
Councillor Ron Rogers  
Councillor Larry Snively  
Councillor Randy Voakes

Regrets: Mayor Ron McDermott

Also present: Donna Hunter, Chief Administrative Officer  
Jeffrey Morrison, Director of Finance and Business Services/Treasurer  
Chris Nepszy, Director of Infrastructure and Development  
Doug Sweet, Director of Community Services  
Alex Denonville, Manager, Communications  
Nelson Silveira, Economic Development Officer  
Rita Jabbour, Assistant Planner  
Laurie Brett, Deputy Clerk  
Robert Auger, Clerk  
Robin Hall, Administrative Assistant  
  
Ehva Hoffmann, Youth Council Representative  
Ethan Robinson, Youth Council Representative

**1. Call to Order**

Deputy Mayor Meloche called the meeting to order.

**2. Closed Meeting Report**

**3. Declarations of Conflict of Interest**

There were no declarations of conflict of interest noted.

**4. Adoption of Published Agenda**

**4.1 Regular Council Meeting Agenda for December 18, 2017**

Moved by Councillor Rogers  
Seconded by Councillor Snively

**(R17-12-511) That** the published agenda for the December 18, 2017 Regular Council Meeting be adopted with the following additions:

Councillor Voakes requested the addition of an item under New Business to defer development charges for Fitness Fury, specifically the waste water portion.

**Carried**

## **5. Adoption of Minutes**

### **5.1 Regular Council Meeting Minutes for December 4, 2017**

Moved by Councillor Bondy  
Seconded by Councillor Voakes

**(R17-12-512) That** the minutes of the Regular Council Meeting held December 4, 2017 be adopted as circulated.

**Carried**

## **6. Public Presentations**

- 6.1** The Town of Essex Economic and Development Officer, Nelson Silveira presented a Rural Business and Tourism Community Improvement Plan Proposal and asked that Council consider expanding the Colchester Community Improvement Plan (CIP) to County Road 50.

Moved by Councillor Bjorkman  
Seconded by Councillor Bondy

**(R17-12-513) That** Item 8.1, Planning Report 2017-40, containing a Community Improvement Plan update be moved forward in the agenda, to allow discussion on both items at this time.

**Carried**

Moved by Councillor Snively  
Seconded by Councillor Rogers

**(R17-12-514) That** the presentation by the Economic Development Officer, Nelson Silveira, entitled "Rural Business and Tourism Community Improvement Plan: A case for County Road 50 expansion into the Colchester Community Improvement Plan", be received.

**Carried**

### **8.1 Planning Report 2017- 40**

RE: Community Improvement Plan (CIP) Update

Moved by Councillor Bjorkman  
Seconded by Councillor Voakes

**(R17-12-515) That** Planning Report 2017-40, prepared by Rita Jabbour, Assistant Planner, and submitted by Chris Nepszy, Director of Infrastructure and Development, dated December 18, 2017, entitled "Community Improvement Plan (CIP) Update", summarizing the activity under the Harrow, Essex Centre and Colchester Community Improvement Plans for 2017, be received;

**And that** the Rehabilitation Grant (Landscaping and Buffering) under the Harrow, Essex Centre and Colchester Community Improvement Plans be amended to include the construction of ground signs with peripheral landscaping as an eligible project.

**Carried**



Moved by Councillor Voakes  
Seconded by Councillor Bjorkman

**(R17-12-516) That** Administration schedule an Open House to allow for public feedback with respect to expanding the Colchester Community Improvement Plan to County Road 50.

**Carried**

**7. Unfinished Business**

**From the December 18, 2017 Special Council Meeting**  
**Re: Public Meeting, Section 12 Development Charges Act, 1993**

**7.1 By-Law 1657**

Being a by-law to amend By-Law 1344, being a by-law for the imposition of Development Charges for The Corporation of the Town of Essex.

Moved by Councillor Bondy  
Seconded by Councillor Snively

**(R17-12-517) That** By-Law 1657 being a by-law to amend By-Law 1344, being a by-law for the imposition of Development Charges for The Corporation of the Town of Essex be read a first, a second and a third time and finally passed on December 18, 2017.

**Carried**

**8. Reports from Administration**

**8.1 Planning Report 2017-40**

RE: Community Improvement Plan (CIP) Update

**This item was moved forward in the agenda and heard under Item 6, Public Presentations.**

**8.2 Community Services Report 2017-030**

RE: Results of Request for Tender for the Essex Centre BIA Pavilion

Moved by Councillor Rogers  
Seconded by Councillor Snively

**(R17-12-518) That** Community Services Report 2017-030, prepared and submitted by Doug Sweet, Director of Community Services, dated December 18, 2017 entitled "Results of Request for Tender for the Essex Centre BIA Pavilion", be received;

**And that** Council awards the request for tender for the construction of the Essex Centre BIA Pavilion to Goodreau Sawmill Inc. in the amount of \$319,564 including harmonized sales tax or \$287,778 inclusive of non refundable sales tax;

**And that** Council approves the additional funding of \$37,800 above the allocated 2017 Essex Centre BIA Pavilion capital budget with \$12,800 coming from the 2017 Heritage Park capital project and the remaining \$25,000 being committed by the Essex Centre BIA.

**Carried**

### **8.3 Community Services Report 2017-031**

RE: Subsidized Recreation Programming

Moved by Councillor Bjorkman

Seconded by Councillor Bondy

**(R17-12-519) That** Community Services Report 2017-031, prepared by Cynthia Cakebread, Manager, Recreation and Culture, and submitted by Doug Sweet, Director of Community Services, dated December 18, 2017, entitled "Subsidized Recreation Programming", be received;

**And that** Council supports the subsidy funding for unsponsored recreational programs which includes free public skating sessions at both the Essex Centre Sports Complex and the Harrow and Colchester South Community Centre, as well as free public swim sessions at the Essex Recreation Complex between December 27, 2017 and January 6, 2018.

**Carried**

### **8.4 Economic Development Report**

RE: September- October 2017 Update

Moved by Councillor Bondy

Seconded by Councillor Snively

**(R17-12-520) That** Economic Development Report, prepared and submitted by Nelson Silveira, Economic Development Officer, providing Council with an Economic Development activity report for the months of September - October 2017 within the Town of Essex, be received.

**Carried**

### **8.5 Economic Development Report 2017-06**

RE: Downtown Walkabout 2017

Moved by Councillor Snively

Seconded by Councillor Bjorkman

**(R17-12-521) That** Economic and Development Report 2017-06, prepared and submitted by Nelson Silveira, Economic Development Officer, entitled "Downtown Walkabout 2017", providing Council with an overview of the walkabouts held in Essex and Harrow in September and October, 2017, be received.

**Carried**

### **8.6 Chief Administrative Officer Report 2017-006**

RE: Ward Open Houses - Fall 2017

Moved by Councillor Bjorkman

Seconded by Councillor Rogers

**(R17-12-522) That** Chief Administrative Officer's Report 2017-006, prepared and submitted by Donna Hunter, Chief Administrative Officer, dated December 6, 2017, entitled "Ward Open Houses - Fall 2017", be received.

**Carried**

### **8.7 Clerk Report 2017-012**

RE: 2018 Municipal Election procedures and forms for voting and the use of vote-counting equipment.

Moved by Councillor Rogers

Seconded by Councillor Bjorkman

**(R17-12-523) That** Clerk Report 2017-012, prepared by Robert Auger, Clerk, and submitted by Donna Hunter, Chief Administrative Officer, dated December 18, 2017 entitled "2018 Municipal Election Procedures, Forms for voting and the use of Vote-counting equipment", be received.

**Carried**

### **8.8 Clerk Report 2017-013**

RE: 2017 Ward 3 By-Election Post Report

Moved by Councillor Rogers

Seconded by Councillor Bjorkman

**(R17-12-524) That** Clerk Report 2017-013, prepared by Robert Auger, Clerk, and submitted by Donna Hunter, Chief Administrative Officer, dated December 18, 2017 entitled "2017 Ward 3 By-Election Post Report", be received with an amendment that Councillor Rogers was sworn in as a Ward 3 Councillor on October 30, 2017.

**Carried**

### **8.9 Clerk Report 2017-014**

RE: Court of Revision for Thompson Drain: Bridges for Kelly Strong and Davin and Karen Kendrick, Part of Lots 31 and 32 N.M.R. Concession, and Updated Maintenance Schedule Geographic Township of Colchester North, Project REI 2016D025 as per Report prepared by Gerard Rood, Professional Engineer, Rood Engineering Ltd. dated October 11, 2017.

By-Law 1666

Being a by-law to provide for Thompson Drain: Bridges for Kelly Strong and Davin and Karen Kendrick, Part of Lots 31 and 32 N.M.R. Concession, and Updated Maintenance Schedule Geographic Township of Colchester North, Project REI 2016D025, Town of Essex, County of Essex.

Moved by Councillor Voakes

Seconded by Councillor Bjorkman

**(R17-12-525) That** Clerk Report 2017-014, prepared by Robert Auger, Clerk, and submitted by Donna Hunter, Chief Administrative Officer, dated December 18, 2017 entitled "Court of Revision for Thompson Drain: Bridges for Kelly Strong and Davin and Karen Kendrick", be received;

**And that** Deputy Mayor Meloche, Councillor Snively and Councillor Voakes be selected and appointed to sit as members of the Court of Revision for the Thompson Drain: Bridges for Kelly Strong and Davin and Karen Kendrick, Part of Lots 31 and 32 N.M.R. Concession, and Updated Maintenance Schedule Geographic Township of Colchester North, Project REI 2016D025 as per Report

prepared by Gerard Rood, Professional Engineer, Rood Engineering Ltd. dated October 11, 2017 (hereinafter the "Report"), such Court of Revision to be scheduled for 5:00 PM on February 5, 2018 in the County of Essex Civic Centre Council Chambers, 360 Fairview Avenue West, Essex, Ontario;

**And that** By-Law 1666 being a by-law to provide for the Thompson Drain: Bridges for Kelly Strong and Davin and Karen Kendrick and Updated Maintenance Schedule be read a first and second time and be provisionally adopted on December 18, 2017.

**Carried**

#### **8.10 Clerk Report 2017-015**

RE: Procedural By-Law Amendments Required to Comply with Bill 68, *Modernizing Ontario's Municipal Legislation Act, 2017*

By-Law 1665

Being a by-law to amend By-Law 1592 setting out Rules of Procedure for the Conduct of Meetings of the Municipal Council and its Committees and Boards.

Moved by Councillor Bjorkman

Seconded by Councillor Snively

**(R17-12-526) That** Clerk Report 2017-015, prepared by Laurie Brett, Deputy Clerk, and submitted by Robert Auger, Manager of Legal and Legislative Services/Clerk, dated December 18, 2017 entitled "Procedural By-Law Amendments Required to Comply with Bill 68, *Modernizing Ontario's Municipal Legislation Act, 2017*", be received;

**That** the "housekeeping" amendment to align the definition of "meeting" with the definition provided in Bill 68, be adopted; and

**That** the four new discretionary exceptions to the open meetings requirement set out in subsection 3.4.1, be adopted;

**And that** By-Law 1665 being a by-law to amend By-Law 1592 setting out Rules of Procedure for the Conduct of Meetings of the Municipal Council and its Committees and Boards be read a first, a second and a third time and finally passed on December 18, 2017.

**Carried**

#### **9. Reports from Youth Members**

Youth Council representative Ehva Hoffmann provided Council with an update with respect to an Annual Christmas event hosted by the Squirettes of Mary. The Christmas event was a free turkey dinner, with all the trimmings, care packages were distributed for those in need and Santa arrived with gifts. Donations were accepted at the door and they raised over \$3,600. She told Council that the event was a success and that she was proud to be part of a community that values helping those in need.

Moved by Councillor Bjorkman

Seconded by Councillor Snively

**(R17-12-527) That** the verbal report provided by Ehva Hoffmann on the Annual Christmas Turkey Dinner event hosted by the Squirettes, be received.

**Carried**

**10. County Council Update**

**11. Correspondence**

**11.1 Correspondence to be received**

**11.1.1 Tracey Ramsey, Essex MP**

RE: Honouring Local Hero and Veteran, Tom Robson

**11.1.2 Erie St. Clair Local Health Integration Network (ESC LHIN)**

RE: News Release – Ontario Reducing Carbon Footprint, Boosting Care at Hospitals, Energy Savings to be Reinvested in Patient Care

Moved by Councillor Rogers

Seconded by Councillor Bjorkman

**(R17-12-528) That** correspondence listed in Agenda Item 11.1 be received and, where indicated, to further share such information with the community using suitable methods of communications.

**Carried**

**12. Committee Meeting Minutes**

**12.1 Essex Accessibility Advisory Committee (EAAC) – September 21, 2017**

**(EAAC 17-09-008) Recommendation to Council** that the Town of Essex continue with the ramp and mobi pad.

**12.2 Co-An Park Committee – November 8, 2017**

**12.3 Essex Municipal Heritage Committee (EMHC) – November 30, 2017**

**12.4 Finance Committee – December 11, 2017**

**(FC-2017-12-038) Recommendation to Council** that a per meeting credit of \$10 per hour be provided through the 2018 Community Partnership Fund for use of the Harrow Community Centre from January 9, 2018 until the Harrow Kinsmen's second June 2018 meeting with a total credit of \$420 (12 meetings x 3.5 hours per meeting x \$10 credit per hour).

**(FC-2017-12-039) Recommendation to Council** that the request for the waiver of rental fees in the amount of \$9,423.40 be approved to be funded in 2018 with 50% from the Essex Tourism Development Fund and 50% from the Community Partnership Fund.

**(FC-2017-12-040) Recommendation to Council** that the request for advertising for MADD Message Yearbook in the amount of \$279 for a business card sized ad be approved through the 2018 Community Partnership Fund.

**12.5 Essex Centre B.I.A. Board – September 12, 2017**

Moved by Councillor Bjorkman

Seconded by Councillor Rogers

**(R17-12-529) That** the Committee Meeting Minutes in Agenda Item 12, be adopted as presented and that any recommendations to Council contained therein be approved.

**Carried**

### 13. Financial

#### 13.1 Bank Payments Report

RE: September to November 2017

Moved by Councillor Bjorkman

Seconded by Councillor Bondy

**(R17-12-530) That** the Bank Payments Report including, September cheque register, cheque number 43721 to cheque number 43969 inclusive in the amount of \$4,843,956.72; October cheque register, cheque number 43970 to cheque number 44319 inclusive in the amount of \$2,648,847.18; and the November cheque register, cheque number 44320 to cheque number 44675 inclusive in the amount of \$1,927,784.72;

**And that** the Preauthorized Payments for September in the amount of \$294,988.66; Payments for October in the amount of \$318,078.62; and payments for November in the amount of \$334,173.12;

**And that** the Payroll for September in the amount of \$413,403.09; October in the amount of \$334,452.59; and November in the amount of \$410,445.81, be ratified as submitted.

**Carried**

### 14. New Business

Councillor Voakes

RE: Defer Development Charges for Fitness Fury relating to the waste water portion

Moved by Councillor. Voakes

Seconded by Councillor Bjorkman

**(R17-12-531) That** the development charges relating to the waste water portion for Fitness Fury be deferred until Council has an opportunity to discuss development charges on commercial property in the new year.

**"Carried"**

### 15. Notices of Motion

#### 15.1 The following Notices of Motion were presented at the December 4, 2017 Regular Council Meeting and are being brought forward for consideration this evening:

##### 15.1.1 Councillor Bondy

RE: That Council direct Administration to expand (if possible) the Community Improvement Program (CIP) area in Harrow to include the lands involving the Junior School and High School, and further that Council direct Administration to explore if there is any way possible to expand the demolition grant to above \$6,000.

Moved by Councillor Bondy

Seconded by Councillor Voakes

**(R17-12-532) That** Administration prepare a report to be brought back to Council at the regular council meeting in January on what can be done to expand the CIP area in Harrow to include the Harrow Junior School and High School properties.

**Carried**

#### 15.1.2 Councillor Bondy

RE: That Administration investigate the feasibility of fiber optics throughout the entire Town of Essex

Moved by Councillor Bondy

Seconded by Deputy Mayor Meloche

**(R17-12-533) That** Administration investigate the feasibility of fiber optics throughout the entire Town of Essex.

**Carried**

#### 15.1.3 Councillor Snively

RE: That Administration review our current by-laws in regards to protecting water run-off from adjacent properties, including reviewing the fill permit and/or property standards by-laws and if necessary to provide recommendations on same.

Moved by Councillor Snively

Seconded by Councillor Voakes

**(R17-12-534) That** Administration review our current by-laws in regards to protecting water run-off from adjacent properties, including reviewing the fill permit and/or property standards by-laws and if necessary to provide recommendations on same.

**Carried**

### **15.2 The following Notices of Motion will be brought forward for consideration at the Regular Council Meeting of Monday, January 15, 2018:**

Councillor Bondy:

**That** the Town of Essex send a request to the Association of Municipalities of Ontario (AMO) and all other municipalities in Ontario requesting that when schools boards make decisions to close schools, that they have to offer the building to the local municipality for a dollar.

Councillor Bondy:

**That** Administration receive and review the Ward 4 Feedback items on the list provided and report back to Council with an update on same, or if required, obtain Council's endorsement for any further action items recommended by Administration.

### **16. Reports from Council Members**

### **17. Announcements**

Deputy Mayor Meloche read a statement on behalf of Mayor McDermott concerning the twinning of Highway 3 and his frustration at the lack of progress on the project, even though the Ontario Transportation Minister, Steven DelDuca, visited our community more than 16 months ago and agreed that the expansion of the highway was needed. Deputy Mayor Meloche told Council that with this year being an election year for the province the issue of Highway 3 will once again be advocated at the Ontario Good Roads Association Conference in February, and that the Mayor will bring forward a letter of continued support from Essex Council for the Highway 3 expansion.

Councillor Snively thanked Rick Weber for donating a Christmas tree to Ward 3.

Council, Council's Youth Representatives and Chief Administrative Officer, Donna Hunter on behalf of the municipal staff, wished everyone a very Merry Christmas and Happy New Year.

Councillor Bondy announced that the Harrow Legion would be hosting a New Year's Eve celebration at the Harrow Arena from 6:00 to 9:00 PM.

## **18. By-Laws**

### **18.1 By-Laws that require a third and final reading**

#### **18.1.1 By-Law 1663**

Being a by-law to confirm the proceedings of the December 4, 2017 Regular Meeting of the Council of The Corporation of the Town of Essex.

Moved by Councillor Snively

Seconded by Councillor Bondy

**(R17-12-535) That** By-Law 1663 being a by-law to confirm the proceedings of the December 4, 2017 Regular Meeting of the Council of The Corporation of the Town of Essex be read a third time and finally passed on December 18, 2017.

**Carried**

### **18.2 By-Laws that require a first, second, third and final reading**

#### **18.2.1 By-Law 1664**

Being a by-law to authorize the execution of an Agreement between The Corporation of the Town of Essex and The Corporation of the City of Windsor.  
(Children's Services Funding from October 1, 2017 to December 31, 2017)

Moved by Councillor Bondy

Seconded by Councillor Bjorkman

**(R17-12-536) That** By-Law 1664 being a by-law to authorize the execution of an Agreement between The Corporation of the Town of Essex and The Corporation of the City of Windsor (Children's Services funding from October 1, 2017 to December 31, 2017) be read a first, a second and a third time and finally passed on December 18, 2017.

**Carried**

#### **18.2.2 By-Law 1668**

Being a by-law to adopt the 2018 Operating and Capital Budget Estimates.

Moved by Councillor Bjorkman

Seconded by Councillor Snively

**(R17-12-537) That** By-Law 1668 being a by-law to adopt the 2018 Operating and Capital Budget Estimates be read a first, a second and a third time and finally passed on December 18, 2017.

**Carried**



**18.3 By-Laws that require a first and second reading**

18.3.1 By-Law 1659  
Being a by-law to amend By-Law 1037 The Comprehensive Zoning By-Law for the Town of Essex

Moved by Councillor Bondy  
Seconded by Councillor Bjorkman

**(R17-12-538) That** By-Law 1659 being a by-law to amend By-Law 1037 The Comprehensive Zoning By-Law for the Town of Essex be read a first and a second time and provisionally adopted on December 18, 2017.

**Carried**

18.3.2 By-Law 1667  
Being a by-law to confirm the proceedings of the December 18, 2017 Regular Meeting of the Council of The Corporation of the Town of Essex.

Moved by Councillor Bjorkman  
Seconded by Councillor Voakes

**(R17-12-539) That** By-Law 1667 being a by-law to confirm the proceedings of the December 18, 2017 Regular Meeting of the Council of The Corporation of the Town of Essex be read a first, and a second time and provisionally adopted on December 18, 2017.

**Carried**

**19. Adjournment**

Moved by Councillor Voakes  
Seconded by Councillor Rogers

**(R17-12-540) That** the meeting be adjourned at 7:41 PM.

**Carried**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

**No correspondence available for presentation**

Report Number: Building 2017-12  
Date: Jan 3, 2018  
Subject: December 2017 Building Report

Number of Permits and Construction Value

Permit Type	Permits Issued	Prior Months	Year Total	Cancelled Permits	Monthly Construction Value	Prior Months Construction Value	Less Cancelled Construction Values	Jan-Nov 2017 Construction Values	Jan-Nov 2016 Construction Values
Single Family Residence									\$ 9,771,000.00
Ward 1	5	22	27		\$ 1,275,000.00	\$ 6,719,000.00	\$ -	\$ 7,994,000.00	\$ -
Ward 2	0	9	9		\$ -	\$ 3,105,000.00	\$ -	\$ 3,105,000.00	\$ -
Ward 3	0	11	11		\$ -	\$ 4,079,000.00	\$ -	\$ 4,079,000.00	\$ -
Ward 4	0	4	4		\$ -	\$ 620,000.00	\$ -	\$ 620,000.00	\$ -
Multiple Residential	0	0	0		\$ -	\$ -	\$ -	\$ -	\$ 800,000.00
Addition/Sunrooms	3	31	34		\$ 64,200.00	\$ 1,406,500.00	\$ -	\$ 1,470,700.00	\$ 905,000.00
Garages/Carports	1	13	14		\$ 13,250.00	\$ 244,000.00	\$ -	\$ 257,250.00	\$ 500,000.00
Decks/Porches	0	27	27		\$ -	\$ 161,300.00	\$ -	\$ 161,300.00	\$ 81,400.00
Fences/Pools	2	54	56		\$ 10,800.00	\$ 318,800.00	\$ -	\$ 329,600.00	\$ 353,370.00
Demolition	1	15	16		\$ 6,000.00	\$ 131,150.00	\$ -	\$ 137,150.00	\$ 79,750.00
House Raising	0	7	7		\$ -	\$ 130,000.00	\$ -	\$ 130,000.00	\$ 111,100.00
Pole Barns	1	25	26		\$ 150,000.00	\$ 828,000.00	\$ -	\$ 978,000.00	\$ 936,235.00
Commercial/Industrial	0	2	2		\$ -	\$ 396,000.00	\$ -	\$ 396,000.00	\$ 3,165,000.00
Miscellaneous	4	38	42		\$ 51,600.00	\$ 728,282.00	\$ -	\$ 779,882.00	\$ 208,132.00
Shed	0	20	20		\$ -	\$ 165,900.00	\$ -	\$ 165,900.00	\$ 536,000.00
Roof	0	9	9		\$ -	\$ 91,500.00	\$ -	\$ 91,500.00	\$ 84,100.00
Septic System	0	21	21		\$ -	\$ 225,500.00	\$ -	\$ 225,500.00	\$ 445,000.00
Sign	1	21	22		\$ 100.00	\$ 66,045.00	\$ -	\$ 66,145.00	\$ 44,300.00
Green Houses/Winery	1	0	1		\$ 900,000.00	\$ -	\$ -	\$ 900,000.00	\$ 975,000.00
Renovations	2	22	24		\$ 31,500.00	\$ 542,300.00	\$ -	\$ 573,800.00	\$ 912,000.00
Additions/Renovation-Commercial/Industrial/Insti	1	8	9		\$ 25,000.00	\$ 264,500.00	\$ -	\$ 289,500.00	\$ 1,725,000.00
Plumbing only	0	2	2		\$ -	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 16,900.00
Demolition Out Buildings	0	2	2		\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 30,000.00
Total Permits/Construction Value	22	363	385	0	\$ 2,527,450.00	\$ 20,277,777.00	\$ -	\$ 22,805,227.00	\$ 21,679,287.00

Permit Fee Totals

Permit Fees	
Monthly Total	\$ 31,046.37
Yearly Total	\$ 314,708.72
Previous Year Total	\$ 223,554.80

Monthly Building Permit Totals

Permit Categories	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cancelled Permits	Year Total
Single Family Residence															
Ward 1	4	0	0	2	3	0	4	2	0	7	0	5	27		27
Ward 2	0	0	1	2	0	2	2	0	2	0	0	0	9		9
Ward 3	0	0	1	0	2	4	0	2	1	1	0	0	11		11
Ward 4	0	0	2	1	1	0	0	0	0	0	0	0	4		4
Multiple Residential	0	0	0	0	0	0	0	0	0	0	0	0	0		0
Addition/Sunrooms	4	0	1	1	4	3	3	4	3	5	3	3	34		34
Garages/Carports	0	0	0	0	2	1	0	3	5	2	0	1	14		14
Decks/Porches	0	1	1	1	5	4	4	5	2	2	2	0	27		27
Fences/Pools	0	0	3	6	9	13	5	8	4	6	0	2	56		56
Demolition	0	4	1	1	2	0	1	1	1	4	0	1	16		16
House Raising	0	1	1	1	0	0	1	1	0	1	1	0	7		7
Pole Barns	1	5	1	3	4	3	1	2	0	3	2	1	26		26
Commercial/Industrial	0	0	0	0	0	0	0	2	0	0	0	0	2		2
Miscellaneous	1	3	4	5	1	11	2	2	1	5	3	4	42		42
Shed	1	0	4	1	0	3	3	4	2	1	1	0	20		20
Roof	0	0	0	2	0	3	0	3	0	0	1	0	9		9
Septic System	0	0	0	1	3	3	2	5	0	5	2	0	21		21
Sign	0	1	2	3	1	1	4	2	0	3	4	1	22		22
Green Houses/Winery	0	0	0	0	0	0	0	0	0	0	0	1	1		1
Renovations	3	2	1	2	0	1	2	2	2	5	2	2	24		24
Additions/Renovation-Commercial/Industrial/Institutional	0	0	2	0	1	1	3	0	0	1	0	1	9		9
Plumbing only	0	0	0	0	0	0	1	0	0	1	0	0	2		2
Demolition Out Buildings	0	0	0	0	0	0	1	1	0	0	0	0	2		2
Total	14	17	25	32	38	53	39	49	23	52	21	22	385	0	385

Monthly Permit Fee Totals

Permit Categories														Cancelled		Year Total
	January	February	March	April	May	June	July	August	September	October	November	December	Total	Permits		
Single Family Residence	\$ 13,320.59	\$ -	\$ 10,299.80	\$ 17,843.85	\$ 21,662.60	\$ 22,782.80	\$ 24,026.95	\$ 13,622.50	\$ 8,649.90	\$ 24,099.00	\$ -	\$ 13,676.40	\$ 169,984.39	\$ -		\$ 169,984.39
Single Family Residence-Plumbing	\$ 2,850.00	\$ -	\$ 2,400.00	\$ 3,450.00	\$ 3,750.00	\$ 3,900.00	\$ 4,200.00	\$ 2,700.00	\$ 1,800.00	\$ 6,300.00	\$ -	\$ 3,000.00	\$ 34,350.00	\$ -		\$ 34,350.00
Single Family Residence-Septic	\$ -	\$ -	\$ 1,400.00	\$ 1,400.00	\$ 700.00	\$ 2,800.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 700.00	\$ -	\$ -	\$ 11,200.00	\$ -		\$ 11,200.00
Multiple Residential	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Additions/Sunrooms	\$ 1,519.30	\$ -	\$ 489.60	\$ 554.40	\$ 1,226.00	\$ 1,095.00	\$ 1,304.10	\$ 2,549.25	\$ 524.00	\$ 1,702.70	\$ 780.00	\$ 1,685.20	\$ 13,429.55	\$ -		\$ 13,429.55
Garages/Carports	\$ -	\$ -	\$ -	\$ -	\$ 227.75	\$ 180.00	\$ -	\$ 449.75	\$ 802.15	\$ 305.00	\$ -	\$ 125.00	\$ 2,089.65	\$ -		\$ 2,089.65
Decks/Porches	\$ -	\$ 100.00	\$ 100.00	\$ 100.00	\$ 600.00	\$ 400.00	\$ 700.00	\$ 500.00	\$ 200.00	\$ 350.00	\$ 200.00	\$ -	\$ 3,250.00	\$ -		\$ 3,250.00
Fences/Pools	\$ -	\$ -	\$ 180.00	\$ 360.00	\$ 700.00	\$ 1,000.00	\$ 340.00	\$ 480.00	\$ 240.00	\$ 360.00	\$ -	\$ 120.00	\$ 3,780.00	\$ -		\$ 3,780.00
Demolition	\$ -	\$ 1,300.00	\$ 150.00	\$ 100.00	\$ 200.00	\$ -	\$ 100.00	\$ 100.00	\$ 100.00	\$ 700.00	\$ -	\$ 620.00	\$ 3,370.00	\$ -		\$ 3,370.00
House Raising	\$ -	\$ 600.00	\$ 100.00	\$ 100.00	\$ -	\$ -	\$ 100.00	\$ 200.00	\$ -	\$ 882.00	\$ 100.00	\$ -	\$ 2,082.00	\$ -		\$ 2,082.00
Pole Barns	\$ 748.80	\$ 1,574.40	\$ 192.00	\$ 1,196.00	\$ 2,112.80	\$ 1,752.00	\$ 1,750.00	\$ 620.00	\$ -	\$ 711.00	\$ 1,292.50	\$ 1,744.77	\$ 13,694.27	\$ -		\$ 13,694.27
Commercial/Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,356.00	\$ -	\$ -	\$ -	\$ -	\$ 4,356.00	\$ -		\$ 4,356.00
Miscellaneous	\$ -	\$ 500.00	\$ 500.00	\$ 700.00	\$ 100.00	\$ 4,235.00	\$ 325.00	\$ 1,100.00	\$ 100.00	\$ 750.00	\$ 675.00	\$ 500.00	\$ 9,485.00	\$ -		\$ 9,485.00
Shed	\$ 180.00	\$ -	\$ 747.20	\$ 100.00	\$ -	\$ 372.00	\$ 300.00	\$ 547.50	\$ 200.00	\$ 100.00	\$ 100.00	\$ -	\$ 2,646.70	\$ -		\$ 2,646.70
Roof	\$ -	\$ -	\$ -	\$ 425.00	\$ -	\$ 300.00	\$ -	\$ 350.00	\$ -	\$ -	\$ 200.00	\$ -	\$ 1,275.00	\$ -		\$ 1,275.00
Septic System	\$ -	\$ -	\$ -	\$ 700.00	\$ 1,500.00	\$ 2,100.00	\$ 1,400.00	\$ 3,500.00	\$ -	\$ 4,200.00	\$ 700.00	\$ -	\$ 14,100.00	\$ -		\$ 14,100.00
Sign	\$ -	\$ 100.00	\$ 200.00	\$ 300.00	\$ 100.00	\$ 100.00	\$ 500.00	\$ 200.00	\$ -	\$ 300.00	\$ 390.00	\$ 25.00	\$ 2,215.00	\$ -		\$ 2,215.00
Green Houses/Winery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00	\$ 9,000.00	\$ -		\$ 9,000.00
Renovations	\$ 1,332.49	\$ 683.00	\$ 100.00	\$ 1,723.50	\$ -	\$ 100.00	\$ 550.11	\$ 2,790.10	\$ 100.00	\$ 1,587.48	\$ 800.00	\$ 300.00	\$ 10,066.68	\$ -		\$ 10,066.68
Additions/Renovation-Commercial/Industrial/Institutional	\$ -	\$ -	\$ 350.00	\$ -	\$ 100.00	\$ 454.08	\$ 1,330.40	\$ -	\$ -	\$ 1,100.00	\$ -	\$ 250.00	\$ 3,584.48	\$ -		\$ 3,584.48
Plumbing only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150.00	\$ -	\$ -	\$ 400.00	\$ -	\$ -	\$ 550.00	\$ -		\$ 550.00
Demolition Out Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ 200.00	\$ -		\$ 200.00
Total	\$ 19,951.18	\$ 4,857.40	\$ 17,208.60	\$ 29,052.75	\$ 32,979.15	\$ 41,570.88	\$ 38,576.56	\$ 35,565.10	\$ 14,116.05	\$ 44,547.18	\$ 5,237.50	\$ 31,046.37	\$ 314,708.72	\$ -		\$ 314,708.72

Monthly Construction Value Total

Permit Categories	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cancelled Permits	Year Total
Single Family Residence															
Ward 1	\$ 1,481,000.00	\$ -	\$ -	\$ 300,000.00	\$ 930,000.00	\$ -	\$ 1,673,000.00	\$ 670,000.00		\$ 1,665,000.00		\$ 1,275,000.00	\$ 7,994,000.00	\$ -	\$ 7,994,000.00
Ward 2	\$ -	\$ -	\$ 350,000.00	\$ 800,000.00	\$ -	\$ 765,000.00	\$ 660,000.00	\$ -	\$ 530,000.00	\$ -		\$ -	\$ 3,105,000.00	\$ -	\$ 3,105,000.00
Ward 3	\$ -	\$ -	\$ 200,000.00	\$ -	\$ 1,080,000.00	\$ 1,349,000.00	\$ -	\$ 550,000.00	\$ 400,000.00	\$ 500,000.00			\$ 4,079,000.00	\$ -	\$ 4,079,000.00
Ward 4	\$ -	\$ -	\$ 300,000.00	\$ 120,000.00	\$ 200,000.00	\$ -	\$ -	\$ -				\$ -	\$ 620,000.00	\$ -	\$ 620,000.00
Multiple Residential	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions/Sunrooms	\$ 126,000.00	\$ -	\$ 20,000.00	\$ 150,000.00	\$ 80,000.00	\$ 104,000.00	\$ 95,000.00	\$ 440,000.00	\$ 31,500.00	\$ 164,000.00	\$ 196,000.00	\$ 64,200.00	\$ 1,470,700.00	\$ -	\$ 1,470,700.00
Garages/Carports	\$ -	\$ -	\$ -	\$ -	\$ 22,000.00	\$ 15,000.00	\$ -	\$ 72,000.00	\$ 115,000.00	\$ 20,000.00	\$ -	\$ 13,250.00	\$ 257,250.00	\$ -	\$ 257,250.00
Decks/Porches	\$ -	\$ 5,000.00	\$ 4,800.00	\$ 2,500.00	\$ 23,000.00	\$ 37,000.00	\$ 30,500.00	\$ 27,500.00	\$ 12,500.00	\$ 13,500.00	\$ 5,000.00	\$ -	\$ 161,300.00	\$ -	\$ 161,300.00
Fences/Pool	\$ -	\$ -	\$ 80,000.00	\$ 21,000.00	\$ 51,500.00	\$ 60,800.00	\$ 27,000.00	\$ 52,000.00	\$ 14,500.00	\$ 12,000.00	\$ -	\$ 10,800.00	\$ 329,600.00	\$ -	\$ 329,600.00
Demolition	\$ -	\$ 44,950.00	\$ 5,200.00	\$ 7,000.00	\$ 17,000.00	\$ -	\$ 5,000.00	\$ 11,500.00	\$ 3,500.00	\$ 37,000.00	\$ -	\$ 6,000.00	\$ 137,150.00	\$ -	\$ 137,150.00
House Raising	\$ -	\$ 40,000.00	\$ 23,000.00	\$ 15,000.00	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 20,000.00	\$ 12,000.00	\$ -	\$ 130,000.00	\$ -	\$ 130,000.00
Pole Barns	\$ 150,000.00	\$ 87,000.00	\$ 17,000.00	\$ 97,000.00	\$ 110,000.00	\$ 138,000.00	\$ 89,000.00	\$ 46,000.00	\$ -	\$ 50,000.00	\$ 44,000.00	\$ 150,000.00	\$ 978,000.00	\$ -	\$ 978,000.00
Commercial/Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 396,000.00	\$ -	\$ -	\$ -	\$ -	\$ 396,000.00	\$ -	\$ 396,000.00
Miscellaneous	\$ -	\$ 25,882.00	\$ 127,000.00	\$ 47,500.00	\$ 1,000.00	\$ 344,500.00	\$ 2,000.00	\$ 100,000.00	\$ 5,400.00	\$ 18,000.00	\$ 57,000.00	\$ 51,600.00	\$ 779,882.00	\$ -	\$ 779,882.00
Shed	\$ 20,000.00	\$ -	\$ 48,100.00	\$ 5,000.00	\$ -	\$ 11,500.00	\$ 34,300.00	\$ 30,500.00	\$ 13,500.00	\$ 1,000.00	\$ 2,000.00	\$ -	\$ 165,900.00	\$ -	\$ 165,900.00
Roof	\$ -	\$ -	\$ -	\$ 24,000.00	\$ -	\$ 25,500.00	\$ -	\$ 37,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	\$ 91,500.00	\$ -	\$ 91,500.00
Septic System	\$ -	\$ -	\$ -	\$ 15,000.00	\$ 30,000.00	\$ 50,000.00	\$ 35,000.00	\$ 60,500.00	\$ -	\$ 25,000.00	\$ 10,000.00	\$ -	\$ 225,500.00	\$ -	\$ 225,500.00
Sign	\$ -	\$ 7,000.00	\$ 20,000.00	\$ 1,600.00	\$ 3,000.00	\$ 5,000.00	\$ 8,000.00	\$ 345.00	\$ -	\$ 2,200.00	\$ 18,900.00	\$ 100.00	\$ 66,145.00	\$ -	\$ 66,145.00
Green Houses/Winery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,000.00	\$ 900,000.00	\$ -	\$ 900,000.00
Renovations	\$ 65,000.00	\$ 28,000.00	\$ 7,600.00	\$ 82,500.00	\$ -	\$ 5,000.00	\$ 22,000.00	\$ 115,000.00	\$ 32,200.00	\$ 115,000.00	\$ 70,000.00	\$ 31,500.00	\$ 573,800.00	\$ -	\$ 573,800.00
Additions/Renovation-Commercial/Industrial/Institutional	\$ -	\$ -	\$ 11,500.00	\$ -	\$ 3,000.00	\$ 50,000.00	\$ 160,000.00	\$ -	\$ -	\$ 40,000.00	\$ -	\$ 25,000.00	\$ 289,500.00	\$ -	\$ 289,500.00
Plumbing only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 40,000.00	\$ -	\$ -	\$ 45,000.00	\$ -	\$ 45,000.00
Demolition Out Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00
Total	\$ 1,842,000.00	\$ 237,832.00	\$ 1,214,200.00	\$ 1,688,100.00	\$ 2,550,500.00	\$ 2,960,300.00	\$ 2,860,800.00	\$ 2,623,345.00	\$ 1,158,100.00	\$ 2,722,700.00	\$ 419,900.00	\$ 2,527,450.00	\$ 22,805,227.00	\$ -	\$ 22,805,227.00



## Report to Council

Department: Chief Administrative Officer (CAO)  
Date: January 15, 2018  
Prepared by: Nelson Silveira, EDO  
Submitted by: Nelson Silveira, EDO  
Report Number: EDO 2018-01  
Subject: Hotel Feasibility Study Results  
Number of Pages: 7 plus attached document

### Recommendation(s)/Conclusion(s)

1. That, EDO report 2018-01 entitled Hotel Feasibility Study Results be **received**.

### Reason for Report

This report is to provide council with an overview and findings of the hotel feasibility study recently completed by CBRE Hotels for the Town of Essex.

### Background

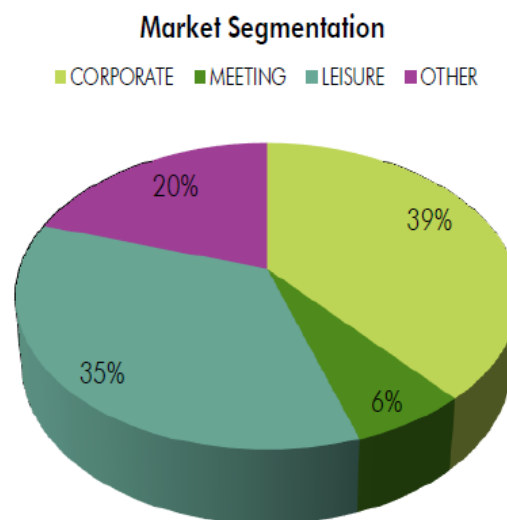
In the Economic Development Strategic Plan approved by Council in January 2017, completion of a hotel feasibility study was one of the listed action items. Council approved \$10,000 to be allocated to this project from the Windsor Essex Economic Development surplus and administration looked to leverage funding from senior levels of government to come up with the remainder of the financing needed to complete this project. In August of 2017, the Ministry of Agriculture and Rural Affairs approved a grant application submitted through the Rural Economic Development Fund by the Town of Essex requesting 50 percent funding for a project that would investigate the demand and potential for a hotel development within the Town of Essex. This project garnered input from 24 different stakeholders including major local employers, accommodation operators, attractions, wineries and local event venues in order to gain a better understanding of the existing and future demand which may exist for a hotel development. The consultants concentrated on Harrow and Essex Centre as the

two optimal locations for hotel development within our municipal boundaries. CBRE Hotels launched the study in October 2017, completing the project within the 8-week time frame and \$20,000 budget set out by the Town of Essex.

