



Staff Report

Report To: River District Board of Management

Report From: Pam Coulter, Director of Community Services
Allison Penner, Deputy Clerk

Meeting Date: May 14, 2025

Report Code: CR-25-065

Subject: Municipal Act Process to Expand the River District and an Approach to Preliminary Consultation

Recommendations:

THAT in consideration of Staff Report CR-25-065 respecting the Municipal Act Process to Expand River District Boundaries and an Approach to Preliminary Consultation, the River District Board of Management provides direction to staff.

Highlights:

- Expansion of the boundaries of the River District was a recommended action in the River District Action Plan (2020) approved by the Board and Council.
- This report provides an overview of the legislated process through which the boundaries of an improvement area may be altered as well as an approach to preliminary consultation to further inform the consideration of the matter.
- Staff are seeking direction from the Board.

River District Action Plan Alignment:

River District Experience Development – Create an engaging space.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

[Municipal Act, 2001 s.209](#)

[River District Constitution](#)

[River District Action Plan](#)

Background:

An Improvement Area is a designated geographic zone within a municipality where businesses are subject to an additional levy on top of their regular municipal property taxes. The levied funds are managed by a board of management and used to fund initiatives relating to marketing, promotions, beautification projects and community events.

The Owen Sound Downtown Improvement Area (OSDIA) was established in 1973 with the approval of By-law No. 1973-5, and later re-branded as the Owen Sound River District in 2022 with the approval of By-law No. 2022-061.

The River District boundaries have remained the same since its inception in 1973. The current boundaries include properties between 7th Street East in the south to 11th Street East in the north, between 1st Avenue East and 3rd Avenue East. A map showing the current boundaries is attached to the report.

In 2020, the City and River District Board partnered to develop the River District Action Plan. The goal of the project was to create a refined downtown identity that captures the story and rallies people together and to develop a marketing plan with clear actions and objectives to tell that story.

The River District Action Plan (2020) has actions in 4 key areas:

- River District Branding,
- River District Management,
- River District Experience Development, and
- River District promotion.

Within each pillar of the plan there are strategic objectives and actions identified to reach the project goal.

The River District Experience Development

Strategic Objective: Create an engaging space. Making public spaces consistently engaging and entertaining takes more than having a one-off event. The public needs to have a reason to frequently and repeatedly visit the downtown. A well programmed public area or activated space can be a primary motivator to attract (and retain) visitors in the downtown core.

One of the actions identified is to consider an expansion of the OSDIA boundaries to include the west side of the river and harbour to ensure the inclusion of key properties that align with the River District brand.

Staff are bringing forward this report to:

1. Outline the authority and process under the *Municipal Act* required to undertake a boundary adjustment;
2. Outline a preliminary consultation process that would inform that potential boundary expansion area; and
3. Seek direction from the Board on a potential process and next steps.

Analysis:

***Municipal Act, 2001* Authority and Process Requirements**

Under section 209 of the *Municipal Act, 2001*, municipalities are empowered to alter the boundaries of an improvement area. The legislated process that the City must follow in order to expand an improvement area is outlined below. The decision about whether to exercise the authority to expand the boundary rests with City Council. In this case, the recommendations and input from the Board would be provided to Council to support any decision-making respecting altering the area.

Prior to passing a by-law to change the boundaries of an improvement area, notice of the proposed by-law must be sent by pre-paid mail to every person who is assessed for rateable property that is in a prescribed property class located within the existing improvement area boundary; as well as in the geographic area the proposed by-law would add to the improvement area.

Within thirty (30) days all persons who received the notice are required to provide a copy of it to each tenant of the property to which the notice relates who is required to pay all or part of the taxes on the property. In addition, within that thirty (30) day period they are required to provide the Clerk with a list of all such tenants and the share of the taxes that each tenant is required to pay; as well as the share that the property owner is required to pay.

A municipality is not permitted to pass a by-law to expand the boundaries of an improvement area if written objections are received by the Clerk within sixty (60) days after the last day of mailing of the notices; and, those objections have been signed by at least one-third of the total number of persons entitled to notice and/or those tenants that pay all or part of the taxes of an effected property.

To prevent the passage of the boundary expansion by-law, those objectors must account for at least one-third of the taxes levied for purposes of the general local municipal levy on rateable property in all prescribed business property classes in the improvement area; or at least one-third of the taxes levied in the geographic area the proposed by-law would add to the existing improvement area.

The *Municipal Act* assigns responsibility to the Clerk to determine as to whether the objections to the proposed boundary expansion meet the stipulated thresholds. If the prescribed thresholds are met, then the by-law would not be put forward for Council's consideration and the River District boundaries would remain unchanged.

If no objections are received, or the number of objections does not meet the threshold set out in the *Act*, then a by-law could be brought forward to amend the improvement area boundaries.

Process for Preliminary Consultation

Prior to making a recommendation to City Council on any proposed boundary adjustment, it is suggested that a process of preliminary consultation be completed.

This would include establishing both in-person and online information and feedback mechanisms. Feedback should be sought from the current owners and businesses in the existing area and with the potential expanded area

identified by the Plan. Staff would work with the City's Communications Advisor on the communication engagement plan.

Following consultation, staff will bring forward a follow-up report to the Board, including the consultation results, providing and summarizing the feedback to inform the Boards' further consideration of the matter. This follow-up report would consider further the financial, and other impacts of a potential boundary expansion as well as key such considerations of such a project such as expanded marketing assets, increased resource pool, community cohesion, improved public space and broader economic development.

Staff are seeking direction from the Board respecting proceeding with preliminary consultation to explore a boundary expansion.

As the Board is aware, the River District Action Plan is an urban rejuvenation project that includes both 1st Avenues East and 1st Avenue West from 8th Street to 10th Street. The first two phases of the project have been completed by the City. At this time, phases 3 and 4 are not funded in the City's 5-year capital plan. There may be merit in delaying any consideration of expanding the boundary until the capital plan is completed.

Financial Implications:

There are no financial implications to the Board at this time. Should the Board choose to proceed with a preliminary investigation and public consultation on the boundary expansion, there would be some costs for the City in the allocation of existing staff time to support the communication initiative.

A follow up report with preliminary consultation would explore the financial impact of any future expansion, including both the number of ratable properties as well as costs to support the area from a maintenance, beautification and marketing perspective.

Communication Strategy:

This report has been posted to the City's website in advance of the Board meeting.

Should the Board direct staff to proceed with next steps toward boundary expansion, staff would begin by undertaking consultation with existing River District property owners, business owners and stakeholders, as well as the

public. This consultation will inform a follow-up report to be presented to the River District Board of Management.

Consultation:

None.

Attachments:

Map of Current River District Boundaries

Recommended by:

Allison Penner, Deputy Clerk

Pamela Coulter, Director of Community Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Pam Coulter at pcoulter@owensound.ca or 519-376-4440 ext. 1252.