



ONTARIO'S
MAIN STREET
REVITALIZATION INITIATIVE

GUIDE TO THE MUNICIPAL FUNDING AGREEMENT

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MARCH 2018

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Immediate Action	Where is More Info	When
Pass Municipal By-Law Authorizing MFA	See Appendix A for a sample	As soon as possible
E-sign MFA and electronically submit to AMO E-mail (mainstreets@amo.on.ca) the Authorizing By-law to AMO	See page 9 for more information	As soon as possible
2018 Project notification for communications purposes to AMO	See page 10 for details on what is required	As soon as possible
Longer Term Action	Where is More Info	When
Annual and Results Report	See page 10 for details on what is required	By May 15th of every year (until funds are spent)

INTRODUCTION

The Main Street Revitalization Initiative is a \$26 million fund to help municipal governments undertake main street revitalization activities that support and benefit small businesses. AMO has agreed to administer the funding on behalf of the Ministry of Agriculture, Food and Rural Affairs (OMAFRA). AMO signed the Agreement with OMAFRA on March 12, 2018. The Agreement’s effective date is April 1, 2018.

All lower and single tier municipal governments are eligible for the allocation based funding. The formula for the funding was established by OMAFRA without the need for an application or matching funding. It empowers municipalities to make investment decisions within the program’s parameters.

What is eligible?

As of April 1, 2018, municipal governments can invest in revitalization activities that will support small businesses through activities undertaken to revitalize main streets. The work can be identified as priority through an existing Community Improvement Plan or municipal physical infrastructure priorities identified through other municipal land use planning document for the municipality’s main street that involves the construction, renewal, renovation or redevelopment, or material enhancement in each of the following categories:

Implementation of priority financial incentives in existing Community Improvement Plans such as:

- a. Commercial building façade improvements;
- b. Preservation and adaptive reuse of heritage and industrial buildings;
- c. Provision of affordable housing;
- d. Space conversion for residential and commercial uses;
- e. Structural improvements to buildings (e.g. Building Code upgrades);
- f. Improvement of community energy efficiency; and
- g. Accessibility enhancements.

Funding of strategic municipal physical infrastructure such as:

- a. Signage – wayfinding/directional, and gateway;
- b. Streetscaping and landscape improvements – lighting, banners, murals, street furniture, interpretive elements, public art, urban forestation, accessibility, telecommunications/broadband equipment, parking, active transportation infrastructure (e.g. bike racks/storage, cycling lanes and paths) and pedestrian walkways/trails; and
- c. Marketing plan implementation – business attraction and promotion activities, special events.

Municipalities can identify projects in one or both categories.

What types of costs are eligible?

Eligible Costs

- Costs directly and reasonably incurred on or after April 1, 2018 up to and including March 31, 2020 for construction, renewal, or material enhancement activities funded under existing Community Improvement Plan financial incentive programs; and/or,
- Costs directly and reasonably incurred on or after April 1, 2018 up to and including March 31, 2020 for construction, renewal or material enhancement activities funded under the Municipal Physical Infrastructure category, including projects in downtown or main street areas, as defined through an existing Community Improvement Plan or other municipal land use planning policy that will support the success of small businesses in main street areas.

Ineligible Costs

- Costs incurred prior to April 1, 2018 or after March 31, 2020;
- Any costs associated with providing any Reports to AMO;
- Any costs associated with lobbying Ontario, including other Ministries, agencies and organizations of the Government of Ontario;
- Costs for infrastructure works in the following categories: highways, short-sea shipping, short-line rail, regional or local airports, and brownfield redevelopment;
- Costs of infrastructure works that does not improve energy efficiency, accessibility, aesthetics or marketability of small business within a main street area;
- Costs of infrastructure works outside of main street areas, as defined through an existing Community Improvement Plan or other municipal land use planning policy;
- The cost of leasing of equipment, any overhead costs, including salaries and other employment benefits of any employees, its direct or indirect operating or administrative costs, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with eligible costs above;
- Taxes, to which the municipality is eligible for a tax rebate;
- Purchase of land or any interest therein, and related costs; and,
- Routine repair and maintenance costs.

Would the development of a Community Improvement Plan be eligible?

No. The program is focused on implementation of existing Community Improvement Plans or priorities through other existing municipal land use planning policies. Municipalities that do not have a Community Improvement Plan can implement eligible priority projects through the official plan, economic development strategy, downtown revitalization plan or another related plan in support of the municipal main street.

Further interpretation of eligibility

A number of small municipalities have asked for additional discussion on project eligibility and some examples of projects that might be eligible in the absence of a Community Improvement Plan (CIP), a discernible “main street” area or in the case of very limited commercial activity in the community.