## Discussion

### Market Segmentation

After discussions with hotel operators and owners in the market area, lodging demand has been broken down into four different segments.



A total of 39% of the demand generated for hotel rooms within the Windsor-Essex market area is by corporate travelers. This demand is generated by local firms and includes employees of companies or others doing business with the firm. Most of this demand is generated during the week and declines Friday and Saturday nights.

The other large percentage of visitors reserving accommodation in the market area is leisure travelers. Leisure travelers are primarily tourists visiting the areas attractions, events, trails, wineries and even include those visiting for sports-related events or visiting family and friends. This leisure group, which makes up 35% of the market share, are reserving rooms on the weekend more so than during the week to create the balance between the leisure and corporate groups.



## Future Demand Factors

Stakeholder consultation was crucial in retrieving the information needed to identify the demand for a hotel development in the Town of Essex.

### Stakeholder Interviews

Contacted (Interview Conducted)	
Delta Wire & Manufacturing Co	North 42 Degrees Estate Winery
Sellick Equipment Ltd.	Oxley Estate Winery
EnerQuest Services Inc.	Cooper's Hawk Vineyards and The Vines Restaurant
Dove Creek Motor Express	Muscudere Vineyards
Jeff Smith's County Chevrolet	Viewpointe Estate Winery
Harrow Research and Development Centre	Farm Dog Cycles
Southern Thunder Ltd.	Town Estates B&B
International Fabricating & Machining	La Roos Maison B&B
Essex ReadyMix Inc.	Stone's Throw Cottage
Forest Machine & Manufacturing Inc.	Anne's Retreat Cottage Villa
Mills Woodworking	Essex District High School
Waddick Fuels	Town of Essex, Community Services Department
Contacted (No Response/Interview Declined)	
Atlas Tube	Paglione Estate Winery
Essex Weld Solutions	Colio Estate Winery
Pepsi Bottling Group	Erie Shore Vineyard
Ken Knapp Ford	Sprucewood Estate Winery
Paul Davis Systems	WE Trolley Tours
Tourism Windsor-Essex	Colchester Harbour Guest House
Crew-Colchester Ridge Estate Winery	14 <sup>th</sup> Coffee Co Farmhouse and Barn Loft
Sun County AAA Minor Hockey Association	

Source: CBRE Hotels

Of the companies interviewed 67% indicated that they do require overnight accommodation as part of their normal course of business. This demand ranges from 2 to 395 room nights per year depending on the size of the company and the type of business. Of the businesses interviewed, many indicated that they currently utilize accommodation properties in Windsor, Kingsville and Leamington. The majority of the respondents indicated that the distance of these hotel properties to their company was not desirable, with a travel time of approximately 20-30 minutes.

The report indicates that there are currently 5 to 10 sports tournaments (including hockey, baseball and soccer) at municipal facilities each year. More sports-related events are hosted by the Essex Highschool and it is expected that if the Town had additional accommodation facilities the number and size of the events could be expanded

## Development Location and Consideration

In determining the locations for optimal accommodation development, developers typically consider the following:

- **Access** – An optimal hotel development site should be easily accessible and ideally situated in a convenient location with easy access to and from major arterial roadways.
- **Ingress/Egress** – An optimal hotel site should have simple, easily accessible routes of ingress and egress.
- **Visibility** – An optimal hotel development site should allow for the hotel to be oriented in such a way that the building could be seen by traffic in all directions. It would still be necessary to supplement the building visibility with appropriate signage along major roadways and on the building and site itself.
- **Proximity to demand generators** – An optimal hotel development site should be reasonably proximate to the local demand generators such as major businesses or industrial parks as well as recreation and leisure attractions.
- **Proximity to support amenities** – An optimal hotel development site should be within walking distance or reasonably proximate to a concentration of support amenities such as restaurants, entertainment, and retail.

Although there were several specific sites identified for a potential accommodation development, after reviewing all of the location characteristics, the study focused on two specific development areas which included:

- **Essex Centre** – specifically near Highway 3 and Maidstone Ave W; and
- **Harrow** – downtown core

The study indicated that although there is some potential for an accommodation development in downtown Harrow, in close proximity to the wineries, restaurants and industry, this area is unlikely to be seen as the most optimal location for a hotel development given that it is quite removed from highways and recreation facilities and the support amenities that exist in Harrow are not as strong as those in Essex Centre. It is the consultant's opinion that the Essex Centre location at Highway 3 and Maidstone Ave would be the ideal area for a hotel development based on highway visibility/access, proximity to Essex Industrial Park, and support amenities (ie. Tim Hortons, McDonald's, Canadian Tire, and Marks) along Maidstone Ave. The area is in a good location relative to current recreation facilities

and the planned sports field development across Highway 3 only strengthens the potential of this area.

## Development Overview

It is in the opinion of the consultants that the development of a 90-unit, midscale limited service hotel would be most appropriate for development in Essex Centre. Brands that could be considered for such a development include, but are not limited to, Best Western, Comfort Inn, Hampton Inn, Holiday Inn Express, or Fairfield Inn. The midscale limited service model for a potential hotel development is based on these primary factors:

- This level of hotel can appeal to broad range of guests and types of travelers.
- The design prototypes for these brands are of strong quality
- This level of hotel is more cost effective to develop relative to other higher service level hotels.
- This level of hotel is more cost effective to operate relative to other higher service level hotels.

The study indicates that based on hotel size and comparable past projects, this specific potential development would require approximately 1.5-2 acres of land, including the appropriate surface parking coverage.

### PROPOSED HOTEL FACILITY PROGRAM

GUESTROOMS	% of Room Mix	Keys	Sq. Ft./Rm	Total GFA
King	25%	23	290	6,525
Queen/Queen	50%	45	325	14,625
King Suite	20%	18	360	6,480
Queen/Queen Suite	5%	5	490	2,205
<b>Total</b>	<b>100%</b>	<b>90</b>	<b>332</b>	<b>29,835</b>
FOOD & BEVERAGE / BANQUETS		Seats	Sq. Ft./Rm	Total GFA
Breakfast Servery		40	9	800
<b>Total</b>		<b>40</b>	<b>9</b>	<b>800</b>
MEETING/CONFERENCE FACILITIES		Capacity	Sq. Ft./Rm	Total GFA
Meeting Room 1		27	4	325
Meeting Room 2		27	4	325
<b>Total</b>		<b>54</b>	<b>7</b>	<b>650</b>
OTHER			Sq. Ft./Rm	Total GFA
Fitness Room / Pool			18	1,575
Lobby / Public Spaces			22	2,000
BOH / Circulation			112	10,100
<b>Total Hotel GFA</b>			<b>500</b>	<b>44,960</b>

Source: CBRE Hotels

## Investment Analysis and Implications

A 90-unit hotel could require a capital investment of \$12 million which could be supported if by the third year of operation the developer is earning a 9%-10% return on investment (ROI). In the case of Essex, the ROI in the third year would only be around 5% and when considering a project of this magnitude, it will make trying to attract a developer to replicate the 90-room model much more difficult. However, if a developer was able to scale back the number of rooms as well as reduce some amenities provided (ie. breakfast server and pool) in the mid-scale limited service hotel model, the proponent may be able to garner an ROI greater than 5% in the third year of operation.

Proposed 90 Room Hotel – Town of Essex	
Capital Cost <sup>1</sup>	\$12.0 million
Supportable Investment <sup>2</sup>	\$6.8 million
Financing <sup>3</sup>	\$4.08 million
Equity Investment Required <sup>4</sup>	\$7.92 million
Year 3 Operating Income	\$565,000
Return on Investment (Year 3) <sup>5</sup>	5.0%

<sup>1</sup> Low end of the range

<sup>2</sup> High end of the range

<sup>3</sup> Financing at 60% LTV

<sup>4</sup> Capital costs less debt financing

<sup>5</sup> Year 3 Operating Income as a percentage of total investment/capital cost

## Conclusion

The study indicates a 90-unit midscale service hotel development would be the best fit for the market and the most likely to generate interest from potential developers. Investment decisions are based on market conditions, ROI and what the developer envisions would work best given the proposed location of the development. As a result, the exact model proposed in the hotel feasibility study may not be the same model proposed by a potential developer. The results of this study merely indicate that Essex Centre may be able to support a profitable accommodation business based on external analysis and investigations completed throughout the feasibility study. Final investment decisions are solely reliant on the developer and this study does not guarantee the private sector investment or any hotel development in the Town of Essex. However, this study does enable the administration to present the report to interested developers to demonstrate that there is a profitable accommodation market and that demand for hotel rooms from corporate and leisure groups is evident. The administration is currently in discussion with several developers in the accommodation sector who are interested in investment opportunities in the town and will continue to work with developers to make the development process as barrier-free as possible.

## **Financial Impact**

The total cost of this project was \$20,701.60. In order to make this project cost-effective, a \$10,000 grant was secured from the Rural Economic Development program through the Ontario Ministry of Agriculture and Rural Affairs.

## **Link to Strategic Priorities**

This report is linked to three Strategic Priorities:

1. Enhance economic development activities through business retention and expansion, the attraction of light industrial businesses, and downtown improvements.

Reviewed by:

Donna Hunter, Chief Administrative Officer, Concurs

Doug Sweet, Director of Community Services, Concurs



# ADVISORY REPORT HOTEL FEASIBILITY STUDY REPORT

Proposed Essex Hotel  
Essex, Ontario

CBRE File No. :: 17-APPRHOTELS-0195

Prepared for:  
Town of Essex  
33 Talbot Street South  
Essex, Ontario,  
N8M 1A8

Nelson Silveira  
Economic Development Officer







CBRE Limited  
Valuation & Advisory Services  
145 King St. W., Suite 1100  
Toronto, ON, M5H 1J8  
647.943.3740 Tel  
416.362.8085 Fax  
www.cbre.ca

CBRE File No. :: 17-APPRHOTELS-0195

November 30, 2017

Town of Essex  
33 Talbot Street South  
Essex, Ontario  
N8M 1A8

Attn: Nelson Silveira  
Economic Development Officer

**RE: Hotel Feasibility Study, Proposed Hotel, Essex, ON**

---

Dear Mr. Silveira:

In accordance with the terms of our engagement, CBRE Limited has completed the research and analysis relating to the preliminary assessment of the potential for new hotel development in the Town of Essex, Ontario. At this time, the Town of Essex (the 'Client') is looking to understand the economic viability of a hotel development in the Town of Essex, with an interest in attracting third party developers to the Town should new hotel development be economically feasible.

The purpose and intended use of this report is to determine the level of market and economic support for a potential hotel development within the Town of Essex. This report has been prepared solely for the internal planning purposes of the Client. This report cannot be relied on for financing or investment purposes.

The report is subject to the Assumptions and Limiting Conditions in Addendum A.

The projections are based on a review of market information and interviews with market participants. The entire study, including all findings and conclusions, pertains to the competitive market area and is based on our knowledge and information with respect to current and projected economic data, expected growth in the supply of and demand for hotel accommodation, proposed construction of facilities, which could be deemed to be competitive, and the status of the competitive market as at November 10, 2017. Our conclusions as presented in this report are reflective as of this fieldwork date.



As in all studies of this type, the projected operating results are based on competent and efficient management and presume no significant change in the competitive position of the accommodation industry in the immediate area except as set forth in this report. The estimates are subject to uncertainty and variation and we do not represent them as results that will be achieved. They have, however, been conscientiously prepared on the basis of available information and our experience in the industry.

If you have any further questions concerning our analysis, or if CBRE Limited can be of further assistance to you, please contact us.

Respectfully submitted,

A handwritten signature in blue ink that reads "Brian Stanford". The signature is written in a cursive, flowing style.

---

Brian Stanford, CMC, ISHC, FRICS  
Senior Managing Director  
CBRE Hotels  
Valuation & Advisory Services  
CBRE Limited  
Phone: 647.943.3741

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## Introduction



## INTRODUCTION

In October 2017, CBRE Hotels was retained by the Town of Essex to conduct a Hotel Feasibility Study to assess the market and economic potential for a hotel development in the Town of Essex, Ontario.

It is our understanding that the Town of Essex is interested in assessing the market and economic potential for a hotel development with the objective of attracting third party development interest if the project is warranted.

This report presents the research and analysis with respect to the development of the proposed hotel. The analysis herein has assumed an opening date for the subject hotel of January 1, 2020.

The objectives of this assignment have been to:

- Evaluate the market potential for a proposed hotel development;
- Recommend a facility program for the proposed subject hotel;
- Project the future occupancy and average daily room rate of the proposed hotel over the period of January 1, 2020 to December 31, 2025, allowing for economic conditions as well as supply and demand growth prospects; and
- Project the operating results for the proposed hotel over the period of January 1, 2020 to December 31, 2025.

In order to complete our analysis, we have undertaken the following steps:

- A review of economic conditions affecting the demand for accommodation in the market area;
- A review of accommodation demand trends in the market area;
- A review of tourism trends in the market area;
- A review of the existing accommodation market in region, specifically Windsor and Leamington, including an assessment of the existing facilities and the market demand segmentation;
- Interviews with local and regional stakeholders;
- A review of typical site selection criteria to identify the areas within the Town of Essex which are likely best suited to a new hotel development in the market;
- A recommendation as to the size, facilities, amenities and branding options for a proposed hotel development
- An estimate of future growth in supply of, and demand for, hotel accommodation in the competitive market area;
- Preparation of market penetration rates by market segment, occupancy and Average Daily Rate (ADR) projections for a proposed hotel over the projection period of January 1, 2020 to December 31, 2025, based on the facilities, and market orientation;

- Preparation of an operating pro forma for the proposed hotel reflecting a typical operating model. The projections present the projected cashflows before tax, depreciation or debt service;
- Analysis of Indication of Supportable Investment;
- Analysis of the Economic Impact of a hotel development; and
- Documentation of study research, findings and conclusions.

The following pages present a summary of our research and analysis as it relates to the proposed hotel development.

## Economic Overview

Provincial Economic Overview

Local Economic Overview

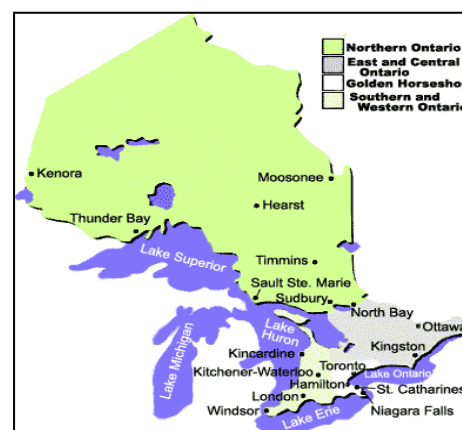
Competitive Market Analysis

Supply Demand Analysis



## PROVINCE OF ONTARIO ECONOMIC OVERVIEW

Ontario is located in Central Canada, bordered by the Great Lakes, Hudson Bay and James Bay. It is Canada's second largest province in total land area. The largest border is with the province of Manitoba to the west and then the province of Quebec to the east. Ontario also shares borders with the U.S. states of Minnesota to the west, New York to the south east, and Michigan to the south west.



### Population

The largest concentration of people and cities is in the "Golden Horseshoe" along the western end of Lake Ontario including the Greater Toronto Area, Hamilton, and Niagara Falls. The "Greater Golden Horseshoe" describes the metropolitan area outside the core region and which includes Kitchener-Waterloo area, Barrie, and Peterborough.

In northern Ontario, smaller municipalities have evolved at strategic points along the original railway lines that opened up the wilderness to mining and logging. The cities that have evolved include Kenora, Sudbury, North Bay, Sault Ste. Marie, Thunder Bay and Timmins. Ontario's demographics are summarized below:

### ONTARIO ECONOMIC PROFILE DEMOGRAPHICS

Population 2017 Estimate	% of Canadian Total	% Change 2012-2017	Average Annual Growth Rate 2012-2017	
14,063,470	38.50%	5.00%	1.00%	
Household Income – 2017 Average				
% Above/Below National Average	Total Income 2017 Estimate	% Canadian Total	Per Capita	Hhlds. \$100,000+
7.52% Above	\$554,386,899,000	39.72%	\$39,420	30.70%
Household Spending – 2017 Average				
% Above/Below National Average	Total Household Spending 2017 Estimate	% Canadian Total	Per Capita	Per Household
10.60% Above	\$643,410,093,286	40.86%	\$45,750	\$119,877

Source: Sitewise, Environics Analytics, 2017



## Transportation

More than 16,500 km of provincial highways link Ontario's cities and towns, including the Queen Elizabeth Way (QEW) and the 400 series of highways. Highway 401 stretches 820 km from Windsor to the Quebec border, and is one of the busiest roads in the world.

The railways were largely responsible for opening up northern Ontario, beginning in the 1880s when copper and nickel were discovered. Today, railways are important for both passenger and freight service.

The St. Lawrence Seaway makes it possible for freighters to travel between Thunder Bay and the Atlantic Ocean, carrying goods to and from overseas markets.

Ontario is an important province to the Canadian economy, contributing about 41% of Canada's Gross Domestic Product (the total value of all goods and services produced in Canada). In addition, Ontario accounts for almost 60% of all manufactured exports coming out of Canada. Ontario leads the provinces as Canada's manufacturing heartland.

## Economic Overview

Notable highlights regarding Ontario's economic environment are provided below and have been sourced from the Conference Board of Canada, Autumn 2017 Outlook:

ONTARIO ECONOMIC INDICATORS								
	2014	2015	2016	2017F	2018F	2019F	2020F	2021F
Real GDP Growth at Basic Price (\$2007)	602,010	617,457	632,209	650,337	664,388	677,837	691,447	705,631
Annual % Change	2.6%	2.6%	2.4%	2.9%	2.2%	2.0%	2.0%	2.1%
Population (Thousands)	13,671	13,786	13,961	14,155	14,305	14,446	14,584	14,721
Annual % Change	1.0%	0.8%	1.3%	1.4%	1.1%	1.0%	1.0%	0.9%
Employment (Thousands)	6,877	6,924	7,000	7,075	7,130	7,220	7,308	7,422
Annual % Change	0.8%	0.7%	1.1%	1.1%	0.8%	1.3%	1.2%	1.6%
Unemployment Rate	7.3%	6.8%	6.6%	6.4%	6.5%	6.5%	6.3%	6.0%
Personal Income Per Capita (\$)	\$43,262	\$44,936	\$46,234	\$47,256	\$48,548	\$50,028	\$51,449	\$53,026
Retail Sales (\$ millions)	\$179,100	\$188,893	\$202,235	\$214,683	\$219,747	\$225,569	\$231,140	\$236,902
Annual % Change	5.8%	5.5%	7.1%	6.2%	2.4%	2.6%	2.5%	2.5%
CPI (Annual Change)	2.3%	1.2%	1.8%	1.6%	1.8%	2.2%	2.1%	2.1%

Source: Conference Board of Canada, Autumn 2017

- The economy in Ontario is expected to remain healthy, but also to moderate, over the near term with real GDP growth of 2.9% in 2017 before slowing to 2.2% in 2018. Household consumption, infrastructure spending, and business investments will be the key drivers of growth. However, high household debt combined with rising interest rates will slow consumer spending in 2018.
- Over 130,000 new jobs are projected in Ontario over the next two years which will support steady wage and salary increases in the province.
- Despite burgeoning debt levels, household spending is still on track to increase by 3.0% in 2017 but slow to 2.0% in 2018. A solid employment market has supported increased

spending on durable goods, but the Conference Board's Index of Consumer Confidence suggest spending will slow in 2018. Only 28% of households believe now is the time for a big-ticket purchase and a projected decline in housing starts translates to slower demand for appliances and furniture.

- Public sector spending will continue to drive growth in Ontario, with both the federal and provincial governments committing about \$15 billion in infrastructure spending over the current fiscal year of 2017-18.
- Business investments are set to grow at a robust 4.1% in 2017, largely due to the GTA's hot housing market. But provincial and federal government measures to cool the housing market will see residential investment decline by 1.7% in 2018. However, overall business investment will remain positive in 2018, stemming from stronger non-residential structure and machinery & equipment investment.
- Trade in Ontario is expected to be weak in 2017 with growth of only 0.4% from a weak global economy. In 2018, exports are forecast to pick up and expand by 2.7% as the global economy recovers and the Canadian dollar remains below par with the U.S. The renegotiation of NAFTA, however, does cloud the outlook for Ontario's export-oriented manufacturing industries.

## Tourism

In Autumn 2017, the Conference Board of Canada released the most recent Travel Market Outlooks for the 2017 to 2021 period. The projections are summarized below.

PROVINCIAL TRAVEL MARKET OUTLOOK					
Ontario	2017e	2018f	2019f	2020f	2021f
Total ('000s overnight province visits)	55,581	56,785	57,916	59,045	60,154
	3.2	2.2	2.0	1.9	1.9
Domestic	45,464	46,283	47,071	47,877	48,666
	2.6	1.8	1.7	1.7	1.6
Business	4,235	4,300	4,366	4,434	4,504
	2.8	1.5	1.5	1.6	1.6
Pleasure	19,616	20,045	20,441	20,851	21,248
	2.7	2.2	2.0	2.0	1.9
United States	6,950	7,141	7,299	7,428	7,550
	4.0	2.8	2.2	1.8	1.6
Overseas	3,167	3,360	3,546	3,739	3,938
	10.3	6.1	5.5	5.4	5.3
Total Expenditures (\$ millions overnight)	25,887,384	27,002,905	28,244,922	29,475,226	30,846,387
	8.3	4.3	4.6	4.4	4.7
Travel Price Index	4.72	1.61	1.99	1.76	2.23

Source: The Conference Board of Canada, Preliminary Fall 2017

- Overnight visits to Ontario are poised for another strong year, with tourism activity supported by gains in consumer spending and the weak exchange rate.
- This year, pleasure travel should benefit from events celebrating the 150th anniversary of Confederation and sports events in different parts of the province. Overall, overnight visits are projected to expand by 3.2% in 2017.
- Over the forecast horizon, visits to Ontario should benefit from the increased funding for festivals and events across the province.

- Overseas arrivals to the province are expected to benefit from increased air capacity from emerging source markets.
- The significant strengthening of the US dollar in recent years has had a positive impact on domestic travel in Canada and Ontario. Canadians that would have travelled to the US for vacation are increasingly making plans to travel domestically. Given that Ontarians have a high propensity to travel within their home province, this trend has had a positive impact on hotel performance and is expected to drive continued growth in the near future.

## COUNTY OF ESSEX ECONOMIC OVERVIEW

The County of Essex (Census Division) consists of 7 municipalities, specifically inclusive of the Municipality of Leamington and the Towns of Amherstburg, Essex, Kingsville, Lakeshore, LaSalle and Tecumseh. Essex County is Canada's southernmost point and is surrounded by three bodies of water; Lake Erie, Lake St. Clair and the Detroit River. The County is strategically located in close proximity to the Detroit-Windsor border crossing, a gateway to markets in the United States. Neighbouring municipalities, which are separate to the County of Essex but share some services, are the City of Windsor, Township of Pelee and Municipality of Chatham-Kent.

Data relating to the County of Essex Census Division are included in the following table.

### COUNTY OF ESSEX (ESSEX CD) ECONOMIC PROFILE DEMOGRAPHICS

Population 2017 Estimate	% of Canadian Total	% Change 2012-2017	Average Annual Growth Rate 2012-2017	
407,967	1.12%	1.80%	0.36%	
Household Income – 2017 Average				
% Above/Below National Average	Total Income 2017 Estimate	% Canadian Total	Per Capita	Hhlds. \$100,000+
15.18% Below	\$13,457,917,000	0.96%	\$32,988	30.80%
Household Spending – 2017 Average				
% Above/Below National Average	Total Household Spending 2017 Estimate	% Canadian Total	Per Capita	Per Household
20.47% Below	\$14,517,188,794	0.92%	\$35,584	\$89,967

Source: Sitewise Environics Analytics, 2017

### Economy

The County of Essex has a diverse economic base, specifically featuring a thriving manufacturing industry, a skilled labour force and a primary location close to the 401 corridor and U.S. Markets. Continual expansion of the agri-business sector also bodes well for the County, as it is home to North America's largest greenhouse industry with more than 1,600 acres under glass and 450 more planned for the near future. Recently, it has become more prevalent for growers to diversify into non-traditional crops and nutraceutical herbs. The County's mild climate also supports 17 commercial wineries, as well as food processors and packagers that distribute products nationally and internationally.

With regard to tourism offers, the County features numerous festivals and sporting events that take place annually as well as winery tours that are provided along the south shore. In addition, the communities that surround the Town of Essex feature a variety of attractions. The Canadian Transportation Museum and Heritage Village is situated on 100 acres in the Town of Essex and the site includes one of the largest vehicle museums in Ontario, as well as a number of historical buildings dating back to the late 1800's. Other area

attractions include the Windsor Art Gallery, Adventure Bay Family Water Park (Windsor), Colasanti's Tropical Gardens (Kingsville), and Caesars Windsor Casino.

Key health care and education facilities in the County include Windsor Regional Hospital, Leamington District Memorial Hospital, the University of Windsor and St. Clair College. In addition, plans have been developed for a proposed state-of-the-art acute care hospital to be located in the region. The proposed 1.6 million square foot facility is slated to include Emergency/Trauma Services, Cancer Centre, Inpatient Units, Pediatrics, Regional Cardiac Services Critical Care, Surgical Services, Outpatient Clinics and a total of almost 500 beds. According to the Stage 1B Proposal, the new single-site Acute Care Hospital will be located on a 60-acre property at the southeast corner of County Road 42 and 9<sup>th</sup> Concession in Windsor, Ontario.<sup>1</sup>

## TOWN OF ESSEX ECONOMIC OVERVIEW

Located centrally in Essex County, the Town of Essex stretches from Highway 3 to the north shore of Lake Erie and covers approximately 278 square km. From a geographical standpoint, the Town is located within eight-hours driving of almost half of the total Canadian and American population. In 1999, the Town of Essex was created through the amalgamation of 4 settlement areas: Essex Centre, Harrow, Colchester and McGregor. From Essex Centre, the Town is situated approximately 30 km from Windsor, 31 km from Detroit, 175 km from London and 350 km from Toronto.

In 2017 the Town had an estimated population of 21,267 residents, comprised of approximately 8,694 households and 6,144 families. By 2022, the population is projected to reach 22,282 residents, a 4.6% increase over 2017 levels.

Data relating to the local economy are included on the following table.

### TOWN OF ESSEX (CSD) ECONOMIC PROFILE

#### DEMOGRAPHICS

Population 2017 Estimate	% of Canadian Total	% Change 2012-2017	Average Annual Growth Rate 2012-2017	
21,267	0.06%	4.70%	0.94%	
Household Income – 2017 Average				
% Above/Below National Average	Total Income 2017 Estimate	% Canadian Total	Per Capita	Hhlds. \$100,000+
15.79% Below	\$701,642,000	0.05%	\$32,992	25.50%
Household Spending – 2017 Average				
% Above/Below National Average	Total Household Spending 2017 Estimate	% Canadian Total	Per Capita	Per Household
18.97% Below	\$770,480,227	0.05%	\$36,229	\$91,106

Source: Sitewise Environics Analytics, 2017

<sup>1</sup> Source: /www.wrhc.on.ca

## Economy

The Town of Essex is strategically located on Highway 3, a major east to west highway route that spans across southern Ontario and directly connects to Highway 401. With a highly reliable network of municipal and regional roads, the Town of Essex features easy access to key Ontario markets such as Windsor, London and Toronto.

In addition, the Town is just 30 km from the Ambassador Bridge Windsor/Detroit border crossing. The Windsor-Detroit gateway border crossing is composed of the Ambassador Bridge, the Windsor-Detroit Tunnel, the Detroit River Rail Tunnel and the Detroit-Windsor Truck Ferry. This border crossing is the busiest United States/Canada commercial land border crossing, handling over 25% of the total Canada-US trade each year and an estimated 30% of the trade carried by truck per year. In 2015, the Ambassador Bridge accommodated 2.5 million trucks that carried over \$120 billion in two-way trade across the border. Furthermore, in 2015 the Bridge was the second busiest passenger vehicle crossing with approximately 4.2 million vehicle crossings.<sup>4</sup>

The Town of Essex is situated 18 km from the Windsor International Airport (YQG) (20 minutes driving), which is serviced by Air Canada, Porter and West Jet who offer a one-stop connection to over 200 destinations through Toronto and Calgary. Windsor's VIA Rail station is located about 25 km from the Town of Essex, and provides the region with connections to major cities in Ontario, Quebec and Atlantic Canada.

The Town features four unique communities: Essex Centre, Harrow, Colchester and McGregor.

- **Essex Centre** is the largest of the areas and its location just minutes from Highway 401 allows residents and visitors to quickly access other parts of the County and nearby markets. The Centre features a variety of local shops and services.
- **Harrow** is vastly different from the Essex Centre market, serving the agricultural community of the Town of Essex and featuring the federal Greenhouse and Processing Crops Research Centre. Harrow also offers unique shops, wineries and services and has hosted the annual Harrow Fair for almost 163 years.
- **Colchester** is a waterfront community situated on the shores of Lake Erie. This centre is known for its marina and public beach, as well as for hosting its annual Walleye Derby. Colchester is a stop along the wine route and as one of the oldest communities in the region, the area is rich in history.
- **McGregor** has strong roots in agriculture and is known for its annual McGregor Music Festival. It also features the Essex County Steam and Gas Engine museum.

As noted, the Town has a population of 21,267 residents spread across 278 square km. The most densely populated community is Essex Centre with approximately 7,500 residents.

The following map details the location of each of the four communities that make up the Town of Essex.

## AREA MAP



CBRE

The Town has strong agricultural roots, an abundance of field crops, vineyards and wineries, and a strong industrial sector. The Town's diverse economy is supported by its strategic road, rail and air transportation links, innovative industries, fertile and productive croplands, award-winning wineries and a willing workforce.

The following table summarizes some of the largest employers in the Town of Essex as of 2017.

#### TOWN OF ESSEX TOP 10 LARGEST EMPLOYERS

Major Employers	Type of Business	Number of Employees
Atlas Tube Inc. (JMC Steel Group)	Metal Tube Manufacturers	160
Greater Essex County District School Board	Primary and Secondary Schools	130
Harrow Research Station	Federal Government	127
Ontario Provincial Police	Police	110
Revera Long Term Care (Iler Lodge)	Rest Home	101
Essex County Library	Public Library	85
EnerQuest Services Inc.	Electrical Equipment Manufacturers	80
Sellick Equipment Ltd.	Equipment Manufacturers	75
Robinson Transport & Warehousing	Trucking	65
Town of Essex	Municipal Government	61

Source: Corporation of the Town of Essex, Economic Development Strategic Plan 2017-2018

The largest employer in the Town of Essex is Atlas Tube Inc., which is located in Harrow, Ontario and was founded in 1984. Operating under its parent company- Zekelman Industries, Atlas Tube has become the largest structural steel tubing producer in North America and has a local employee base of approximately 160 people. The Harrow Research and Development Centre is another major employer in the area with approximately 127 employees. The Centre was established in 1909 and is one of the largest greenhouse research complex facilities in North America. Specifically, the Centre leads in research on: soybean and invasive species, greenhouse production systems, environmentally sustainable agro-ecosystems and crop production/protection systems.

The following table shows the top 10 largest sectors in the Town of Essex by resident labour force based Sitewise Environics Analytics estimates for 2017.

#### TOWN OF ESSEX TOP 10 LARGEST SECTORS BY LABOUR FORCE

Sector	Labour Force	% of Labour Force
Manufacturing	2,314	21%
Health care and social assistance	1,205	11%
Retail trade	1,198	11%
Construction	943	8%
Educational services	795	7%
Transportation and warehousing	742	7%
Accommodation and food services	577	5%
Agriculture, forestry, fishing and hunting	563	5%
Public administration	472	4%
Professional, scientific and technical services	403	4%

Source: Sitewise Environics Analytics, 2017



The largest sectors by labour force in the Town include manufacturing, health care and social assistance, retail trade, construction and educational services.

The Town of Essex is home to two industrial parks. The Essex Industrial Park is located in Essex Centre off of Maidstone Avenue West and is home to approximately 20 businesses, including Southern Thunder Ltd., International Fabricating, Essex Weld Solutions, Essex Weld Solutions, ELK Energy Inc., Mills Woodworking and many others. The below map illustrates a listing of most of the businesses situated in the Essex Industrial Park.



370	Southern Thunder Ltd.
350	International Fabricating
340	Essex Weld Solutions
300	Essex Ready Mix
192	Forest Machine & Man.
182	Cut to Size
121	Bearing Construction
345	Mills Woodworking
325	Dove Creek Motor Express
315	Ben Schinkel Building & Design Inc.
190	Waddick Fuels
172	ELK Energy Inc. Ambassador Acoustics Int. A.A.1
131	Contracting Services
111	Paul Davis Systems

The second industrial park is Collavino Business Park, on Roseborough Road near Clark Street, which is situated in Harrow and still has 3 vacant industrial zoned sites available. The Park currently includes some of Sellick Equipment Ltd. is currently operating here. There are other large employers such as Atlas Tube, EnerQuest Services Inc. and Delta Wire & Manufacturing Co operating in a nearby industrial area.

The following tables summarize the total value of construction permits from 2013 to 2016, as well as year-to-date August values for 2016 and 2017. As a result of a large decline in new non-residential/commercial values, in 2016 the total value of permits decreased by 10.9% over 2015 levels. With regard to year-to-date August 2017 data, overall permit values grew by 6.5% over 2016 levels, bolstered by significant growth in single family residential values.

## TOWN OF ESSEX BUILDING PERMIT VALUES – 2013 - 2016

	2013	2014	2015	2016
Number of Permits Issued	338	338	408	344
New Residential Values (000's)	\$11,974	\$12,490	\$8,826	\$10,571
New Commercial/Industrial Values (000's)	\$6,450	\$350	\$30	\$3,165
New Non-Residential/Commercial Values (000's)	\$28,518	\$6,163	\$15,464	\$7,943
<b>Total Permit Values (000's)</b>	<b>\$46,942</b>	<b>\$19,003</b>	<b>\$24,320</b>	<b>\$21,679</b>

Source: Town of Essex

## TOWN OF ESSEX BUILDING PERMIT VALUES – YTD AUG 2017

	2016 YTD Aug	2017 YTD Aug	% Chg YTD 2016-2017
Number of Permits Issued	N/A	31	N/A
New Residential Values (000's)	\$6,641	\$11,428	72.1%
New Commercial/Industrial Values (000's)	\$3,165	\$396	-87.5%
New Non-Residential/Commercial Values (000's)	\$5,198	\$4,153	-20.1%
<b>Total Permit Values (000's)</b>	<b>\$15,004</b>	<b>\$15,977</b>	<b>6.5%</b>

Source: Town of Essex

The following is a list of the recent and upcoming major developments in and around the Town of Essex:

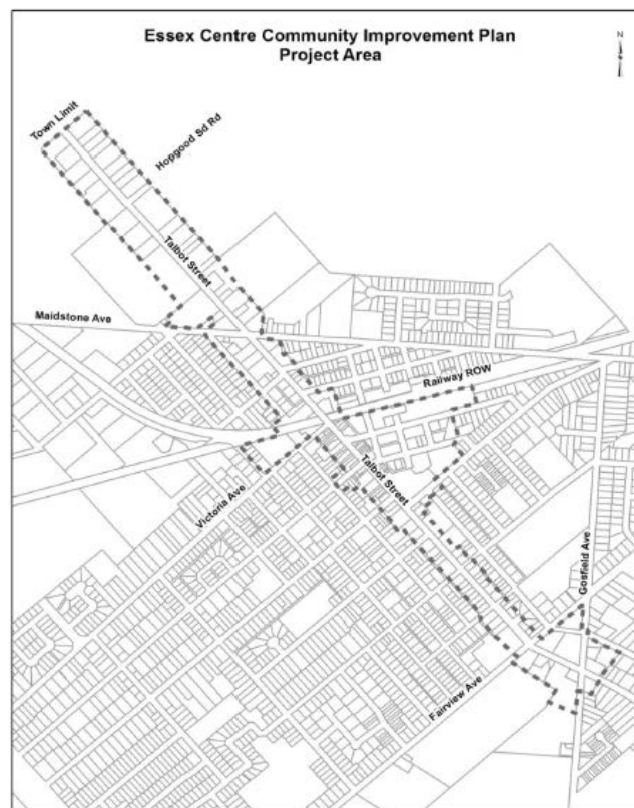
- One of the largest employers in the Town of Essex, Sellick Equipment Ltd., just completed the construction of a \$20-million state-of-the-art factory. Located in Harrow just steps away from the existing Sellick facility, this newly constructed plant measures 120,000 square feet and is situated on 13 acres. The plant, which is slated to open in late 2017 will feature a new assembly and fabrication area, as well as an outdoor product area that will enable dealers to allow customers to test drive products and learn about the manufacturing process. Coupled with the opening of this new factory, anticipated long-term expansion is expected to allow Sellick to introduce new products which will lead to future employment growth.<sup>2</sup>
- North 42 Degrees Estate Winery is currently undergoing a \$1-million expansion that began in July 2016 and is slated to open at the end of October 2017. The new expansion is set to offer an additional tasting and retail area and a restaurant called Bistro 42 with a seating capacity of 130. In addition, the expansion will include a state-of-the-art commercial kitchen and second floor meeting room, which will enable the winery to host corporate events and special occasion receptions.<sup>3</sup>
- Crew-Colchester Ridge Estate Winery is looking into opportunities to diversify its offerings. Specifically, the Winery's proposed expansion is slated to include banquet and hospitality offerings, with development to take place in 2018.
- The Canadian government has approved (with conditions) Canadian Transit Company's application for the proposed Ambassador Bridge Enhancement Project spanning the Detroit River between Windsor, Ontario and Detroit, Michigan to replace the existing Ambassador Bridge. The new bridge will replace the 87-year-old Ambassador Bridge, which is the highest volume commercial land border between Canada and the United States. According to a Ministry of Transportation release, the private owner of the Windsor/Detroit bridge can now get started on building the six-lane replacement bridge at an estimated cost of \$1 billion.<sup>4</sup>

<sup>2</sup> Source: [www.sellickequipment.com](http://www.sellickequipment.com)

<sup>3</sup> Source: <https://north42degrees.com>

<sup>4</sup>Source: <https://www.bisnow.com/toronto/news/construction-development/federal-government-approves-new-windsordetroit-border-bridge-78837>

- There are plans to widen Highway 3 over a 7.4 km stretch between the town boundaries of Essex from near County Road 8 to Cameron Side Road. Plan details include a southerly shift of Highway 3 away from the built-up area of Essex, a partial closure of the Ellis Side Road intersection, an overpass grade separation at Victoria Avenue with no access to the highway, as well as other changes.<sup>5</sup> This project has been funded by the provincial government and completion is expected sometime in the next 5 years.
- A high level conceptual plan has been developed for a proposed outdoor sports field development to be located on 70 acres in the Town of Essex bordered by N. Maiden Road to the north, the Highway 3 Essex Bypass to the east and Batten Side Road to the West. Although the plans will likely change, right now the development is set to feature one multi-use soccer/football stadium, ten soccer fields and six baseball diamonds. Although it is currently in planning stages, it has been estimated that if the development moves forward, the new sports field could be completed in 3 to 5 years.
- In January 2017, Essex Centre's Community Improvement Plan Implementation Strategy was updated. The Town will be implementing the initiatives identified in their Community Strategic Plan and as such will undertake a streetscape improvement plan for Essex Centre. The plan outlines the design scheme for the long-term reconstruction of Talbot Street and adjacent downtown core streets. The Essex Centre Community Improvement Plan project area is shown in the below map.

