



Town of Erin
EQUINE ECONOMIC DEVELOPMENT REPORT



ERIN EQUINE TASK FORCE
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ACKNOWLEDGEMENTS

This project has largely been a volunteer effort, taking two years. It turned out to be a much larger undertaking than we ever imagined and we would like to thank Council, the CAO and our fellow Task Force members for sticking with it. We would also like acknowledge the indirect support of partners and family because involvement with this project meant sacrificing time with them.

Above all, we would like to thank the interviewees who graciously gave of their time and their thoughts, and without whom this would not have been possible.

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Report preparation and writing:	Mary Venneman; Ashley Kerr
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If we have inadvertently missed anyone, we sincerely apologize and we extend our thanks.

Mary Venneman
Co-Chair

Brian Gentles
Co Chair

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INTRODUCTION

The Erin Equine Economic Development Project was the metamorphosis of an economic development proposal developed by Ontario Ministry of Agriculture and Farming Affairs (OMAFRA) to the Economic Development Committee of Erin (EDCoE) in the fall of 2010 as a Business Retention and Expansion project (BR&E).

The EDCoE considered the full BR&E undertaking as a project which was beyond the resources, both human and financial, of the committee and the Town of Erin. We approached OMAFRA to see if they would be interested in supporting a BR&E project which was focused solely on one industry segment. We initially wanted to study the agricultural sector but realized quickly that a more focused study in the equine segment would have the advantage of not only being within our resource capabilities but would also have the advantage of offering the Town of Erin the possibility for economic growth that was not contingent on infrastructure investment.

The EDCoE proposed to Council that the Town undertake a BR&E project with a focus on the equine market sector. The Erin Town Council supported this project and the budget to proceed was accepted in July of 2011 (Resolution # 10-185)¹ with the mandate to:

1. Develop a list of equine related businesses and riders in the Town of Erin for potential interview selection
2. Develop a survey to determine the needs of equine businesses and riders as well as to develop a knowledgeable understanding of the strengths and weaknesses of the equine industry in Erin
3. Conduct the survey and analyse the results
4. Develop recommendations for Council which would improve the economic outlook for the Town of Erin

Since a database of local equine businesses, properties or riders was non-existent, the Task Force did its best to compile as comprehensive a list as possible, using various sources and techniques including a windshield survey of the entire Town to identify equine properties; online and Yellow Pages research; scan of local bulletin boards; sign-up sheets; and referrals and recommendations. We ended up with 1000+ names on the list, with approximately 60% being legitimate potential contacts.

¹ After the EDCoE was disbanded, the Task Force continued its work as a Committee of Council.

Erin Equine Task Force Members

Mary Venneman – Co-Chair

Brian Gentles – Co-Chair

Dr. Kim Hall – Research advisor

Gayle Ecker – Director, Equine Guelph

Margie Godson – Owner/Operator, Myrddin Equestrian Centre

Alf Budweth – Owner, Budson's Feed and Farm Supply

Susan Powell – OMAFRA representative and Erin resident

John Brennan – Town of Erin Councillor

Ninety in-person interviews were conducted, on average 1 ½ hours in duration. Interviewed were 30 equine businesses, 30 business operators who were also riders and 30 riders only. Those interviewed were randomly selected from the contact list compiled.

ECONOMIC DEVELOPMENT OVERVIEW²

At the municipal level, it's all about property tax revenue. The Task Force has adopted this as the lens to evaluate the potential contribution of the equine industry. There are two predominate ways to increase property taxation revenue: 1) increase the tariff rate; and 2) through capital improvements – expansion to existing buildings or new build on vacant land. Economic development focusses on the latter, and particularly the industrial and commercial assessment classes.

Property Tax Assessment Classes

(in order of tax rate, highest to lowest)

Industrial (production)
Commercial (sale to end users)
Residential
Farm
Managed Forests

Economic Development Goals

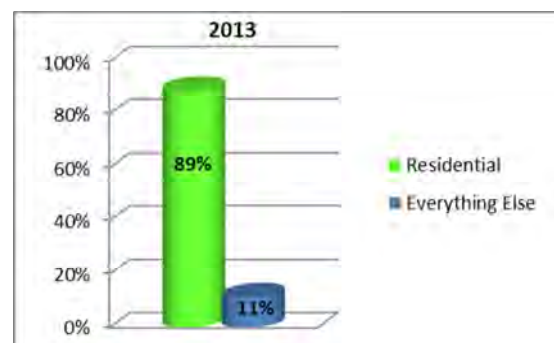
1. Net increase in annual property tax revenue

Taxation on income is not a direct source of revenue for the municipality as it is for the Federal and Provincial governments. However, capital improvements from a commercial perspective (and in the case of equine, farm as well) are driven by sales – the more demand outpaces the current supply, the more incentive there is for existing businesses to expand and the higher the attraction for new businesses to locate here. For industrial, capital improvements are driven predominantly by favourable site location factors relative to other jurisdictions. Table 2 provides a summary of the economic development drivers.

Development charges, building permit fees, and various other property application and permitting levies also contribute to the Town's revenue. However, these levies are derived from the same source – capital improvements – so while the goals do not speak to these directly, actions to stimulate capital improvements will equally stimulate revenue from these sources as well.

2. Equitable tax distribution across property tax classifications

Examination of the 2013 budget – Table 1 – showed that the residential taxpayers carry about 90% of the tax burden – or, for every dollar spent, residents pay 90¢. While debate on the ideal ratio beyond classifications is beyond the scope of the Task Force, the current situation points to the need to at least start taking measures to address the imbalance.



² While this is by no means a formal economic development assessment the Task Force believes it provides sufficient context to put this report's recommendations in perspective relative to the economic development potential of the Town.