Main Street projects must be consistent with the [requirements](#) set out in the transfer payment agreement (TPA). The following discussion is intended to reflect a broader interpretation of the rules to assist municipal staff and councils in the deliberations in selecting appropriate projects that comply with the TPA.

Ultimately, the purpose of the program is to support revitalization, economic activity and enterprises in the municipality. All Main Street projects should support this purpose. While there is room for interpretation consistent with the program objectives, municipal staff and Councils should take note of the TPA provisions excluding certain types of costs (i.e., projects and expenditures) which are [categorically ineligible](#).

Here are some ideas that may be helpful.

In municipalities where there is no defined main street (or your main street is a provincial highway), the funding should be used within any built-up area, defined through municipal planning policy (e.g., hamlets, villages).

Main Street funding cannot be used to create a Community Improvement Plan (CIP). However, a municipality can create a CIP using other resources and then use Main Street funding to implement financial incentives under the new CIP (by March 31, 2020).

The Main Street funding cannot be used to create a strategic marketing plan. However, the funding can be used for activities related to implementing part of a strategic marketing plan. For example: some costs for a one-time festival in the municipality that is intended to attract visitors or to otherwise generate economic activity could be eligible. Alternately, tangible capital assets purchased (e.g., lights, staging, fencing, signage, banners) to support an annual gathering or festival in accordance with a strategic marketing plan or similar approved plan could be eligible. Any marketing or promotional activity as part of a strategic marketing plan could be eligible.

Under the category of Municipal Physical Infrastructure, there is considerable scope for creative project ideas. Here are some project ideas that might be considered:

- The development of a centrally located space that can be used for rotating commercial activity, such as a farmers’ market, seasonal craft market, flea market, or pop-up retail, etc.
- Equipping a key location (e.g., dockside, parking lot, picnic area, trail head) with electricity, lighting, etc., to support visiting food truck, commercial stalls, etc.
- Beautification, landscaping, tree planting or murals etc., within the planned, built-up area of the community with no defined “Main Street”.
- Improvements to public spaces and buildings (exclusive of routine repair and maintenance) that enhance the aesthetic appeal of the community, including public spaces associated with municipal buildings, community centres, church properties, historic cemetery etc.

- Renewal or restoration of an historic or heritage site, monument or public space owned by the municipality.
- Wayfinding signage throughout the municipality that highlights locations of interest e.g., historic sites, farm stands, boat lunches etc.
- Accessibility or other improvements to a playground, community centre or other places where people gather.
- Creating a gateway to the community including features such as signage, lighting, benches, local information, etc.
- Creating facilities (or events) that make your community a destination for cyclists, hikers, snowmobilers, boaters, rowers, skaters, skateboarders, artists, hobbyists, crafts people, etc.

In the case of all of the above examples, the purpose of the expenditure of Main Street funding should be to create an environment that will benefit small business activity in the community or support the attraction of economic activity (e.g., tourism).

When does the money have to be spent?

Municipalities have to March 31, 2020 to spend the funds on an eligible project. During this time, municipalities must earn interest on the Funds so that they have more for the project later.

What about the municipal share of a project that will receive funding from another revenue source or program?

Municipalities can fund 100% of total project costs with Main Street dollars. If another program has restrictions on the use of funds, they must be adhered to.

If you are using multiple sources of funding, the project also has to be eligible under the terms and conditions of these multiple programs.

What if our municipality wants to partner on a project?

The Main Street Agreement encourages collaboration, building of partnerships and strategic alliances when working on eligible projects.

If a municipality is transferring funds to another municipality, it must be done via by-law. The

municipality transferring funds is responsible for reporting on the transfer in annual reporting. The municipality receiving Main Street Funds is responsible for reporting that the Funds were received and is responsible for all other reporting requirements, including project details and spending.

- 8 If a municipality is transferring funds to a non-municipal entity, such as a for-profit company, council will have to endorse the project through a grant agreement. Under this situation, municipalities are still responsible for meeting all the requirements of the Agreement related to the use of the transferred Main Street Funds, including all reporting.

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What is the allocation formula?

$$\text{Municipal Allocation} = \text{Base Funding} + \text{Small Community Adjustment} + \text{Per Capita Allocation}$$

Base Funding is the amount distributed equally among all eligible municipalities

Small Community Adjustment is the amount distributed equally among municipalities with a population less than 25,000

Per Capita Allocation is a per capita amount based on 2016 population, as outlined in the 2016 Census of Population

Total funding, less administrative costs, is allocated as follows across the three components:

Base Funding:	50% of total funding;
Small Community Adjustment:	11.5% of total funding;
Per Capita Component:	38.5% of total funding.

Once a municipal government has fully executed an Agreement with AMO and provide the appropriate information for the transfer of the funds, the one time allocation will be paid out.

How much of the funding is AMO using for administration?