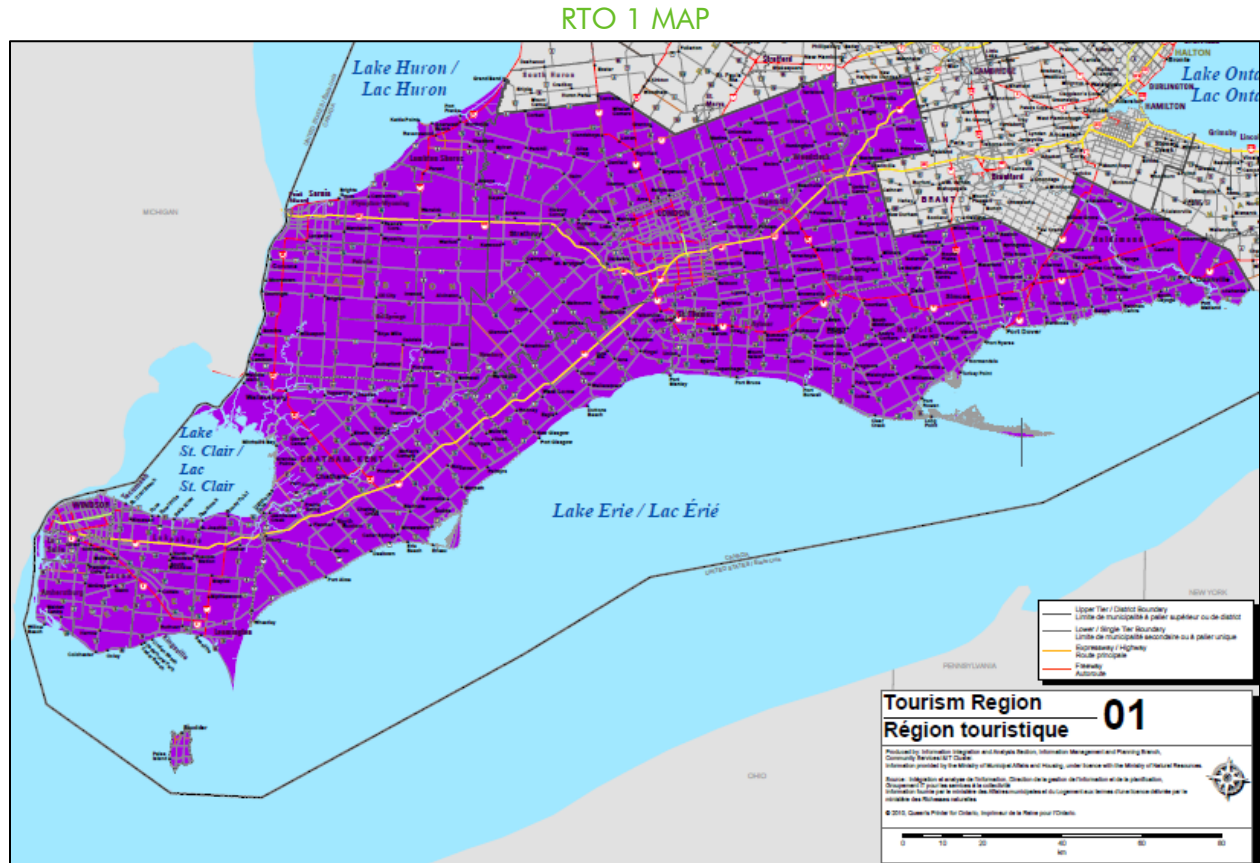


Source: Essex Centre Community Improvement Plan Implementation Strategy, July 2014 (Revised January 2017)

<sup>5</sup> Source: <http://windsorstar.com/news/local-news/public-feedback-ending-for-next-phase-of-highway-3-widening>

## Tourism

The Town of Essex is part of Regional Tourism Organization (RTO) 1- Southwest Ontario, which includes areas south of Lambton Shores and Woodstock and areas west of Dunville. A map detailing RTO 1 boundaries is presented below.



Source: Ontario Ministry of Tourism, Culture and Sport

The volume and value of tourism in Canada is measured by Statistics Canada through two primary surveys: the Travel Survey of Residents of Canada (TSRC) and International Travel Survey (ITS). In turn, the Ontario Ministry of Tourism, Culture and Sport (MTCS) customizes the data to reflect specific sub-regional provincial regions and the formats required by MTCS's Tourism Regional Economic Impact Model (TREIM). In Canada, a domestic tourist is someone who takes an "out-of-town" trip for one or more nights, or a same day out-of-town trip that takes them at least 40 km one-way from his/her home. It should be noted that visitor volumes have been calculated using person visits rather than the number of tourists, this means that one tourist can account for multiple visits throughout the year.

In 2015, there were approximately 13.1 million person visits made to RTO 1 by residents originating from Canada or Overseas (excluding US visitation). According to the most recent detailed data from Statistics Canada, as of 2015, 32% of visits (4.2 million) were overnight, while the remaining 68% (8.9 million) were made on a same-day basis.

In addition to being part of RTO 1, tourism in the Town of Essex is supported by the infrastructure of the Tourism Windsor Essex Pelee Island, the areas local Destination Marketing Organization. The organization's mandate is to promote and sell Windsor, Essex and Pelee Island as a destination for tourism, meetings/conferences and business.

According to the 2017/2018 Marketing Plan & Destination Development Strategy report, the region has seen year-over-year growth in border crossing volumes via all methods of transportation. In 2015, the most recent year statistics were available for, total border crossings were more than 2.5 million.

As one of Canada's most southerly municipalities, the Town of Essex is situated centrally in the County of Essex and is highly accessible to surrounding communities. The Town of Essex offers a wide variety of recreational experiences. An abundant range of programs and services are featured at the Town's five community centres: Essex Centre Sports Complex, Essex Community Centre, Essex Recreation Complex, Harrow and Colchester South Community Centre and McGregor Community Centre. With a mix of rural and urban areas and a relatively flat landscape, the Town is ideal for cyclists and features a growing system of trails. Essex is also part of the 1,400 km Waterfront Trail that connects people to the Great Lakes waterfront. Situated on the north shore of Lake Erie, the Colchester Harbour and Beach also offer a variety of recreational activities, such as boating, fishing, swimming, beach volleyball and much more.

The Town of Essex is home to the County Steam and Gas Museum located in McGregor, a late 19<sup>th</sup> century/early 20<sup>th</sup> century gas and steam powered engines and antique tractors. There are also many local cultural sites and historic groups that celebrate the Town's past such as the Essex and Community Historical Research Society, Essex Railway Station, John R. Homestead, Harrow Early Immigrant Research Society and the Outdoor Mural Gallery.

The Town of Essex also offers a wide variety of shops, primarily within the two distinct urban areas of Essex Centre and Harrow. Local shopping offerings range from roadside stands and agriculture-based businesses to small unique retail shops and locally made merchandise.

The area is part of an up and coming wine producing region and along the Lake Erie North Shore Wine Route there are 17 wineries, with 9 located in the Town of Essex and more expected to open in the near future. Many local wineries have already or have plans to diversify their offerings to include food offerings/restaurants, larger retail spaces, meeting/event spaces and more. The Town is home to the following wineries:

- Crew-Colchester Ridge Estate Winery
- North 42 Degrees Estate Winery
- Viewpoint Estate Winery
- Oxley Estate Winery
- Paglione Estate Winery
- Cooper's Hawk Vineyards and The Vines Restaurant
- Colio Estate Winery
- Erie Shore Vineyard
- Muscedere Vineyards

Two major touring groups service the Town of Essex and help to connect visitors with local winery experiences. WE Trolley Tours features “Hop On Tours” that depart from various local locations on selected dates and take visitors on a trolley tour that stops at 3 wineries. In addition, Farm Dog Cycles’ main location is in Harrow and it offers visitors quality bike rentals along with options for fully-guided, self-guided or customized tours to wineries that can span a half day or a full-day.

The Town of Essex features many festivals and events annually that take place in all four of the major community hubs. As one of the oldest agricultural fairs in Ontario, the Harrow Fair celebrated its 163-year anniversary in 2017. In 2016, the Harrow Fair weekend festivities that highlight and honour the products of local farmers attracted an estimated attendance in the range of 60,000 to 65,000.<sup>6</sup> A listing of the Town of Essex’s 2017 festivals and events follows.

#### TOWN OF ESSEX FESTIVAL AND EVENT LISTING – 2017/18

Festival/Event	Dates
Hunting, Sportsman and Militaria Show	January 15
Blast from Our Past	February 12
Essex Train Show	February 25-26
Essex Community Services 10 <sup>th</sup> Annual Indoor Golf Tournament	March 4
Maple Syrup Festival	March 5
Maple March Break	March 14 and 17
Maple Moon	March 14
Maple Dinner	March 18
The Harrow Market	April 2
Spring Gift Show	April 8
Essex Rocks and Rolls Car/Motorcycle Cruise In	May 26
Jamboree	June 3
Colchester Walleye Fishing Derby	June 10
A Million Possibilities – Stationary Row Event	June 10
McGregor Music Festival	June 11
Canada Day 150 Celebration	July 1
Essex Fun Fest	July 6-9
Get Your Red and White ON	July 29
Explore the Shore	July 29-30
Lost Arts Festival	August 13
Essex County Steam and Gas Engine Show	August 11-13
Harrow Fair	August 31 – September 4
McGregor Mug Run and International Beer Fest	September 23
Harvest and Horses Festival	October 1
Harvest Moon	October 17
Windsor Symphony Orchestra at the Essex Recreation Complex	November 5
Jingle Bell Run, Walk and Wheel	November 12
Christmas and Craft Show	November 18
Town Hall Tree Lighting	November 24
Essex District Christmas Craft Show	December 2-3
Harrow Santa Claus Parade	December 2
Essex Centre Santa Claus Parade	December 9
Eve of St. Nicholas at John R. Park Homestead	December 10
Candlelight Christmas at John R. Park Homestead	December 12
Countdown in the Downtown New Year’s Eve Party	December 31

Source: Town of Essex

<sup>6</sup> Source: <http://sxfreepress.com/?p=17058>



In addition, a listing of major events hosted in communities situated close to Essex (within Essex County) is summarized below.

#### MAJOR COUNTY OF ESSEX EVENTS

Festival/Event	Location
Amherstburg River Lights Winter Festival	Amherstburg
Festival of Birds	Leamington
LaSalle Strawberry Festival	LaSalle
Lakeshore Eats 'n Beats Festival	Lakeshore
Lakeshore Sunsplash Festival	Lakeshore
Leamington Tomato Fest	Leamington
Kingsville Folk Music Festival	Kingsville
Kingsville Fantasy of Lights Festival	Kingsville
Kingsville Migration Festival	Kingsville
Ruthven Apple Festival	Kingsville
Shores of Erie Wine Festival	Amherstburg
Tecumseh Corn Festival	Tecumseh

Source: *Town of Essex*

#### Conclusion

The County of Essex is comprised of approximately 407,967 residents. Accounting for about 5% of the County's population, the Town of Essex is home to an estimated 21,267 people. The majority of employment in Essex is within the manufacturing sector. The Town is home to two industrial parks and is well located along Highway 3, a direct connector to Highway 401. The Town has a variety of sports facilities and outdoor recreation amenities as well as a growing agricultural and viticulture market along with cultural festivals and events throughout the year which bring visitors to the area.

**Competitive Market Analysis**  
Provincial and Regional Market Analysis  
Competitive Market Analysis





## PROVINCIAL MARKET ANALYSIS

The following is the data compiled and published by CBRE for the Ontario accommodation market. While the provincial market performance does not have a direct impact on the performance of the accommodation market in the Town it has been included to provide context for the regional and local accommodation market.

### Ontario Market Performance Results

Year	Occupancy	ADR	ADR % Growth	RevPAR	RevPAR % Growth
2006	63.0%	\$124.79	3.2%	\$78.62	4.7%
2007	62.8%	\$126.20	1.1%	\$79.25	0.8%
2008	61.4%	\$119.13	-5.6%	\$73.15	-7.7%
2009	57.1%	\$114.62	-3.8%	\$65.45	-10.5%
2010	60.4%	\$117.65	2.6%	\$71.06	8.6%
2011	61.0%	\$119.08	1.2%	\$72.64	2.2%
2012	61.6%	\$120.26	1.0%	\$74.08	2.0%
2013	62.3%	\$119.69	-0.5%	\$74.57	0.7%
2014	64.1%	\$122.41	2.3%	\$78.46	5.2%
2015	65.2%	\$139.13	13.7%	\$90.71	15.6%
2016	67.6%	\$146.05	5.0%	\$98.73	8.8%
YTD Sept 2016	69.0%	\$146.59	-	\$101.13	-
YTD Sept 2017	70.3%	\$155.43	6.0%	\$109.21	8.0%
<b>CAGR</b>	<b>0.7%</b>	<b>1.6%</b>		<b>2.3%</b>	

Source: CBRE Hotels

- Occupancy levels hovered in the 62% to 63% range over the 2005 to 2007 period. ADR improved over this period, increasing from \$120.91 to \$126.20.
- Provincial occupancy levels started to decline in 2008, falling to 61.4%. Results were impacted by a softening in the global economy, particularly in the 4th quarter of that year. In an effort to attract/maintain demand, many hotels across the province implemented discounting strategies, which resulted in an overall decline in ADR of 5.6%.
- The 2009 results reflect the continued impact of the weak economy and challenges in key areas such as the auto sector. The Province saw a decline in occupancy to a low of 57.1%. ADR continued to decline, particularly due to the fall off in corporate and M&C travel, with ADR declining 3.8% to \$114.62.
- Occupancy and ADR have improved since 2010. Hotel supply/demand fundamentals have remained solid in Ontario, with modest levels of new hotel supply, and continued increases in demand. As the global economy recovered, and the Ontario economy in particular improved, the hotel sector in the Province has benefitted.
- Provincial occupancy reached a new high in 2015 of 65.2%. Healthy demand levels, buoyed in part by major sporting events across the province, as well as the general health in the economy, also supported a healthy 13.2% lift in ADR to \$138.62 last year.
- Ontario's 2016 results indicate strong performance for the province with occupancy up 2.4 points and ADR posting growth of 5.0% over the year prior. Overall RevPAR was up 8.8% in Ontario last year. Looking forward, with solid fundamentals in place, provincial accommodation performance is again expected to improve this year.
- Year to date September 2017 shows occupancy growth of 1.3 points, with ADR growth of 6.0%, resulting in RevPAR growth of 8.0%. Strong growth for the first two thirds of 2017 can

be attributed the low Canadian dollar, increased interest and special events as a result of Canada's 150<sup>th</sup> birthday. Continued growth is anticipated over the balance of 2017.

- Continued strength is anticipated for the Ontario accommodation market in the short to mid-term as a result of economic growth and increasing domestic travel.

## COMPETITIVE MARKET ANALYSIS

In order to more precisely identify hotel market trends as they relate to the potential hotel development, CBRE has prepared a market specific analysis using data collected by CBRE Hotels. CBRE Hotels collects top line (occupancy and average daily rate) data on close to 1,900 properties across Canada representing over 60% of the Canadian industry's 440,000 rooms.

The proposed hotel would compete with hotels located nearby in Windsor, Kingsville and Leamington. Included in the competitive market are full service/boutique, limited service, focused service and extended stay properties. The inclusion of these three markets within the competitive set ensures that any hotel demand being generated by the surrounding communities, including Lakeshore, Tecumseh, Essex, and Amherstburg is being included in the analysis. The hotels located within Windsor, Leamington, and Kingsville are the nearest accommodations to the Town of Essex and it is reasonable to conclude that the vast majority of hotel demand being generated within the surrounding communities would be utilizing these facilities.

While there are fixed-roof accommodation facilities in the Town of Essex, these properties are non-branded family-run accommodations such as B&B's and would not be competitive with the proposed hotel. As such, they have not been included in our market analysis.

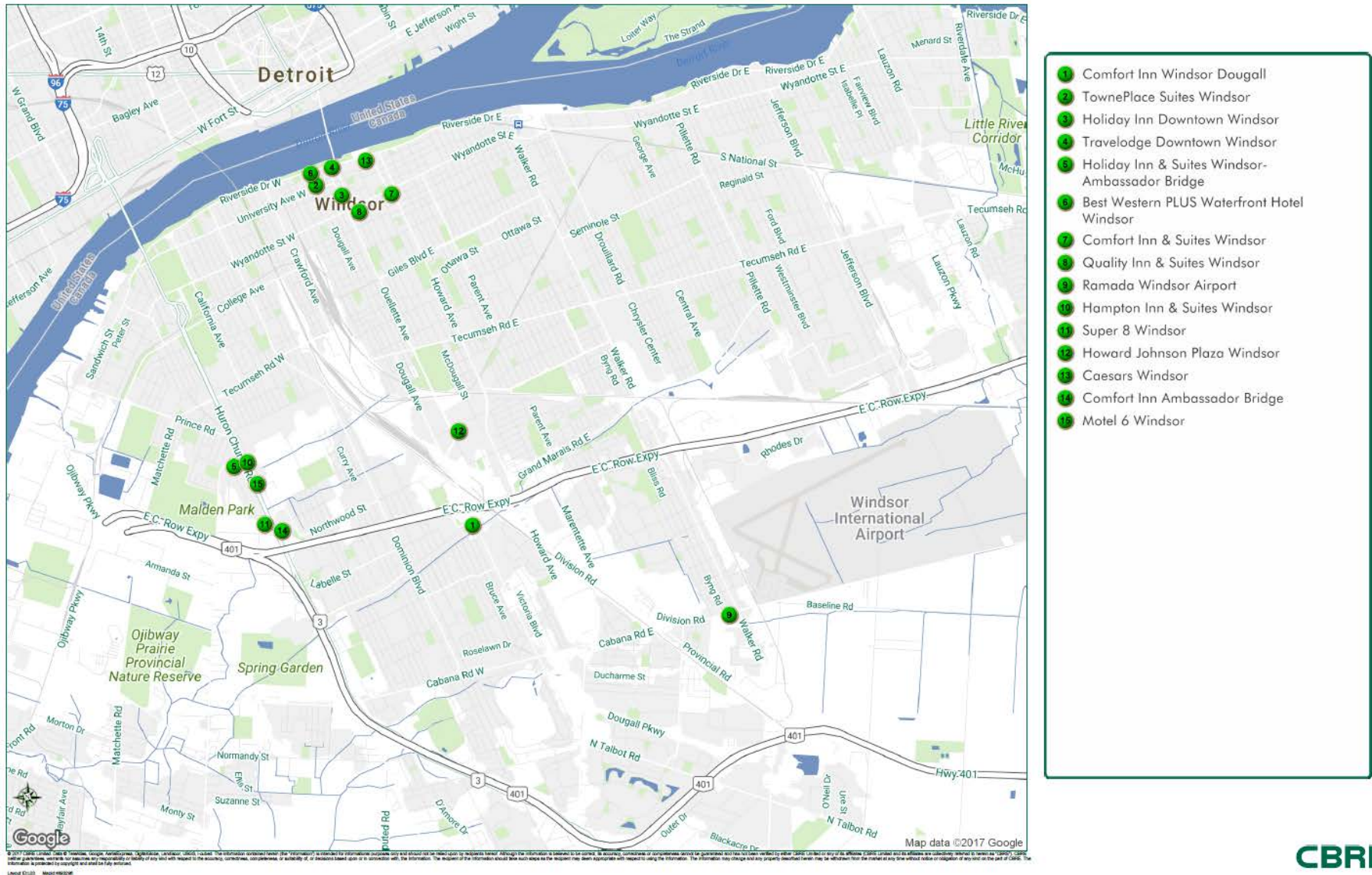
The competitive market is summarized on the following page.

As of December 2016, the competitive market was comprised of 2,598 rooms or 948,270 available room nights. A map showing the location of each competitor is included on the next page.

## Competitive Market

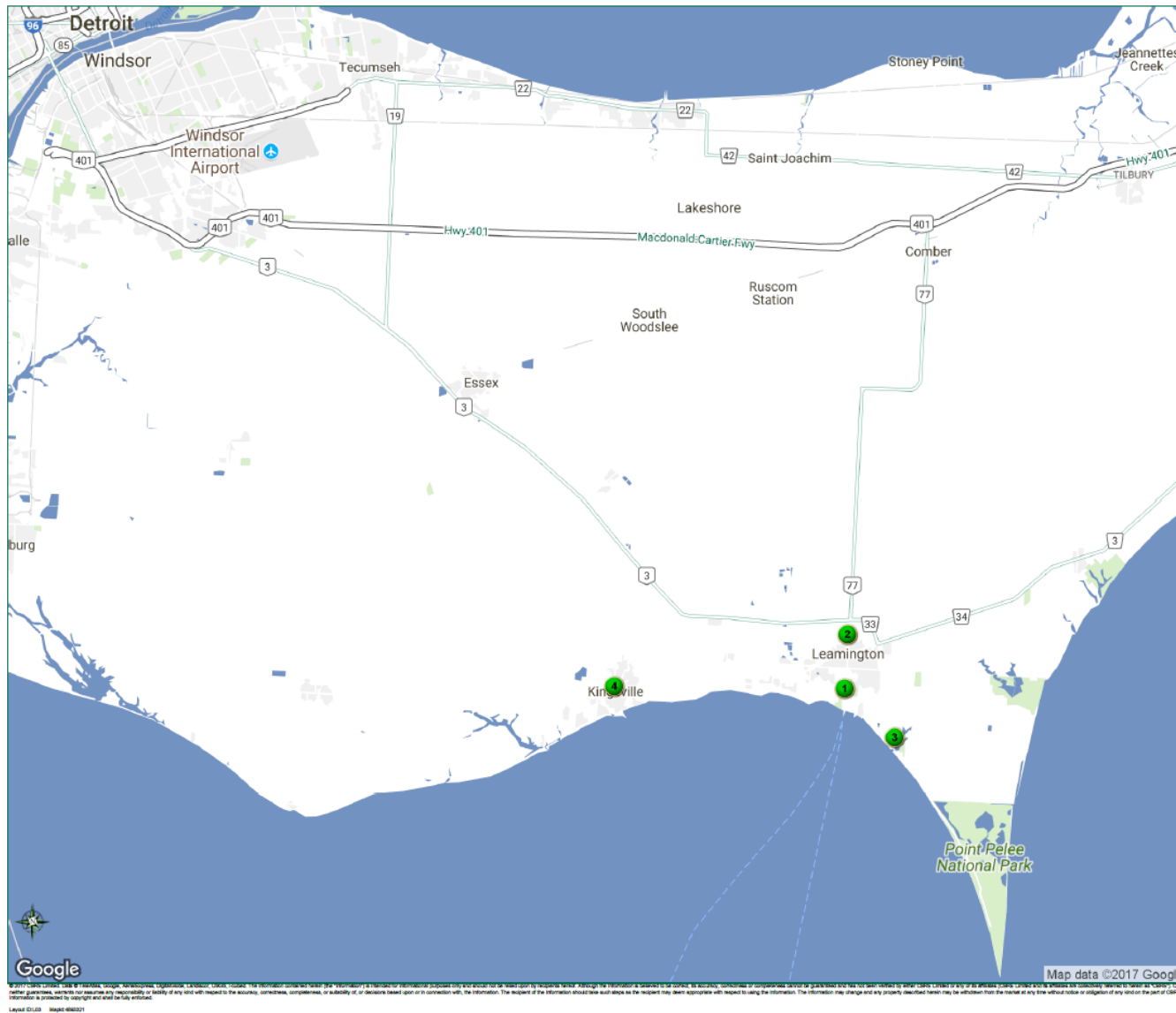
No.	Name	Location	Rooms	Type	Total Meeting Space (SF)	Meeting Space SF per Room	Restaurant	Lounge	Breakfast Served	Swimming Pool	Fitness Centre	Business Centre
1	Comfort Inn Windsor Dougall	2955 Dougall Ave, Windsor	77	Limited Service Hotel					X			
2	TownePlace Suites Windsor	250 Dougall Avenue, Windsor	42	Extended Stay Hotel					X		X	X
3	Holiday Inn Downtown Windsor	430 Ouelette Avenue, Windsor	145	Full Service Hotel	2,984	20.6	X	X	X	X	X	X
4	Holiday Inn Express Downtown Windsor	33 Riverside Drive East, Windsor	160	Focused Service Hotel	840	5.3			X	X		X
5	Holiday Inn & Suites Windsor-Ambassador Bridge	1855 Huron Church Road, Windsor	214	Full Service Hotel	14,000	65.4	X	X	X	X	X	X
6	Best Western PLUS Waterfront Hotel Windsor	277 Riverside Drive West, Windsor	305	Full Service Hotel					X	X	X	X
7	Comfort Inn & Suites Windsor	500 Tuscarora Street, Windsor	45	Limited Service Hotel					X			X
8	Quality Inn & Suites Windsor	675 Goyeau Street, Windsor	112	Limited Service Hotel	2,460	22.0			X		X	X
9	Ramada Windsor Airport	2225 Division Road, Windsor	40	Limited Service Hotel	300	7.5			X	X		
10	Hampton Inn & Suites Windsor	1840 Huron Church Road, Windsor	147	Focused Service Hotel	2,388	16.2			X	X	X	X
11	Super 8 Windsor	2265 Huron Church Road, Windsor	51	Limited Service Hotel					X			
12	Howard Johnson Plaza Windsor	2530 Ouelette Avenue, Windsor	95	Limited Service Hotel	4,000	42.1	X		X			X
13	Caesars Windsor	377 Riverside Drive East, Windsor	758	Full Service Hotel	100,000	131.9	X	X	X	X	X	X
14	Comfort Inn Ambassador Bridge	2330 Huron Church Road, Windsor	125	Limited Service Hotel					X	X	X	X
15	Motel 6 Windsor	2000 Huron Church Road, Windsor	33	Limited Service Hotel						X		
16	Comfort Inn Leamington	279 Erie Street South, Leamington	59	Limited Service Hotel					X			
17	Days Inn Leamington	201 Erie Street North, Leamington	78	Limited Service Hotel	900	11.5			X	X	X	X
18	Best Western Leamington Hotel	566 Bevel Line Road, Leamington	94	Full Service Hotel	7,700	81.9		X	X	X	X	X
19	The Grove	12 Main St E, Kingsville	18	Limited Service Hotel								
<b>Total</b>			<b>2,598</b>									

## MAP OF COMPETITIVE MARKET – WINDSOR



**CBRE**

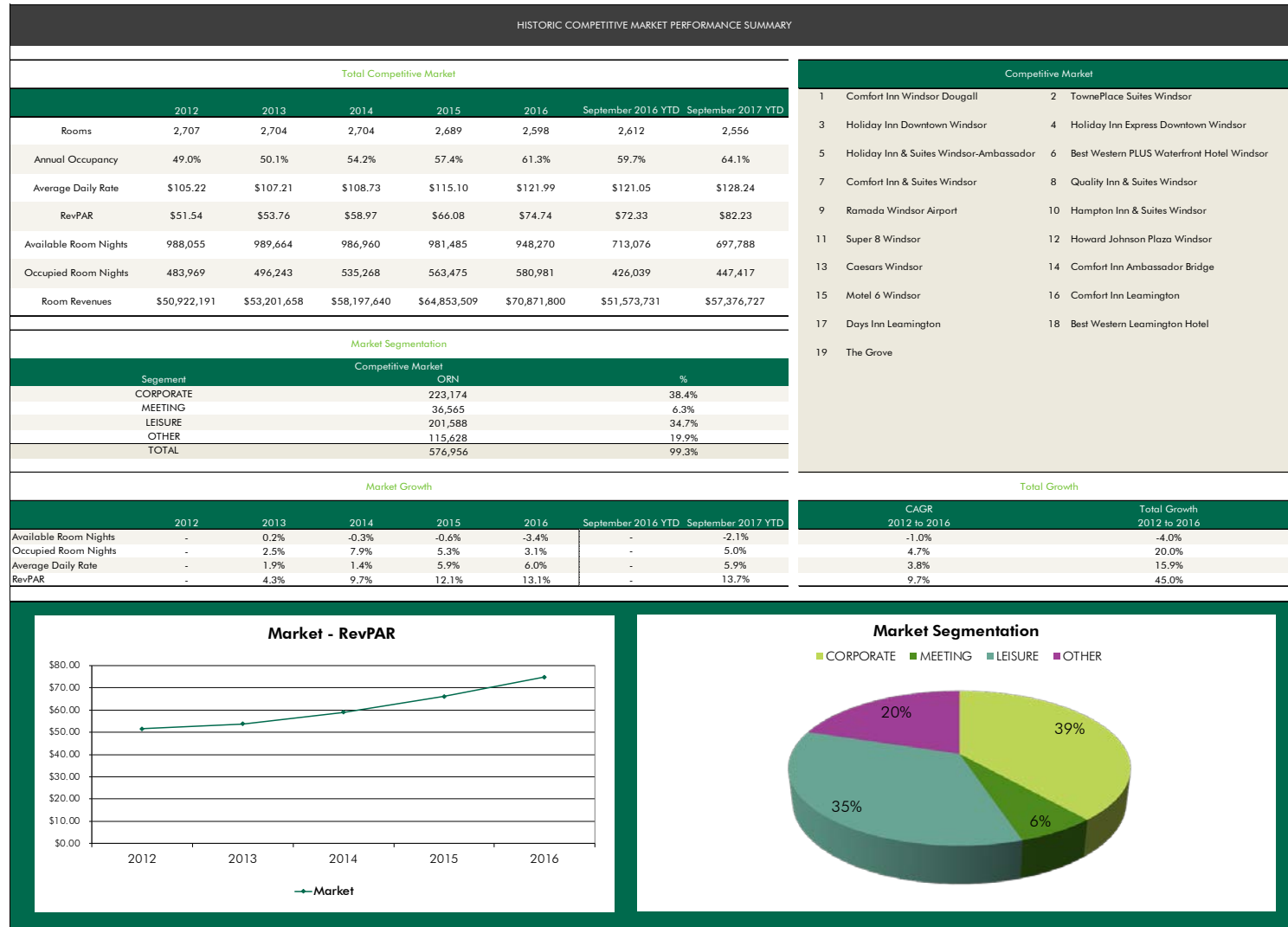
## MAP OF COMPETITIVE MARKET – LEAMINGTON AND KINGSVILLE



- 1 Comfort Inn Leamington
- 2 Days Inn Leamington
- 3 Best Western Leamington Hotel
- 4 The Grove

## Market Performance

The competitive market has achieved the following results in recent years.





- The competitive market includes all limited service, full service and focused service branded hotels in Windsor, Leamington and Kingsville.
- As shown, since 2012 annual occupancy for the competitive market has increased each year, from 49.0% in 2012 to 61.3% in 2016.
- Occupied room night demand has increased an average of 4.7% per annum on the strength of the growth in the manufacturing and the auto sector which represent a significant portion of the region's economy.
- In addition, the decrease in the Canadian dollar has resulted in an increase in cross-border traffic into Canada, from both a corporate and leisure travel perspective.
- Average daily rates have increased every year over the last five years from 105.22 to \$121.99; a compound annual growth rate of 3.8%. Although the rate in 2016 was a significant improvement, the market still performs well below the provincial average.
- Year to date September 2017 occupancy has improved by 4.4 points while average daily rates have increased by 5.9%. This has resulted in an overall RevPAR increase of 13.7%. While the full impact of the flooding in August is still unknown in September it is estimated to have generated approximately 3,500 to 4,000 additional occupied room nights.
- Of note, in both 2016 (September) and 2017 (August), the area experienced significant floods which resulted in over 6,000 claims and approximately \$108 million in insured damages. This event is estimated to have generated between 15,000 and 17,000 additional occupied room nights in 2016.

Within the competitive market there are two distinct sub-markets which perform very differently. The following table summarizes the performance of each regional market in 2016 and year to date September 2017.

#### ACCOMMODATION SUBMARKET PERFORMANCE

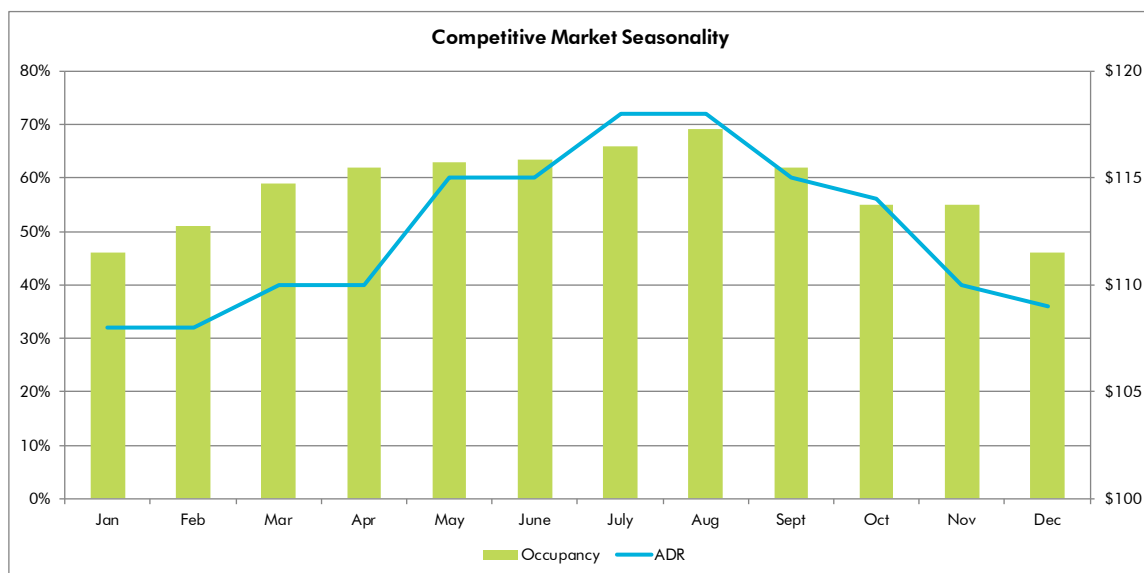
	Occupancy	2016		YTD 2017 Change		
		ADR	RevPAR	Occupancy	ADR	RevPAR
Windsor	62.5%	\$121.55	\$75.98	+4.1 Pts	5.6%	12.7%
Leamington & Kingsville	48.7%	\$127.72	\$62.41	+7.2 Pts	9.5%	25.6%

Source: CBRE Hotels

- Of the two submarkets presented, the Windsor market typically performs at higher occupancy and RevPAR however, Leamington/Kingsville has seen recent re-investment in the hotels which has helped to push ADR in the market ahead of Windsor.
- The Leamington/Kingsville market faces greater challenges on the occupancy side as this market deals with the impacts of seasonality and its distance from a major city centre and as a result fewer support amenities (i.e. casino, retail, restaurants, etc.)

Data compiled by CBRE relating to the typical seasonality pattern for occupancy and ADR for the competitive market is summarized in the following chart.





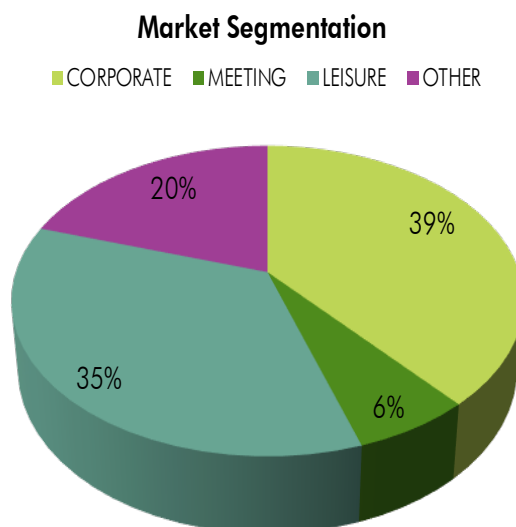
As shown, the competitive market experiences occupancy levels that range from the mid 40% to mid 50% range in low season (October to February) with peak occupancy levels in the mid to high 60% range in peak season (July and August) with the shoulder seasons running in the high 50% to low 60% range.

Due to the limited amount of capacity constraint in the market by season, there is very little rate differential in the competitive market by time of year. The market ADR during the peak months is in the range of \$8 to \$10 higher than in the low season months. In stronger performing markets in Ontario (outside of the downtown core markets) it is not unusual to see swings of \$20 to \$30 or more between the peak and low season rates.

## MARKET SEGMENTATION ANALYSIS

In most markets, overall demand varies based on the nature of travel. Lodging demand is typically generated from four different segments: Corporate, Group/Meeting, Leisure, and Other.

On the basis of CBRE Hotels market research, and discussions with hotel operators and owners, the estimated market segmentation for the competitive market in 2016 is presented below:



### Demand Segmentation - Competitive Market 2016

Segment	Room Night Demand	%
CORPORATE	223,174	38.4%
MEETING	36,565	6.3%
LEISURE	201,588	34.7%
OTHER	115,628	19.9%

*Compiled by CBRE Hotels*

The following section provides details on various segments of demand growth for the local market.

### Corporate Segment

Corporate travelers are defined as business people attracted by businesses in the area. Commercial transient demand includes individuals visiting the companies in the immediate area or passing through town. Corporate volume demand is generated by local firms and includes employees of the company or others doing business with the firm. Most demand from the corporate segment is generated between Sunday and Thursday nights, declines Friday and Saturday nights, and increases somewhat on Sundays. The typical duration of occupancy is one to three days and is characterized by single occupancy. Historically, this demand segment has been somewhat less price sensitive than other segments. Rates are often pre-negotiated with the hotel and are sometimes discounted in return for a high number of occupied rooms. Often, these types of travelers are influenced by quality of the hotel, brand loyalty, and location. Overall, the corporate segment is highly desirable as it provides a solid base of demand and tends to pay higher room rates than the Meeting Conference and Other segments.

In 2016, this segment generated approximately 223,174 occupied room nights or 38% of demand within the competitive market. In addition to the modest corporate base of commercial and industrial businesses located in the Town of Essex, largely concentrated in the two business parks, within the County there are additional commercial and industrial demand generators located in Windsor, Lakeshore, Amherstburg and Leamington.

### Leisure Segment

Leisure travelers generally include vacationers or travelers passing through the area. This category effectively includes all non-commercial related travellers too small to be defined as a group. This segment is typically attracted by a hotel's location relative to area attractions (including friends/relatives). Demand from leisure travelers is typically generated throughout the week during peak periods, with more weekend demand in shoulder seasons. Leisure travelers tend to have a high level of double occupancy. This demand segment tends to be less price sensitive. The typical stay for leisure travelers is between one and four nights.

In 2016, this segment generated approximately 201,588 occupied room nights or 35% of demand within the competitive market. Leisure travellers are primarily tourists visiting the areas attractions, events/festivals/concerts, wineries, trails or waterfront. In addition, within the competitive market there are a number of sports facilities including the Essex Centre Sports Complex, Essex Recreation Complex, the Harrow and Colchester South Arena, Essex Community Centre, McGregor Community Centre. Sports activity and tournaments generates demand to the area, particularly in the winter months on weekends and at various times throughout the school year. Additional leisure demand comes from transient travelers and tour groups who utilize the area as a stop over on their way to other destinations.

### Group and Meetings

Group and Meeting travelers are defined as any group occupying five or more rooms on a given night. This segment includes corporate groups, associations, SMERF (social, military, educational, religious, and fraternal) groups. This segment is typically attracted by a hotel's meeting facilities and recreational amenities in the area. Demand from corporate groups is typically generated between Sunday and Thursday nights, and

can include corporate functions, holiday parties, incentive groups, etc. Often, corporate groups pay high rates, especially incentive groups, where companies “wine and dine” their top salesman and upscale/luxury hotels. Corporate groups tend to have a high level of single occupancy, while other groups tend to have more double occupancy. Associations and SMERF groups have a more varied occupancy pattern and often hold weekend meetings. This demand segment tends to be somewhat price sensitive. The typical stay for group demand is between two and five days. There is a perception (often true) that by occupying a block of rooms, a volume discount should be given. Tour group demand is also included within this segment.

Group/meeting travelers have a tendency to stay at full-service hotels and utilize a hotel's food and beverage facilities. This segment is seasonal, and repeat business on an annual basis is not guaranteed. Overall, the group/meeting segment is desirable as it provides for a full utilization of hotel facilities.

In 2016, the group/meetings segment generated approximately 36,565 occupied room nights or 6% of demand within the competitive market. Within the Town of Essex there are a limited number of venues with traditional meeting space outside of what is available at the various municipal facilities (i.e. community and recreation centres). A couple of the wineries have or are adding banqueting or social catering space to there facilities to do weddings and parties. The majority of the meeting space within the competitive market is located within the larger full-service hotels in Windsor and Leamington. As such demand from this segment is limited and the majority of the room nights from this segment are generated by these 2-3 properties through self-contained meetings.

### Other / Contract

Other/Contract demand includes any construction and maintenance crew business as well as rooms generated online through third party providers such as Hot Wire, Expedia, Priceline, etc and by brand loyalty redemptions or associate stays. Government demand is also included in this segment. Demand in this segment is typically represented by sources, which are highly rate sensitive and are normally provided with significantly discounted room rates.