Table 1: Revenue Distribution across Tax Classifications

CLASSIFICATION	DESCRIPTION	CODE	RETURNED ASSESSMENT	TAX RATIO	TAX REDUCTIONS	WEIGHTED RATIO	WEIGHTED ASSESSMENT	TAX RATE	PROOF OF TAX	
Residential	res/farm	RT	\$1,610,381,832	1.000000	0.00%	1.000000	\$1,610,381,832	0.00290791	\$ 4,682,849	89%
	multi-res	MT	\$ 5,648,000	1.953657	0.00%	1.953657	\$ 11,034,255	0.00568106	\$ 32,087	
Commerical	commercial farmland class I			1.000000	25.00%	0.750000	\$ -	0.00218093	\$ -	5%
	commercial	CT	\$ 56,067,556	1.419783	0.00%	1.419783	\$ 79,603,763	0.00412860	\$ 231,481	
	commercial excess land	CU	\$ 1,491,462	1.419783	30.00%	0.993848	\$ 1,482,287	0.00289002	\$ 4,310	
	commercial vacant land	CX	\$ 2,696,125	1.419783	30.00%	0.993848	\$ 2,679,539	0.00289002	\$ 7,792	
	new commercial	XT	\$ 2,739,975	1.419783	0.00%	1.419783	\$ 3,890,170	0.00412860	\$ 11,312	
	Supp New ConstrOffice	YT	\$ 2,039,000	1.419783	0.00%	1.419783	\$ 2,894,938	0.00412860	\$ 8,418	
	new construction office vacant land	YU	\$ -				\$ -		\$ -	
Industrial	industrial	IT	\$ 20,247,263	2.444000	0.00%	2.444000	\$ 49,484,311	0.00710694	\$ 143,896	11%
	Large industrial	LT	\$ -	2.444000	0.00%	2.444000	\$ -	0.00710694	\$ -	
	industrial farmland class I		\$ 121,250	1.000000	25.00%	0.750000	\$ 90,938	0.00218093	\$ 264	
	industrial farmland class II	14	\$ -	2.444000	0.00%	2.444000	\$ -	0.00710694	\$ -	
	industrial taxable shared	IH	\$ 376,000	2.444000	0.00%	2.444000	\$ 918,944	0.00710694	\$ 2,672	
	industrial excess land	IU	\$ 765,250	2.444000	35.00%	1.588600	\$ 1,215,676	0.00461951	\$ 3,535	
	large indus excess/vacant	LU	\$ -	2.444000	35.00%	1.588600	\$ -	0.00461951	\$ -	
	industrial vacant land	IX	\$ 3,106,750	2.444000	35.00%	1.588600	\$ 4,935,383	0.00461951	\$ 14,352	
	new construction industrial	JT.	\$ -	2.444000	0.00%	2.444000	\$ -	0.00710694	\$ -	
	new constr ind vacant land		\$ -	2.444000	35.00%	1.588600	\$ -	0.00461951	\$ -	
	pipeline	PT	\$ 1,822,750	2.142344	0.00%	2.142344	\$ 3,904,958	0.00622975	\$ 11,355	
Farmland	farmlands	FT	\$ 195,547,059	0.250000	0.00%	0.250000	\$ 48,886,765	0.00072698	\$ 142,159	3%
Managed Forests	managed forests	TT	\$ 9,333,495	0.250000	0.00%	0.250000	\$ 2,333,374	0.00072698	\$ 6,785	0%
TOTAL									\$ 5,303,268	

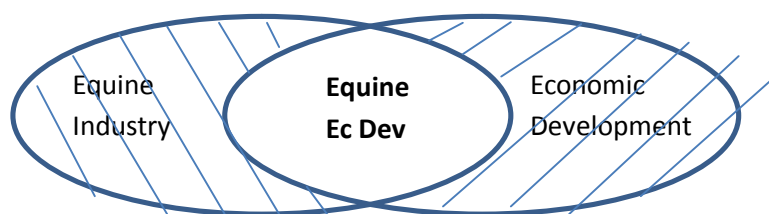
Source: Town of Erin 2013 Approved Budget (tax revenue)

Table 2: Summary of Economic Development Drivers

Tax Classification	Source of Tax Revenue Growth	Key Drivers	Development Requirements
Industrial (Mfg)	Capital improvements (expansion, new)	Competitive costs	Serviced land Favourable business climate
Commercial	Capital improvements (expansion, new)	Larger client base	Awareness Suitable properties to lease or buy Favourable business climate
<i>Business-to-Business</i>		<i>More local businesses</i>	
<i>Business-to-Consumer</i>		<i>More local consumers</i> <i>More visitors</i>	
Farm	Capital improvements (expansion, reallocation)	Increased demand	Awareness Favourable business climate

Erin Equine Task Force Mandate

The Erin Equine Task Force's mandate was to determine what role the equine industry could play in economic development if support was provided beyond what the industry itself could realistically be expected to do on its own.



This project confirmed that the local equine industry is of value to the local economy and points to those strategic areas that will lead to maximizing property taxation revenue. This report concludes the work of the Task Force. The next step would be approval and commitment from Council to move forward on the recommendations presented here.

EQUINE OVERVIEW

Equine-related Businesses

Equine-related businesses are of two types: equine operations and equine support services³. Equine operations encompass businesses that earn income from owned or leased assets, e.g., property, horses. Businesses that fall under this umbrella are listed in Table 3. Equine support services encompass businesses that earn income from good and services supporting equine operations. Businesses that fall under this umbrella are listed in Table 4.