AMO will need just 6% of the \$26 million to deliver this program to all eligible municipalities and report in aggregate to OMAFRA as required by the Agreement.

What reporting is required of municipalities?

Building on the success of the risk management framework established under the federal Gas Tax Agreement, municipalities only need to report initial upfront anticipated projects for 2018 and then once annually on projects until all the funds are spent.

Remind me how the audit framework works?

Municipalities will not have to complete audits. Instead the program will use a risk based approach that recognizes municipalities as a mature and accountable order of government. In this approach, the municipal contact for the Main Street Municipal Funding Agreement will be the Treasurer, no exceptions. In addition, AMO will audit approximately 10% of municipalities annually to provide assurance to Ontario on municipal compliance.

Is there an agreement municipalities have to sign?

Yes. AMO is using the a digital platform provided by its partner, Solutions Notarius Inc., to sign the Municipal Funding Agreement (MFA). A municipality must electronically sign (e-sign) the MFA with AMO to receive funding. Please have the appropriate signing officers e-sign the MFA. The municipal by-law authorizing the municipality to enter into the agreement can be emailed to AMO at mainstreets@amo.on.ca. See Appendix A for a sample by-law.

Appendix B includes a cross-reference between the MFA with the OMAFRA-AMO Agreement.

What is e-signing?

An e-signature is a signature that can be applied in a document by a signer electronically. AMO uses Notarius' Consigno Cloud software to sign documents electronically.

The municipal signing officer will receive a signature request to the MFA by email from AMO. They will be asked to open a link to a signing session in that email. The Consigno Cloud software certifies a signer's identity with two-factor authentication. The signing officer will be asked to provide a second authentication credential (e.g. an answer to a security question, like an online money transfer) before they can access the document. Once they are able to access the document, they will be asked to fill-in specific fields prior to finally signing off on the MFA. AMO will then be notified that the document has been signed and staff will review to ensure the document is complete before AMO e-signs the MFA. A final, signed copy of the MFA will then be provided to the municipality and to AMO electronically for record keeping.

Signing officers to the MFA are not required to subscribe or install any software on their computer to sign the document. Documents can be signed on a mobile device or on a desktop computer. For further details on the e-signing requirement, please refer to the process document.

What else is required of municipalities?

There are a number of requirements both now and over the life of the Agreement.

As soon as possible, notification to AMO of the types of projects council wishes to undertake in 2018 is required.

As well there is annual reporting and results reporting similar to what municipalities already do under the federal Gas Tax Agreement through AMO’s website. These reports will be due to AMO by May 15, 2019 and every year thereafter until the funds are spent.

What is results reporting?

The results report will demonstrate how the funding has been invested in a community to support revitalization within main street areas:

Community Improvement Plan Eligible Projects

- Number of small businesses supported;
- Total value of physical improvements;
- Total Main Street Funds provided;
- Total Municipal investment; and,
- Total private investment.

Municipal Physical Infrastructure Eligible Projects

- Total value of physical improvements;
- Total Main Street Funds provided; and
- Total municipal investment.

More details are in Schedule D of the MFA.

Are there communication requirements?

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Yes. Municipal governments will be expected to acknowledge funding of projects by the Province by inviting the Province to participate in media events or announcements related to projects funded under the Main Street Revitalization Initiative.

More details are in Section 3 of the MFA.

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Can we sell the asset?

Assets purchased or constructed using Main Street funds must be for public use and benefit. If a municipality wishes to dispose of assets prior to March 31, 2021 and it is valued at more than \$50,000 at the time of disposal the written consent of the province is required.

APPENDIX A

Sample Municipal By-Law

WHEREAS the Municipality wishes to enter into an Agreement in order to participate in Ontario’s Main Streets Revitalization Initiative;

AND WHEREAS the Municipality acknowledges that Funds received through the Agreement must be invested in an interest bearing reserve account until the earliest of expenditure or March 31, 2020;

Now THEREFORE, the Council of the [MUNICIPAL NAME], a municipal corporation pursuant to the Municipal Act, 2001;

ENACTS AS FOLLOWS

That the Mayor/Reeve/Regional Chair/Warden and [SIGNING AUTHORITY, i.e. Clerk] are hereby authorized to execute this Municipal Funding Agreement for the transfer of Main Streets Revitalization Initiatives funds between the Association of Municipalities of Ontario and [MUNICIPAL NAME] as in Schedule A attached hereto.

Schedule A shall form part of this by-law.