In 2016, the other/contract segment generated approximately 115,628 occupied room nights or 20% of demand within the competitive market. While there is some degree of demand generated by government business, the Other occupied room night demand in the competitive market is primarily generated by other discounted sub-segments such as third party online bookings from online travel agents such as Booking.com or Expedia, brand associate or rewards stays. This demand represents an important base of demand for the competitive market. Over the last couple of years, the market has seen an increase in demand from construction crew related to infrastructure projects and insurance work due to the flooding. This demand fluctuates significantly year to year and can completely dry up if funding for a project is not granted or when work is complete.



## Future Demand Factors

## FUTURE DEMAND FACTORS

In order to gain a better understanding of the existing or future demand which may exist for a hotel development, we conducted interviews with stakeholders such as major local employers, accommodation operators (bed and breakfasts, guest houses and rental cottages), attractions, wineries and local event venues. This is in addition to discussions we had with representatives of the Town of Essex.

The businesses contacted as part of our research program are listed below along with a summary of the key take-aways from these interviews.

### Stakeholder Interviews

Contacted (Interview Conducted)	
Delta Wire & Manufacturing Co	North 42 Degrees Estate Winery
Sellick Equipment Ltd.	Oxley Estate Winery
EnerQuest Services Inc.	Cooper's Hawk Vineyards and The Vines Restaurant
Dove Creek Motor Express	Muscudere Vineyards
Jeff Smith's County Chevrolet	Viewpointe Estate Winery
Harrow Research and Development Centre	Farm Dog Cycles
Southern Thunder Ltd.	Town Estates B&B
International Fabricating & Machining	La Roos Maison B&B
Essex ReadyMix Inc.	Stone's Throw Cottage
Forest Machine & Manufacturing Inc.	Anne's Retreat Cottage Villa
Mills Woodworking	Essex District High School
Waddick Fuels	Town of Essex, Community Services Department
Contacted (No Response/Interview Declined)	
Atlas Tube	Paglione Estate Winery
Essex Weld Solutions	Colio Estate Winery
Pepsi Bottling Group	Erie Shore Vineyard
Ken Knapp Ford	Sprucewood Estate Winery
Paul Davis Systems	WE Trolley Tours
Tourism Windsor-Essex	Colchester Harbour Guest House
Crew-Colchester Ridge Estate Winery	14 <sup>th</sup> Coffee Co Farmhouse and Barn Loft
Sun County AAA Minor Hockey Association	

Source: CBRE Hotels

- Approximately 39 key stakeholders were identified and contacted as part of our analysis, and we were successful in conducting interviews with 24 of them.
- Of the key stakeholders, 17 were either major employers or employers located in one of the Town's industrial parks and we were able to conduct interviews with 12 of those companies. The employee base at these companies range from 5 to 75 people.
- Of the companies interviewed, 67% indicated that they do require overnight accommodation as part of their normal course of business. These needs range from approximately 2 to 395 room nights per year depending on the size of the company and their business.

- Approximately 25% of the respondents indicated that they require between 1 and 10 room nights per year, with another 33% needing between 50 and 395 room nights per year.
- Of the businesses interviewed, many indicated that they currently utilize accommodation properties in Windsor, Kingsville and Leamington. Specific hotels that were mentioned include Caesars Windsor Hotel & Casino, The Holiday Inn Express Windsor and The Grove Hotel in Kingsville. Although many indicated that feedback on offerings at these accommodation properties had been positive, the distance to their company from accommodations is less desirable, with a travel time of approximately 20 to 30 minutes driving from hotels in Windsor.

Based on discussions with representatives of the Town, it is our understanding that there are an average of between 5 and 10 sports tournaments (including hockey, baseball and soccer) at municipal facilities each year. This is in addition to the sports tournaments that are facilitated through the local high school. It is expected that if the Town had additional accommodation facilities the number and/or size of the events could be expanded.

Within the Town facilities there are approximately 19,000 square feet of meeting/event facilities which are frequently booked for private meeting, events, celebrations and training programs. Based on the information provided there were approximately 660 bookings in these facilities for everything from birthday parties, and fundraisers to meetings and training sessions or other events. It is our understanding that the booking information provided is over and above any regular municipal programming that uses these facilities.

## Development Overview

Locational Analysis

Development Concept





## DEVELOPMENT OVERVIEW

### Location Overview

The Town of Essex is located in Southwestern Ontario and is part of Essex County. The town is located approximately 30 km from Windsor and is connected to Highway 401 via Highway 3. This connects the Town to key Ontario markets such as Windsor, London and Toronto as well as to Detroit, Michigan in the United States via the Ambassador Bridge border crossing which is 30km from the Town.

The Town contains a mix of local businesses, food service outlets, retail and big box retail as well as residential developments. The Town is home to two business parks and along with the surrounding communities has a long history of agricultural production and is an up-and-coming viticulture region.

### Location Considerations

When determining the optimum location and site for an accommodation development, developers typically consider the following characteristics:

- **Access** – An optimal hotel development site should be easily accessible and ideally situated in a convenient location with easy access to and from major arterial roadways.
- **Ingress/Egress** – An optimal hotel site should have simple, easily accessible routes of ingress and egress.
- **Visibility** – An optimal hotel development site should allow for the hotel to be oriented in such a way that the building could be seen by traffic in all directions. It would still be necessary to supplement the building visibility with appropriate signage along major roadways and on the building and site itself.
- **Proximity to demand generators** – An optimal hotel development site should be reasonably proximate to the local demand generators such as major businesses or industrial parks as well as recreation and leisure attractions.
- **Proximity to support amenities** – An optimal hotel development site should be within walking distance or reasonably proximate to a concentration of support amenities such as restaurants, entertainment, and retail.

In general, leisure travelers place a higher value on having amenities within walking distance and ease of access to and from major transportation routes, while corporate travelers and meeting/conference guests would expect business and industrial parks to be within a short driving distance.

If the location characteristics for a prospective hotels development are not optimized it would have an impact on the proposed hotels ability to achieve the projections contained herein.

### Specific Development Location Opportunities

Although during the course of our field work, there were some specific sites identified for potential accommodation development, they were largely concentrated in two primary development areas:

- Essex Centre – specifically near Highway 3 and Maidstone Ave W; and
- Harrow – downtown core

While there is some merit to an accommodation development being located in downtown Harrow, in close proximity to the wineries and restaurant as well as the Collavino Business Park, this area is unlikely to be seen as the most optimal location for an accommodation development given that it is quite removed from the highways and recreation facilities and the support amenities that exist aren't as strong.

It is our opinion, that the Essex Centre area around Highway 3 and Maidstone Ave W would be the most optimal location for an accommodation development in the Town. This location would have good access and egress relative to Highway 3, is close to the Essex Business Park as well as the restaurants and retail along Maidstone. This area would also represent a good location relative to the current recreation facilities as well as the planned sports field development.

### Development Concept

When determining the ideal product for accommodation development within the Town of Essex, the motivations and priorities of the hotel investment and lending community were also considered along with the market factors. Typically, if a community is going to be successful in attracting private sector hotel investment, a comprehensive and independent third-party assessment of the opportunity is required. The hotel investment community is exposed to a wide range of projects, and has many communities soliciting their development interest. They are looking for formal independent confirmation that a project has merit. Typical hotel investors have several key criteria they consider when determining how/where to invest their funds, the most important of which are:

1. **Return on Investment:** Return on Investment measures the gain or loss generated on an investment relative to the amount of money invested. Hospitality property is considered to be a secondary form of real estate investment due to its specialized nature, requirement for strong management and higher risk associated with the income stream. Investors require a higher rate of return on hospitality property as compared to more traditional real estate investments. Our experience in the industry indicates that typical hotel investors expect a return on investment in the range of 10% to 15%, far higher than what is characteristic of other real estate classes.
2. **Availability and Likelihood of Financing:** The availability and cost of financing has a direct impact on the value of a hotel, and hence hotel financing parameters play an integral role in the feasibility of new hotels. In today's lending environment, obtaining financing on a non-branded asset is highly challenging. The support of large, well-known international brand mitigates the performance risk of an asset with the premier brands almost always outperforming second tier brands or independent hotels. In addition, the support of a large brand / reservation system and national marketing

network, also makes a hotel asset much less vulnerable to new supply. Further, when considering construction financing on new build assets, lenders will finance on the lower of capital cost or estimated market value ~ which directly impacts the level of equity required to move a project forward. In the most ideal situation, capital cost and estimated market value are equal.

3. **Liquidity/Exit Strategy:** Both lenders and developers consider the ultimate exit strategy when evaluating a hotel investment opportunity. Research shows that branding also helps to reduce the liquidity risk of an asset, in the sense that there would be more potential purchasers for product carrying strong brands that are not specific to one owner/operator/developer.

These are critical factors that influence a hotel developer's investment decision and these should be considered when evaluating the opportunity for attracting accommodation development to any community. Throughout the engagement CBRE consistently evaluated the potential for accommodation development in the Town of Essex bearing in mind these "typical" development and investment parameters. All recommendations, such as the size of the project, the nature of the accommodation (i.e. branded vs. un-branded) were based on what our experience in the industry has shown would give the community the best means for attracting an interested developer, and ensuring a development with the greatest long-term potential for success is developed, taking into account all of the market and investment factors in the Town of Essex.

Based on our review of the existing accommodation product within the competitive market, the historic market performance, the nature of local demand generators and the economic operating conditions for hotels in Canada, we have recommended the following development option for a proposed hotel in the Town of Essex.

It is our opinion that the development of a branded, 90-unit, midscale limited service hotel would be most appropriate for development in Essex. Examples of brands that could be considered for such a development include, but are not limited to, Best Western, Comfort Inn, Hampton Inn, Holiday Inn Express, or Fairfield Inn. Branding is recommended in that it will not only enhance the marketability of the project, but will also enhance the potential for project financing.

This product positioning is based on these primary factors:

- This level of hotel can appeal to a broad range of guests and types of travelers.
- The design prototypes for these brands are of strong quality.
- This level of hotel is more cost effective to develop relative to other higher service level hotels.
- This level of hotel is more cost effective to operate relative to other higher service hotels.

The proposed hotel recommended for Essex would be a branded, midscale limited service hotel and would include a comprehensive offering of amenities for both business and leisure travelers. Hotels of this nature typically feature a variety of guestrooms, including standard one or two bedded rooms, and a mixture of

suite configurations. Guestrooms within this tier of hotels typically include amenities such as a desk or work space, high-speed internet and/or wireless internet access, and in-room coffee making facilities. The proposed development program should include a variety of room types as dictated by the brand development standards.

Other services that would be available at the proposed hotel would include on-site guest laundry services, a 24-hour business center, fitness centre, a breakfast room, and approximately 650 square feet of meeting space. The meeting space recommended should be small format, two rooms of 300 to 350 square feet. The inclusion of small format meeting space with a capacity of approximately 20-25 people per room would allow the hotel to attract small meeting/conference business consistent with the needs of the local demand generators.

Branded, midscale hotels of this size and nature typically offer a complimentary continental/hot breakfast to overnight guests. The proposed facility program includes a breakfast buffet and dining area off of the lobby and public areas. Any banqueting/food services would generally be provided by a third party; however, small meetings requiring snacks, coffee, and tea could likely be serviced by the in-house facilities.

Based on our experience in the industry and knowledge of comparable hotel construction projects, the proposed hotel development would require approximately 1.5-2.0 acres of land, including the appropriate surface parking coverage.

The following table outlines a preliminary facility program for the proposed hotel.

#### PROPOSED HOTEL FACILITY PROGRAM

GUESTROOMS	% of Room Mix	Keys	Sq. Ft./Rm	Total GFA
King	25%	23	290	6,525
Queen/Queen	50%	45	325	14,625
King Suite	20%	18	360	6,480
Queen/Queen Suite	5%	5	490	2,205
<b>Total</b>	<b>100%</b>	<b>90</b>	<b>332</b>	<b>29,835</b>
FOOD & BEVERAGE / BANQUETS		Seats	Sq. Ft./Rm	Total GFA
Breakfast Servery		40	9	800
<b>Total</b>		<b>40</b>	<b>9</b>	<b>800</b>
MEETING/CONFERENCE FACILITIES		Capacity	Sq. Ft./Rm	Total GFA
Meeting Room 1		27	4	325
Meeting Room 2		27	4	325
<b>Total</b>		<b>54</b>	<b>7</b>	<b>650</b>
OTHER			Sq. Ft./Rm	Total GFA
Fitness Room / Pool			18	1,575
Lobby / Public Spaces			22	2,000
BOH / Circulation			112	10,100
<b>Total Hotel GFA</b>			<b>500</b>	<b>44,960</b>

Source: CBRE Hotels

## Conclusion

Overall, the area in the vicinity of Highway 3 and Maidstone Ave W is considered to be the most well suited for hotel development as it is in close proximity to demand generators, transportation routes and support amenities.

Based on a review of the existing hotel product, and on our research on the various sources of market demand, a midscale limited service hotel product is considered to be the best fit for the market and the most likely to generate interest from potential developers.



## Competitive Market Projections

Supply Projections

Market Demand and ADR Projections

## COMPETITIVE MARKET PROJECTIONS

### Room Supply Changes

CBRE Hotels considers the following factors in determining which additions to supply may affect the competitive market:

- Distance from the subject hotel
- The current and future condition of the physical plant
- The type of facilities and amenities to be offered
- Information from hotel operators on “who” would be considered a primary competitor

It should be noted that information regarding proposed hotel developments may vary once the planning department grants approvals or hotel development financing is finalized. While CBRE Hotels has made attempts to determine the level of new supply entering the market, it is impossible to determine every hotel that will be developed in the future, when they will be completed or their potential impact on the subject hotel. The inherent risk of any future new hotel supply has been implicitly considered in the selection of a stabilized occupancy level for the subject property.

Based on information available, discussions with hotel operators and our general knowledge of the industry, there is only one expected supply impact in the competitive market over the projection period in addition to the proposed hotel as outlined below:

Summary of Proposed New Supply						
No.	Name	Rooms	Probability	Type	Opening Date	Status
1	Proposed Essex Hotel	90	100%	Limited Service Hotel	1-Jan-20	PROPOSED
2	Balance of Quality Suites Closure	-42	100%	Limited Service Hotel	1-Jan-17	RENOVATION/REPOSITION
3	TownePlace Suites Windsor Opening	128	100%	Extended Stay	1-Dec-17	OPEN
Total		176				

- In downtown Windsor, the 127-room Quality Inn closed in May 2016 to renovate and convert to the TownePlace Suites which opened at the end of November 2017. The timing of the closure and the subsequent re-opening results in an effective net increase in supply of 86 rooms in 2017.

With the effective impact of the TownePlace Suites and taking into account a proposed hotel development in Essex, supply in the competitive market is expected to increase by 6.8% by 2020.

### Market Demand and ADR Projections

The demand projections prepared for the competitive market are based on the economic outlook for the area, current market dynamics and anticipated changes in demand patterns throughout the projection period. The following summarizes our projections for future room demand and ADR growth.

Overall Accommodation Demand for Competitive Market									
	Projection 2017	Projection 2018	Projection 2019	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025
Available Room Nights	936,833	979,660	979,660	1,012,510	1,012,510	1,012,510	1,012,510	1,012,510	1,012,510
Occupied Room Nights	605,803	593,687	605,561	611,617	617,733	617,733	617,733	617,733	617,733
<b>Market Occupancy</b>	<b>64.7%</b>	<b>60.6%</b>	<b>61.8%</b>	<b>60.4%</b>	<b>61.0%</b>	<b>61.0%</b>	<b>61.0%</b>	<b>61.0%</b>	<b>61.0%</b>
Demand Growth	4.3%	-2.0%	2.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%
<b>Market Average Daily Rate</b>	<b>\$126.87</b>	<b>\$129.40</b>	<b>\$131.99</b>	<b>\$134.63</b>	<b>\$137.32</b>	<b>\$140.07</b>	<b>\$142.87</b>	<b>\$145.73</b>	<b>\$148.64</b>
Rate Growth	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Source: CBRE Hotels

- Based on year to date performance, the competitive market is projected to see overall demand grow by 5.0% in 2017 driven by improved economic conditions and the one-time demand created by the Memorial Cup in May and the flooding in August.
- In 2018, demand is expected to contract by 2.0% as a result of the loss of the demand from the one-time events in 2017 off-setting organic demand growth.
- In 2019, demand is projected to grow by 2.0% with demand growth of 1.0% per annum in 2020 and 2021.
- The competitive market occupancy is projected to stabilize at 61.0% in 2021 and remain at this level over the balance of the projection period.
- In terms of Average Daily Rate (ADR), based on year to date performance the market is projected to achieve 4.0% ADR growth in 2017.
- From 2018 through the balance of the projection period, market ADR growth is projected at 2.0% per annum.



**Proposed Hotel Market Projections**  
Occupancy and Rate Projections



## SUBJECT PROPERTY OCCUPANCY AND RATE PROJECTIONS

The subject property projections examine the future occupancy and Average Daily Rate (ADR) for the subject hotel based on numerous factors including economic influences and the actual and projected supply/demand relationship in the competitive markets and typical brand positioning for similar assets.

### Projected Subject Occupancy and Average Daily Rate

In assessing the projected occupancy and rate performance of the proposed inn a market penetration analysis was undertaken, in which the concept of “fair market share” was utilized. This concept states that, all things being equal, a property will attract rooms demand in the same proportion as its share of rooms supply. Market penetration in excess of 100.0% indicates that a property possesses competitive advantages relative to the market as a whole, while competitive weaknesses are reflected in penetrations of less than 100.0%. The marketing philosophy and pricing strategy for a property can also impact its penetration. Accordingly, there are other factors besides competitive weakness that can contribute to a penetration of less than fair share.

The following analysis assesses the projected market position/occupancy, average rate, and RevPAR levels for the proposed hotel. The projections are based on numerous factors including the economic influences, the projected supply/demand relationship in the competitive market, interviews with local stakeholders and expected growth in demand for accommodations in the local area.

It is assumed that there are no significant changes in the market over the projection period that would impact the current status of the competitive rooms supply other than as currently identified.

The average daily rate and the overall occupancy of a lodging facility are the foundation for the property’s financial performance. While a property’s other revenue components (food and beverage, telephone, spa, other income, etc.) are crucial to the operation of the hotel, they are dependent on the overall number of occupied rooms. Furthermore, the occupancy and average daily rate of a hotel are highly correlated. In reality, one cannot make a projection of one without a projection of the other.

The following section presents our projections of demand for the subject property by market segment.

### Corporate/Commercial Segment

The Corporate/Commercial market segment consists of rooms’ demand, which is generated by, and specifically related to, business and corporate activity. Within this market, both individual and volume (or preferred) corporate accounts are included.

The proposed subject hotel is projected to capture approximately 5,814 occupied room nights within the Corporate/Commercial segment in its stabilized year, 2022, representing 30% of the hotel’s total demand.

The majority of these occupied room nights within the Corporate/Commercial segment will be captured over the Sunday through Thursday period throughout the year.

Hotels within the competitive market typically capture approximately 38% of total demand, or approximately 7,750 occupied room nights at comparably sized hotels from the Corporate/Commercial demand segment. The proposed hotel is projected to capture less than its fair share within the competitive market. Projections in this segment are based on the following:

- The proposed hotel will be a newly built, branded hotel, which is expected to help in attracting some local corporate demand.
- The Town of Essex and the surrounding communities are home to a number of industrial and manufacturing businesses. These businesses are currently generating demand in the market but some nights are being lost due to a lack of suitable accommodations in Essex.
- Essex is a 20 to 25-minute drive from Windsor which will mean that some demand will still choose to stay in Windsor to be closer to the support amenities and services there.

The proposed hotel's projected performance within the Corporate/Commercial demand segment is summarized below.

	Year 1 01-Jan-20	Year 2 01-Jan-21	Year 3 01-Jan-22	Year 4 01-Jan-23	Year 5 01-Jan-24	Year 6 01-Jan-25
<b>CORPORATE</b>						
Fair market share	7,676	7,752	7,752	7,752	7,752	7,752
Projected market share	70.0%	72.5%	75.0%	75.0%	75.0%	75.0%
Demand captured by subject	5,373	5,621	5,814	5,814	5,814	5,814

Upon stabilization, the hotel will attract about 30-40 corporate room nights per day over the key 200-250 primary corporate demand days annually.

### Meeting/Conference Segment

The Meeting/Conference market segment typically consists of rooms' demand generated for the purpose of attending meetings and/or conferences internally within area hotels, which offer public assembly facilities. Conference delegates who may be attending a meeting elsewhere in the vicinity may also generate demand.

Hotels within the competitive market typically capture approximately 6% of their total demand, equating to approximately 1,270 occupied room nights for a comparably sized hotel, from the Meeting/Conference demand segment. It is important to note that while almost all of the hotels in the market capture some level of demand from this segment, the large majority of the Meeting/Conference demand in the competitive market is generated by some of the larger hotels with significant meeting space in Windsor and Leamington.

The proposed hotel is projected to generate a lower proportion of annual demand from this segment, at 3% of total demand or 508 occupied room nights upon stabilization in 2022. Projections in this segment are based on the following:

- The proposed hotel will be a newly built, branded hotel, and will contain approximately 650 square feet of small format meeting space with each room having a capacity of 20-25 people.
- The local area has limited meeting and event facilities that can accommodate people for social events such as weddings, holiday celebrations, birthdays, anniversaries, and religious events and corporate events such as training and annual meetings. However, the proposed hotel will be able to accommodate the small meetings identified by the corporate demand generators in the market. The hotel will pick up overflow demand in this segment when larger meetings are taking place in the community or at hotels in Leamington and Windsor.

The proposed hotel's projected performance within the Meeting/Conference demand segment is summarized below.

	Year 1 01-Jan-20	Year 2 01-Jan-21	Year 3 01-Jan-22	Year 4 01-Jan-23	Year 5 01-Jan-24	Year 6 01-Jan-25
<b>MEETING</b>						
Fair market share	1,258	1,270	1,270	1,270	1,270	1,270
Projected market share	30.0%	35.0%	40.0%	40.0%	40.0%	40.0%
Demand captured by subject	377	445	508	508	508	508

Upon stabilization the hotel will attract about 25-30 small meetings of 15-20 people annually generating an estimated 508 room nights per year.

### Leisure/Tourist Segment

The Leisure/Tourist market segment consists of rooms' demand generated by independent tourists, group tours, and a variety of sports teams/events throughout the year. It includes individuals and families visiting as tourists, the "VFR" market (visiting friends or relatives). This market also consists of demand generated by groups whose primary purpose is of a leisure or transient nature and not related to corporate business.

Occupied room night demand within the Leisure/Tourist segment will be generated from a variety of sources including, tour groups, sports tournaments, social events, cultural events and festivals, and pleasure travel to Essex and the surrounding area, as well as visiting friends and family.

Hotels within the competitive market typically capture approximately 35% of their total annual demand, or in the range of 6,900 to 7,000 occupied room nights for comparably sized hotels, from the Leisure demand segment. The proposed hotel is projected to capture a higher proportion of demand from this segment, at

44% of total demand or 8,403 occupied room nights upon stabilization in 2022, the third year of operations. Projections in this segment are based on the following:

- The proposed hotel will be a newly built, branded hotel and will be attractive to those visiting friends and relatives in Essex.
- The proposed hotel is expected to be an attractive accommodation choice for sports groups utilizing the recreation facilities in the Town and will be able to accommodate tournament overflow from Windsor and Leamington.
- Given that much of the current sports demand is generated by tournaments, which are typically hosted on weekends in the winter, late fall, and early spring over a 2 to 3 day period, as an 80-room property, the capacity limits of the hotel will impact the amount of demand the property can reasonably expect to capture from this demand segment.
- The hotel is expected to see additional demand generated by tour groups as well as attendees for the various cultural festivals and events.
- The hotel is expected to capture demand associated with the various social events (i.e. weddings and parties) as well as pleasure travel to the wineries.
- Town has a number of attractions and leisure demand generators including the local shops and restaurants, attractions and recreational waterfront trails.

It is expected that the proposed hotel would be able to re-capture a portion of Leisure demand that is currently utilizing properties outside of the Town as a result of the lack of accommodations in Essex. The proposed hotel's projected performance within the Leisure demand segment is summarized below.

	Year 1 01-Jan-20	Year 2 01-Jan-21	Year 3 01-Jan-22	Year 4 01-Jan-23	Year 5 01-Jan-24	Year 6 01-Jan-25
<b>LEISURE</b>						
Fair market share	6,933	7,003	7,003	7,003	7,003	7,003
Projected market share	115.0%	117.5%	120.0%	120.0%	120.0%	120.0%
Demand captured by subject	7,973	8,228	8,403	8,403	8,403	8,403

Upon stabilization the hotel will attract about 55-85 leisure room nights per day over the key 100-150 primary leisure demand days annually.

### Government/Other Segment

The Government/Other market segment consists of demand generated by crew contracts, government officials, travel agents, hotel employees, and to a lesser extent, smaller specialty markets. Demand in this segment is typically represented by sources, which are highly rate sensitive and are normally provided with significantly discounted room rates.

This segment of demand is typically highly rate sensitive and while it is reasonable to expect the proposed hotel to capture a portion of this existing demand, it would be at a lower rate. The proposed hotel is also expected to utilize online travel websites to capture demand within the 'Other' segment. This segment of demand is also typically offered at a highly discounted rate.

Hotels within the competitive market typically capture approximately 20% of their total demand, or 4,000 occupied room nights for comparably sized hotels, from the Government/Other demand segment. The proposed hotel is projected to capture a higher proportion of occupied room nights from this segment, at 23% of total demand or 4,418 occupied room nights in 2022, the third year of operations. Projections in this segment are based on the following:

- The proposed hotel will be a newly built, branded hotel.
- The proposed hotel is expected to capture some demand from local construction crews and Government business; albeit at a lower rate.
- The proposed hotel is expected to make use of online travel agency websites to fill rooms during lower demand periods.

The proposed hotel's projected performance within the Government/Other demand segment is summarized below.

	Year 1 01-Jan-20	Year 2 01-Jan-21	Year 3 01-Jan-22	Year 4 01-Jan-23	Year 5 01-Jan-24	Year 6 01-Jan-25
<b>OTHER</b>						
Fair market share	3,977	4,017	4,017	4,017	4,017	4,017
Projected market share	100.0%	105.0%	110.0%	110.0%	110.0%	110.0%
Demand captured by subject	3,977	4,217	4,418	4,418	4,418	4,418

Upon stabilization, the hotel will attract about 18-22 "other" room nights per day over the key 200-250 primary "other" demand days annually.

### Subject Hotel Average Daily Rate Projections

In terms of Average Daily Rate (ADR), the ADR for the proposed subject hotel is projected to be \$127.00 in its opening year, 2020.

<b>Subject Property Average Daily Rate (ADR) Penetration</b>						
	2020	2021	2022	2023	2024	2025
Subject Average Daily Rate	\$127.00	\$129.54	\$132.13	\$134.77	\$137.47	\$140.22
Subject Rate Penetration	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%

Source: CBRE Hotels

The proposed hotel's ADR is expected to be at a slight discount to that of the properties on Huron Church in Windsor, since Essex is located a 20-minute drive away. The ADR positioning is also reflective of the proposed facility program and the mid-scale, limited service brand affiliation. Overall, the proposed hotel is projected to achieve rate penetration of approximately 94.3% throughout the projection period.

### Summary of Property Projections

Projections by segment of demand for the proposed hotel including occupancy, ADR, and RevPAR are shown below:

#### Proposed Essex Hotel Segmentation

	Year 1 01-Jan-20	Year 2 01-Jan-21	Year 3 01-Jan-22	Year 4 01-Jan-23	Year 5 01-Jan-24	Year 6 01-Jan-25
<b>CORPORATE</b>						
Fair market share	7,676	7,752	7,752	7,752	7,752	7,752
Projected market share	70.0%	72.5%	75.0%	75.0%	75.0%	75.0%
Demand captured by subject	5,373	5,621	5,814	5,814	5,814	5,814
Room Demand Growth	0.0%	4.6%	3.4%	0.0%	0.0%	0.0%
<b>MEETING</b>						
Fair market share	1,258	1,270	1,270	1,270	1,270	1,270
Projected market share	30.0%	35.0%	40.0%	40.0%	40.0%	40.0%
Demand captured by subject	377	445	508	508	508	508
Room Demand Growth	0.0%	17.8%	14.3%	0.0%	0.0%	0.0%
<b>LEISURE</b>						
Fair market share	6,933	7,003	7,003	7,003	7,003	7,003
Projected market share	115.0%	117.5%	120.0%	120.0%	120.0%	120.0%
Demand captured by subject	7,973	8,228	8,403	8,403	8,403	8,403
Room Demand Growth	0.0%	3.2%	2.1%	0.0%	0.0%	0.0%
<b>OTHER</b>						
Fair market share	3,977	4,017	4,017	4,017	4,017	4,017
Projected market share	100.0%	105.0%	110.0%	110.0%	110.0%	110.0%
Demand captured by subject	3,977	4,217	4,418	4,418	4,418	4,418
Room Demand Growth	0.0%	6.1%	4.8%	0.0%	0.0%	0.0%
<b>SUBJECT ROOM DEMAND BY SEGMENT</b>						
CORPORATE	5,373	5,621	5,814	5,814	5,814	5,814
% of Demand	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%
MEETING	377	445	508	508	508	508
% of Demand	2.1%	2.4%	2.7%	2.7%	2.7%	2.7%
LEISURE	7,973	8,228	8,403	8,403	8,403	8,403
% of Demand	45.0%	44.5%	43.9%	43.9%	43.9%	43.9%
OTHER	3,977	4,217	4,418	4,418	4,418	4,418
% of Demand	22.5%	22.8%	23.1%	23.1%	23.1%	23.1%
Total Subject Demand	17,700	18,511	19,144	19,144	19,144	19,144
SUBJECT OCCUPANCY	53.9%	56.3%	58.3%	58.3%	58.3%	58.3%
Total Rooms Revenue	\$2,247,943	\$2,397,858	\$2,529,482	\$2,580,072	\$2,631,673	\$2,684,307
SUBJECT ADR	\$127.00	\$129.54	\$132.13	\$134.77	\$137.47	\$140.22
SUBJECT RevPAR	\$68.43	\$72.99	\$77.00	\$78.54	\$80.11	\$81.71

Source: CBRE Hotels

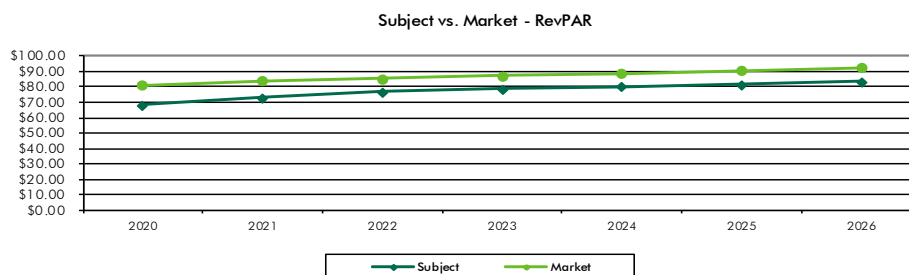
Based on our analysis, projected market share and rate penetration showing RevPAR for the hotel is shown below:

OCCUPANCY, ADR & REVPAR							
	Occupancy	Penetration	ADR	Penetration	RevPAR	% RevPAR Growth	RevPAR Index
FORECAST							
Year 1	53.9%	89.2%	\$127.00	94.3%	\$68.43	-	0.0%
Year 2	56.3%	92.4%	\$129.54	94.3%	\$72.99	6.7%	0.0%
Year 3	58.3%	95.5%	\$132.13	94.3%	\$77.00	5.5%	0.0%
Year 4	58.3%	95.5%	\$134.77	94.3%	\$78.54	2.0%	0.0%
Year 5	58.3%	95.5%	\$137.47	94.3%	\$80.11	2.0%	0.0%
Year 6	58.3%	95.5%	\$140.22	94.3%	\$81.71	2.0%	0.0%

Source: CBRE Hotels

### RevPAR Index

On an overall basis, we estimate the Proposed Essex Hotel will achieve a RevPAR Index of 101.5% in Year 1 and will see an increase to 112% as the hotel's occupancy improves and then stabilizes. The following chart shows the trend line indicating the RevPAR movement of the subject property in comparison to the market.





## Seasonality of Demand

The following table presents the seasonality of demand and capacity analysis for the proposed hotel based on the above projections for each demand segment in the stabilized year of operations.

Seasonality and Capacity Analysis									
TOTAL DEMAND	Year 3	Winter (Jan-Mar)		Spring (Apr-Jun)		Summer (Jul-Sep)		Fall (Oct-Dec)	
occupied room nights	19,144	3,699		4,682		6,371		4,391	
% demand	100.0%	19.3%		24.5%		33.3%		22.9%	
period occupancy	58.3%	45.7%		57.2%		76.9%		53.0%	
		Sun-Thur	Fri-Sat	Sun-Thur	Fri-Sat	Sun-Thur	Fri-Sat	Sun-Thur	Fri-Sat
occupied room nights	19,144	2,129	1,571	3,182	1,500	4,238	2,133	2,897	1,495
% demand	100.0%	57.5%	42.5%	68.0%	32.0%	66.5%	33.5%	66.0%	34.0%
period occupancy		36.4%	67.1%	54.4%	64.1%	72.4%	91.2%	49.5%	63.9%

Source: CBRE Hotels

Summer is expected to be the busiest season for the proposed hotel, representing 33% of the total annual demand and running an average occupancy of 77% between July and September. This is followed by spring, which is expected to represent approximately 24.5% of demand and occupancy of 57%. Fall is expected to see similar demand levels to the spring, with 23% of total demand and a seasonal occupancy of 53%. Winter is expected to represent the lowest demand period at 19% and an occupancy of 46%.

As shown, the proposed hotel is projected to achieve relatively stronger weekend occupancy levels in the spring, summer, and fall. However, mid-week occupancy, particularly in the off-peak periods, presents a significant challenge in achieving sustainable business levels.

The following presents the seasonality implications for each of the demand segments:

- **Corporate** – Corporate travel in the region is concentrated in the spring, summer, and fall months; however, more limited amounts of corporate demand does exist in the winter months as well. Corporate demand is typically concentrated between Sunday and Thursday.
- **Meeting/Conference** – Meeting and Conference demand provides a relatively consistent source of demand throughout the year, with slightly higher demand periods in the spring and fall. Meeting and conference demand typically occurs between Sunday and Thursday.
- **Leisure** – Leisure demand is typically concentrated throughout the warmer months when travelers are more likely to book vacations, add vacation time onto a business trip or conference, host a wedding or event, or visit friends and relatives. In this market, there is also a fair number of sports tournaments, which would generate some demand in the winter and shoulder periods. Leisure demand generally occurs on weekends; however, in the summer months weekday leisure demand increases.
- **Government/Other** – Government/Other demand provides a relatively consistent source of demand throughout the year. Demand within this segment is typically concentrated throughout the week.



## Proposed Hotel Operating Projections

## PROPOSED HOTEL OPERATING PROJECTIONS

### Introduction

Based upon the preceding discussion of projected occupancies and average daily rates, a five-year projection of annual operating results has been prepared for a proposed 90-room hotel development in the Town of Essex, Ontario.

Given that the potential hotel development would be a newly constructed asset, a review of historic results is not possible. Rather to estimate the revenues and expenses of the hotel, the pro forma assumptions have been based on a review of the operating performance of similar and like hotels as tracked through the in-house CBRE Canadian Hotel Trends database. The CBRE Hotel database of financial statements annually includes over 600 properties across Canada. This database, which provides insight into the operating performance of other directly competitive and comparable hotels, includes a sample of focused service and limited service hotels. The comparative hotels were selected based on their size, facility program and market mix.

The Uniform System of Accounts for Hotels, recommended by the American Hotel and Lodging Association and in general use throughout the hotel industry in Canada, has been used to classify income and expenses in this report. In conformity with this system, only direct operating expenses are charged to operating departments of the hotel. The general overhead items, which are applicable to operations as a whole, are classified as undistributed and include administrative and general expenses, marketing, property operations and maintenance, and energy costs.

Based on our review of the market, and upon the discussion of projected occupancies and average daily rates, a projection of operating results has been prepared for the potential hotel development as an 90-room branded limited service property. The projections assume an opening date of January 1, 2020.

### Key Assumptions

Expenses have been projected with consideration given to the level of fixed versus variable costs in each department. Fixed costs are those that are not normally affected by changes in occupancy levels or sales volumes, such as property taxes, certain administrative payroll positions, or fixed internet and phone plans. Variable expenses however, are tied directly to occupancy levels and sales volumes and include items such as the cost of housekeeping supplies or food and beverage purchases. Expenses have been inflated at 2.0% per year unless otherwise noted.

The Franchise Fees projected at 7.0% of Gross Rooms Revenue represent the lower end of the range for the brands noted. If one of the primary brands (i.e. Marriott, Hilton, IGH) were to be developed the fees would likely be closer to 10.0% of GRR which would have a negative impact on the projected cashflow.

On November 22, 2017, the Ontario government passed the amendments to the Employment Standards Act and Labour Relations Act, which, in addition to other measures, increases the minimum wage to \$15 an

hour by 2019. The changes also stipulate that, part-time, contract and temporary workers will earn the same wage as full-time workers for equal work; vacation and personal-leave benefits would be increased across the board; and scheduling rules would become more rigid, ensuring workers get paid for at least three hours if a shift is cancelled. Employees who have been at the same job for five years would also now be entitled to three weeks of paid vacation. The proposed increase to the minimum wage is to be phased in over the next 14 months, rising to \$14 an hour on January 1, 2018 and then to \$15 by January 1, 2019. Liquor servers minimum wage will increase from the current \$10.10 per hour to \$12.20 per hour on January 1, 2018 and \$13.05 per hour on January 1, 2019. The changes to minimum wage are expected to have a significant impact on labour intensive businesses such as hotels and restaurants, especially in markets where historically these positions have been earning minimum wage. The increase represents growth of approximately 21%.

The projections also reflect typical expenses for a Management Fee (3%) and Reserve for Asset Replacement (4%) as a percentage of Total Revenue. While some operators may not actually incur or deduct these expenses from the operating statements, these expenses reflect typical underwriting criteria and most lenders and developers will include them in their proforma analysis when evaluating a project.

### Projected Operating Results

Presented on the following page is a projection of the operating income for the proposed hotel over the first six years of operation.