Table 3: Equine Operations Categories

Primary Category	Secondary Category	Description	Examples
A1 Horses	A1.1 Breeding/Stud Fees	fee for service	brood mares, stallions, breed
	A1.2 Horse Sales	sale of horses	
	A1.3 Horse Training & Conditioning	fee for training & conditioning clients' horses	standards, foaling, sales prep, breaking
	A1.4 Horse By-products	sale of by-products	manure
A2 Competitive Winnings	A2.1 Purses - general	non-specific monetary winnings	
	A2.2 Racing	monetary winnings	jockey
	A2.3 Harness Racing	monetary winnings	driver
	A2.4 Eventing / Showing	monetary winnings	
A3 Riding Instruction	A3.1 Riding Lessons	fee for instruction	learn to ride
	A3.2 Coaching	fee for service using clients' horses	dressage
	A3.3 Riding Camps	fee for instruction	
A4 Recreation / Leisure	A4	fee for recreation / leisure activities	trail rides
A5 Facilities	A5.1 Boarding	fee for boarding horses	stabling
	A5.2 Events	entry, gate fees	
	A5.3 Training	fee for use of facilities	tracks, rings

³ There is no industry consensus on classifications as far as we could determine. These classifications were developed from the interviews.

Table 4: Equine Support Services Categories

Primary Category	Secondary Category	Description	Examples
B1 Equine Services	B1.1 Education	fee for horse-related education that doesn't involve sitting on a horse	clinics, workshops, courses, organic living
	B1.2 Regulatory	income from regulatory services	judging, association fees
	B1.3 Leasing	income from leasing property	farms, barns, horses
B2 Care & Feeding	B2.1 Feed/Hay	sale of feed, hay for horses	
	B2.2 Horse Maintenance	fee for routine horse care services	farrier, grooming, quarantine, transportation
	B2.3 Therapeutic	fee for horse health services	vet services, nutrition, massage, physiotherapy
B3 Horse Commercial / Retail		revenue from sale of ancillary horse products & services	tack shops, carriages, western wear
B4 Operations	B4.1 Construction	revenue from construction of facilities	farms, barns, tracks, rings, fences, aggregates, electrical
	B4.2 Property Maintenance	revenue from equipment used to maintain property and operate, maintain, repair facilities	sell / lease / rent equipment (tractors, property maintenance), signs
	B4.3 Administration	fee for administrative services	accounting, legal (incl equine law), insurance, marketing, real estate
B5 General Commercial / Retail		equine not primary focus	B&B, photography, journalism, organic foods

Equine in Erin

There are about ~400 equine properties in Erin⁴:

- ~250 equine-related businesses and services – 57% are equine operations and 43% are equine support services
- approximately 140 equine hobby farms

⁴ There is no database of existing businesses in Erin, let alone equine-specific so it was impossible for us to work from exact numbers. To compile our list of potential interview candidates, we used a number of sources including a windshield tour of equine properties; business cards on local bulletin boards, sign-up sheets and referrals. This resulted in about 1000 names, of which 256 were equine businesses.

As a validation measure, we also looked at the number of properties classified as farms which is about 800. We assumed 50% (400) are equine properties; which also corresponds with Dr. Bob Wright's 2010 assessment of 441 equine properties in Erin. Using the 250 from our contact list as a proxy, this works out to 64% of properties used for business with the rest presumably equine hobby farms. We believed this to be reasonable split and were comfortable adopting the 64% | ~250 business estimate for the purpose of this study.

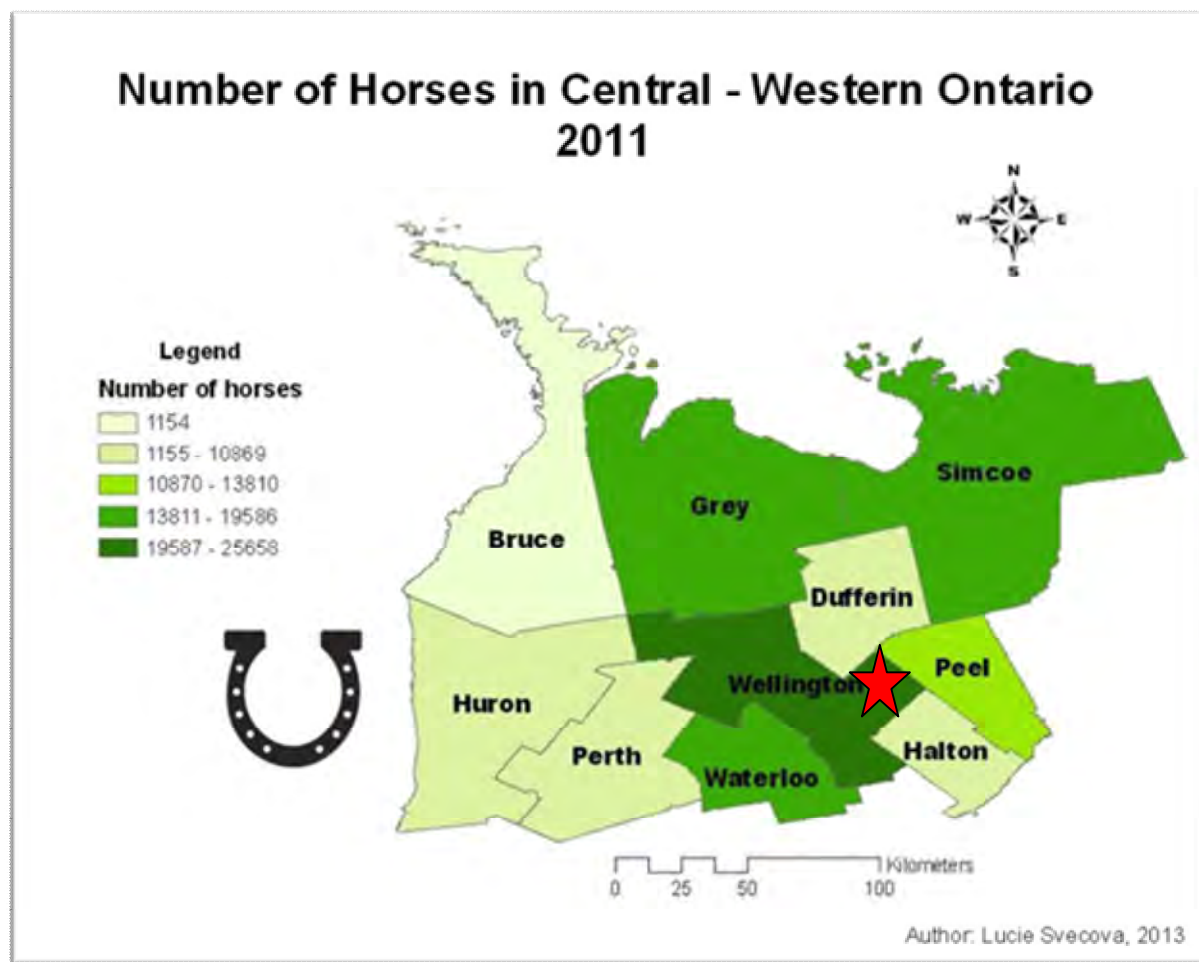
Gross revenues from equine are about \$18 million

- 50% of equine operations derive 100% income from equine
- average of \$72,000 per business
- 66% of gross revenues are earned in Erin
- Equine operations operate an average of 2.6 enterprises

There are ~750 full-time equivalent jobs in Erin, ~90 full-time jobs; ~235 part-time jobs employing skilled and semi-skilled workers.

As show in Figure 1, Erin is home to a high population of horses.

Figure 1: Horse Distribution in Central-Western Ontario



Key Findings

The Equine industry is already well established in Erin, so build on an existing strength and capitalize on Erin's proximity to the huge GTA population. The key findings are:

- By virtue of proximity, Erin is uniquely positioned to take advantage of the huge GTA market.
- Equine operations in southern and eastern municipalities are diminishing. There has been a significant loss of horse properties in King and Toronto, York, Ottawa area, etc. due to urbanization.
- Erin would be the first Wellington County municipality to make a concerted effort to attract equine.
- In the east there is more equine marketing activity, primarily through the efforts of the Hills of Headwaters, capitalizing on the Palgrave and Orangeville equine facilities.
- Erin is centrally located to many neighbouring equine facilities and resources.
- Erin is appealing to riders not only for its proximity but also for its natural setting, rural charm, established equine infrastructure, and a strong equine community.
- From a rural land use perspective, Erin already has a strong equine presence.
- Erin has the "bones" in place to establish a world-class trail system.
- Equine is one of the few industries open to Erin that can generate economic development without unduly changing the local landscape and character.
- The equine industry has the ability to generate more tax revenue – across all tax revenue classifications – than any other industry.
- While the racing industry has suffered from the recent change in provincial government policy on slots, the recreational component remains strong.
- The primary recreational users are women ages 40-59 who have time on their hands and money to spend. Upscaling the trail infrastructure will attract equine visitors from the GTA, potentially bolstering weekday patronage.
- We estimate that there are about 250 equine-related businesses operating in Erin today, generating about 750 jobs – about 90 full-time jobs, 235 part-time jobs and the rest temporary or seasonal. These jobs predominantly require semi-skilled labour.
- The lack of provincial highway thoroughfares is much less a barrier as it is for other industries.

Erin is not without some challenges however. Those cited most frequently include:

- Lack of community awareness and support
- Lack of marketing and promotion outside Erin borders
- Lack of integrated trails
- Some gaps in equine support services, although we believe if the Town does a good job promoting the industry this will take care of itself
- Rider safety, especially on roads and road crossings
- Need for more social activities
- More youth involvement

There are two other recurring themes in the survey results we would like to address. The first is the impact of the provincial governments change in policy on slots and its effect on the racing component. This issue was repeatedly brought up. However, other than Council lending its voice, this matter is better addressed at the regional and industry level.

The second theme is the fair grounds. There was much mention of suggested improvements, although on the whole it is well regarded. However, the fair grounds are the domain of the Erin Agricultural Society which is an entity independent of the Town. Some of actions do consider opportunities utilizing the property but these would have to be negotiated directly with the Agricultural Society.

THE WAY FORWARD

We recommend the Town of Erin adopt equine as a major economic development engine, focussing on recreation and leveraging neighbouring facilities for competition. For maximum effectiveness, we recommend a strategy built on four components: marketing, infrastructure, equine manufacturing, and sustainability. Together these four components will knit together a cohesive and mutually supportive industry.

We would like to emphasize that we are not suggesting that economic development should exclusively focus on equine. However, we do feel that since it is an already establishing industry that can make a significant contribution to economic development and with this report a framework in place, it is a good place to start that will also lay the groundwork for further economic development to follow.

Marketing

Increasing the market will increase sales which in turn will trigger capital improvement and/or attract new business, which in turn will increase property tax revenue.

Visitors

With a population of about 6 million, the GTA is huge marketing opportunity for Erin. Erin's proximity (see Figure 2), appealing landscape, the resident equine infrastructure and expertise, nearby event facilities and high population of horse enthusiast and horses provides Erin with a ready-made advantage. At the same time, riding opportunities to the south, notably the Region of Halton, Mississauga and Brampton, are being edged out by development.

Horse enthusiasts can take the form of riders, competitors and spectators. If the GTA horse enthusiast population is even 1%, this represents a market of 60,000 people. Drawing in these enthusiasts for a day, a weekend, or a week would lead to the kind of sales that would lead to business expansion and attraction of new businesses.