APPENDIX B

● Cross-Reference Table Between MFA and OMAFRA-AMO Agreement

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Guide to the Municipal Funding Agreement / march 2018	Municipal Funding Agreement (MFA) Provision	OMAFRA-AMO Agreement Provision
	Section 1 - Definitions and Interpretation	Schedule A Article 1
	Section 1.1 Definitions	Schedule A Article A1.2
	Section 1.2 Interpretation	Schedule A Article A1.1
	Section 2 - Term of Agreement	Schedule A Article A3
	Section 2.1 Term	Schedule A Article A3.1
	Section 2.2 Amendment	Section 3.1
	Section 2.3 Notice	Schedule A Article A12
	Section 3 - Recipient Requirements	Schedule A Article A5, A8
	Section 3.1 Communications	Schedule B Article B1.7
	Section 3.2 Contracts	Schedule A Article A5.2
	Section 4 - Eligible Projects	Schedule D Article D2.1
	Section 4.1 Eligible Projects	Schedule D Article D2.1 5 and 6
	Section 4.2 Recipient Fully Responsible	Schedule A Article A4.4
	Section 5 - Eligible Costs	Schedule D Article D3.1
	Section 5.1 Eligible Costs	Schedule D Article D3.1
	Section 5.2 Discretion of Ontario	Schedule D Article D2.1
	Section 5.3 Unspent Funds	Schedule A Article A15
	Section 5.4 Reasonable Access	Schedule A Article A7
	Section 5.5 Retention Receipts	Schedule A Article A7
	Section 6 - Funds	Schedule C Activity 1
	Section 6.1 Allocation of Funds	Schedule C Activity 1
	Section 6.2 Transfer of Funds to a Municipality	AMO Provision
	Section 6.3 Transfer of Funds to a non-municipal entity	AMO Provision
	Section 6.4 Use of Funds	Schedule D Article D2.1
	Section 6.5 Payout of Funds	AMO Provision
	Section 6.6 Use of Funds	Schedule A Article A4.6
	Section 6.7 Funds Advanced	Schedule A Article A17
	Section 6.8 Expenditure of Funds	Schedule B Article B1.2
	Section 6.9 GST & HST	Schedule A Article A4.10
	Section 6.10 Limit of Ontario's Financial Commitments	Schedule A Article A4.2
	Section 6.11 Stacking	AMO Provision
	Section 6.12 Insufficient funds provided by Ontario	AMO Provision
	Section 7 - Reporting Requirements	Schedule F

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	Section 7.2 Annual Report	Schedule F
	Section 7.3 Results Report	Schedule F
	Section 8 - Records and Audit	Schedule A Article A7
	Section 8.1 Accounting Principles	Schedule A Article A1.1, A7.2
	Section 8.2 Separate Records	Schedule A Article A7.2
	Section 8.3 External Auditor	Schedule A Article A7.3
	Section 9 - Insurance and Indemnity	Schedule A Article A11
	Section 9.1 Insurance	Schedule A Article A11
	Section 9.2 Certificates of Insurance	Schedule A Article A11.2
	Section 9.3 AMO not liable	AMO Provision
	Section 9.4 Recipient to Compensate Ontario	Schedule A Article A11
	Section 9.5 Recipient to Indemnify AMO	AMO Provision
	Section 10 - Disposal	Schedule A Article A5.3
	Section 10.1 Disposal	Schedule A Article A5.3 and Schedule B Article B1.5
	Section 11 - Default and Termination	Schedule A Article A14
	Section 11.1 Event of Default	Schedule A Article A14.1
	Section 11.2 Waiver	AMO Provision
	Section 11.3 Remedies of Default	Schedule A Article A14.3
	Section 11.4 Repayment of Funds	Schedule A Article A14.2
	Section 12 - Conflict of Interest	Schedule A Article A6
	Section 12.1 No conflict of interest	Schedule A Article A6.2
	Section 13 - Notice	Standard Provision
	Section 13.1 Notice	Standard Provision
	Section 13.2 Representatives	Standard Provision
	Section 13.3 Addresses for Notice	Standard Provision
	Section 14 - Miscellaneous	Various sections listed in detail below
	Section 14.1 Counterpart Signature	Section 2.1
	Section 14.2 Severability	Schedule A Article A20
	Section 14.3 Waiver	Schedule A Article A21
	Section 14.4 Governing Law	Schedule A Article A24
	Section 14.5 Survival	Schedule A Article A30
	Section 14.6 AMO, Ontario and Recipient independent	Schedule A Article A22
	Section 14.7 No Authority to Represent	AMO Provision
Section 14.8 Debts Due to AMO	Schedule A Article A15, A17.2	
Section 14.9 Priority	Schedule A Article A1.3	
Section 15 - Schedules	Standard Provision	
Section 16 - Signatures	Standard Provision	
Schedule A - Municipal Allocation	Schedule C Activity 1	
Schedule B - Eligible Projects	Schedule D Article D2.1 5 and 6	
Schedule C - Eligible and Ineligible Costs	Schedule D Article D3.1	
Schedule D - Reporting	Schedule F	

Main Streets Revitalization Initiative is funded by the
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