Proposed Hotel, Essex, ON  
For Period Beginning

January 2020

(Numbers in 000's)

PERIOD	Year 1	Forecast		Year 2	Forecast		Year 3	Forecast		Year 4	Forecast		Year 5	Forecast		Year 6	Forecast	
		% Sales	PAR/POR		% Sales	PAR/POR		% Sales	PAR/POR		% Sales	PAR/POR		% Sales	PAR/POR		% Sales	PAR/POR
No. of Rooms	90			90			90			90			90			90		
ANNUAL AVAILABLE ROOMS	32,850			32,850	0.0%		32,850	0.0%		32,850	0.0%		32,850	0.0%		32,850	0.0%	
ROOMS SOLD	17,700			18,511	4.6%		19,144	3.4%		19,144	0.0%		19,144	0.0%		19,144	0.0%	
OCCUPANCY	53.9%			56.3%	4.6%		58.3%	3.4%		58.3%	0.0%		58.3%	0.0%		58.3%	0.0%	
AVERAGE RATE	\$127.00			\$129.54	2.0%		\$132.13	2.0%		\$134.77	2.0%		\$137.47	2.0%		\$140.22	2.0%	
RevPAR	\$68.43			\$72.99	6.7%		\$77.00	5.5%		\$78.54	2.0%		\$80.11	2.0%		\$81.71	2.0%	
<b>OPERATING REVENUE</b>																		
Guest Rooms	\$2,248	97.2%	\$127.00	\$2,398	97.3%	\$129.54	\$2,529	97.3%	\$132.13	\$2,580	97.3%	\$134.77	\$2,632	97.3%	\$137.47	\$2,684	97.3%	\$140.22
Food & Beverage	\$31	1.3%	\$1.75	\$32	1.3%	\$1.73	\$33	1.3%	\$1.72	\$34	1.3%	\$1.76	\$34	1.3%	\$1.79	\$35	1.3%	\$1.83
Miscellaneous Income	\$18	0.8%	\$1.00	\$18	0.7%	\$0.99	\$19	0.7%	\$0.99	\$19	0.7%	\$1.01	\$20	0.7%	\$1.03	\$20	0.7%	\$1.05
Other Operating Departments	\$17	0.7%	\$0.95	\$17	0.7%	\$0.94	\$18	0.7%	\$0.94	\$18	0.7%	\$0.95	\$19	0.7%	\$0.97	\$19	0.7%	\$0.99
<b>Total Operating Revenue</b>	<b>\$2,313</b>	<b>100.0%</b>	<b>\$130.70</b>	<b>\$2,466</b>	<b>100.0%</b>	<b>\$133.20</b>	<b>\$2,599</b>	<b>100.0%</b>	<b>\$135.78</b>	<b>\$2,651</b>	<b>100.0%</b>	<b>\$138.50</b>	<b>\$2,704</b>	<b>100.0%</b>	<b>\$141.27</b>	<b>\$2,759</b>	<b>100.0%</b>	<b>\$144.09</b>
<b>DEPARTMENTAL EXPENSES</b>																		
Guest Rooms	\$733	32.6%	\$41.39	\$768	32.0%	\$41.48	\$799	31.6%	\$41.75	\$815	31.6%	\$42.59	\$832	31.6%	\$43.44	\$848	31.6%	\$44.31
Food & Beverage	\$12	38.0%	\$0.67	\$12	38.0%	\$0.66	\$13	38.0%	\$0.66	\$13	38.0%	\$0.67	\$13	38.0%	\$0.68	\$13	38.0%	\$0.70
Other Operating Departments	\$8	47.4%	\$0.45	\$8	47.4%	\$0.44	\$8	47.4%	\$0.44	\$9	47.4%	\$0.45	\$9	47.4%	\$0.46	\$9	47.4%	\$0.47
<b>Total Departmental Expenses</b>	<b>\$752</b>	<b>32.5%</b>	<b>\$42.51</b>	<b>\$788</b>	<b>32.0%</b>	<b>\$42.58</b>	<b>\$820</b>	<b>31.6%</b>	<b>\$42.85</b>	<b>\$837</b>	<b>31.6%</b>	<b>\$43.71</b>	<b>\$853</b>	<b>31.6%</b>	<b>\$44.58</b>	<b>\$871</b>	<b>31.6%</b>	<b>\$45.47</b>
<b>TOTAL DEPARTMENTAL INCOME</b>	<b>\$1,561</b>	<b>67.5%</b>	<b>\$88.19</b>	<b>\$1,677</b>	<b>68.0%</b>	<b>\$90.62</b>	<b>\$1,779</b>	<b>68.4%</b>	<b>\$92.93</b>	<b>\$1,815</b>	<b>68.4%</b>	<b>\$94.79</b>	<b>\$1,851</b>	<b>68.4%</b>	<b>\$96.69</b>	<b>\$1,888</b>	<b>68.4%</b>	<b>\$98.62</b>
<b>UNDISTRIBUTED EXPENSES</b>																		
Administration & General	\$200	8.6%	\$2,220	\$206	8.3%	\$2,285	\$211	8.1%	\$2,347	\$215	8.1%	\$2,394	\$220	8.1%	\$2,442	\$224	8.1%	\$2,491
IT Systems	\$31	1.4%	\$350	\$32	1.3%	\$357	\$33	1.3%	\$364	\$33	1.3%	\$371	\$34	1.3%	\$379	\$35	1.3%	\$386
Sales & Marketing	\$92	4.0%	\$1,025	\$95	3.9%	\$1,055	\$98	3.8%	\$1,084	\$99	3.8%	\$1,105	\$101	3.8%	\$1,127	\$103	3.8%	\$1,150
Franchise Fees	\$157	7.0%	\$1,748	\$168	7.0%	\$1,865	\$177	7.0%	\$1,967	\$181	7.0%	\$2,007	\$184	7.0%	\$2,047	\$188	7.0%	\$2,088
Property Operations & Maintenance	\$116	5.0%	\$1,288	\$119	4.8%	\$1,319	\$122	4.7%	\$1,350	\$124	4.7%	\$1,377	\$126	4.7%	\$1,405	\$129	4.7%	\$1,433
Utilities	\$135	5.8%	\$1,500	\$138	5.6%	\$1,537	\$142	5.4%	\$1,573	\$144	5.4%	\$1,605	\$147	5.4%	\$1,637	\$150	5.4%	\$1,669
<b>Total Undistributed Expenses</b>	<b>\$732</b>	<b>31.6%</b>	<b>\$8,131</b>	<b>\$758</b>	<b>30.7%</b>	<b>\$8,419</b>	<b>\$782</b>	<b>30.1%</b>	<b>\$8,685</b>	<b>\$797</b>	<b>30.1%</b>	<b>\$8,859</b>	<b>\$813</b>	<b>30.1%</b>	<b>\$9,036</b>	<b>\$830</b>	<b>30.1%</b>	<b>\$9,217</b>
<b>GROSS OPERATING PROFIT</b>	<b>\$829</b>	<b>35.8%</b>	<b>\$9,214</b>	<b>\$920</b>	<b>37.3%</b>	<b>\$10,219</b>	<b>\$997</b>	<b>38.4%</b>	<b>\$11,082</b>	<b>\$1,017</b>	<b>38.4%</b>	<b>\$11,304</b>	<b>\$1,038</b>	<b>38.4%</b>	<b>\$11,530</b>	<b>\$1,058</b>	<b>38.4%</b>	<b>\$11,761</b>
Management Fees	\$69	3.0%	\$771	\$74	3.0%	\$822	\$78	3.0%	\$866	\$80	3.0%	\$884	\$81	3.0%	\$901	\$83	3.0%	\$920
<b>INCOME BEFORE FIXED CHARGES</b>	<b>\$760</b>	<b>32.8%</b>	<b>\$8,443</b>	<b>\$846</b>	<b>34.3%</b>	<b>\$9,397</b>	<b>\$919</b>	<b>35.4%</b>	<b>\$10,216</b>	<b>\$938</b>	<b>35.4%</b>	<b>\$10,420</b>	<b>\$957</b>	<b>35.4%</b>	<b>\$10,629</b>	<b>\$976</b>	<b>35.4%</b>	<b>\$10,841</b>
<b>NON-OPERATING INCOME AND EXPENSES</b>																		
Property and Other Taxes	\$225	9.7%	\$2,500	\$230	9.3%	\$2,550	\$234	9.0%	\$2,601	\$239	9.0%	\$2,653	\$244	9.0%	\$2,706	\$248	9.0%	\$2,760
Insurance	\$16	0.7%	\$175	\$16	0.7%	\$179	\$16	0.6%	\$182	\$17	0.6%	\$186	\$17	0.6%	\$189	\$17	0.6%	\$193
<b>Total Non-Operating Income and Expenses</b>	<b>\$241</b>	<b>10.4%</b>	<b>\$2,675</b>	<b>\$246</b>	<b>10.0%</b>	<b>\$2,729</b>	<b>\$250</b>	<b>9.6%</b>	<b>\$2,783</b>	<b>\$255</b>	<b>9.6%</b>	<b>\$2,839</b>	<b>\$261</b>	<b>9.6%</b>	<b>\$2,896</b>	<b>\$266</b>	<b>9.6%</b>	<b>\$2,953</b>
<b>EBITDA</b>	<b>\$519</b>	<b>22.4%</b>	<b>\$5,768</b>	<b>\$600</b>	<b>24.3%</b>	<b>\$6,669</b>	<b>\$669</b>	<b>25.7%</b>	<b>\$7,433</b>	<b>\$682</b>	<b>25.7%</b>	<b>\$7,582</b>	<b>\$696</b>	<b>25.7%</b>	<b>\$7,733</b>	<b>\$710</b>	<b>25.7%</b>	<b>\$7,888</b>
Less: Reserve for Replacement	\$93	4.0%	\$1,028	\$99	4.0%	\$1,096	\$104	4.0%	\$1,155	\$106	4.0%	\$1,178	\$108	4.0%	\$1,202	\$110	4.0%	\$1,226
<b>EBITDA after Reserve for Replacement</b>	<b>\$427</b>	<b>18.4%</b>	<b>\$4,739</b>	<b>\$502</b>	<b>20.3%</b>	<b>\$5,573</b>	<b>\$565</b>	<b>21.7%</b>	<b>\$6,278</b>	<b>\$576</b>	<b>21.7%</b>	<b>\$6,403</b>	<b>\$588</b>	<b>21.7%</b>	<b>\$6,531</b>	<b>\$600</b>	<b>21.7%</b>	<b>\$6,662</b>

Source: CBRE Hotels

## INVESTMENT ANALYSIS AND IMPLICATIONS

### Preliminary Economic Impacts

Based on the forgoing, the impact of the proposed hotel development would be to generate approximately 19,100 occupied room nights annually on average at stabilization. Assuming that there are an average of 1.5 guests per room and an average length of stay of 1.7 days, this represents 17,500 overnight person visits to the Town.

Based on the most recent data available through RTO 1, the average spend per person visit in 2015 was \$104 while the average spend per overnight visit was \$182. Based on the projected ADR and guests for the hotel, the average spend per person on accommodation would be \$84. As a result the average visitor spend per visit on other items is approximately \$98. Based on the data reviewed, the following outlines the visitor spend in the other categories.

Transportation	\$32
Food & Beverage	\$36
Recreation & Entertainment	\$9
Retail/Other	\$20
Accommodation	\$84
<b>Total</b>	<b>\$181</b>

As a result, the 17,500 overnight person visits would generate approximately \$3.17 million in total spend per year.

The property taxes for the hotel as shown on the projected operating statement has been based on the average property taxes for comparable hotels in southwestern Ontario. In Year 3, property taxes are projected to be approximately \$234,000.

### Investment Analysis and Implications

The purpose and intended use of this report is to determine the level of market and economic support for a potential hotel development in the Town of Essex, Ontario. ***The conclusions offered in this report are preliminary in nature, and could be subject to change should a specific site and hotel development program be identified.***

As noted, the hotel investment community is exposed to a wide range of projects and there are several key criteria they consider when determining how/where to invest their funds, the most important of which are:

- **Return on Investment:** Investors require a higher rate of return on hospitality property as compared to more traditional real estate investments. Our experience in the industry indicates that typical hotel investors expect a return on investment in the range of 10% to 15% depending on the location, quality and type of asset. This is far higher than what is characteristic of other real estate classes.
- **Availability and Likelihood of Financing:** Typically for construction financing on new build assets, lenders will finance on the lower of capital cost or estimated market value

~ which directly impacts the level of equity required to move a project forward. In the most ideal situation, capital cost and estimated market value are equal.

- Liquidity/Exit Strategy: Both lenders and developers consider the ultimate exit strategy when evaluating a hotel investment opportunity.

In recent years, construction costs for hotels of this size and scope have been in the range of \$130,000 to \$145,000 per room inclusive of land. This per unit costs would also include the cost of fixtures, furniture and equipment; as well as typical soft costs associated with hotel development such as architectural and engineering fees, legal fees, management costs, etc. As such, a 90-room property such as the proposed hotel would require a total capital investment of between \$12.0 million and \$13.0 million which could be supported based on an overall return expectation, by the third year of operation, of 9.0% to 10.0% against the total investment.

Based on the projections presented on the previous pages the level of Supportable Investment for the proposed hotel would be in the range of \$6.0 to \$6.8 million. As noted the development costs would be in the range of \$12.0 million and \$13.0 million. On a stabilized basis, the rate of return for the hotel developer would be in the range of 4.0% to 5.0%, which, as noted, would be well below typical return expectations of 9% to 10% better.

With respect to financing, typically, lenders would provide debt financing on the lower of 60% of the Supportable Investment or 60% of the capital cost. Even at the low end at \$12.0 million this project would require significant levels of equity investment and would not be considered economically viable.

Proposed 90 Room Hotel – Town of Essex	
Capital Cost <sup>1</sup>	\$12.0 million
Supportable Investment <sup>2</sup>	\$6.8 million
Financing <sup>3</sup>	\$4.08 million
Equity Investment Required <sup>4</sup>	\$7.92 million
Year 3 Operating Income	\$565,000
Return on Investment (Year 3) <sup>5</sup>	5.0%

<sup>1</sup> Low end of the range

<sup>2</sup> High end of the range

<sup>3</sup> Financing at 60% LTV

<sup>4</sup> Capital costs less debt financing

<sup>5</sup> Year 3 Operating Income as a percentage of total investment/capital cost

The report is subject to the Assumptions and Limiting Conditions in Addendum A.

## Addendum "A"

Assumptions and Limiting Conditions







## ASSUMPTIONS AND LIMITING CONDITIONS

1. This Advisory Report prepared by CBRE, is intended for the exclusive use of the Client, and is not intended to be prepared for, given to, or relied upon, by any other person or entity, without the express prior written consent of CBRE, and the individual(s) who authored the Advisory Report.
2. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the report. Unless otherwise specifically noted in the report, CBRE has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE of any questions or errors. CBRE does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the real property furnished by the Client to CBRE and contained in any report prepared by CBRE.
3. The date to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any opinion herein rendered is based upon the purchasing power of the Canadian Dollar on that date. This advisory report is based on market conditions existing as of the date of this report. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the report. However, CBRE will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
4. The conclusions, which may be defined within the body of this report, are subject to change with market fluctuations over time.
5. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE.
6. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE to buy, sell, or hold the properties. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

7. The report has been prepared at the request of the client, and for the exclusive (and confidential) use of the client. The report may not be duplicated in whole or in part without the specific written consent of CBRE nor may this report or copies hereof be disclosed to third parties without said written consent, which consent CBRE reserves the right to deny. If consent is given, it will be on condition that CBRE will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CBRE, by a party satisfactory to CBRE. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE which consent CBRE reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security". Any third party which may possess this report is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE shall have no accountability or responsibility to any third party.
8. The maps, plans, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
9. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate advisors.
10. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Advisor nor CBRE assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
11. CBRE assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
12. It is assumed that there is full compliance with all applicable federal, provincial, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the report.
13. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the herein, as of the effective date of this appraisal, cannot be relied upon as of any other date without subsequent advice of CBRE.
14. Client shall indemnify and hold CBRE fully harmless against any loss, damages, claims, or expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client, and for which recovery is sought against CBRE by that third party.

**Addendum "B"**  
Glossary of Industry Terms





**Supply: Available Room Nights (ARNs)**

Available Rooms Nights refers to the total number of rooms at a property multiplied by the total number of nights the property is open during a given operating season. For example, a 25-room property open year-round (365 nights) would have 9,125 Available Room Nights.

**Demand: Occupied Room Nights (ORNs)**

Occupied Rooms Nights refers to the sum of the number of nights that each available unit was occupied at a given property during one operating season.

**Occupancy Rate**

Occupied Rooms refer to the total number of rooms occupied by transient, group and contract guests, without consideration to the number of guests in each room. Occupancy Rate is expressed as the percentage of rooms occupied out of the total rooms available at a property. The calculation is:

$$\text{Occupancy Rate (\%)} = (\text{Rooms Occupied} / \text{Rooms Available}) \times 100$$

**Average Daily Rate (ADR)**

Although room rates may vary seasonally, by market segment, or by room type within a property, most properties calculate an overall average daily rate (ADR). This rate reveals the average rate charged per occupied room and is calculated by dividing total rooms revenue for a period (usually one year), by the number of rooms occupied during that period. The calculation is as follows:

$$\text{ADR} = \text{Total Rooms Revenue} / \text{Rooms Occupied}$$

**Rooms Revenue per Available Room (RevPAR)**

RevPAR measures the rooms revenue yield a property achieves, relative to the rooms available in the property for a period of time (usually one year). The metric is influenced by 2 factors – occupancy and overall average daily rates (ADR). RevPAR can be used to compare rooms revenue results with prior period results or to compare actual to budgeted results. In addition, since the rooms revenue is scaled by the number of rooms at the property, it can be used as one comparison of the rooms revenue yield of a property to its competitors or comparable properties. The calculation is as follows:

$$\text{RevPAR} = \text{Total Rooms Revenue} / \text{Rooms Available}$$

**Market Segmentation**

Refers to the subdividing of a market into distinct subsets of users that behave in the same way or have similar needs. The hotel market segments most commonly used are Corporate, Meeting/Conference, Leisure, and Government/Other.

### UNEMPLOYMENT RATE

Town of Essex

**5.7%**

Ontario

**5.7%**

Canada

**5.5%**

Stats Canada 2016 Census (Posted November 29th, 2017)

### NEW BUSINESS



**The Dreaming Tree**, 41 King St West, Harrow

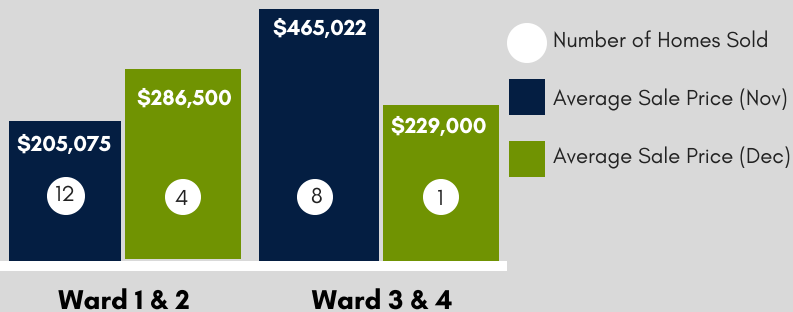


**The Organic Juicery**, 316 Talbot St North, Essex

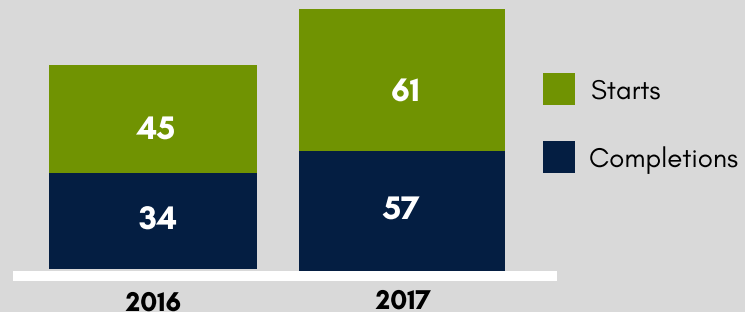
**15**

new businesses opened in 2017

### REAL ESTATE



### NEW HOUSING CONSTRUCTION



### BUILDING PERMITS

January-December 2017



**\$22,805,227.00**

Total Construction Value 2017

January-December 2016

**\$21,679,287.00**

Total Construction Value 2016

### RESIDENTIAL SALES



**332**

Total Single Family Dwellings sold in 2017

Ward 1&2: **194 Homes Sold**

Ward 3&4: **128 Homes Sold**

2016: **233 Homes Sold**

### COMMUNITY IMPROVEMENT PLAN

**50%**

increase in applications received

2017: **24**

2016: **12**

**No correspondence available for presentation**



**THE UNION WATER SUPPLY SYSTEM**  
**JOINT BOARD OF MANAGEMENT**  
**MINUTES OF MEETING**  
**HELD OCTOBER 18, 2017 AT 9 AM**  
**IN KINGSVILLE COMMUNITY ROOM – KINGSVILLE ARENA**

---

Members Present: Deputy Mayor MacDonald (Chair); Mayor Paterson, Councillors Dunn, Hammond, Jacobs, Verbeke – Leamington  
Mayor Nelson Santos (Vice-Chair); Councillors Gaffan, Neufeld, Patterson – Kingsville  
Mayor McDermott – Essex  
Councillor Diemer – Lakeshore

UWSS Staff: Rodney Bouchard, Manager, Union Water Supply System  
Khristine Johnson, Recording Secretary

Municipal  
Staff Present: Shannon Belleau - Leamington

OCWA Staff  
Present: Ken Penney, Susan Budden

**Call to Order:** 9:03 am

**Disclosures of Pecuniary Interest:** none

**Adoption of Council Minutes:**

**No. UW-52-17**

Moved by: Mayor Paterson

Seconded by: Councillor Patterson

That Minutes of the UWSS Joint Board of Management meeting of September 20, 2017 is received.

Carried

**Business Arising Out of the Minutes:**

There was none.

## Reports and Correspondence

### **Report UW/28/17 dated October 13, 2017 Status Update of the UWSS Operations & Maintenance Activities and Capital Works to September 13, 2017**

The Manager explains to the members of the Board that a new Low Lift Pump #2 has been received. The old pump has been removed and the new pump will be installed next week. He hopes to salvage or recycle the old pump and anticipates that the new pump will provide 20 years of service.

He then discusses several billing meters; Meter #8 has been removed and replaced with a magnetic flow meter, while Meter #27 is scheduled for closer to the end of October for replacement. He anticipates that once all of the meter replacements are complete UWSS will have communication capabilities for all of its meters.

The Manager reminds members of his statement last month regarding the change of coagulant from DelPAC 2020 to Hyperion 1090. He indicates that this change is still in place and this has allowed for the reduction of the aluminum residual. He feels that this process will remain in place until cooler waters prevail in Lake Erie. Once the waters cool UWSS will switch back to its regular coagulant of DelPAC 2020 as it works best in cooler water.

The Manager then reports on an Adverse Water Quality Incident (AWQI) of October 10<sup>th</sup>. He notes that a coagulant pump malfunctioned and was off for approximately one hour. However, as per regulations coagulant pumps are to run continuously. The Manager notes that a new, mechanically inexperienced operator was working that weekend. The proper alarms sounded and alerted the operator, but other staff had to be called in to make the pump change and this accounted for the time the pump was off. He also confirms that there were no adverse effects to the water quality from this incident. Finally, he confirms that the MOECC has been informed of this incident.

The SCADA system upgrade Request for Proposals (RFP) draft documents have been received and the actual RFP document will be released this Friday. This release will be inviting four (4) or five (5) firms (that have been pre-qualified) to submit their offers. The Manager will be reporting back to the Board once all information is received. He reminds members that there is a budget of \$1.2 million, however the submittals could come in higher or lower. He is not sure where the submittals will come in as this is very specialized work. The RFPs will remain open for approximately one month.

The Manager then reports on updates on the restructuring of the UWSS. He reminds members of last month's meeting with Tom Garner and reports that since then a few things have been achieved in terms of progress. He confirms that a draft financial proposal has been received but a review has not been completed. He also confirms that he has since met with the legal team and they are revising their report that had been prepared in June of 2015. He also states that he met with all four (4) CAOs earlier this week to discuss the UWSS restructuring and while there was some hesitation, due to misinformation, he is hopeful that all members will be satisfied once they receive and

review all of the expert reports. The Manager notes that UWSS can become incorporated immediately leaving everything exactly as it is and work out any policies and such at a later date.

The Manager reported on the flows, noting that they are just above the four (4) year average and still above the budget for the year, so he feels UWSS is in good shape.

There was a brief discussion regarding the new pumps that were put in at the Low Lift and the Coagulant pump that had to be changed out. The Manager explains all of the reasons for making these changes.

**No. UW-53-17**

Moved by: Councillor Jacobs

Seconded by: Councillor Verbeke

That report UW/28/17 dated October 13, 2017 re: Status Update of the UWSS Operations & Maintenance Activities and Capital Works to October 13, 2017 is received.

Carried (UW/28/17))

**Report UW/29/17 dated October 12, 2017 re: CDWI Report for Ontario 2016-2017 and Minister's Annual Report on Drinking Water 2016**

The Manager reviews this yearly report, noting that the Chief Drinking Water Inspector's Report is out earlier than usual. He further explains that this is a report that provides a report card on municipal drinking water system, and contained within the report is information on all four (4) municipalities and their testing results. He confirms that over the years of this report municipalities in general are improving their testing results and the same can be said for the four (4) partner municipalities.

The Manager then explains that the Minister's report for 2016 is more a recap on drinking water systems performances over the last year. He confirms that both reports are available through Union Water's website and links were provided to all members.

The Board asks the Manager if there should be some form of press release regarding the good news that UWSS's municipalities have continually improved and continually met that testing standards. The Manager indicates that the information is posted on the UWSS website.

**No. UW-54-17**

Moved by: Councillor Dun

Seconded by: Mayor Santos

That report UW/29/17 dated October 12, 2017 re: CDWI Report for Ontario 2016-2017 and Minister's Annual Report on Drinking Water 2016 is received.

Carried (UW/29/17)

**Report UW/30/17 dated October 13, 2017 re: Payments from September 15 to October 13, 2017**

There is a brief discussion regarding the cost of electricity. The Manager explains that UWSS has been working hard to reduce electrical costs. There was then a general discussion regarding industrial class of electricity use in Ontario and how to save money. He notes that Co-Generation is still an option and does plan on reporting to the board at some point on a potential project, perhaps once the potential UV system is in place.

**No. UW-55-17**

Moved by: Councillor Neufeld

Seconded by: Councillor Hammond

That the report UW/30/17 dated October 13, 2017 re: Payments from September 15 to October 13, 2017 is received.

Carried (UW/30/17)

**Adjournment****No. UW-56-17**

Moved by: Mayor McDermott

Seconded by: Councillor Diemer

That the meeting adjourn at 9:26 am.

Carried

**Date of Next Meeting:** Wednesday, November 15, 2017 Kingsville Community Room, Kingsville Arena

/kmj



# The Corporation of The Town of Amherstburg

December 20, 2017

VIA EMAIL

Township of North Frontenac  
6648 Road 506  
Plevna, ON K0H 2M0

Att: Ms. McLuckie

**RE: Negative Impacts of Bill 148**

At its meeting of November 13<sup>th</sup>, 2017, Amherstburg Town Council passed the following:

***Resolution # 20171113-949 - That Council support the Township of North Frontenac's resolution regarding the negative impacts of Bill 148.***

Best Regards,

Tammy Fowkes  
Deputy Clerk

cc: Taras Natyshak – MPP, Essex  
Tracey Ramsey – MP, Essex  
Ontario Municipalities  
Association of Municipalities of Ontario (AMO)

encl. Township of North Frontenac Resolution

**Subject:** Request for Support re Bill 148

Good Afternoon,

The Township of North Frontenac held a Council Meeting on October 13, 2017 and is requesting support for the below resolution:

**Moved by Councillor Inglis, Seconded by Councillor Hermer**

**#470-17**

**BE IT RESOLVED THAT** Council is concerned with the negative impacts of Bill 148, including potential increase of costs on Volunteer Fire Departments;

**AND THAT** Council instructs the Clerk to circulate a copy of this Resolution to all other municipalities in Ontario requesting their support; AMO and Randy Hillier MPP.

**Carried**

If you have any questions or concerns, please contact Tara Mieske, Clerk/Planning Manager [www.clerkplanning@northfrontenac.ca](mailto:www.clerkplanning@northfrontenac.ca).

Thank you,  
Sonia

***Sonia McLuckie***

Administrative Assistant to the Fire Chief, Clerk/Planning Manager, and to Assist with the CLSP

**Township of North Frontenac**

6648 Road 506, Plevna, ON, K0H 2M0

1-800-234-3953 or 613-479-2231 Ext. 239

[officesupport@northfrontenac.ca](mailto:officesupport@northfrontenac.ca)



# The Corporation of The Town of Amherstburg

December 20, 2017

VIA EMAIL

The Honourable Kathleen O. Wynne  
Premier of Ontario  
Queen's Park, Rm. 281  
Main Legislative Building  
Toronto, ON M7A 1A1

Dear Premier Wynne:

**RE: On-Call Provisions in Bill 148**

At its meeting of November 13<sup>th</sup>, 2017, Amherstburg Town Council passed the following:

***Resolution # 20171113-948 - That Council support the Town of Mono's resolution regarding the on-call provisions in Bill 148.***

Best Regards,

Tammy Fowkes  
Deputy Clerk

cc: Kevin Daniel Flynn, Minister of Labour  
Taras Natyshak – MPP, Essex  
Tracey Ramsey – MP, Essex  
Ontario Municipalities  
Association of Municipalities of Ontario (AMO)

encl. Town of Mono Resolution & Township of Montague Resolution



# Town of Mono

347209 Mono Centre Road  
Mono, Ontario L9W 6S3

30 October 2017

Honourable Kathleen Wynne, Premier of Ontario  
Legislative Building – Room 281  
Queen's Park  
Toronto, ON M7A 1A1

Dear Premier Wynne,

The Council of the Town of Mono passed the following resolution at its Council Session of October 24, 2017:

*Moved by R. Manktelow; Seconded by K. McGhee*

*THAT Council supports and endorses the Township of Montague Resolution No: 104-2017 dated September 19, 2017 regarding the on-call provisions of Bill 148, Fair Workplaces, Better Jobs Act, 2017;*

*AND THAT this resolution be forwarded to Premier Wynne, MPP Sylvia Jones and all Ontario municipalities.*

*Carried.*

Town of Mono Council is concerned with the affect the on-call provisions of Bill 148, Fair Workplaces, Better Jobs Act, 2017 will have on Municipal budgets. Of particular concern is how the proposed changes will impact the cost of providing emergency services, including firefighting and fire prevention services, as Mono relies heavily on volunteer fire fighters. Changing to a 3-hour at regular time on-call regime will prove to be cost prohibitive.

We request that the Government of Ontario provide an exemption from article s. 21.4 for all municipal employees who are required to be on-call to provide statutorily mandated public safety services.

Regards,

Laura Ryan  
Mayor

cc: Sylvia Jones, MPP (Dufferin—Caledon)  
All Ontario Municipalities



**THE CORPORATION OF THE  
TOWNSHIP OF MONTAGUE**



6547 ROGER STEVENS DRIVE  
P.O. BOX 755  
SMITHS FALLS, ON K7A 4W6  
TEL: (613) 283-7478  
FAX: (613) 283-3112  
[www.township.montague.on.ca](http://www.township.montague.on.ca)

**October 2<sup>nd</sup>, 2017**

**Honourable Kathleen Wynne, Premier of Ontario  
Legislative Building - Room 281  
Queen's Park  
Toronto Ontario, M7A 1A1  
Via Email**

**Town of Mono  
Schedule A  
Council Session 16-2017**

**Dear Premier Wynne,**

**Please be advised the Council of the Township of Montague passed the following resolution at its meeting of Committee of the Whole of September 19<sup>th</sup>, 2017:**

**MOVED BY: K. Van Der Meer  
SECONDED BY: I. Streight**

**RESOLUTION NO: 104-2017  
DATE: September 19, 2017**

**WHEREAS The Township of Montague maintains a motivated and well-functioning volunteer fire department;**

**AND WHEREAS changes proposed to on-call provisions in the Employment Standards Act by Bill 148 will result in exorbitant tax increases to maintain fire prevention services in a rural municipality;**

**AND WHEREAS many Ontario municipalities will be unable to maintain fire services if this change is enacted;**

**AND WHEREAS the Association of Municipalities of Ontario has submitted a position paper to the Ontario government specifically requesting the exemption of all municipal volunteer firefighters;**

**NOW THEREFORE The Township of Montague requests that all municipal employees be specifically exempted from the on-call changes proposed by Bill 148;**

**AND That the Township of Montague request that the government of Ontario conduct a full economic impact study of Bill 148 to study the effect of the Bill on businesses and municipalities across Ontario;**

**AND That this resolution be circulated to Premier Kathleen Wynne, Minister of Labour Kevin Daniel Flynn, the Association of Municipalities of Ontario and all Ontario municipalities.**

**CARRIED**

THE CORPORATION OF THE  
**TOWNSHIP OF MONTAGUE**



6547 ROGER STEVENS DRIVE  
P.O. BOX 755  
SMITHS FALLS, ON K7A 4W6  
TEL: (613) 283-7478  
FAX: (613) 283-3112  
[www.township.montague.on.ca](http://www.township.montague.on.ca)

Please contact me if you have any additional questions.

Thank you,

Jasmin Ralph  
Clerk

Cc: Minister of Labour Kevin Daniel Flynn;  
Association of Municipalities of Ontario (AMO)  
All Ontario Municipalities

Good morning,

Ontario is expanding Rapid Access Clinics across the province to help people with hip, knee and lower back pain access the right treatment faster, following a successful pilot program.

The Erie St. Clair LHIN (ESC LHIN) has received \$1.39 million in annualized base operational funding to allocate towards supporting capacity and operations of our regional Rapid Assess Clinics. The ESC LHIN is still establishing where the funds will be allocated across the region with the goal of ensuring the most impact for each dollar.

Please see the attached news release for more information.

Have a great day,

**Andrew Tompsett**

*Lead, External Communications*

**Erie St. Clair Local Health Integration Network**

**Réseau local d'intégration des services de santé d'Érie St-Clair**

180 Riverview Drive, Chatham ON N7M 5Z8

Telephone/Téléphone: 519-351-5677 x.3209

Fax/Télécopieur: 519-351-9672

Email/Courriel : [Andrew.Tompsett@lhins.on.ca](mailto:Andrew.Tompsett@lhins.on.ca)

Websites/Sites Web: [www.healthcareathome.ca/eriestclair](http://www.healthcareathome.ca/eriestclair) |

[www.eriestclairlhins.on.ca](http://www.eriestclairlhins.on.ca)

## For Immediate Release

December 21, 2017

### **Ontario Making Treatment Faster for Hip, Knee and Lower Back Pain** *Province Expanding Program to Assess and Treat Muscle and Bone Disorders*

**CHATHAM-KENT** – Ontario is expanding Rapid Access Clinics across the province to help people with hip, knee and lower back pain access the right treatment faster, following a successful pilot program.

The Erie St. Clair LHIN (ESC LHIN) has received \$1.39 million in annualized base operational funding to allocate towards supporting capacity and operations of our regional Rapid Access Clinics. The ESC LHIN is still establishing where the funds will be allocated across the region with the goal of ensuring the most impact for each dollar.

The new clinics will help people with pain in their muscles or bones get the treatment and specialized care they need by reducing unnecessary medical procedures, including imaging and surgery. The clinics will also improve wait times through a coordinated intake and triage process, with patients better able to access the right education and treatment options faster, which could include referrals to proven alternatives to surgery and pain medication like physiotherapy or chiropractic treatment.

Patients will be referred by family physicians to Rapid Access Clinics, where they will be seen within four weeks and given an assessment. Clinical experts agree that innovations like this lead to a more sustainable health care system, and are just one way that Ontario is leading as a champion of publicly-funded health care in Canada.

Ontario's plan to create fairness and opportunity during this period of rapid economic change includes a higher minimum wage and better working conditions, free tuition for hundreds of thousands of students, easier access to affordable child care, and free prescription drugs for everyone under 25 through the biggest expansion of medicare in a generation.

#### **QUOTES**

“Musculoskeletal pain can be debilitating and interfere with a person’s quality of life. That’s why Ontario is investing in a central intake system to ensure those who suffer from pain in their hips, knees and lower back can access assessments and treatment options faster and closer to home.”

— Dr. Eric Hoskins, Minister of Health and Long-Term Care

“We know that as our resident’s age they will have more issues arise with back pain, arthritis, hips and knees, and pain from injuries. The Erie St. Clair investment into Musculoskeletal care means that we can help more people in our communities access the right treatments, in a timely manner, closer to home.”

— Ralph Ganter, CEO, Erie St. Clair LHIN

### QUICK FACTS

- In addition to the \$1.39 million investment, the ESC LHIN is also being provided with one-time funding to ensure MSK funding can be locally operationalized.
  - 2017-2018: up to \$64,909
  - 2018-2019: up to \$129,567
  - 2019-2020: up to \$63,551
- Ontario is investing more than \$37 million over the next three years, including \$17 million in 2017-18, to expand Rapid Access Clinics so patients with musculoskeletal conditions can access the right care faster.
- This investment is part of a larger commitment of \$245 million over three years in the 2017 Budget to reduce wait times and improve the referral process for treatment of back pain and other conditions.
- Rapid Access Clinics build on existing models, like the lower back pain pilot program, [Interprofessional Spine Assessment and Education Clinics \(ISAEC\)](#), launched in November 2012. This program has helped over 6,500 people and maintains satisfaction rates of 99 per cent among patients, and 97 per cent for primary care providers.
- One in three adults are affected by musculoskeletal disorders, which impact the bones, muscles, tendons, ligaments, joints and connective tissues, and make it difficult to perform daily activities.
- Family physicians can refer patients to a Rapid Access Clinic to receive an assessment, education and treatment recommendations within four weeks by a physiotherapist or chiropractor.

### LEARN MORE

- [Patients First: Action Plan for Health Care](#)
- [Information about government-funded physiotherapy services](#)
- Read more about Erie St. Clair LHIN at [www.eriestclairlhlin.on.ca](http://www.eriestclairlhlin.on.ca)

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For more information please contact Shannon Sasseville, Director of Communication, Public Affairs, and Organizational Development at 519-351-5677 ext. 3225 or at [shannon.sasseville@lhins.on.ca](mailto:shannon.sasseville@lhins.on.ca)



7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416-325-0400  
Facsimile: 416-325-0374

7<sup>e</sup> étage, Édifice Frost Sud  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone: 416-325-0400  
Télécopieur: 416-325-0374

Dear Heads of Municipal Councils:

Ontario continues to prepare for federal legalization of cannabis by moving ahead with its safe and sensible framework to govern the lawful use and retail distribution of cannabis as a carefully controlled substance within the province. On December 12, 2017, Ontario passed legislation that will regulate the lawful use, sale and distribution of recreational cannabis by the federal government's July 2018 deadline.

I am writing to provide you with an update on the provincial work underway to establish a retail and distribution channel for legal cannabis. I would also like to confirm the Province's commitment to engaging with municipalities on funding to help address the incremental costs associated with the implementation of cannabis legalization in Ontario.

Our objectives in the establishment of the retail and distribution system for legal cannabis are to protect youth and eliminate the illegal market. Municipalities are essential partners in the efforts to achieve these goals.

As noted in my October 27 letter, the various engagements the province has had with municipalities have been beneficial. Over the course of November and December, staff from the Ministry of Finance and the Liquor Control Board of Ontario (LCBO) met with staff of the municipalities identified for the initial cannabis retail stores for July 2018. These meetings provided valuable insights on provincial guidelines and areas of local interests that will inform store siting. I would like to thank the staff of these municipalities for their thoughtful feedback.

With the conclusion of the federal government's consultation with provinces and territories on the tax framework, we now have a better understanding of the revenue share to address the costs of legalization. During those discussions, we negotiated for a greater share of revenue on the basis that both the province and municipalities bear incremental costs. We now look forward to engagement with municipalities on a reasonable distribution of the province's share of the federal excise tax revenue. Given the federal government's forecasts of modest revenue and the Federation of Canadian Municipalities' estimated cost projections, our engagement will need to acknowledge that it appears unlikely there will be enough revenue to fully cover the incremental municipal and provincial costs associated with legalization.

In January 2018, the Ministry of Finance will work with the Association of Municipalities of Ontario and the City of Toronto to launch an engagement process with municipalities on cannabis-related funding. This process will consider what is known about incremental municipal and provincial costs and set out a proposed approach to funding for municipalities that supports our shared policy objectives.

To help guide this engagement, I would like to propose the following principles:

- Address Implementation Costs – An approach to funding should acknowledge that the province and municipalities will incur upfront incremental costs as a result of the federal government's decision to legalize cannabis and that a funding approach should focus on helping to address these costs.
- Respect the Role of Municipalities – An approach to funding should recognize the efforts of municipalities in their areas of jurisdiction associated with the legalization of cannabis.
- Align with the Term of the Federal Tax Framework – An approach to funding should align with the two-year term agreed to between the federal, provincial and territorial governments on the federal excise tax.

As we conclude the holiday season and reflect on the past year, I would like to thank you again for your meaningful engagement with the province as we all prepare for the legalization of cannabis in July 2018. Please accept my best wishes for the New Year.

Sincerely,



Charles Sousa  
Minister

c: The Honourable Yasir Naqvi, Attorney General of Ontario  
The Honourable Bill Mauro, Minister of Municipal Affairs  
Ali Ghiassi, Chief of Staff, Minister's Office, Ministry of Finance  
Scott Thompson, Deputy Minister, Ministry of Finance  
Nicole Stewart, Executive Lead, Cannabis Retail Implementation Project,  
Ministry of Finance  
Lynn Dollin, President, Association of Municipalities of Ontario  
Pat Vanini, Executive Director, Association of Municipalities of Ontario  
Municipal CAOs and City Managers



## TOWN OF LAKESHORE

---

419 Notre Dame St.  
Belle River, ON N0R 1A0

October 11, 2017

Honourable Kathleen Wynne, Premier  
Legislative Building, Room 281  
Queen's Park  
Toronto, ON M7A 1A1

Dear Premier Wynne:

**RE: PROVINCIAL FLOOD INSURANCE PROGRAM**

---

At their meeting of October 10, 2017 the Council of the Town of Lakeshore duly passed the following resolution.

Councillor Wilder moved and Councillor Janisse seconded:

**That:**

**WHEREAS** weather patterns seem to have changed, in that excessive and prolonged rains are now becoming more frequent and regular,

**WHEREAS** there is an increased chance of flooding, as result of excessive and prolonged rains;

**WHEREAS** property owners in areas that are at an increased risk of flooding are often unable to purchase flood insurance to protect their properties; and

**WHEREAS** the cost of property repairs after a flood cause financial hardship for individuals, families and businesses.