Resident Horse Enthusiasts

Notwithstanding a strong equine service infrastructure in Erin, interview respondents repeatedly commented about the lack of knowledge of what exists locally. Extending marketing efforts to the local equine community will capitalize on the visitor marketing for little extra cost or effort, but help sustain local businesses, particularly equine support services, with steady customers.

Our GTA Neighbours

Assuming 50% of GTA population lives in the western side of the region and 1% are riding enthusiasts = 30,000 people

Attracting even 1% of that population (300 people) once a month spending \$100 per visit would translate into \$30,000 per month or \$360,000 in additional annual local revenue.

Equine Workforce

Typically people do errands close to where they work. Growth of equine businesses will lead to increased recruitment, and once employed here, likely to spend here.

Riding Infrastructure

Bringing more riders to the area will intensify demand for equine services and while here, increase patronage of other services as well. Increased demand will lead to expansion of existing and new services which foster expansion and new development contributing to increased property tax revenue.

Riding infrastructure refers to facilities and trails. However, because expanding infrastructure is the most costly in terms of investment of capital and resources, we recommend that one project be identified to start. Additional infrastructure can be considered in the future.

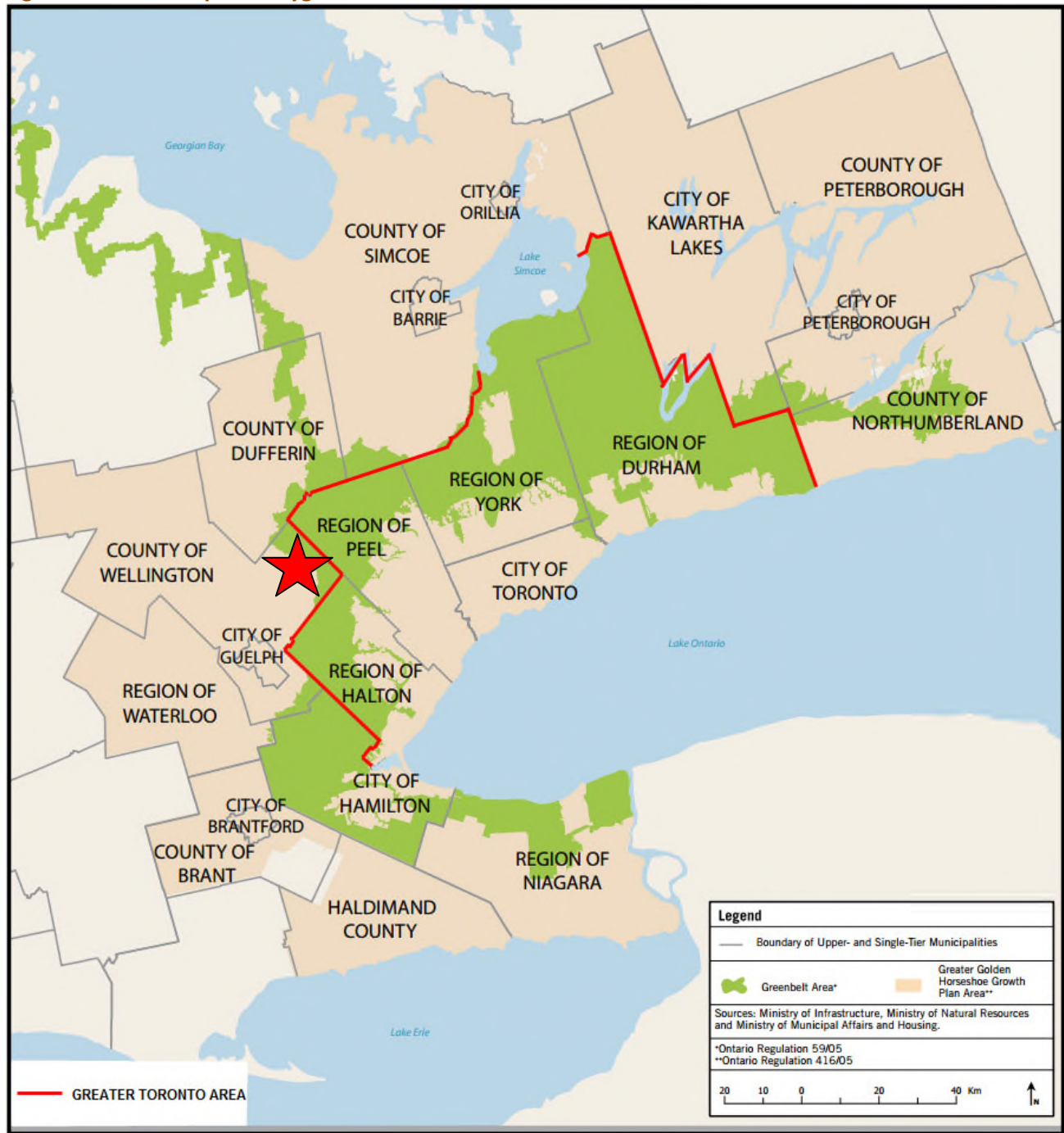
The survey results showed a desire for additional facilities, a large winterized arena in particular. While clearly there would be benefits, it is a major capital undertaking. Considering there are other major venues nearby and private enterprise will build to meet demand, we recommend this initiative be deferred until the other components of the plan have been successfully implemented.

Trails on the other hand greatly increase the appeal to riders and with opportunities shrinking within the GTA, Erin is positioned to be the closest location for GTA riders. Bringing more riders to the area will intensify demand for equine services and while here, increase patronage of other services as well. Increased demand will lead to expansion of existing and new services which foster expansion and new development contributing to increased property tax revenue.

Already there are numerous informal trails intersecting the Town of Erin in all directions. We propose the idea of a trail hub to create Erin as the centre with trails radiating out to destination spots within a few hours ride such as event facilities (local arenas, Angelstone, Palgrave and Orangeville to name a few) and neighbouring communities (i.e., Inglewood, Cheltenham, Fergus, Elora) much like the spokes on a bicycle wheel – see Figure 3. Complementing the trail system would be a hitching post and trailer park centrally located so that riders can safely leave their horses and vehicles while they visit Erin. The fairgrounds would be an ideal location and offer a revenue stream for the Agricultural Society should they be willing to enter into a partnership.

“Many participants designated the Erin area as a good place for horse trail development. Especially high concentrations of horses and horse facilities, as well as having a positive approach towards horse trails by the Erin township administration, **make Erin the most suitable area for this kind of project.**”

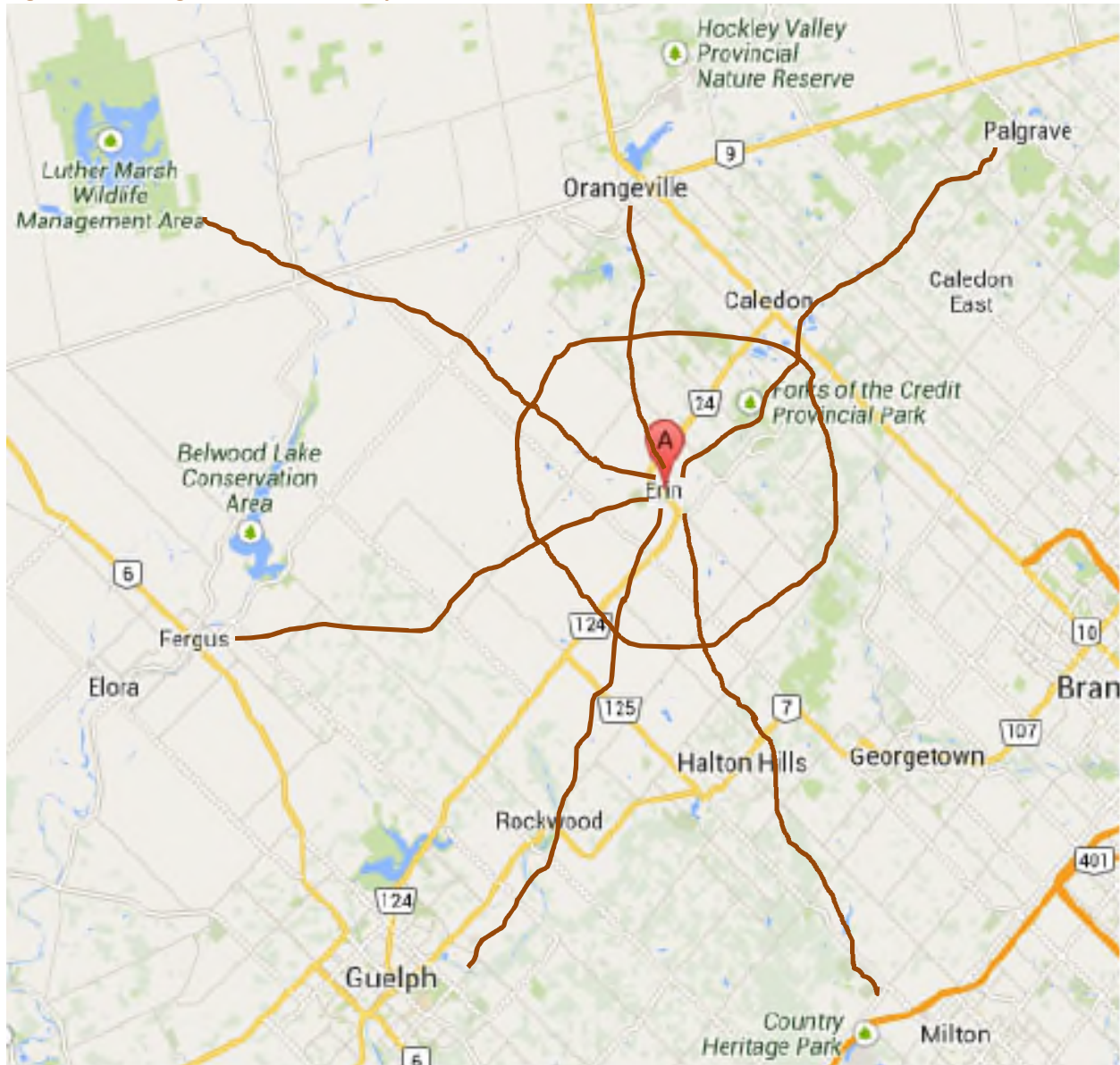
Lucie Svecova, *Equine Trail Development in Wellington County* (2013)

Figure 2: GTA's Equine Playground

This is an ambitious recommendation, likely taking 10 years to achieve full potential but would result in a world-class trail system making Erin a premier destination for riders. The system would be designed in stages so the benefits would accrue over time starting with the easiest trails to link up and setting up a trial hitching post area.

We further recommend the Wellington County and/or Dufferin County and/or Hills of Headwaters Equine Leadership Group – all of whom also express interest in trails – be approached with the idea of forming a regional trail committee with an Erin trail as pilot project. The timely publication of Lucie Svecova's master thesis on trail development in Wellington County lays out the details of how to accomplish such an undertaking. After the first trail is complete, Erin via an Economic Development Committee, would decide on next steps.

Figure 3: Long-term Vision for Equine Trail Network



Equine Manufacturing

Although manufacturing was not covered in the survey, when looking at the potential through the economic development lens, the Task Force felt it was important not to overlook the value of capitalizing on a strong equine community to attract equine manufacturers, who can make the biggest contribution to the economic development goals.

The intent is to attract small and medium manufacturing businesses to fill the vacant industrial properties. Building a strong equine community will be attractive to equine manufacturers for exposure of their products to potential customers. Targeting a specific market also makes the business recruiting process much simpler, with established industry trade shows and publications ideal marketing mechanisms.

Sustainability

It is important to consider the factors that will provide a sustainable framework to protect the investment and grow the economy. While the equine program would be the trigger, these factors should be designed to apply to economic development in general. Part of the discussion would entail distinguishing what is appropriate for economic development and what could the industry be reasonably expected to do on its own. An economic development committee, discussed in the next section, would work out the exact factors but we offer the following outline to conceptualize what this would entail:

- Leverage alliances, partnerships, collaborations
- Industry participation
- Maintain and expand equine infrastructure & services
- Local government enablers, e.g., zoning, by-laws, permits
- Encourage local consumption
- Community awareness of the value of equine
- Key performance indicators

CONCLUSION

We recommend the Town of Erin adopt equine as a major economic development engine, focussing on recreation and leveraging neighbouring facilities for competition. For maximum effectiveness, we recommend a strategy built on four components: marketing, infrastructure, equine manufacturing, and sustainability. Together these four components will knit together a cohesive and mutually supportive industry.

Specific Recommendations

- Adopt equine as the initial economic development engine
- Focus on marketing Erin as the GTA's equine playground
- Expand trail infrastructure to attract riders and leverage nearby event facilities
 - Approach neighbouring jurisdictions to form a regional trail committee
- Attract equine manufacturing for maximum tax revenue growth
- Use equine to establish economic development framework

Operating Structure

We recommend an operating structure as shown in Figure 4, and the approach to convening the committee is to target the right voices that need to be at the table. Representatives would have a responsibility to canvass constituent input and bring these views to the table.

Thought will have to go into the right composition and size. We envision the Committee to be a supervisory body that develops the plans and monitors progress, and is accountable for meeting the metrics of success that will be one of the first orders of business to develop. As always, final approval rests with Council.

Thought must also be given to the Committee's mandate and scope. Given a certain degree of latitude, responsibility and authority, the Committee can offload much of the burden that would otherwise fall to staff. This will also help to attract the right candidates to sit at the table.

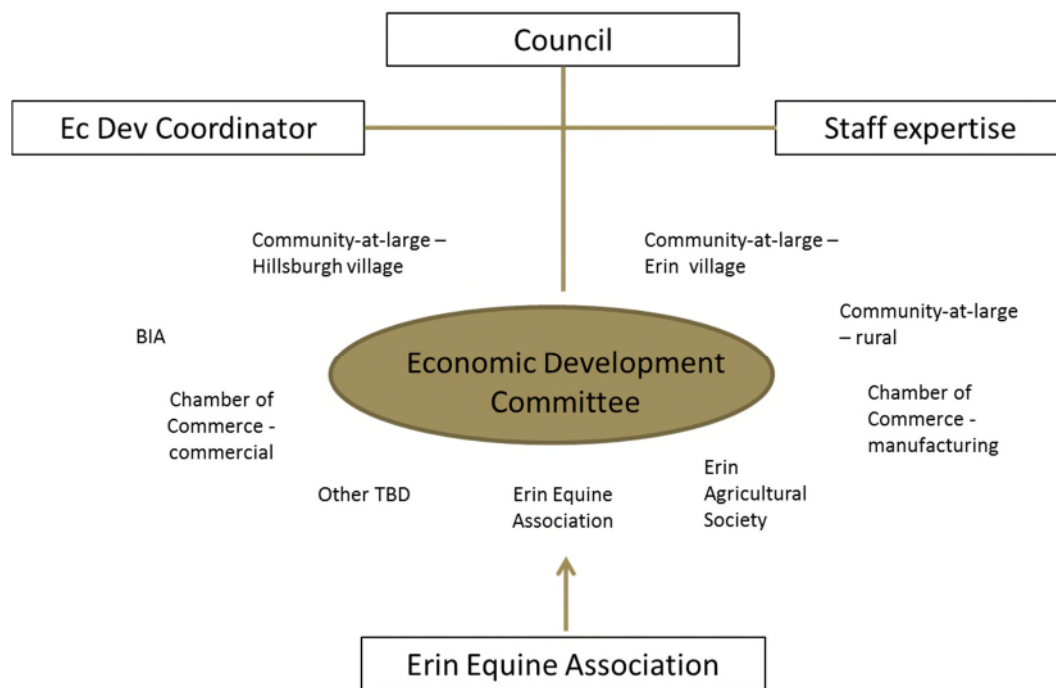
While there must be equine representation at the table, they would have one seat as the voice for broader equine community. However, it was expressed many times in the survey that the local industry lacks organization so some help to facilitate launch an Erin Equine Association would be productive.

We recommend a seasoned economic development officer be recruited. Sophisticated skills are needed to navigate the complexities of establishing an effective Committee, and an experienced person will be able to identify efficiencies and cost-saving measures. We would also like to point out that much of the proposed

work will establish the framework and administrative infrastructure for future economic development endeavours.

The survey results provide a wealth of marketing data and specific measures that can be undertaken. It is a resource for the Committee and it will be their job to mine the information for relevant material in their planning going forward.

Figure 4: Operating Structure



Measures of Success

Based on some analysis of the current tax revenue structure and making some assumptions, we project the following return on investment:

- 6.6 Year Investment Payback
- 3% Reduction in Residential Tax Burden
- \$200,000 in additional annual tax revenue after Year 5

These are only back-of-envelope calculations used simply to provide an order of magnitude on potential outcomes. A more sophisticated examination should be undertaken by the Economic Development committee to validate the projections as well as take other variables into account.

ASSUMPTIONS

5-year full build-out – returns only start to become evident in Year 3

\$500k economic development investment over 5 years

Based on static 2013 tax rates

20% increase in property value from expansion

200% increase in property value from new build

Development charges, permit fees, etc. not included

Everything else status quo

Table 5: Revenue Distribution across Tax Classifications – Full Build-Out Proxy Compared to 2013

		2013				FULL BUILD OUT PROXY						
DESCRIPTION	RETURNED ASSESSMENT	TAX RATE	PROOF OF TAX			INCREASE ESTIMATE	FULL BUILDOUT VALUE	TAX RATE	PROXY TAX REVENUE			
Residential												
res/farm	\$ 1,610,381,832	0.00290791	\$ 4,682,849	89%		0%	\$1,610,381,832	0.00290791	\$ 4,682,845	86%		
multi-res	\$ 5,648,000	0.00568106	\$ 32,087			0%	\$ 5,648,000	0.00568106	\$ 32,087			
Commercial												
commercial farmland class I		0.00218093	\$ -	5%		0%	\$ -	0.00412860	\$ -	6%		
commercial	\$ 56,067,556	0.00412860	\$ 231,481			10%	\$ 61,674,312	0.00412860	\$ 254,629			
commercial excess land	\$ 1,491,462	0.00289002	\$ 4,310			200%	\$ 4,474,386	0.00412860	\$ 18,473			
commercial vacant land	\$ 2,696,125	0.00289002	\$ 7,792			200%	\$ 8,088,375	0.00412860	\$ 33,394			
new commercial	\$ 2,739,975	0.00412860	\$ 11,312			10%	\$ 3,013,973	0.00412860	\$ 12,443			
Supp New ConstrOffice	\$ 2,039,000	0.00412860	\$ 8,418			0%	\$ 2,039,000	0.00412860	\$ 8,418			
new construction office vacant land	\$ -		\$ -			0%	\$ -		\$ -			
Industrial												
industrial	\$ 20,247,263	0.00710694	\$ 143,896	11%		20%	\$ 24,296,716	0.00710694	\$ 172,675	14%		
Large industrial	\$ -	0.00710694	\$ -			0%	\$ -	0.00710694	\$ -			
industrial farmland class I	\$ 121,250	0.00218093	\$ 264			200%	\$ 363,750	0.00710694	\$ 2,585			
industrial farmland class II	\$ -	0.00710694	\$ -			200%	\$ -	0.00710694	\$ -			
industrial taxable shared	\$ 376,000	0.00710694	\$ 2,672			200%	\$ 1,128,000	0.00710694	\$ 8,017			
industrial excess land	\$ 765,250	0.00461951	\$ 3,535			200%	\$ 2,295,750	0.00710694	\$ 16,316			
large indus excess/vacant	\$ -	0.00461951	\$ -			200%	\$ -	0.00710694	\$ -			
industrial vacant land	\$ 3,106,750	0.00461951	\$ 14,352			200%	\$ 9,320,250	0.00710694	\$ 66,238			
new construction industrial	\$ -	0.00710694	\$ -			200%	\$ -	0.00710694	\$ -			
new constr ind vacant land	\$ -	0.00461951	\$ -			200%	\$ -	0.00710694	\$ -			
pipeline	\$ 1,822,750	0.00622975	\$ 11,355	3%		0%	\$ 1,822,750	0.00622975	\$ 11,355			
Farmland	\$ 195,547,059	0.00072698	\$ 142,159	3%		20%	\$ 234,656,471	0.00072698	\$ 170,591	3%		
Managed Forests	\$ 9,333,495	0.00072698	\$ 6,785	0%		0%	\$ 9,333,495	0.00072698	\$ 6,785	0%		
		TOTAL	\$ 5,303,268					TOTAL	\$ 5,496,851			
						Revenue increase @ 2013 rates		\$ 193,583				
						Investment cost over 5 years		\$ (500,000)				
						Investment payback (years)		6.6				

2014 Investment

To realize the economic development goals of a net increase in annual property tax revenue and a more equitable tax distribution requires sufficient investment to overcome the current inertia. The first two years will be foundation building and will not see any material returns. We expect tangible results to start manifesting by Year 3.

For the first year we recommend the following investment:

- Appointment of economic development coordinator
- Access to staff expertise and Town resources
- Funding of \$134,400 in 2014 for:

Economic Development Coordination	\$62,400
Marketing & Communications	\$27,000
Trail Development & Signage	\$45,000

The CAO has applied to the Rural Economic Development program to support this initiative. If successful, they would provide 50% of the funding. A decision will be made by the review team by December 15, 2013, with selected projects then submitted to the Minister for approval so notification is expected early in the new year. A copy of the RED application is included in Appendix A.

The University of Guelph's Community Planning and Development program has also had a Call for Proposals for projects suitable for graduate students to complete during the academic term. The CAO has submitted two proposals. The first proposal involves the graduate students in mapping potential equine trails, developing criteria and ranking the trails, and making a priority trail recommendation. The second proposal involves the students researching and formulating rural economic development Key Performance Indicators from a municipal revenue perspective. Projects will be selected when the students return to school in January 2014. Copies of the proposals are included in Appendices B and C.

Subsequent action plans and budgets would be developed by the Economic Development Committee.

Deliverables

For the proposed investment, the Town would receive the following deliverables:

- Phase I of an Economic Development strategy
 - Goals, objectives, key performance indicators, accountability measures
 - Equine action plan with timeline

- Invigorated Economic Development Committee
 - Model for other committees
- Information
 - Inventory of land and buildings for sale / lease
 - List of economic development barriers
 - Inventory of equine businesses
- Marketing Plan including:
 - Electronic marketing, e.g., website, social media
 - Print material
- Trail development plan

Timeline

Feb 2014	Recruit coordinator
March-June 2014	Establish committee
July-Oct 2014	Initial marketing and trail development activities
Nov-Dec 2014	Develop and submit action plan and budget for 2015