

# Successful Municipal Practices: Responding to New Challenges



## *Tools for Change*

### **BETTER MUNICIPAL BUSINESS PRACTICE Revitalization Program Town of Russell**

The Town of Russell is part of the scenic Parkland Region, in close proximity to Assessippi Provincial Park and the Lake of the Prairies and home to approximately 1,400 citizens. The economy of the area has traditionally been dependent on agriculture and more recently has expanded to include the recreation industry.

Given the challenges facing the agricultural sector, Council believed it was important to retain existing businesses and attract new development to maintain Russell's viability into the future. Providing amenities to the citizens was also seen by council as key in sustaining a healthy social and economic community. In 2005 several community groups approached Council with suggestions for initiatives that they believed would benefit not only the businesses but the community overall. These initiatives included:

- Main Street lighting and street-scaping including the installation, at key intersections, of arches salvaged from the old Dauphin arena;
- Restoration of heritage buildings;
- Development of a museum, and
- Renovation of the Russell Memorial Arena into a multi-use recreation complex.

Council saw merit in all proposed initiatives. However, rather than contributing to the projects on an ad hoc basis, the Council first encouraged the community groups to develop a long-term strategy and a construction plan that would better enable them to accomplish all of these initiatives. The community groups agreed, and the Main Street Revitalization Committee was formed.

In 2006, the Committee presented its revitalization strategy to council, with a project plan estimated to cost between \$6 and \$10 million. The Town's participation was formalized in a funding agreement with the Committee that included a commitment to provide \$1.5 million toward the project over a 15 year period, beginning in 2006. Funding sources for the Town would include property and business tax levies as well as revenue generated from a newly created tax increment financing (TIF) zone.

*Council encouraged community groups to develop a long term strategy and a plan for the completion of all of their initiatives.*

*The Town committed funding of \$1.5 million over 15 years to the Revitalization Project.*

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The authority for TIF is new, provided to municipalities in *The Municipal Act*. The primary goal of TIF is to encourage redevelopment and revitalization within a designated area or areas of the municipality. The council established a TIF zone that included a large portion of the central commercial section of the Town and a taxable assessment base of \$1.5 million. As the assessed value of the properties within the zone increase, the municipal taxes raised on the increased taxable assessment will be diverted to a separate TIF reserve fund and used to help fund the Revitalization Project. Council anticipates that the assessment base in the TIF zone will increase substantially in the years to come.

The Council of the Town of Russell has always supported the efforts of local citizen groups in their attempts to ensure the long term viability of the community and its businesses. Although Council recognizes that taxes cannot be the sole source of funding for these community initiatives, they are pleased to provide the seed money for the Revitalization Project. Use of the innovative TIF authority has provided Council with a new way of encouraging improvements within a particular area of the Town by ensuring the increased municipal tax dollars generated by the improvements are reinvested in the area.

The Revitalization Project is in its preliminary stage however it has already resulted in improvements to the Main Street including the installation of eight arches at main intersections, refurbishing of the Smellie Block Heritage building and progress on the Russell Memorial multi-plex. The community is confident that the economic benefits will continue as the project moves forward and TIF will be one source of funding that makes it all possible. Moreover, the key elements of the Main Street Revitalization Committee's strategy are already being addressed and benefiting the community.

For more information contact:

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***The municipality established a TIF zone and the incremental municipal taxes generated by improvements within that zone help to pay for the Revitalization Project.***

***For more information on municipal service sharing Successful Municipal Practices, and the Tools for Change program, see the Association of Manitoba Municipalities' website, at [www.amm.mb.ca](http://www.amm.mb.ca).***

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