**NOW THEREFORE BE IT RESOLVED** that the Government of Ontario be urged to create a Provincial Flood Insurance Program, to cover those individuals, families and businesses who are unable to secure flood insurance for their properties;

**BE IT FURTHER RESOLVED** that a copy of this motion be sent to the Honourable Kathleen Wynne, Premier of Ontario, the Honourable Patrick Brown, Leader of the Progressive Conservative Party, the Honourable Andrea Horwath, Leader



of the New Democratic Party, and all MPPs in the Province of Ontario; and

**BE IT FURTHER RESOLVED THAT a copy of this Motion be sent to the Association of Municipalities of Ontario (AMO) and all Ontario municipalities for their consideration.**

**Motion Carried Unanimously**

Should you require any additional information with respect to the above matter, please contact the undersigned.

Yours truly,



Mary Masse  
Clerk

/cl

cc: Hon. Patrick Brown, Leader of Progressive Conservative Party  
cc: Hon. Andrea Horwath, Leader of New Democratic Party  
cc: Association of Municipalities Ontario (AMO)  
cc: Via Email - All Ontario Municipalities  
cc: Via Email - MPPs in the Province of Ontario



# The Corporation of The Town of Amherstburg

December 20, 2017

VIA EMAIL

Municipality of Morris-Turnberry  
P.O. Box 310  
41342 Morris Road  
Brussels, ON N0G-1H0

Att: Ms. Michie

**RE: Tenanted Farm Tax Class**

At its meeting of November 13<sup>th</sup>, 2017, Amherstburg Town Council passed the following:

***Resolution # 20171113-951 - That Council support the Municipality of Morris-Turnberry's resolution regarding the Tenanted Farm Tax Class.***

Best Regards,

Tammy Fowkes  
Deputy Clerk

cc: Taras Natyshak – MPP, Essex  
Tracey Ramsey – MP, Essex  
Ontario Municipalities  
Association of Municipalities of Ontario (AMO)

encl. Municipality of Morris-Turnberry Resolution

# MUNICIPALITY OF MORRIS-TURNBERRY

P.O. Box 310, 41342 Morris Road, Brussels, Ontario N0G 1H0

Tel: 519-887-6137 ext. 21 Fax: 519-887-6424 Email: nmichie@morristorynberry.ca



**Nancy Michie**  
Administrator Clerk-Treasurer

October 17,2017

**Re: Resolution concerning the Tenanted Farm Tax Class properties being changed to the Residential Tax Class**

**Motion: 553-2017** Moved by John Smuck Seconded by Dorothy Kelly

**Whereas**, MPAC conducts ongoing reviews to ensure properties are accurately assessed and corrections are made where necessary. A review of a property could be triggered from ongoing data verification, updated tenant information, sales investigations, building permits and severances which may result in changes to the valuation or classification of a property. This could include wooded acreage on a farm property;

**And Whereas**, MPAC recently changed the assessment classifications on properties with portions of land tenanted for farming. MPAC is responsible for assessing and classifying all properties in Ontario in accordance with the *Assessment Act* and regulations established by the Government of Ontario. All properties in Ontario are continuously reviewed as part of the MPAC valuation process to ensure accurate information is used in determining our assessed values and tax classifications;

**And Whereas**, MPAC has stated: Under the *Assessment Act*, all properties are classified according to their use, and Ontario Regulation 282/98 sets out how various property uses are classified. By default, farm properties are classified in the residential property class in accordance with section 3(1)2 of Ontario Regulation 282/98 of the *Assessment Act*. Farm properties that meet the eligibility requirements will have farmland and associated outbuildings placed in the farm property class and are taxed at up to 25% of the municipal residential tax rate. An application for inclusion in the Farm Property Class Tax Rate Program must be approved by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

Under the *Assessment Act*, all properties are classified according to their use. If a portion (or portions) of a farm property is used for non-farm purposes, the portion is valued and classified according to its use. This is to ensure that the appropriate value and tax class is applied to the various uses of the property;

**And Whereas**, MPAC has assessed non-tillable acreage that is **rented to tenants** as residential. MPAC has explained that this is a correction under the *Assessment Act*/Ontario Regulation 282/98 with properties being assessed according to their use. They explained that it was a review of the Farm Forestry Exemption Class that prompted this action;

**And Whereas**, Most of these non-tillage acres cannot be built upon, or generate any revenues. However, they do provide benefit to the wider community as woodlots, wetlands, streams. Therefore taxing at the higher residential ratio appears unfair;

**And Whereas**, many properties have resulted in a substantial increase in property taxes due to this assessment class shift, an example being, with the tax billing increase of 572%. Tax increases to this magnitude are unacceptable. This process will force retired farmers to share crop to avoid the tax increases or it will cause land rent to increase to cover the increased taxes. That will create a burden on the property owner and the tenant farmers;

**And Whereas,** MPAC did not advise the municipalities of these corrections or the impact that it may have on taxation write-offs going forward, as MPAC reviews appeals on these changes;

**Now Therefore,** The Council of the Municipality of Morris-Turnberry hereby requests that MPAC conduct a review on the effects of the tax class shift from farm land to residential;

**And** that MPAC act immediately on applications for reconsideration for the 2018 tax year and where possible for the 2017 year;

**And** that MPAC advise the municipalities prior to any future tax class shifts or mass property assessment corrections;

**And** that the Province of Ontario review Regulation 282/98 under the Assessment Act, in respect to the property tax classification of non-tillage acres;

**And** that this resolution be circulated to Premier Kathleen Wynne, Minister of Finance, MPAC and the Association of Municipalities of Ontario and all Ontario municipalities.

Disposition      Carried

Thank you

Yours truly,

A handwritten signature in black ink, appearing to read 'Nancy Michie', written over a horizontal line.

Nancy Michie

**The following Notices of Motion are being brought forward for consideration at this evening's meeting:**

Councillor Bondy:

**That** the Town of Essex send a request to the Association of Municipalities of Ontario (AMO) and all other municipalities in Ontario requesting that when schools boards make decisions to close schools, that they have to offer the building to the local municipality for a dollar.

Councillor Bondy:

**That** Administration receive and review the Ward 4 Feedback items on the list provided and report back to Council with an update on same, or if required, obtain Council's endorsement for any further action items recommended by Administration.

No advanced correspondence available for discussion.

# **The Corporation of the Town of Essex**

## **By-Law Number 1659**

### **Being a By-Law to Amend By-Law Number 1037**

#### **The Comprehensive Zoning By-Law for the Town of Essex**

Whereas By-law Number 1037 is the Town's Comprehensive Zoning By-law regulating the use of lands and the character, location and use of buildings and structures within the Town of Essex;

And whereas the Council of the Corporation of the Town of Essex deems it expedient and in the best interest of proper planning to amend By-law Number 1037;

Now therefore the Corporation of the Town of Essex enacts as follows:

1. In Section 7, "Definitions", the definitions of "Attached", "Detached", "Existing" and "Lot" are deleted and the following substituted therefor:

"Attached" when used in reference to a building or structure, means a building or structure, which depends on the structural support of another building or structure or, if buildings, they share a common division wall between them."

"Detached means a building or structure that is not dependent on another building or structure for its structural support."

"Existing means a lot, building or other structure or a use lawfully existing at the time of the passing of this by-law or such other date specifically provided by this by-law."

"Lot means a parcel or tract of land which:

- a) is the whole of a lot on a registered plan of subdivision, so long as such registered plan is not deemed pursuant to Section 49 of The Planning Act, R.S.O. 1990, as may be amended from time to time or
- b) is all land held or owned under distinct and separate ownership, that is legally capable of being conveyed as a separate parcel from one person to another or
- c) for which a consent has been granted and remains in effect pursuant to Section 53, of The Planning Act, R.S.O. 1990, as may be amended from time to time or
- d) is a whole unit or common element within the meaning of Section 9, of The Condominium Act, S.O. 1998, as may be amended from time to time."

2. Section 7, "Definitions", is hereby further amended by adding the definitions "Storage Container" and "Tertiary Septic Treatment System" as follows:

“Storage Container” means a pre-fabricated transportable enclosure intended for the temporary or permanent storage of goods, materials or equipment. It is not equipped with wheels. A cargo container originally used for the transport of freight by rail, truck or ship, is a storage container.

“Tertiary Treatment Septic System” means a septic system that complies with the Effluent Quality Criteria as regulated by the Ontario Building Code (OBC) table 8.6.2.2.A or as the same may be amended from time to time.

3. Subsection 8.2 c), “Temporary Buildings or Other Structures”, is hereby amended by adding the words “storage container” between the words “building” and “or” where they occur in line one and between the words “building” and “or” where they occur in line three.
4. Subsection 8.2, “Permitted Supplementary Uses” is hereby amended by adding the following paragraph:

“f) Storage of Goods, Equipment and Materials in Storage Containers

- i) When not used in accordance with the provisions of paragraph c), of this subsection, a storage container having a gross floor area of 10m<sup>2</sup>(109f<sup>2</sup>) or greater shall be deemed to be an accessory building, subject to all applicable accessory building provisions of the zoning district in which the lot is located and to the following additional provisions.

As an accessory building, a storage container shall:

1. be permitted exclusively in the following zoning districts: A1.1; C3.1; M1.1; M1.2; M2.1 and M2.2 and not otherwise permitted;
2. not be located in a front yard;
3. be screened from view where it is visible from a Residential or Green District or a street and within 30 meters of the Residential or Green District or street;
4. be limited to a maximum of one storage container on a lot of less than 0.5 hectares and shall be limited to not more than two (2) storage containers on a lot of greater than 0.5 hectares;
5. be permitted exclusively for storage purposes and not for human occupancy.”

5. Subsection 8.4, paragraph v) is hereby amended by adding after the word “building” in line 3, the following words: “or a building within a registered plan of subdivision in



which the street is to be assumed under the terms of a registered development agreement or servicing agreement”.

6. Subsection 9.3 a) is hereby deleted in its entirety.
7. Subsection 13.1, b) xviii (under Regulations-A1.1 District) is hereby amended by adding the following subclause:

“5. A tertiary treatment septic system shall be required for any new dwelling or when the replacement of an existing septic system is mandated by the Ontario Building Code. For a lot on an existing registered plan of subdivision, the minimum lot area for a dwelling shall be 925m<sup>2</sup> (10,000f<sup>2</sup>).”

and in subclause xviii, 3, by deleting the word “rear” and substitute the word “front”.
8. Subsection 13.2, b) (under Regulations-A1.2 District) is hereby amended by adding the following subclause:

“xxii. For a lot having a lot area of less than 1850m<sup>2</sup> (20,000f<sup>2</sup>), a tertiary treatment septic system shall be required for any new dwelling or where the replacement of an existing septic system is mandated by the Ontario Building Code. For a lot on an existing registered plan of subdivision, the minimum lot area for a dwelling shall be 925m<sup>2</sup> (10,000f<sup>2</sup>).”
9. Subsection 14.1, b), viii (under R1.1 District-Regulations) is hereby amended by adding the following words:

“When a lot not serviced by a sanitary sewer, for a lot having a lot area of less than 1850m<sup>2</sup> (20,000f<sup>2</sup>), a tertiary treatment septic system shall be required for any new dwelling or where the replacement of an existing septic system is mandated by the Ontario Building Code.”
10. Subsection 14.3, b), ii (under R1.3 District- Regulations) is hereby amended to state that the minimum lot area shall be “the lesser of 925m<sup>2</sup> (10,000 ft<sup>2</sup>) or as lawfully existing”.
11. Subsection 14.3, b), viii (under R1.3 District-Regulations) is hereby amended by adding the following words:

“When a lot not serviced by a sanitary sewer, for a lot having a lot area of less than 1850m<sup>2</sup> (20,000f<sup>2</sup>), a tertiary treatment septic system shall be required for any new dwelling or where the replacement of an existing septic system is mandated by the Ontario Building Code.”

12. Subsection 21, “Manufacturing Districts 1.”, Is hereby amended by adding the following Subsection 1.3:

SECTION 21 – MANUFACTURING DISTRICTS 1.		
Subsection 1.3 – Manufacturing District 1.3 (M1.3)		
Light industrial and Business Park		
a) Permitted Uses		
i) Main use	<div>Bakery</div> <div>Business Office</div> <div>Coin-operated Car Wash</div> <div>Commercial Printer, engraver, stereotyping, publishing, photographic processing</div> <div>Construction and repair of electrical products, industrial, scientific or professional equipment, signs, billboards and other commercial advertising structures</div> <div>Contractor’s Office</div> <div>Day Nursery</div> <div>Dry Cleaning</div> <div>Farm Equipment Sales and Service Establishment</div> <div>Food Catering Service</div> <div>Laundry</div> <div>Light Repair Shop</div> <div>Manufacture of: cosmetics, drugs, other pharmaceutical products and toiletries</div> <div>goods from textiles, fur, glass, leather, plastics, wood, yarns, tobacco, rubber and rubberized materials</div> <div>moulds, dies, patterns, machine tools, jigs and fixtures</div> <div>musical instruments, ceramics, jewellery, toys, cutlery and other small metal products</div> <div>small parts for motor vehicles</div> <div>Machinery, Tool and Equipment Sales, Lease or Rental Agency</div> <div>Medical Office</div> <div>Micro-brewery</div> <div>Motor vehicle detailing, washing and customizing</div> <div>Preparation, packaging and processing of food products, exclusive of the rendering of fats and oils, the slaughtering of poultry or animals, the processing of sauerkraut, vinegar or yeast</div> <div>Protective coatings application</div> <div>Self-storage Facility</div> <div>Veterinary Clinic</div> <div>Warehouse</div> <div>Welding Shop for the welding of small metal products</div>	
ii) Additional Permitted Uses	For the lands comprising Part of Farm Lot 285, Concession 285, being more particularly described as Parts 20 and 24, Plan 12R-21183, at the north limit of South Talbot Road: a	

	Heavy Equipment and Machinery Moving Operation, including a Heavy Repair Shop accessory thereto.
iii) Accessory Uses	Any use accessory to the main use, which may include but not be limited to the following: an outdoor storage yard, exclusive of an outdoor storage yard for the storage of salvaged materials, sand or other aggregates; greenhouse; retail or wholesale store in combination with and accessory to any industrial use permitted above as a main use
<b>b) Regulations</b>	
i) Lot Width - Minimum	24m (80f)
ii) Front Yard Depth - Minimum	7.5m (25f)
iii) Side Yard Width - Minimum	3m (10f) from an interior lot line 7.5m (25f) from an exterior lot line
iv) Building Height – Maximum	12m (39f)
v) Landscaped Area - Minimum	15% of the lot area
vi) The gross floor area of a permitted retail store, wholesale store or both together shall not exceed the greater of 25% of the gross floor area of the main building or 15% of the lot area.	
vii) Truck transportation facilities are not permitted, except as an accessory use to an industrial use permitted under this subsection.	
<b>c) Supplementary Regulations: See Sections</b>	
7: Definitions	10: Supplementary Building Regulations
8: Supplementary Use Regulations	11: Parking Space Regulations
9: Supplementary Lot Regulations	12: Parking Area Regulations.

13. Subsection 22, “Manufacturing Districts 2”, is hereby amended in Subsection 2.1 a) by deleting “Motor Vehicle Salvage Yard” as a permitted use.

14. The zoning of the following lands, is hereby changed from A1.1 to 'H'M2.1:  
  
14978 14<sup>th</sup> Concession Road, south side of County Road 8, east of Pinkerton Sideroad;  
  
Con 14 E PT LOT 15 PT LOT 16 RP 12R11669, PART 1 RP 12R15234 PART 2, south side of County Road 8, west of Pinkerton Sideroad.
15. The zoning of the following lands, is hereby changed from C3.4 to M1.3:  
  
Colchester CON STR Part Lot 285, comprising Parts 20, 23, 24, 25, 28 and 29, Plan 12R-21183 Registered Plan, on the east side of South Malden Road, south of Maidstone Avenue West.
16. This by-law shall take effect on the day of its passing by Council.

**Read a first and a second time and provisionally adopted on December 18, 2017.**

\_\_\_\_\_

Mayor

\_\_\_\_\_

Clerk

**Read a third time and finally passed on January 15, 2018.**

\_\_\_\_\_

Mayor

\_\_\_\_\_

Clerk

## **The Corporation of the Town of Essex**

### **By-Law Number 1667**

#### **Being a by-law to confirm the proceedings of the December 18, 2017 Regular Meeting of Council of The Corporation of the Town of Essex**

Whereas pursuant to Section 5(1) of The Municipal Act, 2001, S.O. 2001, c.25 as amended, the powers of a municipality shall be exercised by its Council;

And whereas pursuant to Section 5(3) of The Municipal Act, 2001, S.O. 2001, c.25 as amended, a municipal power, including a municipality's capacity, rights, powers and privileges under Section 8 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

And whereas it is deemed expedient that a by-law be passed to authorize the execution of Agreements and other documents and that the proceedings of the Council of The Corporation of the Town of Essex at its meetings be confirmed and adopted by by-law.

Now therefore be it resolved that the Council of The Corporation of the Town of Essex enacts as follows:

1. That the actions of the Council of The Corporation of the Town of Essex in respect of all recommendations in reports and minutes of committees, all motions and resolutions and all other actions passed and taken by the Council of The Corporation of the Town of Essex, documents and transactions entered into during the December 18, 2017 meeting of Council, are hereby adopted and confirmed as if the same were expressly contained in this by-law.
2. That the Mayor and proper officials of The Corporation of the Town of Essex are hereby authorized and directed to do all the things necessary to give effect to the actions of the Council of The Corporation of the Town of Essex during the said December 18, 2017 meeting referred to in paragraph 1 of this by-law.
3. That the Mayor and the Clerk are hereby authorized and directed to execute all documents necessary to the actions taken by this Council as described in Section 1 of this by-law and to affix the Corporate Seal of The Corporation of the Town of Essex to all documents referred to in said paragraph 1.

**Read a first and a second time and provisionally adopted on December 18, 2017.**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

**Read a third time and finally passed on January 15, 2018.**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

**The Corporation of the Town of Essex**

**By-Law Number 1669**

**Being a by-law to Amend Position Titles  
for Certain Non-Union Staff of the  
Corporation of the Town of Essex**

Whereas the Corporation of the Town of Essex ("Town of Essex") acquired the services of a consultant, Imagine Inc., to perform an organizational review of non-union positions in 2017 within the Town of Essex;

And whereas as a result of the organizational review performed by Imagine Inc. the titles of certain non-union staff were amended;

And whereas Council desires to amend certain position titles and the corresponding by-laws appointing staff to these non-union positions, where applicable, as set out in Schedule "A" attached;

Now therefore be it resolved that the Council of The Corporation of the Town of Essex enacts as follows:

1. That, where applicable, the by-laws appointing non-union staff to positions as identified in Schedule "A" attached be amended as set out in Schedule "A";
2. That the position titles for non-union staff occupying a position in the absence of a by-law appointing them to such position be amended as set out in Schedule "A" attached; and
3. That this by-law shall come into full force and effect on the day of its final passing.

**Read a first, a second and a third time and finally passed on January 15, 2018.**

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Mayor

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Clerk

**Schedule “A” to By-Law 1669**

<b>By-Law</b>	<b>Former Position Title</b>	<b>New Position Title</b>	<b>Reports to</b>
1483	Manager, Legislative Services (Clerk)	Clerk, Legal and Legislative Services	Chief Administrative Officer
1639	Deputy Clerk, Legislative Services	Deputy Clerk, Legal and Legislative Services	Clerk, Legal and Legislative Services
1656	Manager, Communications	Manager, Strategic Communications	Chief Administrative Officer
N/A	Senior Planner	Senior Planner, Development Services	Director, Development Services
N/A	Policy Planner	Assistant Planner, Development Services	Director, Development Services
---	---	Director, Development Services	Chief Administrative Officer
1646	Director, Finance and Business Services	Director, Corporate Services	Chief Administrative Officer
882	Director, Infrastructure and Development Services	Director, Infrastructure Services	Chief Administrative Officer



**The Corporation of the Town of Essex**  
**By-Law Number 1670**  
**Being a by-law to authorize an agreement**  
**between:**  
**Her Majesty the Queen in Right of Ontario**  
**as represented by the Minister of**  
**Transportation (the “Province”)**  
**-and-**  
**The Corporation of the Town of Essex (the**  
**“Recipient”)**

Whereas, Section 11(1) of the Municipal Act, 2001, S.O. 2001, c. 25 and amendments thereto, provides that a Municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

And whereas, the Town as Recipient has applied to the Ontario Municipal Commuter Cycling (“OMCC”) Program for funds to assist with certain of its Projects identified in Schedule “C” of the Ontario Municipal Commuter Cycling (“OMCC”) Program Transfer Payment Agreement (the “Agreement”) which Agreement is attached hereto as Schedule “A” to this By-Law Number 1670

And Whereas the Province, by way of the Agreement wishes to provide funds to assist with the Projects identified.

Now therefore be it resolved that the Council of The Corporation of the Town of Essex enacts as follows:

1. That the Mayor and Clerk be authorized to sign the Agreement attached as Schedule “A” to this By-Law Number 1670.
2. That this By-Law shall come into full force upon the final passing thereof.

**Read a first, a second and a third time and finally passed on January 15, 2018.**

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Mayor

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Clerk

## ONTARIO MUNICIPAL COMMUTER CYCLING (OMCC) PROGRAM TRANSFER PAYMENT AGREEMENT

**THIS TRANSFER PAYMENT AGREEMENT** for the Ontario Municipal Commuter Cycling (OMCC) Program (the “**Agreement**”), made in quadruplicate, is effective as of the Effective Date (both “**Agreement**” and “**Effective Date**” as defined in section A1.2 (Definitions)).

### B E T W E E N:

**Her Majesty the Queen in right of Ontario**

as represented by the Minister of Transportation for the Province of Ontario

(the “**Province**”)

- and -

**The Corporation of the Town of Essex**

(the “**Recipient**”)

### BACKGROUND

The Province and the Recipient (the “**Parties**”) recognize that investment in commuter cycling infrastructure is a key component in Ontario’s Climate Change Action Plan.

The Recipient has applied to the Province for funds to assist the Recipient in completing the Projects on the Eligible Projects List (“**Projects**” and “**Eligible Projects List**” as defined in section A1.2 (Definitions)) and further described in Schedule “C” (Eligible Projects List and Timelines).

The Projects support the provincial goals of implementing new or expanded commuter cycling infrastructure to support commuter and frequent cycling.

The Province has agreed, subject to the terms and conditions set out in the Agreement, to financially contribute to the completion of the Projects.

The Agreement sets out the terms and conditions upon which the Province has agreed to provide the Recipient with funding towards the Eligible Costs of each Eligible Project (“**Eligible Costs**” and “**Eligible Project**” as defined in section A1.2 (Definitions)), up to

the maximum set out in the Agreement, and the Recipient has agreed to fund a minimum of 20% of the Eligible Costs of each Eligible Project.

## **CONSIDERATION**

In consideration of the mutual covenants and agreements contained in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

### **1.0 ENTIRE AGREEMENT**

#### **1.1 Entire Agreement.** The Agreement, including:

- Schedule "A" - General Terms and Conditions
- Schedule "B" - Recipient Information
- Schedule "C" - Eligible Projects List and Timelines
  - Sub-schedule "C.1" - Eligible Projects List
- Schedule "D" - Description of Annual Allocations
  - Sub-schedule "D.1" - Table of Annual Allocations
  - Sub-schedule "D.2" - Form of Annual Declaration of OMCC Participation
- Schedule "E" - Eligible and Ineligible Costs
- Schedule "F" - Reporting and Evaluation
- Schedule "G" - Communications Protocol
- Schedule "H" - Disposal of and Revenues from Assets
- Schedule "I" - Aboriginal Consultation Protocol
- Schedule "J" - Certificates and Declarations
  - Sub-schedule "J.1" - Ontario Municipal Commuter Cycling (OMCC) Program Form of Annual Funding Certificate
  - Sub-schedule "J.2" - Ontario Municipal Commuter Cycling (OMCC) Program Form of Annual Eligible Projects Declaration
  - Sub-schedule "J.3" - Ontario Municipal Commuter Cycling (OMCC) Program Form of Solemn Declaration of Substantial Completion, and

any amending agreement entered into as provided for in section 4.1 (Amendments),

constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

### **2.0 CONFLICT OR INCONSISTENCY**

#### **2.1 Conflict or Inconsistency.** In the event of a conflict or inconsistency between any of the requirements of:

- (a) the main body of the Agreement and any of the requirements of a schedule or a sub-schedule, the main body of the Agreement will prevail;
- (b) Schedule “A” (General Terms and Conditions) and any of the requirements of another schedule or a sub-schedule, Schedule “A” (General Terms and Conditions) will prevail; or
- (c) a schedule and any of the requirements of a sub-schedule, the schedule will prevail.

### **3.0 COUNTERPARTS**

- 3.1 **Counterparts.** The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

### **4.0 AMENDING THE AGREEMENT**

- 4.1 **Amendments.** The Agreement may only be amended by a written agreement.
- 4.2 **Execution of Amending Agreements.** An amending agreement under section 4.1 (Amendments) must be executed by the respective representatives of the Parties listed in the signature page below.
- 4.3 **Execution of Amending Agreements - Exceptions.** Despite section 4.2 (Execution of Amending Agreements), an amending agreement under section 4.1 (Amendments) for amendments pursuant to sections C3.2 (Amending Agreement for Changes to the Eligible Projects List), D2.2 (Amending Agreement for Changes to Annual Allocations) or F7.2 (Amending Agreement for Changes to the Reporting) may be executed by the respective authorized representatives of the Parties listed in Schedule “B” (Recipient Information).

### **5.0 ACKNOWLEDGEMENT**

- 5.1 **Acknowledgement.** The Recipient acknowledges that:
  - (a) by receiving Funds (as defined in section A1.2 (Definitions)) it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);

- (b) Her Majesty the Queen in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
  - (i) to assist the Recipient to carry out the Projects and not to provide goods or services to the Province;
  - (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Province is not responsible for carrying out the Projects; and
- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Projects or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

**- SIGNATURE PAGE FOLLOWS -**

The Parties have executed the Agreement on the dates set out below.

**HER MAJESTY THE QUEEN IN RIGHT OF  
ONTARIO** as represented by the Minister of  
Transportation for the Province of Ontario

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Date

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Name: **Jamie Austin**

Title: **Director, Transportation Policy Branch**

**The Corporation of the Town of Essex**

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Date

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Name: **Mr. Ron McDermott**

Title: **Mayor**

I have authority to bind the Recipient.

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Date

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Name: **Mrs. Donna Hunter**

Title: **Chief Administrative Officer**

I have authority to bind the Recipient.

## **SCHEDULE “A” GENERAL TERMS AND CONDITIONS**

### **A1.0 INTERPRETATION AND DEFINITIONS**

**A1.1 Interpretation.** For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the background and the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) all accounting terms not otherwise defined in the Agreement have their ordinary meanings.

**A1.2 Definitions.** In the Agreement, the following terms will have the following meanings:

**“Aboriginal Community”** has the meaning ascribed to it in section 11.1 (Definitions).

**“Agreement”** means this Transfer Payment Agreement for the Ontario Municipal Commuter Cycling (OMCC) Program entered into between the Province and the Recipient, all of the schedules and sub-schedules listed in section 1.1 (Entire Agreement), and any amending agreement entered into pursuant to section 4.1 (Amendments).

**“Annual Allocation”** means an annual allocation set out in Sub-schedule “D.1” (Table of Annual Allocations).

**“Annual Declaration of OMCC Participation”** means an annual declaration of OMCC participation, in the form set out in Sub-schedule “D.2” (Form of Annual Declaration of OMCC Participation).

**“Annual Eligible Projects Declaration”** means an annual Eligible Projects declaration, in the form set out in Sub-schedule “J.2” (Ontario Municipal Commuter Cycling (OMCC) Program Form of Annual Eligible Projects Declaration).

**“Annual Financial Reports”** means the Annual Financial Reports described in Article F1.0 (Annual Financial Reports).

**“Annual Funding Certificate”** means an Annual Funding Certificate, in the form set out in Sub-schedule “J.1” (Ontario Municipal Commuter Cycling (OMCC) Program Form of Annual Funding Certificate).

**“Annual Implementation Reports”** means the Annual Implementation Reports described in section F2.1 (Annual Implementation Reports).

**“Asset”** means any real or personal property or immovable or movable asset acquired, constructed, repaired, rehabilitated, renovated or improved, in whole or in part, with the Funds.

**“Authorities”** means any government authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Agreement or any Eligible Project, or both.

**“Business Day”** means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year’s Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business.

**“Cap and Trade Program”** means Ontario’s Cap and Trade Program.

**“Contract”** means a contract between the Recipient and a Third Party whereby the Third Party agrees to supply goods or services, or both, for an Eligible Project in return for financial consideration.

**“Effective Date”** means the date of signature by the last signing party to the Agreement.

**“Eligible Costs”** means the costs that are eligible for funding under the Agreement and that are described in Article E2.0 (Eligible Costs).

**“Eligible Project”** means a commuter cycling project that is listed on the Eligible Projects List.

**“Eligible Projects List”** means the list of Eligible Projects in Sub-schedule “C.1” (Eligible Projects List).

**“Environmental Laws”** means all applicable federal, provincial or municipal laws, regulations, by-laws, orders, rules, policies or guidelines respecting the protection of the natural environment, public or occupational health or safety, and the manufacture, importation, handling, transportation, storage, disposal and



treatment of environmental contaminants and include, without limitation, the *Environmental Protection Act* (Ontario), *Environmental Assessment Act* (Ontario), *Ontario Water Resources Act* (Ontario), *Canadian Environmental Protection Act, 1999* (Canada), *Canadian Environmental Assessment Act, 2012* (Canada), *Fisheries Act* (Canada) and *Navigation Protection Act* (Canada).

**“ERS”** means the Ontario Enterprise Registration System.

**“Event of Default”** has the meaning ascribed to it in section A13.1 (Events of Default).

**“Expiry Date”** means March 31, 2021.

**“Final Report”** means the Final Report described in Article F3.0 (Final Report).

**“Funding Year”** means:

- (a) in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31; and
- (b) in the case of Funding Years subsequent to the first Funding Year, the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31.

**“Funds”** means the money the Province provides to the Recipient pursuant to the Agreement.

**“Generally Accepted Auditing Standards”** means Canadian Generally Accepted Auditing Standards as adopted by the Canadian Institute of Chartered Accountants applicable as of the date on which such record is kept or required to be kept in accordance with such standards.

**“GHG”** means greenhouse gas.

**“Government of Ontario”** includes any ministry, agency or Crown corporation of the Government of Ontario.

**“Indemnified Parties”** means Her Majesty the Queen in right of Ontario, Her ministers, agents, appointees and employees.

**“Ineligible Costs”** means the costs that are ineligible for funding under the Agreement, and that are described in Article E3.0 (Ineligible Costs).

**“Notice”** means any communication given or required to be given pursuant to the Agreement.

**“Notice Period”** means the period of time within which the Recipient is required to remedy an Event of Default pursuant to paragraph A13.3(b), and includes any such period or periods of time by which the Province extends that time in accordance with section A13.4 (Recipient Not Remediating).

**“OMCC”** means Ontario Municipal Commuter Cycling.

**“OMCC Program”** means the Ontario Municipal Commuter Cycling Program.

**“Parties”** means the Province and the Recipient.

**“Partner”** means any entity, other than a Third Party, participating in and contributing to the Project, other than financially only, as described in the Recipient’s application submitted to the Province or, with the written consent of the Province, as subsequently permitted to participate or contribute to the Project.

**“Partner Agreement”** means a legally binding agreement between the Recipient and a Partner.

**“Party”** means either the Province or the Recipient.

**“Projects”** means, collectively, the Eligible Projects.

**“Projects End Date”** means, in respect of the Projects, December 30, 2020.

**“Reports”** means the reports described in Schedule “F” (Reporting and Evaluation).

**“Requirements of Law”** means all applicable requirements, laws, statutes, codes, acts, ordinances, approvals, orders, decrees, injunctions, by-laws, rules, regulations, official plans, permits, licences, authorizations, directions, and agreements with all Authorities, and includes the Environmental Laws.

**“Solemn Declaration of Substantial Completion”** means the Solemn Declaration of Substantial Completion, in the form set out in Sub-schedule “J.3” (Ontario Municipal Commuter Cycling (OMCC) Program Form of Solemn Declaration of Substantial Completion).

**“Substantial Completion”** means substantially performed, as described in and will be determined in accordance with, subsection 2(1) of the *Construction Lien Act* (Ontario) for each Eligible Project, and for the purposes of the Projects, means the substantial completion of the last Eligible Project on or before December 30, 2020.

**“Substantial Completion Date”** means the substantial completion date indicated on the Solemn Declaration of Substantial Completion.

**“Term”** means the period of time described in section A3.1 (Term).

**“Third Party”** means any legal entity, other than a Party, who supplies goods or services, or both, to the Recipient for any of the Eligible Projects.

**“Timelines”** means the date set out in section C2.1 (Timelines).

**“Usage Data Report”** means the Usage Data Report described in Article F4.0 (Usage Data Report).

## **A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS**

**A2.1 General.** The Recipient represents, warrants, and covenants that:

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Projects;
- (c) it is in compliance with, and will continue to comply with, all Requirements of Law related to any aspect of an Eligible Project, the Funds, or both;
- (d) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds including, without limitation, information relating to any eligibility requirements and Eligible Project, and the Timelines was true and complete at the time the Recipient provided it and will continue to be true and complete;
- (e) it is registered with the ERS and the information it provided for the ERS was true and complete at the time it provided it and will continue to be true and complete;
- (f) it is not in default of any term, condition or obligation under any transfer payment or loan agreement with Her Majesty the Queen in right of Ontario or one of Her agencies; and
- (g) its past performance with respect to any project under a transfer payment agreement with Her Majesty the Queen in right of Ontario or one of Her agencies was considered satisfactory by that party.

**A2.2 Execution of Agreement.** The Recipient represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and

- (b) taken all necessary actions to authorize the execution of the Agreement.

**A2.3 Governance.** The Recipient represents, warrants and covenants that it has, and will maintain in writing, and will follow:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to enable the Recipient's ongoing effective functioning;
- (c) decision-making mechanisms for the Recipient;
- (d) procedures to enable the Recipient to manage Funds prudently and effectively;
- (e) procedures to enable the Recipient to complete each Eligible Project successfully;
- (f) procedures to enable the Recipient to identify risks to the completion of each Eligible Project, and strategies to address the identified risks to meet the Projects End Date, all in a timely manner;
- (g) procedures to enable the preparation and submission of all Reports required pursuant to Article A7.0 (Reporting, Accounting, and Review); and
- (h) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to carry out its obligations under the Agreement.

**A2.4 Supporting Proof.** Upon request of the Province and within the timelines set out in the request, the Recipient will provide the Province with proof of the matters referred to in this Article A2.0 (Representations, Warranties and Covenants).

### **A3.0 TERM OF THE AGREEMENT AND EXTENSION**

**A3.1 Term.** The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article A11.0 (Termination on Notice), Article A12.0 (Termination Where No Appropriation or Funds under the Cap and Trade Program) or Article A13.0 (Events of Default, Corrective Action, and Termination for Default).

#### **A4.0 FUNDS AND CARRYING OUT THE PROJECT**

**A4.1 Funds Provided.** The Province will, in respect of the Projects:

- (a) provide Funds to the Recipient up to the aggregate of each Annual Allocation for the Recipient to use towards the Eligible Costs of any Eligible Project;
- (b) deposit the Funds into an account designated by the Recipient provided that the account:
  - (i) resides at a Canadian financial institution; and
  - (ii) is in the name of the Recipient.

**A4.2 Limitation on Payment of Funds.** Despite section A4.1 (Funds Provided):

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient complies with the conditions precedent set out in paragraphs A32.1(a) and (b);
- (b) the Province may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon any of the following:
  - (i) the Province's assessment of the information the Recipient provides to the Province pursuant to section A7.1 (Preparation and Submission);
  - (ii) the number of recipients, other than the Recipient, participating in the OMCC Program; or
- (c) if, pursuant to the *Financial Administration Act* (Ontario) or the Cap and Trade Program, the Province does not receive the necessary appropriation from the Ontario Legislature or the necessary funds for payment under the Agreement, the Province is not obligated to make any such payment, and, as a consequence, the Province may:
  - (i) reduce the amount of Funds and change the Projects; or
  - (ii) terminate the Agreement pursuant to section A12.1 (Termination Where No Appropriation or Funds under the Cap and Trade Program).

**A4.3 Carry Out the Eligible Projects.** The Recipient will, in respect of the Projects and each Eligible Project:

- (a) determine which Eligible Projects, from the Eligible Projects List, the Recipient will carry out;
- (b) carry out each Eligible Project in accordance with the Agreement; and
- (c) complete each Eligible Project the Recipient has chosen to carry out pursuant to paragraph A4.3(a) by the Projects End Date.

**A4.4 Use of Funds and Carry out the Projects.** The Recipient will, in respect of each Eligible Project, do all of the following:

- (a) use the Funds only for the purpose of carrying out the Eligible Project;
- (b) spend the Funds only in accordance with the Agreement, including the Annual Allocations;
- (c) not use the Funds to cover any cost that has or will be funded or reimbursed by one or more of any third party, ministry, agency, or organization of the Government of Ontario; and
- (d) contribute a minimum amount of 20% towards the total Eligible Costs of each Eligible Project, irrespective of any contribution received from any third party source, including any Partner.

**A4.5 Interest Bearing Account.** If the Province provides Funds to the Recipient before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.

**A4.6 Interest.** If the Recipient earns any interest on the Funds:

- (a) the Recipient may use the interest earned toward the Eligible Costs of any Eligible Project but cannot reduce the 20% minimum amount towards Eligible Costs for each Eligible Project;
- (b) the Recipient will annually declare the amount of interest earned and describe its use in the Annual Funding Certificate; and
- (c) the Province may demand from the Recipient the payment of an amount equal to any interest:
  - (i) remaining in the possession or under the control of the Recipient by the Projects End Date; or
  - (ii) the Recipient failed to use in accordance with the terms and conditions of the Agreement.

**A4.7 Rebates, Credits and Refunds.** The Province, in calculating Funds, will deduct from any Annual Allocation any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit or refund.

**A4.8 Recipient's Acknowledgement of Responsibility for Projects.** The Recipient will assume full responsibility for each Eligible Project including, without limitation:

- (a) complete, diligent and timely implementation in accordance with the terms and conditions of the Agreement;
- (b) the entire costs of the Eligible Project including, without limitation, overruns if any;
- (c) subsequent operation, maintenance, repair, rehabilitation, demolition or reconstruction, as required and as per appropriate standards, and any related costs for the full lifecycle of the Eligible Project; and
- (d) undertaking, or causing to be undertaken, any engineering and construction work in accordance with industry standards.

**A4.9 Disclosure of Other Financial Assistance and Adjustments.** The Recipient agrees:

- (a) to inform the Province promptly of any financial assistance received, other than from the Province pursuant to the Agreement, for any Eligible Project; and
- (b) if the Recipient receives or is owed financial assistance from the Government of Ontario, other than from the Province pursuant to the Agreement, in respect of the Eligible Costs of an Eligible Project, the Province may reduce the Funds or demand the repayment of Funds in an amount up to the financial assistance received or owed.

**A4.10 Inability to Complete Eligible Projects.** If, at any time during the Term, the Recipient determines that it may not be possible for it to complete an Eligible Project on or before December 30, 2020 for any reason including, without limitation, lack of funding available for the Eligible Project (the “**Issue**”), the Recipient will immediately notify the Province of that determination and provide the Province with a summary of the measures that the Recipient proposes to remedy the Issue. If the Province is not satisfied that the measures proposed will be adequate to remedy the Issue, then the Province may initiate any one or more of the actions provided for in section A13.2 (Consequences of Events of Default and Corrective Action).

## **A5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, RELATED CONTRACTS AND DISPOSAL OF ASSETS**

**A5.1 Acquisition.** If the Recipient acquires goods, services, or both with the Funds, it will:

- (a) do so through a process that promotes the best value for money; and
- (b) comply to the extent applicable with the *Broader Public Sector Accountability Act, 2010* (Ontario), including any procurement directive issued thereunder, to the extent applicable.

**A5.2 Disposal.** The Recipient will not, without the Province's prior written consent, sell, lease or otherwise dispose of any Asset other than in accordance with the terms and conditions set out in Schedule "H" (Disposal of and Revenues from Assets).

**A5.3 Contract Provisions.** The Recipient will ensure that all Contracts are consistent with, and incorporate, the applicable terms and conditions of the Agreement. More specifically, but without limiting the generality of the foregoing, the Recipient agrees to include provisions in all Contracts to:

- (a) ensure that proper and accurate accounts and records are maintained for at least 7 years after the expiry or early termination of the Agreement;
- (b) ensure compliance with all applicable Requirements of Law including, without limitation, labour and human rights legislation; and
- (c) secure the respective rights of the Province, any authorized representative and any independent auditor identified by the Province in paragraph A7.3(b), and the Auditor General in section A7.6 (Auditor General).

## **A6.0 CONFLICT OF INTEREST**

**A6.1 No Conflict of Interest.** The Recipient will carry out each Eligible Project and use the Funds without an actual, potential or perceived conflict of interest.

**A6.2 Conflict of Interest Includes.** For the purposes of this Article A6.0 (Conflict of Interest), a conflict of interest includes any circumstances where, in respect of each Eligible Project:

- (a) the Recipient; or
- (b) any person who has the capacity to influence the Recipient's decisions,



has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased and impartial judgment relating to the Eligible Project, the use of the Funds, or both.

**A6.3 Disclosure to Province.** The Recipient will:

- (a) disclose to the Province, without delay, any situation that a reasonable person would interpret as an actual, potential or perceived conflict of interest; and
- (b) comply with any terms and conditions that the Province may prescribe as a result of the disclosure.

**A7.0 REPORTING, ACCOUNTING, AND REVIEW**

**A7.1 Preparation and Submission.** The Recipient will:

- (a) submit to the Province at the address referred to in section A17.1 (Notice in Writing and Addresses), all Reports in accordance with the timelines and content requirements as provided for in Schedule "F" (Reporting and Evaluation), or in a form as specified by the Province from time to time;
- (b) submit to the Province at the address referred to in section A17.1 (Notice in Writing and Addresses), any other reports as may be requested by the Province in accordance with the timelines and content requirements specified by the Province;
- (c) ensure that all Reports and other reports are completed to the satisfaction of the Province; and
- (d) ensure that all Reports and other reports are signed on behalf of the Recipient by the Recipient's chief administrative officer or, as set out otherwise in the Agreement or with the consent of the Province, another authorized signing officer.

**A7.2 Record Maintenance and Audit.**

- (a) The Recipient will, in respect of each Eligible Project, keep and maintain:
  - (i) all financial records including, without limitation, invoices relating to the Funds or otherwise the Eligible Project in a manner consistent with generally accepted accounting principles; and
  - (ii) all non-financial documents and records relating to the Funds or otherwise to the Eligible Project, including without limitation, all Contracts and Partner Agreements.

- (b) Unless otherwise specifically set out in the Agreement, the Recipient will request and manage the undertaking of all audits for each Eligible Project by accredited external independent auditors and the delivery of corresponding audit reports, at its own expense, in accordance with Generally Accepted Auditing Standards and in the timeframe set out in the Agreement.

### **A7.3 Inspection and Data Collection .**

- (a) The Province, any authorized representative, or any independent auditor identified by the Province may, at the Province's expense and at any time, during normal business hours, enter upon the Recipient's premises to review the progress of any Eligible Project and the Recipient's allocation and expenditure of the Funds and, for these purposes, the Province, any authorized representative, or any independent auditor identified by the Province may take one or more of the following actions:
  - (i) inspect and copy the records and documents referred to in section A7.2 (Record Maintenance and Audit);
  - (ii) remove any copies made pursuant to paragraph A7.3(a) from the Recipient's premises; and
  - (iii) conduct an audit or investigation of the Recipient in respect of the expenditure of the Funds, any Eligible Project, or both.
- (b) The Recipient will ensure all Contracts and Partner Agreements include the right of the Province, any authorized representative, any independent auditors identified by the Province, or the Auditor General to carry out the inspection and audits contemplated pursuant to the Agreement and will coordinate the access of the Province with any Third Party and Partner for the purpose of such inspections and audits.
- (c) The Province, any authorized representative, or any independent auditor identified by the Province may, at the Province's expense and at any time, during normal business hours, may direct the Recipient to undertake an intercept survey of cyclists for a completed Eligible Project.
  - i. Where the Province exercises this right, the Recipient's must distribute a copy of intercept survey documentation to individuals cycling on completed Eligible Project.
  - ii. The Province will be responsible for providing all required intercept survey documentation to the Recipient and for collecting any information obtained through this survey.

- iii. The Recipient will be required to distribute the intercept survey documentation on the specified day from 07:00 and 10:00; from 12:00 and 14:00, which will be at least 12 months but no more than 24 months after Substantial Completion of an Eligible Project.
  - (d) The Province, any authorized representative, or any independent auditor identified by the Province may, at the Province's expense and at any time, during normal business hours, may undertake an intercept survey of cyclists using any completed Eligible Project.
- A7.4 **Disclosure.** To assist in respect of the rights provided for in section A7.3 (Inspection), the Recipient will disclose any information requested by the Province, any authorized representative, or any independent auditor identified by the Province, and will do so in the form requested by the Province, any authorized representative or any independent auditor identified by the Province, as the case may be.
- A7.5 **No Control of Records.** No provision of the Agreement will be construed so as to give the Province any control whatsoever over the Recipient's records.
- A7.6 **Auditor General.** The Province's rights under this Article A7.0 (Reporting, Accounting, and Review) are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).
- A7.7 **Calculations.** The Recipient will make all calculations and prepare all financial data to be submitted in accordance with the generally accepted accounting principles in effect in Canada. These will include, without limitation, those principles and standards approved or recommended from time to time by the Canadian Institute of Chartered Accountants or the Public Sector Accounting Board, as applicable, or any successor institute, applied on a consistent basis.

## **A8.0 COMMUNICATIONS REQUIREMENTS**

- A8.1 **Acknowledgement of Support.** Unless otherwise directed by the Province, the Recipient will acknowledge the support of the Province as set out in Schedule "G" (Communications Protocol).
- A8.2 **Publication.** The Recipient will indicate, in any of its Projects-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

## **A9.0 INDEMNITY**

**A9.1 Indemnification.** The Recipient will indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with any Eligible Project or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Indemnified Parties.

## **A10.0 INSURANCE**

**A10.1 Recipient's Insurance.** The Recipient represents, warrants and covenants that it has, and will maintain, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Projects would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than \$2,000,000.00 per occurrence. The insurance policy will include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) a 30-day written notice of cancellation.

**A10.2 Proof of Insurance.** The Recipient will:

- (a) provide the Province, prior to Funds being provided in each Funding Year, either:
  - (i) certificates of insurance that confirm the insurance coverage as provided for in section A10.1 (Recipient's Insurance); or
  - (ii) other proof that confirms the insurance coverage as provided for in section A10.1 (Recipient's Insurance); and
- (b) upon the request of the Province, the Recipient will make available to the Province a copy of each insurance policy.

## **A11.0 TERMINATION ON NOTICE**

**A11.1 Termination on Notice.** The Province may terminate the Agreement at any time without liability, penalty or costs upon giving at least 30 days' Notice to the Recipient.

**A11.2 Consequences of Termination on Notice by the Province.** If the Province terminates the Agreement pursuant to section A11.1 (Termination on Notice), the Province may take one or more of the following actions:

- (a) cancel all further instalments of Funds;
- (b) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project, and do either or both of the following:
  - (i) permit the Recipient to offset such costs against the amount owing pursuant to paragraph A11.2(b); and
  - (ii) subject to paragraph A4.1(a), provide Funds to the Recipient to cover such costs.

## **A12.0 TERMINATION WHERE NO APPROPRIATION OR FUNDS UNDER THE CAP AND TRADE PROGRAM**

**A12.1 Termination Where No Appropriation or Funds under the Cap and Trade Program.** If, as provided for in paragraph A4.2(c), the Province does not receive the necessary appropriation from the Ontario Legislature or funds under the Cap and Trade Program for any payment the Province is to make pursuant to the Agreement, the Province may terminate the Agreement immediately without liability, penalty or costs by giving Notice to the Recipient.

**A12.2 Consequences of Termination Where No Appropriation or Funds under the Cap and Trade Program.** If the Province terminates the Agreement pursuant to section A12.1 (Termination Where No Appropriation or Funds under the Cap and Trade Program), the Province may take one or more of the following actions:

- (a) cancel further instalments of Funds;
- (b) demand the payment of any Funds remaining in the possession or under the control of the Recipient; and

- (c) determine the reasonable costs for the Recipient to wind down the Project and permit the Recipient to offset such costs against the amount owing pursuant to paragraph A12.2(b).

**A12.3 No Additional Funds.** If pursuant to paragraph A12.2(c), the Province determines that the costs to wind down the Projects exceed the Funds remaining in the possession or under the control of the Recipient, the Province will not provide additional Funds to the Recipient.

### **A13.0 EVENTS OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT**

**A13.1 Events of Default.** Each of the following events will constitute an Event of Default:

- (a) in the opinion of the Province, the Recipient breaches any representation, warranty, covenant or other material term of the Agreement including, without limitation, failing to do any of the following in accordance with the terms and conditions of the Agreement:
  - (i) carry out any Eligible Project;
  - (ii) use or spend Funds; or
  - (iii) provide, in accordance with section A7.1 (Preparation and Submission), Reports or such other reports as may have been requested pursuant to paragraph A7.1(b).
- (b) the Recipient's operations, its financial condition, or its organizational structure, changes such that it no longer meets one or more of the eligibility requirements of the OMCC Program;
- (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver;
- (d) the Recipient ceases to operate; or
- (e) the Recipient fails to require a Partner or a Third Party to remedy an event such as an Event of Default listed above and the failure is not remedied within, at the latest and if any, the Notice Period given to the Recipient pursuant to section 13.4 (Recipient Not Remediating).

**A13.2 Consequences of Events of Default and Corrective Action.** If an Event of Default occurs, the Province may, at any time, take one or more of the following

actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of any Eligible Project;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel further instalments of Funds;
- (f) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand from the Recipient the payment of an amount equal to any Funds the Recipient used and interest earned, but did not use in accordance with the Agreement;
- (h) demand from the Recipient the payment of an amount equal to any Funds the Province provided to the Recipient; and
- (i) terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Province upon giving Notice to the Recipient.

**A13.3 Opportunity to Remedy.** If, in accordance with paragraph A13.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will provide Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

**A13.4 Recipient Not Remediating.** If the Province provided the Recipient with an opportunity to remedy the Event of Default pursuant to paragraph A13.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way

that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in paragraphs A13.2(a), (c), (d), (e), (f), (g), (h) and (i).

**A13.5 When Termination Effective.** Termination under this Article A13.0 (Events of Default, Corrective Action, and Termination for Default) will take effect as provided for in the Notice.

#### **A14.0 FUNDS AT THE END OF A FUNDING YEAR**

**A14.1 Funds at the End of a Funding Year.** Without limiting any rights of the Province under Article A13.0 (Events of Default, Corrective Action, and Termination for Default) and subject to Article D2.0 (Changes to Annual Allocations), if the Recipient has not spent all of the Funds allocated for a Funding Year as provided for in the Annual Allocation for that year, the Province will allow the Recipient to keep the Funds in the account specified under paragraph A4.1(b) and use the Funds in any subsequent Funding Year, up to the Projects End Date, for any Eligible Project in accordance with the Agreement.

#### **A15.0 FUNDS UPON PROJECTS END DATE**

**A15.1 Funds Upon Projects End Date.** The Recipient will, upon the Projects End Date, pay to the Province any Funds and interest earned on the Funds remaining in its possession or under its control.

**A15.2 Return of Funds for Incomplete Eligible Project.** The Recipient will, if Funds have been used towards an Eligible Project and the Recipient has not completed the Eligible Project by the Projects End Date, pay to the Province an amount equal to any Funds the Recipient used for that Eligible Project.

#### **A16.0 DEBT DUE AND PAYMENT**

**A16.1 Payment of Overpayment.** If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds, included interest earned, from any further instalments of Funds; or
- (b) demand that the Recipient pay an amount equal to the excess Funds to the Province.

**A16.2 Debt Due.** If, pursuant to the Agreement:



- (a) the Province demands from the Recipient the payment of any Funds or an amount equal to any Funds; or
- (b) the Recipient owes any Funds or an amount equal to any Funds to the Province, whether or not the Province has demanded their payment, such Funds or other amount will be deemed to be a debt due and owing to the Province by the Recipient, and the Recipient will pay the amount to the Province immediately, unless the Province directs otherwise.

**A16.3 Interest Rate.** The Province may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.

**A16.4 Payment of Money to Province.** The Recipient will pay any money owing to the Province by cheque payable to the “Ontario Minister of Finance” and delivered to the Province as provided for in Schedule “B” (Recipient Information).

**A16.5 Fails to Pay.** Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to pay any amount owing under the Agreement, Her Majesty the Queen in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in right of Ontario.

## **A17.0 NOTICE**

**A17.1 Notice in Writing and Addresses.** Notice will be in writing and will be delivered by email, postage-prepaid mail, personal delivery or fax, and will be addressed to the Province and the Recipient respectively as provided for in Schedule “B” (Recipient Information), or as either Party later designates to the other by Notice.

**A17.2 Notice Given.** Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; or
- (b) in the case of email, personal delivery or fax, one Business Day after the Notice is delivered.

**A17.3 Postal Disruption.** Despite paragraph A17.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be given; and
- (b) the Party giving Notice will provide Notice by email, personal delivery or by

fax.

## **A18.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT**

A18.1 **Consent.** When the Province provides its consent pursuant to the Agreement, it may impose any terms and conditions on such consent and the Recipient will comply with such terms and conditions.

## **A19.0 SEVERABILITY OF PROVISIONS**

A19.1 **Invalidity or Unenforceability of Any Provision.** The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

## **A20.0 WAIVER**

A20.1 **Waiver Request.** Either Party may, in accordance with the Notice provision in Article A17.0 (Notice) ask the other Party to waive an obligation under the Agreement.

A20.2 **Waiver Applies.** Any waiver a Party grants in response to a request made pursuant to section A20.1 (Waiver Request) will:

- (a) be valid only if the Party granting the waiver provides it in writing; and
- (b) apply only to the specific obligation referred to in the waiver.

## **A21.0 INDEPENDENT PARTIES**

A21.1 **Parties Independent.** The Recipient is not an agent, joint venturer, partner or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

## **A22.0 ASSIGNMENT OF AGREEMENT OR FUNDS**

A22.1 **No Assignment.** The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A22.2 **Agreement Binding.** All rights and obligations contained in the Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors and permitted assigns.

## **A23.0 GOVERNING LAW**

A23.1 **Governing Law.** The Agreement and the rights, obligations and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

## **A24.0 FURTHER ASSURANCES**

A24.1 **Agreement into Effect.** The Recipient will provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

## **A25.0 JOINT AND SEVERAL LIABILITY**

A25.1 **Joint and Several Liability.** Where the Recipient is comprised of more than one entity, all such entities will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

## **A26.0 RIGHTS AND REMEDIES CUMULATIVE**

A26.1 **Rights and Remedies Cumulative.** The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

## **A27.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS**

A27.1 **Other Agreements.** If the Recipient:

- (a) has failed to comply with any term, condition or obligation under any other agreement with Her Majesty the Queen in right of Ontario or one of Her agencies (a “**Failure**”);
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Province may suspend the payment of Funds for such period as the Province determines appropriate.

## **A28.0 SURVIVAL**

**A28.1 Survival.** The following Articles, sections and paragraphs, and all applicable cross-referenced Articles, sections, paragraphs, Schedules, and Sub-schedules, will continue in full force and effect for a period of 7 years from the date of expiry or termination of the Agreement: Articles 1.0 (Entire Agreement), 3.0 (Counterparts), and A1.0 (Interpretation and Definitions) and any other applicable definitions, paragraphs A2.1(a) and A4.2(c), sections A4.6 (Interest), A4.8 (Recipient's Acknowledgement of Responsibility for Projects), A5.2 (Disposal), A7.1 (Preparation and Submission) (to the extent that the Recipient has not provided the Reports to the satisfaction of the Province), A7.2 (Record Maintenance and Audit), A7.3 (Inspection), A7.4 (Disclosure), A7.5 (No Control of Records), A7.6 (Auditor General), and A7.7 (Calculations), Articles A8.0 (Communications Requirements), and 9.0 (Indemnity), sections A11.2 (Consequences of Termination on Notice by the Province), A12.2 (Consequences of Termination Where No Appropriation or Funds Under the Cap Trade Program), A12.3 (No Additional Funds), and A13.1 (Events of Default), paragraphs A13.2(d), (e), (f), (g) and (h), Articles A15.0 (Funds Upon Projects End Date), A16.0 (Debt Due and Payment), A17.0 (Notice), and A19.0 (Severability of Provisions), section A22.2 (Agreement Binding), Articles A23.0 (Governing Law), A25.0 (Joint and Several Liability), A26.0 (Rights and Remedies Cumulative), and A27.0 (Failure to Comply with Other Agreements), this Article A28.0 (Survival), and Articles 29.0 (Aboriginal Consultation), A30.0 (Partners), and Article A31.0 (Agreements for Use of Land).

## **A29.0 ABORIGINAL CONSULTATION**

**A29.1 Aboriginal Consultation Protocol.** The Parties agree to be bound by the terms of the Aboriginal Consultation Protocol set out in Schedule "I" (Aboriginal Consultation Protocol).

**A29.2 Funding Conditional upon Meeting Aboriginal Consultation Obligations.** The Recipient agrees that the funding under the Agreement is conditional upon the Province being satisfied that its obligations with respect to the legal duty to consult and, if applicable, accommodate Aboriginal Communities have been met.

## **A30.0 PARTNERS**

**A30.1 Recipient Representation re. Partner Agreements.** If the Recipient has one or more Partners for any Eligible Project, the Recipient:

- (a) warrants that it is entitled to represent each of its Partners, and represents that each Partner has committed itself to undertake all steps necessary to support the Recipient in fulfilling its obligations as specified in the Agreement; and
- (b) agrees to bind each of its Partners to the applicable terms and conditions of the Agreement including, without limitation, those listed in section A5.3 (Contract Provisions) through a Partner Agreement.

**A30.2 Copy of Partner Agreement.** The Recipient agrees to make accessible to the Province at all times and, upon the Province's request, provide the Province with a copy of any Partner Agreement.

**A30.3 Responsibilities of Recipient.** Despite having one or more Partners for any Eligible Project and entering into a Partner Agreement with each of its Partners, the Recipient assumes the sole responsibility towards the Province for the implementation, management and coordination of the entire Eligible Project and the fulfilment of all obligations arising from the Agreement. Accordingly, the Recipient agrees that it bears the financial and legal responsibility for the entire Eligible Project and for each of its Partners. The Recipient will be held liable, in the same way as for its own conduct, if obligations as laid out in the Agreement or in applicable Requirements of Laws are not fulfilled by any of its Partners.

**A30.4 Liability.** Without limiting the requirements of the indemnity and insurance obligations under the Agreement, the Recipient agrees to ensure that each Partner agrees that the Province will not, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Partner while any of the Eligible Project is being carried out. The Province can therefore not accept any claim for compensation or increases in payment in connection with such damage or injury.

**A30.5 Public Disclosure.** The Recipient will ensure that each Partner agrees to the Province publicly disclosing, in communications concerning any Eligible Project, any of the Recipient's Partner's name and address, and the purpose and amount of funds, if any, provided to the Partners.

## **A31.0 AGREEMENTS FOR USE OF LAND**

**A31.1 Agreements with Land Owners or Lessees.** If the Recipient does not own the land on which an Eligible Project is located, either in whole or in part, the Recipient agrees to enter into a legally binding agreement with each of the land owners or lessees that sets out the terms and conditions under which the land

owner or lessee, as applicable, agrees to allow the Recipient to use the land for the Project until, at a minimum, 5 years from the Eligible Project start date.

**A31.2 Agreements with Lessees.** If an agreement described in paragraph (a) is with a lessee, the agreement shall include representations and warranties that the lessee has the right, pursuant to its agreement with the lessor, or has obtained the necessary consent from the lessor to allow the Recipient to use the land for the Project until, at a minimum, 5 years from the Eligible Project start date.

## **A32.0 CONDITIONS PRECEDENT**

**A32.1 List of Conditions Precedent.** The Province's funding under the Agreement is conditional upon each of the following conditions precedent being met to the Province's satisfaction:

- (a) on or before the Effective Date and annually thereafter, the Recipient providing the Province with, in form and substance satisfactory to the Province:
  - (i) a copy of the annual enabling by-law(s) and, if applicable, any council resolution(s) confirming that the council approves each Eligible Project and the Agreement including, without limitation, the Recipient's contribution under the Agreement, and confirming the authorized representatives of the Recipient for the Agreement;
  - (ii) if the authorized representatives under paragraph (i) are not the head of council and clerk of the municipality, or it is unclear, in the Province's opinion, from the by-law(s) and, if applicable, council resolution(s) that the council has approved each Eligible Project and the Agreement, or both, a legal opinion from the Recipient's legal counsel confirming such authorized representatives and any approval;
  - (iii) the certificate(s) of insurance or other proof as the Province may request pursuant to section A10.2 (Proof of Insurance); and
  - (iv) an Annual Declaration of OMCC Participation; and
- (b) prior to any Funds being provided to the Recipient:
  - (i) the necessary information, pursuant to section A4.5 (Interest Bearing Account), to facilitate an electronic funds transfer to an interest bearing account in the name of the Recipient at a Canadian financial institution; and

- (ii) written confirmation of the street address at which Projects documents are kept at both the premises of the Recipient and each of the Partners; and
- (c) prior to the Recipient using any Funds for an Eligible Project:
  - (i) written confirmation that the Recipient has entered into a Partner Agreement with each of its Partners, if any, for the Eligible Project;
  - (ii) if the Recipient does not own the land on which an Eligible Project is located, written confirmation that the Recipient has entered into a legally binding agreement as described in Article A31.0 (Agreements for Use of Land); and
  - (iii) to the extent that any environmental assessment or any other approval is required for an Eligible Project for which Funds were received, a warranty that the assessment has been completed and the approval has been obtained.

For greater certainty, if the Province provides any Funds to the Recipient prior to any of the conditions set out in this Article A32.0 (Conditions Precedent) having been met, and has not otherwise waived compliance with such condition as set out in Article A20.0 (Waiver), the Province may initiate any one or more of the actions provided for in section A13.2 (Consequences of Events of Default and Corrective Action).

**- END OF GENERAL TERMS AND CONDITIONS -**

**SCHEDULE "B"**  
**RECIPIENT INFORMATION**

<p><b>Contact information for the purposes of Notice to the Province</b></p>	<p><b>Position:</b> Manager, Division Services and Program Management Office</p> <p><b>Address:</b> Division Services and Program Management Office Ontario Municipal Commuter Cycling (OMCC) Program Ontario Ministry of Transportation 777 Bay Street, 30<sup>th</sup> Floor Toronto ON M7A 2J8</p> <p><b>Phone:</b> 1-844-671-7438</p> <p><b>Fax:</b> 416-585-7204</p> <p><b>Email:</b> <a href="mailto:cycling@ontario.ca">cycling@ontario.ca</a></p>
<p><b>Contact information for the purposes of Notice to the Recipient</b></p>	<p><b>Position:</b> Mrs. Donna Hunter Chief Administrative Officer</p> <p><b>Address:</b> 33 Talbot Street South Essex, ON N6M 1A8</p> <p><b>Phone:</b> (519) 776-7336 x1119</p> <p><b>Fax:</b> n/a</p> <p><b>Email:</b> <a href="mailto:dhunter@essex.ca">dhunter@essex.ca</a></p>



<b>Authorized Representative of the Province for the purpose of sections C3.2 (Amending Agreement for Changes to the Eligible Projects List), D2.2 (Amending Agreement for Changes to Annual Allocations) and F7.2 (Amending Agreement for Changes to the Reporting)</b>	<p><b>Position:</b> Manager, Division Services and Program Management Office</p> <p><b>Address:</b> Division Services and Program Management Office Ontario Municipal Commuter Cycling (OMCC) Program Ontario Ministry of Transportation 777 Bay Street, 30<sup>th</sup> Floor Toronto ON M7A 2J8</p> <p><b>Phone:</b> 1-844-671-7438</p> <p><b>Fax:</b> 416-585-7204</p> <p><b>Email:</b> <a href="mailto:cycling@ontario.ca">cycling@ontario.ca</a></p>
<b>Authorized Representative of the Recipient for the purpose of sections C3.2 (Amending Agreement for Changes to the Eligible Projects List), D2.2 (Amending Agreement for Changes to Annual Allocations) and F7.2 (Amending Agreement for Changes to the Reporting)</b>	<p><b>Position:</b> Mr. Ron McDermott, Mayor</p> <p><b>Address:</b> 33 Talbot Street South Essex, ON N6M 1A8</p> <p><b>Phone:</b> (519) 776-7336 x1150</p> <p><b>Fax:</b> n/a</p> <p><b>Email:</b> <a href="mailto:rmcdermott@essex.ca">rmcdermott@essex.ca</a></p>

<b>Senior Financial Officer of the Recipient</b>	<p><b>Position:</b> Mr. Jeffrey Morrison Manager, Finance and Business</p> <p><b>Address:</b> 33 Talbot Street South Essex, ON N6M 1A8</p> <p><b>Phone:</b> (519) 776-7336 x1150</p> <p><b>Fax:</b> n/a</p> <p><b>Email:</b> <a href="mailto:jmorrison@essex.ca">jmorrison@essex.ca</a></p>
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## **SCHEDULE “C”**

### **ELIGIBLE PROJECTS LIST AND TIMELINES**

#### **C1.0 ELIGIBLE PROJECTS LIST**

**C1.1 Eligible Project Eligibility Requirements.** To be eligible for funding under the OMCC Program and to be considered for approval as an Eligible Project by the Province for the Eligible Projects List, a project must, in addition to being listed in section C1.2 (Eligible Cycling Infrastructure Project Types), meet all of the following requirements:

- (a) be primarily for and increase commuter cycling, as opposed to being primarily for recreational or touring, and reduce vehicle trips;
- (b) reduce GHGs;
- (c) connect to significant trip origins and destinations, in the opinion of the Province, with commuter cycling infrastructure;
- (d) have its cycling infrastructure designed in accordance with the guidelines in the Ontario Traffic Manual - Book 18 - Cycling Facilities;
- (e) if the Recipient has a population of 15,000 individuals or greater, be identified on a municipal council approved i) cycling plan, or ii) active transportation plan;
- (f) be a standalone infrastructure project or an identifiable commuter cycling component of a larger infrastructure project; and
- (g) if the project impacts provincial or federal transportation infrastructure, it must have received all necessary prior approvals from the provincial or federal government prior to its implementation.

**C1.2 Eligible Cycling Infrastructure Project Types.** The following types of commuter cycling infrastructure projects, if they meet the eligibility requirements set out under section C1.1 (Eligible Project Eligibility Requirements), may be approved by the Province for the Eligible Projects List:

- Shared roadway with signed bicycle route;
- Signed bicycle route with paved shoulder;
- Conventional bicycle lane;
- Contraflow bicycle lane;
- Separated bicycle lane (with painted buffer or physical barrier);
- Raised cycle track;
- Bicycle priority street;

- Construction/modification of bridges, tunnels and access ramps for cycling;
- Bike specific signage, signalling and pavement markings;
- Automated bike counters;
- Bicycle-only facility;
- Intersection modification;
- Bike racks or other bike storage;
- Off-road multi-use paths; and
- Any other project the Province may, at its sole discretion, approve.

**C1.3 Projects on the Eligible Projects List.** Subject to a project meeting the requirements set out in section C1.1 (Eligible Project Eligibility Requirements) and any applicable terms and conditions of the Agreement, and being one of the types listed under section C1.2 (Eligible Cycling Infrastructure Project Types), a project listed in Sub-schedule “C.1” (Eligible Projects List) is considered an Eligible Project.

The Recipient is responsible for submitting Eligible Projects that meet any applicable terms and conditions of the Agreement. The Ministry, may, at its sole discretion, approve any or all projects submitted by the Recipient for the Eligible Projects List.

## **C2.0 TIMELINES**

**C2.1 Timelines.** The Recipient will complete any Eligible Project it chooses to implement no later than December 30, 2020.

## **C3.0 CHANGES TO THE ELIGIBLE PROJECTS**

**C3.1 Changes to the Eligible Projects List.** Subject to Section C3.2 (Amending Agreement for Changes to the Eligible Projects List) and unless the Province agrees otherwise, the Recipient can request changes to the Eligible Projects List:

- (a) in the case of the first Funding Year, by February 1, 2018; and
- (b) in the case of Funding Years subsequent to the first Funding Year, by May 1 and October 1.

**C3.2 Amending Agreement for Changes to the Eligible Projects List.** Any change made to the Eligible Projects List, pursuant to section C3.1 (Changes to the Eligible Projects List), must be documented through a written agreement executed as set out in section 4.3 (Execution of Amending Agreements - Exceptions).

**SUB-SCHEDULE “C.1”  
ELIGIBLE PROJECTS LIST**

**Ontario Municipal Commuter Cycling (OMCC) Program  
2017 Application - ESSEX, TOWN OF  
Potential Eligible Project List**

ELIGIBLE PROJECT NAME	ELIGIBLE PROJECT DESCRIPTION	PROJECT LOCATION	POTENTIAL START DATE	POTENTIAL END DATE	POTENTIAL COMMUTER RIDERSHIP	COMMUTER OR FREQUENT CYCLING BENEFITS
ESSEX 1 County Road 50 East	CR50 Links the urban communities of Amherstburg, Colchester and Kingsville. This section is part of the County Wide Active Transportation Study (CWATS) and completes the active transportation connection between Colchester and the Town of Kingsville, which in turn has committed to the extension of paved shoulders on CR50 to meet ours. This is an important connection as it links residents of Colchester and the surroundings to the employment centers in Harrow and Kingsville. These would include greenhouse, manufacturing plants, nursery and trucking operations that traditionally employ persons who depend on various means of transportation to work, including a high dependency on bicycle transportation.	CR50 5.6kms paved shoulders: 455 CR50 to CR23 Start: 82° 53' 29.454" W 41° 59' 28.755" N End: 82° 49' 33.720" W 41° 59' 55.941" N	Mar-18	Dec-18	7100	<b>Better Cycling Networks:</b> This enhanced CWATS Network connection will link residents of Colchester Centre and surroundings employment centres in Harrow and Kingsville. It will target residents between these built up centres. <b>More Commuter Cycling Infrastructure</b> will be built and enhanced, and will help the Town of Essex bolster its commuter cycling ridership. It will reduce motor vehicle trips and provide safe, appealing day-to-day travel facility for day-to-day travel, commuting, and other frequent travel purposes.
ESSEX 2 County Road 8	This active transportation route takes commuters from the far east side of Essex Centre to the existing employment lands on the far west side and the newly designated industrial employment lands on the west side of Highway 3. The existing road corridor is not bicycle friendly, having gravel shoulders and, in parts, open ditches. Maximum permitted vehicular speeds are up to 60kph with insufficient left turn lane provision at key locations, also compromising bicycle movements. Paved shoulder and or a multi-use trail would help to mitigate the existing conflicts.	CR8 4.3kms: CR23 to Greenway Start: 82° 48' 15.031" W 42° 10' 38.024" N; End: 82° 50' 27.629" W 42° 10' 17.965" N	Mar-19	Dec-19	11000	<b>Better Cycling Networks:</b> This enhanced connection will establish the ability for Essex Centre residents to commute across the Municipality between residential and employment areas. <b>Safe Cycling:</b> The proposed infrastructure will add to the cycling facilities within the Urban centre and mitigate existing conflicts creating safer facilities. <b>More Commuter Cycling Infrastructure</b> will be built and enhanced, and will help the Town of Essex bolster its commuter cycling ridership. It will reduce motor vehicle trips and provide safe, appealing day-to-day travel facility for day-to-day travel, commuting, and other frequent travel purposes.

ESSEX 3 County Road 34	CR34 is a major north south corridor from the City of Windsor to Leamington. It is has been improved with paved shoulders between Essex Centre and Cottam when road rehabilitation takes place. CR34 has the benefit of having a low traffic volume due to the greater use of Hwy 3 as a commuter route, thereby benefitting bicycle commuters. Gaps in the provision of paved shoulders exist. This section is such a gap and being at the edge of the urban community it is important to address that deficiency.	CR34 0.78 kms: CR23 to the Kingsville border; Start: 82° 48' 48.550" W 42° 10' 7.089" N End: 82° 48' 21.160" W 42° 9' 52.600" N	Mar-19	Dec-19	9800	<b>Better Cycling Networks:</b> This enhanced connection will establish the ability for residents to commute between residential and employment areas, as well as eliminate the gap in facilities at the edge of the Municipality. <b>Safe Cycling:</b> The proposed infrastructure will add to the cycling facilities within the Urban centre and mitigate existing conflicts creating safer facilities. <b>More Commuter Cycling Infrastructure</b> will be built and enhanced, and will help the Town of Essex bolster its commuter cycling ridership. It will reduce motor vehicle trips and provide safe, appealing day-to-day travel facility for day-to-day travel, commuting, and other frequent travel purposes.
ESSEX 4 Talbot Street South intersection at CR23 (Gosfield Road)	As an urban section of the CR34 corridor, Talbot street is a principle entrance to the community and has a wide range of commercial and institutional uses along its length. This is the first urban intersection on the corridor. Conflicts with motor vehicles can occur at intersections. This intersection has provision for left turn vehicular movements which conflicts with bicycle through traffic by narrowing the laneways. Road widening at the intersection is needed to accommodate cyclists safely.	Talbot Street South intersection at CR23 (Gosfield Road) 82° 48' 49.01630" W 42° 10' 7.16965" N	19-Mar	Dec-19	9800	<b>Safe Cycling:</b> The proposed infrastructure will add to the cycling facilities within the Urban centre and mitigate existing conflicts creating safer facilities. <b>More Commuter Cycling Infrastructure</b> at the principle entrance to the community which has a wide range of commercial and institutional uses along its length will provide commuters safe, appealing day-to-day travel facility for day-to-day travel, commuting, and other frequent travel purposes.
ESSEX 5 Talbot Street South intersection with Fairview Avenue	This is the second intersection for northbound traffic coming into Essex Centre. It is significant because its left turn lane permits left turn vehicular movements, has narrower lanes as a consequence, but it also is at the junction of a cycle specific roadside trail on Fairview and the cycle corridor along Talbot. This is a critical point for commuter cyclists who are either heading to the commercial and institutional employment services on Talbot or to the County of Essex administrative center on Fairview and the employment lands beyond. Widening of the intersection to accommodate marked bicycle lanes is needed to accommodate cyclists safely.	Talbot Street South intersection with Fairview Avenue 82° 48' 55.82916" W 42° 10' 9.83679" N	1-Mar	Dec-19	9800	<b>Safe Cycling:</b> The proposed infrastructure will add to the cycling facilities within the Urban centre and mitigate existing conflicts creating safer facilities. <b>More Commuter Cycling Infrastructure</b> will be built and enhanced, and will help the Town of Essex bolster its commuter cycling ridership. It will reduce motor vehicle trips and provide safe, appealing day-to-day travel facility for day-to-day travel, commuting, and other frequent travel purposes.

ESSEX 6 Bike racks	The Town lacks many facilities to accommodate commuting cyclists at their destinations. Bike racks are needed to provide end point facilities for cyclists. They will be placed at key municipal facilities and employment centers where most beneficial to commuting cyclists.	Various	Mar-18	Dec-18	n/a	<b>More Commuter Cycling Infrastructure:</b> The Town lacks the infrastructure facilities to accommodate commuting cyclists at their destinations. Bike racks placed at key municipal facilities and employment centres will benefit commuting cyclists and provide safe, reliable, bicycle accommodations, which will enhance and promote commuting activities
ESSEX 7 County Road 50 West	CR50 and CWATS links the urban communities of Amherstburg, Harrow, Colchester and Kingsville. This section is part of the County Wide Active Transportation Study (CWATS) and completes the active transportation connection between Colchester and Harrow and the Town of Amherstburg, which in turn has committed to the extension of paved shoulders on CR50 to meet ours as part of the County network. This connection links residents of Colchester and the surroundings to the employment centers in Harrow and Amherstburg and would create more, safer opportunities for commuter cyclist travel as cyclists will now have their own designated space to ride.	CR50 5.7 kms paved shoulders: Wabasso to CR41 Start 82° 56' 59.155" W 41° 59' 33.534" N End 83° 0' 1.784" W 42° 1' 22.492" N	Mar-20	Dec-20	7100	<b>Better Cycling Networks:</b> This enhanced CWATS Network connection will link residents of Colchester Centre and surroundings employment centres in Harrow and Amherstburg. It will target residents between these built up centres. <b>More Commuter Cycling Infrastructure</b> will be built and enhanced, and will help the Town of Essex bolster its commuter cycling ridership. It will reduce motor vehicle trips and provide safe, appealing day-to-day travel facility for day-to-day travel, commuting, and other frequent travel purposes.

## **SCHEDULE “D”**

### **DESCRIPTION OF ANNUAL ALLOCATIONS**

#### **D1.0 ANNUAL ALLOCATIONS**

- D1.1 Annual Declaration of OMCC Participation.** The Recipient will provide to the Province, on or before the Effective Date and annually thereafter, regardless of whether or not the Recipient chooses to participate in the OMCC Program in any Funding Year, an Annual Declaration of OMCC Participation in the form set out in Sub-schedule “D.2” (Form of Annual Declaration of OMCC Participation).
- D1.2 Province’s Review and Approval of Annual Declaration of OMCC Participation.** Upon receipt, the Province will review the Annual Declaration of OMCC Participation, together with any other declarations, reports or documents received from the Recipient pursuant to the Agreement, and may take one of the following actions: 1) approve it; 2) request for it to be modified and resubmitted for approval; or 3) refuse to approve it. Upon approval, at the Province’s sole discretion, Sub-schedule “D.1” (Table of Annual Allocations) will be amended and the Table of Annual Allocations deleted and replaced with a new table to capture any required changes.
- D1.3 Annual Allocation Maximum Amount.** The Annual Allocation in any Funding Year will be up to the amount set out in the updated Table of Annual Allocations, pursuant to section D1.2 (Province’s Review and Approval of Annual Declaration of OMCC Participation), for that Funding Year.

#### **D2.0 CHANGES TO ANNUAL ALLOCATIONS**

- D2.1 Changes to Annual Allocations.** Subject to section D2.2 (Amending Agreement for Changes to Annual Allocations), the Parties agree that changes including, without limitation, the deletion and replacement of the Table of Annual Allocations in Sub-schedule “D.1” (Table of Annual Allocations) on a yearly basis pursuant to section D1.2 (Province’s Review and Approval of Annual Declaration of OMCC Participation) will be made to the Annual Allocations.
- D2.2 Amending Agreement for Changes to Annual Allocations.** Any change made to the Annual Allocations, pursuant to section D2.1 (Changes to Annual Allocations), must be documented through a written agreement executed as set out in section 4.3 (Execution of Amending Agreements - Exceptions).



**SUB-SCHEDULE "D.1"**  
**TABLE OF ANNUAL ALLOCATIONS**

<b>FUNDING YEAR</b>	<b>PARTICIPATION IN THE OMCC PROGRAM FOR THE FUNDING YEAR (YES/NO)</b>	<b>ANNUAL ALLOCATION FOR THE PROJECTS</b>	<b>RECIPIENT CONTRIBUTION</b>	<b>OTHER FINANCIAL CONTRIBUTION</b>
<b>2017-2018</b>	Yes	\$ 89,983.16		
<b>2018-2019</b>				
<b>2019-2020</b>				
<b>2020-2021</b>				
<b>TOTAL</b>		\$ 89,983.16		

**SUB-SCHEDULE “D.2”  
FORM OF ANNUAL DECLARATION OF OMCC PARTICIPATION**

**ANNUAL DECLARATION OF OMCC PARTICIPATION**

**TO:** Transportation Policy Branch  
Ontario Ministry of Transportation  
777 Bay Street, 30<sup>th</sup> Floor  
Toronto, ON M7A 2J8  
Telephone: 1-844-671-7438  
Facsimile: (416) 585-7204  
E-mail: cycling@ontario.ca

**FROM:** Name/Title: [Enter the name and title of the authorized representative of the Recipient.]  
Address: [Enter the address of the authorized representative of the Recipient.]  
Telephone: [Enter the telephone number of the authorized representative of the Recipient.]  
Facsimile: [Enter the facsimile number of the authorized representative of the Recipient.]  
Email: [Enter the email address of the authorized representative of the Recipient.]

**RE: Ontario Municipal Commuter Cycling Program (“OMCC Program”) - Annual Declaration of OMCC Participation**

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In the matter of the Ontario Municipal Commuter Cycling (OMCC) Program Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, represented by the Minister of Transportation for the Province of Ontario, and the [Enter the legal name of the municipality.] (the “Recipient”), on \_\_\_\_\_, \_\_\_\_\_ (the “Agreement”).

I, \_\_\_\_\_ [Enter the name and title of the authorized representative of the Recipient listed in Schedule “B” (Recipient Information).], having made such inquiries as I have deemed necessary for this declaration, hereby certify that to the best of my knowledge, information and belief:

1. The Recipient will participate in the OMCC Program for the [Enter the Funding Year.] and requests funding for each of the projects listed in this declaration.

2. The Recipient has a population, as indicated in the applicable box at the end of each of the following statements:

a) of 15,000 individuals or greater.

☐ yes ☐ no

b) less than 15,000 individuals.

☐ yes ☐ no

3. The Recipient, as indicated in the applicable box at the end of each of the following statements:

a) has a municipal council approved cycling plan, a copy of which can be accessed at **[Enter the link.]** or is attached to this declaration, or both, and all the projects listed in this declaration for consideration for OMCC funding are supported by this plan.

☐ yes ☐ no

b) if the Recipient's answer under a) above is no, will develop a cycling plan. Once the municipal council has approved the plan, the Recipient will submit a copy of it to the Province. The Recipient will then also provide to the Province a list of projects supported by the plan for the Province's consideration for OMCC funding.

☐ yes ☐ no

4. If the Recipient has a population of 15,000 individuals or greater, the Recipient has not and will not use OMCC Funds for any project until the municipal council has approved the cycling plan under which the project is supported, and the Province has approved and added the project on the Eligible Projects List.
5. The Recipient is submitting the following projects for the Province's consideration for OMCC funding for the **[Enter the Funding Year.]**:

PROJECT TITLE	PROJECT LOCATION AND LENGTH	POTENTIAL START DATE	POTENTIAL COMPLETION DATE	CURRENT ESTIMATED WEEKDAY RIDERSHIP IN PROJECT AREA	POTENTIAL COMMUTER RIDERSHIP OF COMPLETED PROJECT	COMMUTER OR FREQUENT CYCLING BENEFITS	MAJOR ORIGIN/ DESTINA- TION	POTENTIAL VEHICLE TRIP REDUCTION

Declared at \_\_\_\_\_ (city), in the Province of Ontario, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Signatures)

\_\_\_\_\_  
Name:

Title:

\_\_\_\_\_  
Witness Name:

Title:

## **SCHEDULE “E” ELIGIBLE AND INELIGIBLE COSTS**

### **E1.0 DEFINITION**

**E1.1 Definition.** For the purposes of this Schedule “E” (Eligible and Ineligible Costs):

**“Eligible Costs Date of Effect”** means:

- (a) the Effective Date; or
- (b) in the case of the 2017-18 Funding Year for Eligible Projects included in applications submitted by September 8, 2017, May 30, 2017.

### **E2.0 ELIGIBLE COSTS**

**E2.1 Eligible Costs Date of Effect.** Eligible Costs can begin to accrue as of the Eligible Costs Date of Effect.

**E2.2 Scope of Eligible Costs.** Eligible Costs are the direct capital costs which are, in the Province’s opinion, properly and reasonably incurred and paid by the Recipient for the design and construction of an Eligible Project. Eligible Costs include, unless the Province otherwise provides in writing, only the following capital costs that are directly attributable to the commuter cycling component of the Eligible Project:

- (a) municipal council approved initial cycling plan and any update to the initial plan, up to a maximum of 80% of the total Funds to be provided under the Agreement towards the Eligible Costs of the Projects;
- (b) municipal council approved active transportation plan, up to a maximum of 80% of the total Funds to be provided under the Agreement towards the Eligible Costs of the Projects;
- (c) design and engineering;
- (d) materials to construct an Eligible Project;
- (e) labour to construct an Eligible Project; and
- (f) costs not listed in paragraphs E2.2 (a), (b), (c), (d) and (e) that the Province considers necessary for the successful implementation of an Eligible Project and which have received the prior written approval of the Province.

## **E3.0 INELIGIBLE COSTS**

**E3.1 Scope of Ineligible Costs.** Unless a cost is considered an Eligible Cost pursuant to Article E2.0 (Eligible Costs), all other costs will be considered an Ineligible Cost. Without limitation, indirect costs listed in section E3.2 (Indirect Costs), the costs that are over and above the OMCC Program scope listed in section E3.3 (Costs Above Projects Scope), and the following costs will be considered, at the sole discretion of the Province, Ineligible Costs:

- (a) planning costs;
- (b) data collection;
- (c) tourism cycling infrastructure;
- (d) recreation cycling infrastructure;
- (e) low frequency cycling infrastructure;
- (f) multi-use infrastructure, unless it is primarily for commuter cycling and not primarily for other cycling, active transportation or other modes of transportation;
- (g) planning;
- (h) property acquisition, property costs, ancillary property acquisition costs and any interest in land;
- (i) administration/overhead by the Recipient, municipal staff and municipal project management;
- (j) legal;
- (k) maintenance or minor capital improvements to existing commuter cycling infrastructure;
- (l) landscaping;
- (m) maintenance work;
- (n) roadway works (if constructed at the same time as the Eligible Project, only the Eligible Project's Eligible Costs will be funded);
- (o) operational costs;
- (p) data collection required for the Usage Data Report;
- (q) communications events, including educational or promotional signage;
- (r) roadway lighting not specifically for commuter cycling infrastructure;
- (s) end of route or in-route support facilities, including but not limited to showers, change rooms, benches for resting;
- (t) data collection (other than capital costs associated with purchasing automatic bicycle counters) costs;
- (u) Recipient's regular business costs;
- (v) environmental assessment and other approval costs;
- (w) storage costs for projects which extend for more than one year;
- (x) financing charges;
- (y) pedestrian-only or motor vehicle infrastructure;
- (z) GIS mapping;
- (aa) in-kind contributions, including labour and materials;
- (bb) work initiated prior to May 30, 2017;

- (cc) non-commuter cycling infrastructure or other works located on or adjacent to the Eligible Project that is part of an Eligible Project;
- (dd) addition/modification of roadways, intersections or turning lanes for motor vehicles and that are not part of an Eligible Project;
- (ee) infrastructure additions/modifications that do not increase commuter cycling (e.g., decorative lighting and paving); and
- (ff) any other costs which are not specifically listed as Eligible Costs in section E2.2 (Scope of Eligible Costs) and which, in the opinion of the Province, are considered to be ineligible.

**E3.2 Indirect Costs.** Without limitation, the following indirect costs are Ineligible Costs and are not eligible for funding under the OMCC Program:

- (a) applying for provincial funding;
- (b) OMCC Program evaluation and audit, unless otherwise explicitly set out in the Agreement;
- (c) office space in a facility, including a maintenance and storage facility;
- (d) obtaining necessary approvals, licenses or permits where the Recipient is the entity providing the approval, license or permit;
- (e) costs associated with planning studies and project planning, other than those specified in the Eligible Projects List, including the Recipient's Official Plan and Transportation Master Plan;
- (f) salaries and other employment benefits of any employees, overhead costs as well as other direct or indirect operating or administrative costs of the Recipient, and more specifically these costs as related to planning, engineering, architecture, supervision, management and other services provided by the Recipient's permanent staff and funded under the Recipient's operating budget;
- (g) any activities that are part of the regular operation and maintenance of municipal assets, including operation and maintenance costs related to the Projects;
- (h) carrying costs incurred on the funding share of any funding partner;
- (i) municipal staff travel;
- (j) litigation costs, including any litigation costs, incurred by the Recipient in proceedings against the Province or the Recipient;
- (k) costs not expressly approved by the Province; and
- (l) refundable portion of the Harmonized Sales Tax (HST) or other taxes and fees.

**E3.3. Costs Above Projects Scope.** The Province will not fund expenditures related to activities undertaken as part of the Projects that are over and above the scope

of the Projects on the Eligible Projects List. These costs include, but are not limited to:

- (a) upgrading municipal services and utilities;
- (b) relocating municipal services and utilities unless specifically required for the Eligible Project;
- (c) upgrades to materials beyond pre-existing municipal standards; and
- (d) costs for Eligible Projects not completed by December 30, 2020.



## **SCHEDULE “F” REPORTING AND EVALUATION**

### **F1.0 ANNUAL FINANCIAL REPORTS**

- F1.1 Annual Financial Reports.** Unless the Province otherwise specifies in writing to the Recipient, the Recipient will submit to the Province an Annual Financial Report, in the form provided in section F5.3 (Form of Annual Financial Reports), on or before January 28 of each Funding Year. The Annual Financial Report will:
- (a) be certified by the senior financial officer of the Recipient listed in Schedule “B” (Recipient Information), and identify any actual or potential financial issues in carrying out any of Eligible Projects, and corresponding mitigating strategies;
  - (b) account for all Eligible Costs incurred for each Eligible Project completed or in the process of being completed, and include appropriate confirmation that the Recipient has provided its 20% share of Eligible Costs for each Eligible Project;
  - (c) declare any interest earned on the Funds and the use of that interest for the implementation of any Eligible Project; and
  - (d) include, if required pursuant to section I3.1 (Requirements for Aboriginal Consultation Record), an Aboriginal Consultation Record and any update to it.

### **F2.0 ANNUAL IMPLEMENTATION REPORTS**

- F2.1 Annual Implementation Reports.** Unless the Province specifies otherwise in writing to the Recipient, the Recipient will submit to the Province an Annual Implementation Report, in the form provided in section F5.2 (Form of Annual Implementation Reports and Final Report) certified by the senior financial officer of the Recipient identified in Schedule “B” (Recipient Information) and a professional engineer, identifying any actual or potential project, its current status and implementation issues in carrying out any Eligible Project and corresponding mitigating strategies, on or before January 28 in each Funding Year.
- F2.2 Annual Eligible Projects Declaration.** The Recipient will submit, together with each Annual Implementation Report, an Annual Eligible Projects Declaration in accordance with Article J3.0 (Annual Eligible Projects Declaration).

### **F3.0 FINAL REPORT**

**F3.1 Final Report.** Unless the Province otherwise specifies in writing to the Recipient, the Recipient will submit to the Province a Final Report, in the form provided in section F5.2 (Form of Annual Implementation Reports and Final Report), on or before February 28, 2021.

**F3.2 Aboriginal Consultation Reporting.** The Final Report will also include, if required pursuant to section I3.1 (Requirements for Aboriginal Consultation Record), an Aboriginal Consultation Record, as defined in section I1.1 (Definitions), and any update to it.

#### **F4.0 USAGE DATA REPORTING**

##### **F4.1 Completion of post-project Evaluation.**

- (a) Unless the Province otherwise agrees, at its sole discretion and in writing, the Recipient agrees to conduct a post-project evaluation of each Eligible Project for the first 24 months after each Eligible Project is opened for use.
- (b) The purpose of the post-project evaluations in paragraph (a) is to assist the Province in assessing the increase in commuter cycling resulting from each Eligible Project and the resultant GHG benefits.

##### **F4.2 Usage Data Reports.**

- (a) An Eligible Projects Usage Data Report will be submitted after each Eligible Project within 30 days of completing the required counts.
- (b) The Recipient will submit to the Province a Final Usage Data Report that summarizes all Eligible Projects Usage Data Reports no later than 60 days after March 31, 2023. Despite the above, if all of the data collection requirements in the Agreement have been met, the Recipient can submit the Final Usage Data Report earlier.
- (c) The Recipient will, in accordance with section F4.3 (Required Counts for an Eligible Projects Usage Data Report) and for the purpose of the Usage Data Reports, count the number of cyclists using the infrastructure built for each Eligible Project.
- (d) For each collection period, the Recipient will specify the day of the week, date and time of day the count was conducted, as well as the weather conditions at the time of the count.
- (e) The Recipient must submit two Eligible Projects Usage Data Report for each Eligible Project, one for first 12 months of operation and one for the

second 12 months of operation.

- (f) If the Recipient already has an established counting program, the Recipient can use it and submit extra data.

**F4.3 Required Counts for an Eligible Projects Usage Data Report.** The Recipient will collect the data for an Eligible Projects Usage Data Report using the following counting methods:

**Automated Counters (Permanent and Portable)**

- (a) If automated counters are installed for any Eligible Project, the Recipient will collect data for that Eligible Project using the automated counters.
- (b) The Recipient will collect data, under (a) above, on a 24-hour daily continuous basis for the timeframes specified in F4.4 (Data Collection Timeframe).

**Manual Counts**

If manual counts are carried out for a completed Eligible Project, the Recipient agrees to complete 3 counts in the same month for the timeframes specified in F4.4 (Data Collection Timeframe) as follows:

- (a) one count on a Tuesday, Wednesday or Thursday between 07:00 and 10:00;
- (b) a second count on the Tuesday, Wednesday or Thursday used for paragraph F4.3(a) for any two consecutive hours between 15:00 and 19:00; and
- (c) a third count on the Saturday preceding or following the counts in paragraphs F4.3(a) and (b) between 12:00 and 14:00.

**F4.4 Data Collection Timeframe.** The Recipient will collect data for the Usage Data Report after Substantial Completion of each Eligible Project. The Recipient will submit an Eligible Projects Usage Data Report for that Eligible Project to the Province..

**Automated Counters (Permanent and Portable)**

- (a) Recipients with automated counters will collect data for 24 consecutive months after an Eligible Project is opened for use, and aggregate those data as directed by the Province.
- (b) Recipients with permanent automated counters on the site of an Eligible

Project will collect data continuously for the first 24 months.

- (c) Recipients with portable automated counters, whether purchased with Funds or not, will collect data continuously 24 hours per day for seven consecutive days, twice in the first 12 months of operation at least five months apart, and twice in the second 12 months of operation at least five months apart..

### **Manual Counts**

- (a) The Recipient will collect data as follows:
  - (i) If the Recipient's population is less than 15,000 individuals, the Recipient will collect data in September and May or July of each year for 24 months.
  - (ii) If the Recipient's population is 15,000 individuals or greater, the Recipient will collect data once per season (4 times per year) for 24 months.

**F4.5 Costs.** The Recipient will be responsible for its own costs in relation to the data collection, and the preparation and submission of the Usage Data Report.

## **F5.0 ADMINISTRATIVE PROCEDURE AND FORM**

**F5.1 Administrative Procedures.** The Recipient will, when submitting Reports, follow the administrative procedures specified by the Province.

**F5.2 Form of Annual Implementation Reports and Final Report.** The Annual Implementation Reports and Final Report will be in a form satisfactory to the Province and will include all of the following:

- (a) a detailed description and status of work for each Eligible Project, whether under development or completed, for which Funds will be or have been used, including photographs;
- (b) projected completed date of each Eligible Project under construction or for which Funds are projected to be used to complete the Eligible Project by December 30, 2020;
- (c) how the communications requirements set out in Schedule "G" (Communications Protocol) have been implemented or applied in the Funding Year;
- (d) copies of certificates of Substantial Completion for each Eligible Project;

- (e) a warrant for each Eligible Project that any required approval including, without limitation, land approval has been obtained and complied with;
- (f) details of how the objectives of the Province have been met;
- (g) if required pursuant to section I3.1 (Requirements for Aboriginal Consultation Record), an Aboriginal Consultation Record, as defined in section I1.1 (Definitions), and any update to it; and
- (h) any other information respecting the Projects the Province may, at its sole discretion, request.

**F5.3 Form of Annual Financial Report.** The Annual Financial Report will be in a form satisfactory to the Province and will include all of the following:

- (a) the Funds spent on each Eligible Project;
- (b) Eligible Costs of each Eligible Project;
- (c) funding provided by the Recipient and received from third party sources for each Eligible Project;
- (d) the amount of Funds in the interest bearing account at the beginning and end of each Funding Year;
- (e) the interest earned on the Funds and the use of the interest for the Eligible Costs of Eligible Projects;
- (f) Funds remaining in the interest bearing account by December 30, 2020; and
- (g) details on how the Province's interests, with respect to climate change by reducing vehicle trips and GHGs through increased commuter cycling, have been met.

## **F6.0 PUBLIC DOCUMENTS**

**F6.1 Public Documents.** The Recipient acknowledges and agrees that the Reports and any other report will be public documents.

## **F7.0 CHANGES TO REPORTING**

- F7.1 **Changes to the Reporting.** Subject to section F7.2 (Amending Agreement for Changes to the Reporting), the Parties agree that changes, as determined by the Province at its sole discretion, may be made to the reporting.
- F7.2 **Amending Agreement for Changes to the Reporting.** Any change made to the reporting, pursuant to section F7.1 (Changes to the Reporting), must be documented through a written agreement executed as set out in section 4.3 (Execution of Amending Agreements - Exceptions).

## **SCHEDULE “G” COMMUNICATIONS PROTOCOL**

### **G1.0 PURPOSE**

- G1.1 **Purpose.** This Schedule “G” (Communications Protocol) describes the Recipient’s responsibilities and financial obligations involved in communications activities and products to recognize the contributions of the Government of Ontario and the Recipient.

### **G2.0 GENERAL PRINCIPLES**

- G2.1 **Promotion.** The Recipient must promote each Eligible Project when opened for use by cyclists through communications activities and products as being funded by the province through Climate Action Plan funding. The Recipient must also promote that each Eligible Project’s purpose is to support GHG reduction by supporting increase commuter cycling.
- G2.2 **Joint Communications.** The Recipient agrees to obtain the Province approval for all communications products and to undertake joint communications activities and collaborate on products to ensure open, effective, and proactive communications.
- G2.3 **Recognition and Prominence.** Unless the Province specifies otherwise, the financial contribution of the Province will receive equal recognition and prominence in any Eligible Project related communications, including when logos, symbols, flags, and other types of identification are incorporated into events signs.
- G2.4 **Announcements and Ceremonies.** All announcements and ceremonies will be organized jointly with equal participation from the Recipient and the Province.
- G2.5 **Electronic Media.** All communications through electronic media such as web sites or management information systems are subject to the terms and conditions of this Schedule “G” (Communications Protocol).
- G2.6 **Communications Protocol and Other Requirements.** All events and signage will follow the communications protocols set out in this Schedule “G” (Communications Protocol) and any other requirements that may be specified by the Province from time to time.
- G2.7 **Approval of Province.** All communications must reference the Government of Ontario and must be submitted a minimum of 15 days in advance and approved by the Province prior to release.

### **G3.0 PROJECT COMMUNICATIONS**

G3.1 **General.** All written communications concerning the Agreement and any Eligible Project will be prepared in a manner that supports the communications objectives and branding of each Party to the Agreement.

G3.2 **Provincial Funding Statement.** All public information material made by the Recipient concerning the Agreement and any Eligible Projects will clearly indicate that the Eligible Project is partially funded by the Government of Ontario.

#### **G3.3 Project Promotion.**

- (a) The Recipient is responsible for the promotion and its activities and objectives within their jurisdiction. The Recipient will provide for each Eligible Project, as appropriate, project communications such as: a project web site, print, audiovisual and other communications about the Eligible Project as it proceeds. The Recipient will inform the Province of any such promotional communication a minimum of 15 days before it takes place. The Recipient will also ensure appropriate recognition of the Province's contribution in annual reports, speeches or other opportunities, as appropriate.
- (b) The Recipient is solely responsible for operational communications including calls for tender, construction, design, property, emergency and public safety notices.
- (c) The Recipient will share information promptly with the Province on significant emerging media and stakeholder issues concerning the Agreement and any Eligible Project. The Province will advise the Recipient, where appropriate, about media inquiries.
- (d) The Recipient and the Province reserve the right to refer to the Funding provided in their own separate, and non-OMCC Program specific communications. Each commits to acknowledging the other's involvement in the OMCC Program.
- (e) The Recipient will provide, whenever possible, professional quality audio-visual material about each Eligible Project to the Province to support wider communications about the provincial funding.

### **G4.0 COMMUNICATING WITH THE PUBLIC**

#### **G4.1 General.**

- (a) The Recipient will provide Notice to and consult with the Province, a



minimum of 15 days in advance, about all proposed news releases, new media communications activities, or public announcements relating to any Eligible Project. This is to provide the Province with sufficient notice of key communications and, if the Province so desires, the time that is necessary to determine a course of action, line up principals and prepare joint material. Notwithstanding the advance Notice requirement, the Province will not unreasonably withhold its consent if the Recipient must issue a news release or public announcement in less than 15 days due to unforeseeable circumstances, including matters of public safety or the need for emergency response.

- (b) The Recipient will advise the Province regularly of upcoming public events or community relations activities relating to the Agreement. The Recipient commits to acknowledging the Province's involvement.
- (c) The Province will monitor the Recipient's performance with respect to the communications provisions of the Agreement and order appropriate remedies, as it sees fit, where deficiencies are found.
- (d) In the event of an election call that affects a riding that a completed Eligible Project is located in, whether federal, provincial or municipal, no public announcements will be permitted. For clarification, this does not include announcements and communications made under paragraph G3.3(b).

**G4.2 Signing of the Agreement.** The Recipient and the Province may issue a joint news release when the Agreement is signed. The Recipient and the Province agree to hold, where appropriate, an official ceremony on this occasion.

**G4.3 Public Information Kits.** The Recipient and the Province may develop joint information kits, brochures, public reports, new media products, and web site material to inform the public about the OMCC Program and any Eligible Project. Such material will be prepared in a manner consistent with this Schedule "G" (Communications Protocol) and any core messages developed by the Recipient or the Province. The choice of colour will be neutral in nature and not identified with any political party.

**G4.4 News Releases.** The Recipient and the Province will issue joint news releases at relevant times in the life of each Eligible Project. In all such news releases, the Recipient and the Province will receive equal prominence and all will mutually agree on the use of quotes from the designated representatives of the Province or the Recipient in the news releases.

**G4.5 News, Conferences, Public Announcements, Official Events or Ceremonies.**

- (a) The Recipient and the Province agree to hold news conferences at the

request of the other. The designated representative of each of the Recipient and the Province will be provided the opportunity to participate in such news conferences.

- (b) No public announcement relating to any Eligible Project, with the exception of those Notices described in paragraph G3.3(b), will be made by the Recipient without the prior consent of the Province.
- (c) The Recipient and the Province will cooperate in the organization of announcements or ceremonies. Messages and public statements for such events should be mutually agreed upon. The Province may recommend special events and ceremonies be held where and when appropriate.

#### **G4.6 Signage.**

- (a) Prior to initiating construction and after the signing of the Agreement, the Recipient agrees to produce and erect temporary signage acknowledging the Province's contribution to each Eligible Project. The signage will be at least equivalent in size and prominence to the Recipient's and other contributors' signage. The signage will remain in place until 90 days after construction is completed.
- (b) The Recipient will provide and install, upon completion of each Eligible Project, where feasible, a plaque, permanent sign or other suitable identifier bearing an appropriate inscription. The design, wording and specifications of such permanent signs will respect the general provisions of the Agreement for two years after the completion of the Eligible Project.
- (c) Except for signage acknowledging any Eligible Project funding, traffic control, safety devices, contractor signage, retail signage or normal construction related signage, no additional signage will be erected at each site by the Recipient.

**G4.7 Communications Events.** Subject to the terms of the Agreement, the Recipient or the Province may, at its own costs and upon 90 days Notice to the other Party prior to the event, carry out project-related communications events, including educational and promotional signage.

**G4.8 Joint Communications Events.** If the Parties agree to carry out a joint communications event, the costs of such event will be shared equally between the Province and the Recipient.

**G4.9 Monitoring and Compliance.** The Province will monitor the Recipient's compliance with this Schedule "G" (Communications Protocol), and may, at its discretion, advise the Recipient of issues and required adjustments.

## SCHEDULE “H” DISPOSAL OF AND REVENUES FROM ASSETS

### H1.0 DEFINITION

H1.1 **Definition.** For the purposes of this Schedule “H” (Disposal of and Revenues from Assets):

“**Local Government**” means a single-tier, lower-tier or upper-tier municipality established by or under an Ontario provincial statute, and also includes a municipal service corporation established by such a single-tier, lower-tier or upper-tier municipality.

### H2.0 DISPOSAL OF ASSETS

H2.1 **Payment If Early Disposal.** The Recipient undertakes to notify the Province in writing, 180 days in advance, if at any time on or before December 30, 2031, the Recipient proposes to sell, lease, encumber or use any Asset in a manner other than described in the Agreement, or otherwise dispose of, directly or indirectly, any Asset other than to the Province, a Local Government or a Crown agent of the Province. Upon disposal of the Asset, the Recipient hereby undertakes to pay an amount equal to the percentage of Funds received from the Province for the Asset, forthwith on demand, as set out in the table below:

DISPOSAL PERIOD	PERCENTAGE OF FUNDS (IN CURRENT DOLLARS)
On or before December 30, 2022	100%
After December 30, 2022 and on or before December 30, 2025	75%
After December 30, 2025 and on or before December 30, 2029	50%
After December 30, 2029 and on or before December 30, 2031	25%
After December 30, 2031	0%

## **SCHEDULE “I” ABORIGINAL CONSULTATION PROTOCOL**

### **I1.0 DEFINITIONS**

I1.1 **Definitions.** For the purposes of this Schedule “I” (Aboriginal Consultation Protocol):

“**Aboriginal Consultation Plan**” means the Aboriginal Consultation Plan described in section I2.1 (Development of Plan).

“**Aboriginal Consultation Record**” means a document that records and describes, as the Province may require, the consultation activities carried out during the Project and the results of that consultation.

“**Aboriginal Community**” includes First Nation, Métis and Inuit communities or peoples of Canada.

### **I2.0 ABORIGINAL CONSULTATION PLAN**

I2.1 **Development of Plan.** The Province, based on the scope and nature of the Project, may require the Recipient to, in consultation with the Province, develop and comply with an Aboriginal consultation plan (“**Aboriginal Consultation Plan**”).

I2.2 **Procedural Aspects of Consultation.** If consultation with Aboriginal Communities is required, the Province may:

- (a) delegate certain procedural aspects of the consultation to the Recipient; and
- (b) provide the Recipient with an initial list of the communities the Recipient may consult.

I2.3 **Provision of Plan to Province.** If, pursuant to section I2.1 (Development of Plan), the Province provides Notice to the Recipient that an Aboriginal Consultation Plan is required, the Recipient will, within the timelines provided in the Notice, provide the Province with a copy of the Aboriginal Consultation Plan.

I2.4 **Changes to Plan.** The Province, in the Province’s sole discretion and from time to time, may require the Recipient to make changes to the Aboriginal Consultation Plan.

### **I3.0 ABORIGINAL CONSULTATION RECORD**

- I3.1 Requirements for Aboriginal Consultation Record.** If consultation with Aboriginal Communities is required, the Recipient will maintain an Aboriginal Consultation Record and provide such record to the Province, and any update to it, as part of its reporting to the Province pursuant to paragraph F1.1(d), subsection F3.2 (Aboriginal Consultation Reporting) and paragraph F5.2(g).

### **I4.0 RESPONSIBILITIES OF THE RECIPIENT**

- I4.1 Notification to and Direction from the Province.** The Recipient will immediately notify the Province:

- (a) of contact by any Aboriginal Communities regarding the Project; or
- (b) if any Aboriginal archaeological resources are discovered in the course of the Project,

and, in either case, the Province may direct the Recipient to take such actions as the Province may require. The Recipient will comply with the Province's direction.

- I4.2 Direction from the Province and Contracts.** The Recipient will provide in any Contract and Partner Agreement for the Recipient's right and ability to respond to direction from the Province as the Province may provide in accordance with section I4.1 (Notification to and Direction from the Province).

## **SCHEDULE “J” CERTIFICATES AND DECLARATIONS**

### **J1.0 PROCEDURES**

- J1.1 **Procedures.** The Recipient agrees that this Schedule “J” (Certificates and Declarations) will apply to the Projects.

### **J2.0 ANNUAL FUNDING CERTIFICATES**

- J2.1 **Timing and Documents.** The Recipient will submit Annual Funding Certificates to the Province, in the form provided in Sub-schedule “J.1” (Ontario Municipal Commuter Cycling (OMCC) Program Form of Annual Funding Certificate), signed by the senior financial of the Recipient identified in Schedule “B” (Recipient Information) and completed to the Province’s satisfaction, attesting, amongst other matters, that all Funds have been spent on Eligible Projects and Eligible Costs.
- J2.2 **Timing of Annual Funding Certificate.** The Recipient will submit an Annual Funding Certificate to the Province, together with the Annual Financial Report, in each Funding Year.

### **J3.0 ANNUAL ELIGIBLE PROJECTS DECLARATION**

- J3.1 **Timing and Documents.** The Recipient will submit an Annual Eligible Projects Declaration to the Province, in the form provided in Sub-schedule “J.2” (Ontario Municipal Commuter Cycling (OMCC) Program Form of Annual Eligible Projects Declaration), signed by an approved Recipient representative and completed to the satisfaction of the Province.
- J3.2 **Timing of Annual Eligible Projects Declaration.** The Recipient will submit the Annual Eligible Projects Declaration as a component of the Annual Implementation Report to the Province.

### **J4.0 SOLEMN DECLARATION OF SUBSTANTIAL COMPLETION**

- J4.1 **Timing and Documents.** The Recipient will submit to the Province, in the form provided in Sub-schedule “J.3” (Ontario Municipal Commuter Cycling (OMCC) Program Form of Solemn Declaration of Substantial Completion), a Solemn Declaration of Substantial Completion for each Eligible Project. The Recipient will include all of the documentation required in the Solemn Declaration of Substantial Completion and fully complete and execute the declaration.

J4.2 **Submission of Declarations of Substantial Completion.** The Recipient will submit the declaration(s) in each Funding Year as attachment(s) to the Annual Implementation Reports.

## **J5.0 FINAL ADJUSTMENTS**

J5.1 **Final Adjustments.** After the Recipient has submitted its Final Report and before the Expiry Date, the Parties will jointly carry out a final reconciliation of all Funds in respect of the Project and make any adjustments required in the circumstances.

**SUB-SCHEDULE "J.1"**  
**ONTARIO MUNICIPAL COMMUTER CYCLING (OMCC) PROGRAM**  
**FORM OF ANNUAL FUNDING CERTIFICATE**

**ANNUAL FUNDING CERTIFICATE**

**TO:** Transportation Policy Branch  
Ontario Ministry of Transportation  
777 Bay Street, 30<sup>th</sup> Floor  
Toronto, ON M7A 2J8  
Telephone: 1-844-671-7438  
Facsimile: (416) 585-7204  
E-mail: cycling@ontario.ca

**FROM:** Name/Title: **[Enter the name and title of the Senior Financial Officer of the Recipient.]**  
Address: **[Enter the address of the Senior Financial Officer of the Recipient.]**  
Telephone: **[Enter the telephone number of the Senior Financial Officer of the Recipient.]**  
Facsimile: **[Enter the facsimile number of the Senior Financial Officer of the Recipient.]**  
Email: **[Enter the email address of the Senior Financial Officer of the Recipient.]**

**ON BEHALF OF:** **[Enter the Recipient's name.]**

**RE:** **Ontario Municipal Commuter Cycling (OMCC) Program -  
Annual Funding Certificate**

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In the matter of the Ontario Municipal Commuter Cycling (OMCC) Program Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, represented by the Minister of Transportation for the Province of Ontario, and the **[Enter the legal name of the municipality.]** (the "Recipient"), on \_\_\_\_\_, \_\_\_\_\_ (the "Agreement").

I, \_\_\_\_\_ **[Enter the name and title of the senior financial officer of the Recipient listed in Schedule "B" (Recipient Information).]**, an authorized representative of the Recipient, having made such inquiries as I have deemed



necessary for this certificate, hereby certify that to the best of my knowledge, information and belief for Funding Year **[Enter the Funding Year.]**:

On and as of the date set out below:

1. Funds have only been expended on Eligible Projects listed on the Eligible Projects List, as described in Sub-schedule "C.1" (Eligible Projects List) of the Agreement, and the Eligible Projects funded this Funding Year are as listed in Appendix A (Eligible Projects for Funding Year) to this certificate.
2. Funds were solely used towards the Eligible Costs of implementing the Eligible Projects listed in Appendix A (Eligible Projects for Funding Year) to this certificate.
3. The Eligible Projects listed in Appendix A (Eligible Projects for Funding Year) to this certificate will be completed by December 30, 2020.
4. The work undertaken for Eligible Projects conforms with the requirements set out in paragraph A4.8(d) of Schedule "A" (General Terms and Conditions) of the Agreement to comply with industry standards.
5. Any Funds the Recipient received before the Recipient's immediate need were placed in an interest bearing account in accordance with section A4.5 (Interest Bearing Account) of the Agreement, and any interest earned on the Funds is noted in Appendix A (Eligible Projects Funding Year) to this certificate and was used only as noted in the appendix.

Declared at \_\_\_\_\_ (city), in the Province of Ontario, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Signatures)

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Witness Name:

Title:

Title:

**APPENDIX A**  
**ELIGIBLE PROJECTS FOR FUNDING YEAR [Note: Enter the Funding Year.]**

FUNDING YEAR	ELIGIBLE PROJECT	ELIGIBLE PROJECT START DATE	ELIGIBLE PROJECT END DATE	ELIGIBLE COSTS		RECIPIENT FUNDS EXPENDED		FUNDING FROM OTHER SOURCES USED		TOTAL ELIGIBLE PROJECT COSTS
				\$	% of Funds	\$	% of Total Eligible Project Costs	\$	% of Total Eligible Project Costs	
Total										

**INTEREST ON FUNDS**

- (a) The interest earned on the Funds for the Funding Year to which this Annual Funding Certificate relates is **[\$x dollars]**.
- (b) The interest earned on the Funds since the Effective Date of the Agreement is **[\$x dollars]**.
- (c) The interest used towards the Eligible Costs of Eligible Projects in the Funding Year to which this Annual Funding Certificate relates is **[\$x dollars]**.
- (d) The interest used for the Eligible Costs of Eligible Projects since the Effective Date of the Agreement is **[\$x dollars]**.

**SUB-SCHEDULE “J.2”  
ONTARIO MUNICIPAL COMMUTER CYCLING (OMCC) PROGRAM  
FORM OF ANNUAL ELIGIBLE PROJECTS DECLARATION**

**ANNUAL ELIGIBLE PROJECTS DECLARATION**

**TO:** Transportation Policy Branch  
Ontario Ministry of Transportation  
777 Bay Street, 30<sup>th</sup> Floor  
Toronto, ON M7A 2J8  
Telephone: 1-844-671-7438  
Facsimile: (416) 585-7204  
E-mail: cycling@ontario.ca

**FROM:** Name/Title: [Enter the name and title of the authorized representative of the Recipient.]  
Address: [Enter the address of the authorized representative of the Recipient.]  
Telephone: [Enter the telephone number of the authorized representative of the Recipient.]  
Facsimile: [Enter the facsimile number of the authorized representative of the Recipient.]  
Email: [Enter the email address of the authorized representative of the Recipient.]  
Email: [Enter the email address of the authorized representative of the Recipient.]

**RE: Ontario Municipal Commuter Cycling Program - Annual Eligible Projects Declaration**

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In the matter of the Ontario Municipal Commuter Cycling (OMCC) Program Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, represented by the Minister of Transportation for the Province of Ontario, and the [Enter the legal name of the municipality.] (the “Recipient”), on \_\_\_\_\_, \_\_\_\_\_ (the “Agreement”).

I, \_\_\_\_\_ [Enter the name and title of the authorized representative of the Recipient listed in Schedule “B” (Recipient Information).], having made such inquiries as I have deemed necessary for this declaration, hereby certify that to the best of my knowledge, information and belief:

1. On and as of the date set out below:

- a. all representations and warranties contained in Article A2.0 (Representations, Warranties, and Covenants) of Schedule "A" (General Terms and Conditions) to the Agreement are true and correct;
- b. the Recipient is in compliance with all the terms and conditions of the Agreement and no event of default, as described in the Agreement, has occurred and is continuing;
- c. and prior to the Recipient having used any of the Funds for an Eligible Project, the Recipient has complied with all of the requirements set out in paragraphs A32.1(c)(i), (ii) and (iii).
- d. the Recipient has attached a valid certificate of insurance for the current Funding Year;
- e. the Recipient has attached the municipal council approved enabling by-law for the current Funding Year;
- f. the Recipient has met the 20% funding requirements for each Eligible Project implemented with Funds;
- g. the Recipient has complied with all provisions of the *Construction Lien Act* (Ontario) and is not aware of any claims for liens under that Act.

2. Funds were solely used towards the Eligible Costs of implementing the Eligible Projects listed on the Eligible Projects List

Declared at \_\_\_\_\_ (city), in the Province of Ontario, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Signatures)

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Witness Name:

Title:

Title:

**SUB-SCHEDULE "J.3"**  
**ONTARIO MUNICIPAL COMMUTER CYCLING (OMCC) PROGRAM**  
**FORM OF SOLEMN DECLARATION OF SUBSTANTIAL COMPLETION**

**SOLEMN DECLARATION OF SUBSTANTIAL COMPLETION**

**TO:** Transportation Policy Branch  
Ontario Ministry of Transportation  
777 Bay Street, 30<sup>th</sup> Floor  
Toronto, ON M7A 2J8  
Telephone: 1-844-671-7438  
Facsimile: (416) 585-7204  
E-mail: cycling@ontario.ca

**FROM:** Name/Title: **[Enter the name and title of the professional engineer.]**  
Address: **[Enter the address of the professional engineer.]**  
Accreditation: **[Enter the accreditation number of the professional engineer.]**  
Telephone: **[Enter the telephone number of the professional engineer.]**  
Facsimile: **[Enter the facsimile number of the professional engineer.]**  
Email: **[Enter the email address of the professional engineer.]**

**RE: Ontario Municipal Commuter Cycling Program - Solemn Declaration of Substantial Completion**

In the matter of the Ontario Municipal Commuter Cycling (OMCC) Program Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, represented by the Minister of Transportation for the Province of Ontario, and the **[Enter the legal name of the municipality.]** (the "Recipient"), on \_\_\_\_\_, \_\_\_\_\_ (the "Agreement").

I, \_\_\_\_\_ **[Enter the name and title of the professional engineer.]**, a professional engineer duly licensed in the Province of Ontario, having made such inquiries as I have deemed necessary for this certificate, hereby certify that to the best of my knowledge, information and belief:

On and as of the date set out below:

1. I am the \_\_\_\_\_ **[Enter the title, department, or**

**organization.],** and as such have knowledge of the matters set forth in this declaration.

2. The projects listed below in this declaration are listed in Sub-schedule "C.1" (Eligible Projects List) to the Agreement as Eligible Projects. These Eligible Projects have reached Substantial Completion, as defined in the Agreement, as follows:

ELIGIBLE PROJECT NAME	ELIGIBLE PROJECT DESCRIPTION	ELIGIBLE PROJECT LOCATION	SUBSTANTIAL COMPLETION DATE FOR THE ELIGIBLE PROJECT

3. The value of the Eligible Costs for substantially completed work on each Eligible Project listed in section 2 above is as noted below:

ELIGIBLE PROJECT NAME	ELIGIBLE COSTS FOR THE ELIGIBLE PROJECT	RECIPIENT'S CONTRIBUTION TOWARDS THE ELIGIBLE COSTS OF THE ELIGIBLE PROJECT

4. The work for all Eligible Projects described in this declaration:
- was supervised and inspected by qualified staff;
  - conforms with the plans, specifications and other documentation for the work;
  - conforms with the Environmental Laws (as defined in the Agreement), and appropriate mitigation measures have been implemented; and
  - conforms with the requirements set out in paragraph A4.8(d) of Schedule "A" (General Terms and Conditions) of the Agreement to comply with industry standards.

Declared at \_\_\_\_\_ (city), in the Province of Ontario, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Signatures)

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Witness Name:

Title:

Title:

## **The Corporation of the Town of Essex**

### **By-Law Number 1671**

#### **Being a by-law to confirm the proceedings of the January 15, 2018 Regular Meeting of the Council of The Corporation of the Town of Essex**

Whereas pursuant to Section 5(1) of The Municipal Act, 2001, S.O. 2001, c.25 as amended, the powers of a municipality shall be exercised by its Council;

And whereas pursuant to Section 5(3) of The Municipal Act, 2001, S.O. 2001, c.25 as amended, a municipal power, including a municipality's capacity, rights, powers and privileges under Section 8 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

And whereas it is deemed expedient that a by-law be passed to authorize the execution of Agreements and other documents and that the proceedings of the Council of The Corporation of the Town of Essex at its meetings be confirmed and adopted by by-law.

Now therefore be it resolved that the Council of The Corporation of the Town of Essex enacts as follows:

1. That the actions of the Council of The Corporation of the Town of Essex in respect of all recommendations in reports and minutes of committees, all motions and resolutions and all other actions passed and taken by the Council of The Corporation of the Town of Essex, documents and transactions entered into during the January 15, 2018 meeting of Council, are hereby adopted and confirmed as if the same were expressly contained in this by-law.
2. That the Mayor and proper officials of The Corporation of the Town of Essex are hereby authorized and directed to do all the things necessary to give effect to the actions of the Council of The Corporation of the Town of Essex during the said January 15, 2018 meeting referred to in paragraph 1 of this by-law.
3. That the Mayor and the Clerk are hereby authorized and directed to execute all documents necessary to the actions taken by this Council as described in Section 1 of this by-law and to affix the Corporate Seal of The Corporation of the Town of Essex to all documents referred to in said paragraph 1.

**Read a first and a second time and provisionally adopted on January 15, 2018.**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

**Read a third time and finally passed on February 5, 2018.**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk