

urban Metrics

Municipal Development Corporation

Assessment Report

Norfolk County, Ontario

Prepared for Norfolk County

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urban Metrics

Norfolk COUNTY

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Executive Summary

Scope of Work

This comprehensive assessment, prepared by urbanMetrics (the Consultant) on behalf of the Norfolk County (the Client), is intended to provide County Council (Council) with independent, third-party advice on the practical utility of establishing one or more Municipal Development Corporation(s) (MDCs) in Norfolk, for the benefit of growing the County's economic base, specifically in matters related to tourism and secondarily non-residential real estate, including industrial land.

Our report is grounded in a detailed legislative and regulatory analysis, a detailed organizational readiness assessment, a financial review based on available information, an extensive stakeholder engagement process, and a comprehensive review of MDC best practices in comparable Ontario municipalities.

Main Recommendations

Norfolk County is positioned at a critical juncture in its economic development trajectory. urbanMetrics recommends the creation of two standalone MDCs.

i. MDC-1: Norfolk County Tourism Corporation (a not-for-profit Corporation) – This entity would be designated as the eligible tourism entity under Ontario Regulation 435/17. This entity will be the recipient of 50% of any Municipal Accommodation Tax (MAT) revenues. The Norfolk Tourism Corporation will be mandated to deliver top tier, coordinated destination marketing and promotional services of Norfolk County.

ii. MDC-2: Norfolk County Asset Development Corporation (a for-profit corporation) – Structured as a for-profit Municipal Development Corporation, this entity would manage the governance of Port Dover Harbour Marina and its path to self-sustainability and undertake other real estate development projects on a case-by-case basis. MDC-2's corporate mandate will extend to land development opportunities deemed by Council to be in the best interest of the County, including industrial, commercial, and other assets without limitation.

The establishment of two separate Municipal Development Corporations (MDCs) represents a strategic opportunity for Norfolk to enhance its competitive positioning, optimize its municipal asset management practices, capture emerging economic and tourism opportunities, and establish sustainable revenue-generating mechanisms that will serve and benefit the County and its taxpayers for decades to come.

Our assessment has been predicated on three immediate opportunities that were identified through consultation and could be realized through the timely creation of **MDC-1** and **MDC-2**:

1. **More money and better coordination in local tourism:** Council is currently considering the implementation of a Municipal Accommodation Tax (MAT). If this approach is adopted by the County, MDC-1 could serve as the County's 'eligible tourism entity' that would be entitled to receive a minimum 50% of MAT funds to be spent specifically on destination marketing efforts. Norfolk currently does not have the required 'eligible tourism entity' mandated by Ontario Regulation 435/17.
2. **Structural reorganization of local marina operations:** Governance of Norfolk County's two municipally owned marinas could be transferred to MDC-2 to explore new revenue generation, partnership and development opportunities. Based on the County's work to date on marina business plans and consultation, the Port Dover Harbour Marina (PDHM) is seen as the only viable marina to be considered for MDC management and operations in this report.
3. **Accelerated industrial land development for economic growth:** MDC-2 would have an opportunity to market and develop Norfolk's surplus land holdings and acquire new properties for redevelopment with a focus on industrial land to support new investments and job creation in the County.

Why This Matters Now

Norfolk County currently operates without the governance flexibility, revenue-generating capacity, and business agility required to compete in today's economic development landscape.

The status quo creates three critical vulnerabilities:

1. **Lost Revenue Opportunity:** Without an eligible tourism entity, Norfolk cannot implement a Municipal Accommodation Tax - forgoing an estimated **$334,000+ annually** in net tourism marketing revenue that competing

municipalities are already capturing. Each year of delay represents a cumulative opportunity cost exceeding **$1.6 million over five years**.

2. **Marina Financial Exposure**: Port Dover Harbour Marina faces $14 million in capital requirements over the next decade, with projected debt service of $500,000+ annually beginning 2029. While the marina is managed by a competent team, the enterprise, in its current form, is not resourced to proactively unlock the full value of its waterfront land holdings.
3. **Competitive Disadvantage in Industrial Attraction:** Norfolk County has no municipally owned serviced industrial land inventory and no dedicated capacity for active pursuit of strategic land assembly, public-private partnerships, or rapid response to business attraction opportunities. This is due to the limited Economic Development staffing in relation to its desired mandate, a lack of dedicated funding for marketing industrial sites, competing internal demands and administrative responsibilities, in addition to internal bureaucratic barriers requiring multiple approval layers for strategic and program-related initiatives, which often require quick and decisive action.

The creation of MDC-1 and MDC-2 will provide the County with an opportunity to grow tourism, improve and sustain waterfront assets that remain in public ownership, and grow and expand its capacity to play a more active role in real estate development aligned to the strategic priorities of Council.

Implementation Timeline and Phasing

The recommended implementation approach sequences MDC establishment to optimize organizational readiness, financial impact, and operational effectiveness:

Phase 1 – MDC-1 – Norfolk County Tourism Corporation (target: 2026-2027) **("MDC-1")**: Prioritized for rapid implementation along with implementing the County MAT program and minimal implementation complexity. The Tourism Corporation can be operational by mid-2027 through shared staffing resources from the County's Economic Development Department and an established governance structure, enabling immediate MAT revenue capture and tourism marketing acceleration.

Phase 2 – MDC-2 – Norfolk County Asset Development Corporation (target: 2027-2028) **("MDC-2")**: Phased implementation allowing Board recruitment, governance framework finalization, and transition of Port Dover Harbour Marina under MDC management, along with strategic opportunity evaluation before

committing significant capital to land acquisition. This phased approach permits the Asset Development Corporation to respond opportunistically to market conditions while maintaining strategic focus on long-term asset value optimization.

Level of County Investment and Return on Investment

The following outlines Norfolk County's recommended investment level commitment and projected returns for proposed MDCs aimed at tourism and asset development.

MDC-1 - Norfolk County Tourism Corporation Funding Requirement: MDC-1 requires only nominal start-up funding from the County, mainly to cover incorporation, basic systems, and initial administrative support, estimated at about $20,000–$30,000. This is expected to be advanced as a short-term start-up loan and repaid within 1–2 years from MAT revenues, which are projected to exceed $700,000 gross annually, with at least 50 percent flowing to MDC-1.

This self-sustaining model delivers immediate return through direct MAT revenue capture, positioning Norfolk to recover an estimated $3.5 million in cumulative five-year MAT revenues currently forfeited. By establishing a professional destination marketing organization, MDC-1 is expected to help increase overnight stays and visitor spending, further expanding Norfolk's MAT revenue base and competitive positioning in regional tourism markets.

MDC-2 - Norfolk County Asset Development Corporation Funding Requirement: MDC-2, requires initial County investment of **$250,000–$500,000** for start-up costs (including staffing), that would be structured as a shareholder loan. MDC-2 will assume management of Port Dover Harbour Marina (ultimately still owned by the County) and establish dedicated business development capacity to unlock new revenue-generation and partnership opportunities for the marina. This governance transition positions public assets for long-term financial sustainability and economic diversification by enabling professional management unencumbered by traditional municipal limitations.

By consolidating marina governance under professional asset management and establishing dedicated capacity for industrial land acquisition and marketing (next-phase), MDC-2 will unlock revenue-generation opportunities currently constrained by limited municipal capacity. As the Corporation generates revenue through land sales, partnerships, and enhanced marina operations, proceeds will be reinvested in future projects, creating a self-supporting model that supports economic growth while reducing reliance on County funding.

Regulatory Compliance and Feasibility Assessment

Norfolk County has the organizational capacity, financial resources, and governance oversight infrastructure to establish and operate both MDCs in compliance with municipal legislation. The County's experience managing municipal enterprises (marinas, public facilities), established administrative infrastructure, professional municipal staff, and demonstrated fiscal discipline provide a strong foundation for MDC establishment. The legislative framework under the Municipal Act, 2001, and Ontario Regulations 599/06 and 435/17 clearly authorizes MDC establishment and defines transparent compliance pathways.

What would an MDC allow Norfolk County to do?

In general terms, an arm's-length MDC would allow Norfolk County to:

- ✓ **Deliver certain services through a separate provider:** The County can have certain services (for example, economic development and tourism, real estate development, or marina governance) delivered by the Corporation rather than directly by County staff, with the Corporation reported as an "arm's length" service provider.
- ✓ **Use business-style governance and operations:** As required under the Act, an MDC would have its own board, policies, and staffing arrangements, thus giving it more flexibility in terms of hiring, procurement, and day-to-day management compared to conventional municipal administration which is tied to standardized municipal by-laws, protocols and collective agreements.
- ✓ **Structure financial flows differently:** Revenues and expenses related to the Corporation's activities can be accounted for separately, which can assist with cost-recovery models, user-pay services, and partnerships, while still being consolidated and tethered to an overall municipal reporting requirement.
- ✓ **Enter private contracts and/or community-supported partnerships in its own name:** The Corporation can negotiate and sign contracts as a distinct legal entity, which can simplify and expedite certain business or partnership arrangements compared with the County doing everything directly.

What an MDC would *not* change for Norfolk County

- The County and the MDC remain beholden to provincial law and municipal accountability rules, and the Corporation's activities must fit within municipal powers as defined under Ontario legislation.
- The County remains ultimately responsible and accountable to taxpayers who fund the Corporation through direct grants, service-level agreements and in-kind contributions. Creating an arm's-length corporation does not remove political accountability for the services the Corporation delivers since elected officials, often the Mayor, are prominent member(s) of the Corporation's board of directors.

Recommendation #1

urbanMetrics recommends that Norfolk County establish a not-for-profit Norfolk County Tourism Corporation (MDC-1) to serve as the designated 'eligible tourism entity', facilitating and supporting the implementation of a new Municipal Accommodation Tax.

Recommendation #2

urbanMetrics recommends that the Norfolk's Economic Development Department remain a fully intact and operational department within the County administration, with a broad mandate consistent with those outlined in the County's Economic Development Strategy 2024-2027.

Recommendation #3

urbanMetrics recommends the creation of a new Norfolk County Asset Development Corporation (MDC-2) to revitalize strategic real estate assets, with a long-term view to enabling economic growth, stimulating public-private partnerships, and supporting the Council Strategic Plan.

Recommendation #4

urbanMetrics recommends that Norfolk County transfer the governance and management of the Port Dover Harbour Marina to the proposed Norfolk County Asset Development Corporation (MDC-2).

Recommendation #5

urbanMetrics recommends the establishment of a dedicated Business Unit within MDC-2 to help spearhead industrial land development in Norfolk County. MDC-2 would acquire, assemble, service, and market strategically located industrial sites to create jobs, expand the tax base, and diversify the local economy on a project-by-project basis.

1 Introduction

Norfolk County (the County) is at an inflection point in its economic development strategy. The municipality faces multiple distinct but complementary opportunities to advance economic development, job creation, and community prosperity through innovative governance structures and professional asset management.

Norfolk County recognizes that traditional municipal economic development approaches — where services are delivered directly by municipal departments and are subject to standard municipal budgeting and governance procedures — may not optimally position the County to respond to specific economic opportunities or leverage specialized expertise available through arm's-length governance structures.

This third-party assessment, carried out by urbanMetrics Inc. (the County's Consultant), examines the feasibility and optimal structure for establishing one or more Municipal Development Corporation(s) to advance Norfolk County's economic development agenda.

The assessment prepared by urbanMetrics is grounded in the following research activities:

1. A legislative and regulatory compliance analysis (*note urbanMetrics is not a law firm);
2. A comprehensive review of Norfolk County's organizational and financial readiness to promote economic growth and regional development;
3. An examination of comparable Ontario municipalities that have successfully established MDCs, or transitioned to an alternative approach for economic development; and
4. An extensive stakeholder engagement process which included community surveys, business interviews, Council consultations, and County Staff input.

What is a Municipal Development Corporation ("MDC")?

The term "Municipal Development Corporation" (MDC), is used widely in the Province of Ontario to describe an arm's length corporation connected to a municipality with a stated mandate or deliberate intention to advance the local or regional commercial and industrial development interests within a defined area.

The authority to create and operate MDCs is enabled by the *Ontario Municipal Act,* 2001.

Section 203(1) of the Municipal Act (the Act) provides the legal framework for any municipal council to establish an MDC, subject to certain rules and conditions. The Act permits a municipality to create one or more corporations to provide a range of predefined economic development services. The creation of an MDC can be executed to either move a specific function(s) to a standalone corporate entity or, in some cases, to establish an entire suite of economic development services under a broadly defined corporate model.

Over the past 25 years, many municipalities throughout Ontario have established MDCs to lead and execute defined functions, including traditional economic development, tourism promotion, real estate, and strategic projects. For example, many municipalities use an MDC as a vehicle to help manage, operate, or enhance the underlying value of municipally owned assets such as airports, business parks, surplus buildings, or other strategic assets.

What would an MDC allow Norfolk County to do?

In general terms, an arm's-length MDC would allow Norfolk County to:

- ✓ Deliver certain services through a separate provider: The County can have certain services (for example, economic development and tourism, real estate development, or marina governance) delivered by the Corporation rather than directly by County staff, with the Corporation reported as an "arm's length" service provider.
- ✓ Use business-style governance and operations: As required under the Act, an MDC would have its own board, policies, and staffing arrangements, thus giving it more flexibility in terms of hiring, procurement, and day-to-day management compared to conventional municipal administration which is tied to standardized municipal by-laws, protocols and collective agreements.
- ✓ Structure financial flows differently: Revenues and expenses related to the Corporation's activities can be accounted for separately, which can assist with cost-recovery models, user-pay services, and partnerships, while still being consolidated and tethered to an overall municipal reporting requirement.
- ✓ Enter private contracts and/or community-supported partnerships in its own name: The Corporation can negotiate and sign contracts as a distinct

legal entity, which can simplify certain business or partnership arrangements compared with the County doing everything directly.

What an MDC would *not* change for Norfolk County

- The County and the MDC remain beholden to provincial law and municipal accountability rules, and the Corporation's activities must fit within municipal powers as defined under Ontario legislation.
- The County remains ultimately responsible and accountable to taxpayers who fund the Corporation through direct grants, service-level agreements and in-kind contributions. Creating an arm's-length corporation does not remove political accountability for the services the Corporation delivers since elected officials, often the Mayor, are prominent member(s) of the Corporation's board of directors.

Purpose and Scope

The primary purpose of this assessment is to provide Norfolk County Council with a comprehensive, evidence-based set of recommendations regarding the potential establishment, structure, governance, and operational framework for one or more Municipal Development Corporations that would deliver *'select and specific'* economic development services to businesses, tourists, residents and prospective investors looking to grow their footprint in Norfolk County.

The assessment, carried out by urbanMetrics, has been predicated on **three (3)** immediate opportunities that the County (including staff and members of council) have identified as possible "strategic fits" or "operational lanes" for an MDC in Norfolk County:

1. Land Development: An opportunity to establish an MDC that would market and expedite the development of surplus (and/or under-realized) municipal land holdings (i.e. Norfolk County-owned real estate assets) and, secondarily to potentially acquire new properties for redevelopment with a focus on industrial land (or business parks) to help support new investments and job creation.
2. Marina Operations: Operation of Norfolk County's two municipally owned marinas could be transferred from an in-house County-run operation to an MDC. An MDC governance structure would allow the operations team to explore new revenue generation, partnership and development opportunities, unencumbered by shifting political agendas and municipal

bureaucracy. Based on Norfolk County's work to date on marina business plans (which include various potential operating models and scenarios); and urbanMetrics consultation for this MDC assessment, the Port Dover Harbour Marina (PDHM) is the only viable marina to be considered for operation under an MDC.

3. Tourism: An MDC, if established, could be used as a corporate and governance instrument to serve as the County's future 'eligible tourism entity' to potentially receive revenues from a proposed Municipal Accommodation Tax (MAT revenues), if such a tax is approved by Norfolk Council. Provincial legislation requires that a minimum of 50% of any MAT revenues must be spent specifically on destination marketing efforts.

The assessment contained in this report provides:

- ✓ detailed analysis of each opportunity;
- ✓ an examination of how these opportunities might be structured within an MDC framework; and
- ✓ specific recommendations regarding optimal governance structures, board composition, funding requirements, and implementation sequencing.

Methodology

The findings and recommendations contained in this report are based on the following steps carried out by the Consultants:

1. quantitative analysis of available financial data;
2. review of comparable municipal frameworks and best practices;
3. gathering and validating stakeholder input; and
4. professional judgment based on best practices in Ontario municipal governance and review of existing County strategies and budgets.

The assessment team conducted business and community surveys, extensive 1-on-1 stakeholder interviews, 1-on-1 Council interviews, detailed consultations with Norfolk County staff, and a comprehensive review of MDC models – identified by staff and urbanMetrics as "best practices" - operating in comparable Ontario municipalities, including St. Thomas, Burlington, Brantford, Brant County, Oakville, and St. Catharines.

2 Feasibility and Readiness Assessment

2.1 Legislative and Regulatory Compliance Framework

Norfolk County's decision to pursue the establishment of one or more Municipal Development Corporation(s), if approved, would need to comply with all statutory requirements under the Municipal Act and corresponding Ontario Regulations. These are outlined below.

Municipal Act 2001, Compliance

Section 203 of the *Municipal Act, 2001* (as amended, 'the Act') and Ontario Regulation 599/06 provide the legislative authority and operational framework for municipal development corporations. Norfolk County's proposed MDC structure shall comply with statutory requirements as follows:

Authority to Establish: Section 203(1) provides that "A municipality may incorporate a corporation for any purpose related to the economic development of the municipality or its residents".

The Municipal Act defines 'economic development services' broadly to include activities such as:

(a) the promotion of the municipality for any purpose, including by the collection and dissemination of information and the development of economic development strategic plans;

(b) the acquisition, development and disposal of sites in the municipality for residential, industrial, commercial and institutional uses;

(c) provision of public transportation systems;

(d) provision of residential housing;

(e) provision of general parking facilities;

(f) providing a counselling service to or encouraging the establishment and initial growth of small businesses operating or proposing to operate in the municipality;

(g) undertaking community improvement consistent with a community improvement plan approved by the municipality under subsection 28 (4) of the *Planning Act*;

(h) improvement, beautification and maintenance of municipally owned land, buildings and structures in an area designated by the municipality beyond the standard provided at the expense of the municipality generally, and promotion of any area of the municipality as a business or shopping area;

(i) provision of facilities for amusement or for conventions and visitors' bureaus;

(j) provision of culture and heritage systems. (O. Reg. 599/06, s. 9(4).)

Ownership and Control: The MDC must be established as a legal entity expressly under municipal control. Any proposed MDC in Norfolk County would be legally structured to ensure that the County is the sole shareholder, exercising control through shareholder direction and board appointments.

Board Governance: Ontario Regulation 599/06 requires that board composition be established through municipal bylaw, with clearly defined procedures for appointment, member eligibility, term of office, and compensation arrangements. Any proposed governance framework for an MDC in Norfolk would need to define each of these parameters through Council-approved bylaw(s), which include clear board governance policies and procedures.

Accountability to Municipality: The regulation requires that any MDC must maintain appropriate accountability to the municipality(s) it serves, including financial reporting, annual budgeting (subject to municipal approval), and routine (annual) performance reporting to Council. Any governance structure must include comprehensive reporting and accountability mechanisms.

Legal Capacity: Section 203(2) specifies that a corporation established under this section shall have the capacity and the rights, powers and privileges of a natural person. A proposed MDC structure would be systematically designed to help improve operational efficiency, decision-making and flexibility while still maintaining full public accountability.

Liability and Risk Management: The corporation shall establish appropriate insurance coverage and risk management protocols. A proposed governance

structure should address liability management through board indemnification policies, professional liability insurance, and directors' and officers' liability coverage.

Findings: The decision to establish an MDC in Norfolk County to deliver economic development services, in whole or in part, would be reasonably implemented under the legal provisions of the Municipal Act, 2001 and Ontario Regulation 599/06.

Based on the insights of County staff, elected officials and other stakeholders consulted by urbanMetrics, one or more stand-alone Municipal Development Corporation(s) could be established to improve, expand or supplement the status quo economic development functions of the Norfolk County Economic Development Department (NCEDD).

**urbanMetrics is not positioned to provide or dispense legal advice. The County should engage legal counsel to conduct a more detailed legal review and to draft a new bylaw that clearly sets out the legal framework and operational mandate for one or more MDC(s). The information contained herein is for informational purposes only and should not be construed or interpreted as legal advice*.

Ontario Regulation 435/17 – Municipal Accommodation Tax Compliance

Norfolk County is actively considering a Municipal Accommodation Tax (MAT) pursuant to Ontario Regulation 435/17.

MAT tax regulations require that a legal corporate entity must be identified as the administrative and legal body that administers the taxation proceeds generated by overnight visitors, and as collected by private accommodation providers (including hotels, motels, bed and breakfasts, vacation rentals (Airbnb, VRBO, etc.) and other fixed-roof tourism accommodation providers.

If the County adopts a new MAT, the municipality requires a separate corporate entity. Ontario Regulation 435/17 specifies that 'eligible tourism entities' must be not-for-profit corporations. At present there is no viable entity in Norfolk County that would fill this requirement.

urbanMetrics is recommending the creation of a standalone, not-for-profit Municipal Development Corporation (MDC) in accordance with the legislated requirement, including provisions which state that a minimum of 50% of MAT revenues must be directed to destination marketing and the remaining 50% be used for efforts that support and enable tourism growth and expansion. The MDC

legislation provides the legal basis for Norfolk County to establish an appropriate 'eligible' tourism entity. Such an MDC could be established as the **Norfolk Tourism Development Corporation (MDC-1)**.

Eligible Tourism Entity Requirements:

- Must be a not-for-profit corporation;
- Must be designated by the municipality through formal resolution;
- Must demonstrate capacity to receive and steward MAT revenues;
- Receive minimum fifty percent (50%) of net MAT revenue after reasonable costs of collection and administration by the County;
- Must comply with financial reporting and accountability requirements;
- Must demonstrate appropriate allocation of MAT funds to eligible purposes specifically destination marketing and tourism promotion.

Findings: The implementation of a County-wide MAT requires the establishment of a new corporate entity, endorsed by Council, to direct proceeds. A standalone not-for-profit MDC (tentatively named the **Norfolk County Tourism Development Corporation (MDC-1)**) would be an appropriate vehicle to advance and consolidate tourism-related branding, coordinated programming, and destination marketing efforts that promote Norfolk County to a wider audience of travellers.

Additional "for-profit" Municipal Development Corporation

Consideration has been given to the creation of one or more MDCs with the express intention of improving and accelerating land development and/or reinvestment in key assets with future upside potential, including facilities owned and operated by Norfolk County. In this model, the MDC assumes the combined roles of asset manager, holding company and master developer.

This type of MDC would be positioned as the **Norfolk County Asset Development Corporation, referred to hereinafter as MDC-2**.

This entity would be established as a **"for-profit"** corporation, with the intention of managing a pool of realty assets that support ongoing County-wide economic growth and prosperity.

2.2 Norfolk County's Organizational and Financial Readiness

Norfolk County demonstrates sufficient organizational and financial capacity to establish and operate one or more Municipal Development Corporation(s) to accelerate economic prosperity and improve the profile of Norfolk County as a destination of choice for investment and tourism attraction.

Organizational Capacity Assessment:

- ✓ **Governance Framework Readiness:** Norfolk County Council has appropriate legal authority under Section 203 of the *Municipal Act, 2001* and Ontario Regulation 599/06 to establish one or more Municipal Development Corporation(s). The County has experience with arm's-length governance structures through the Haldimand-Norfolk Housing Corporation partnership and the Norfolk County Library Board governance model. This institutional experience provides a foundational platform for one or more MDC entities in the County.
- ✓ **Administrative Capacity:** County staff possess relevant expertise in corporate governance, financial management and procurement. Corporate Services, Finance, and Community Services departments can provide administrative support and shared services to one or more MDC(s) during its establishment phase. The County's existing finance and HR support systems could be extended to accommodate MDC accounting and human resources functions and needs. The purpose of any MDC is to complement, or "fill the gaps," without creating duplication or competing interests.
- ✓ **Board Recruitment Capability:** Norfolk County has demonstrated the capacity to recruit qualified board members through previous board appointment processes. The County has access to qualified candidates within real estate development, commercial finance, legal, and governance through regional networks, professional associations, and business community connections. External recruitment through formal nomination and selection processes can ensure appropriate board compositions.
- ✓ **Legal and Compliance Framework:** County staff have access to legal expertise through municipal legal counsel and external legal resources capable of managing MDC incorporation, bylaw development, governance policy establishment, and compliance requirements.

Findings: Norfolk County is organizationally ready to establish one or more MDC(s), if it elects to do so. No significant governance or administrative barriers exist that would impede or encumber the implementation of one or more arm's length MDC(s) pursuant to the legal/statutory requirements. These findings have been confirmed and validated through internal discussions and one-on-one interviews conducted by the Consultants with County staff, elected officials, and other key stakeholders.

Financial Readiness Assessment:

Norfolk County possesses sufficient financial resources and future revenue-generating capacity to establish and operate one or more MDC(s) to advance the County's efforts and its deliberate pursuit of investment, job growth, and prosperity.

Our consultations with staff and elected officials confirm that:

- ✓ **Available Start-Up Capital Resources Exist:** The County maintains multiple funding sources that could be deployed toward MDC establishment and initial capitalization. This includes:
    - County Council Initiatives Reserve;
    - Land Sales Reserve: Generated through ongoing disposal of surplus County properties for MDC-2;
    - Port Dover Harbour Marina's operations surplus that could support start-up costs for MDC-2 (Only if the PDHM asset is transferred and managed by MDC-2, this would specifically support the marina's path to financial sustainability under a new governance model and new business development capacity);
    - Industrial Exchange Fund: Previously allocated to industrial development initiatives, a potential source of seed capital for MDC-2 operations;
    - Provincial/Federal Grants: Potential access to economic development funding through provincial ministries and federal agencies.
- ✓ **Operational Potential:** The MDCs are intended to be either self-sustaining and/or profitable entities once fully established and operationalized. The County has multiple revenue streams that could, at least partially, be used to support various MDC functions that will enable the MDCs to pay back start-up loans to the municipality within a reasonable and timely manner:

- (PENDING COUNCIL APPROVAL) Municipal Accommodation Tax Revenue: The projected $706,000 annual gross MAT revenue, if the County decides to pursue and adopt, would result in approximately $283,000 - $384,000 allocated to the proposed Norfolk Tourism Development Corporation (MDC-1), creating a self-sustaining revenue model (assuming a 50% revenue allocation from the net MAT proceeds).
- Marina Operations Revenue: Port Dover Harbour Marina generates an annual operational surplus of approximately $475k. The proceeds from the Marina are critical to meeting ongoing capital requirements and supporting facility upgrades. In the initial stages (years 1 to 5), a portion of Marina revenues could be used to help the MDC-2 with start-up costs that would establish dedicated marina business development capacity to support and generate new revenue for the marina that would ultimately be reinvested back into the asset.
- Land Sale Proceeds: If the Norfolk County Asset Development Corporation (MDC-2) is tasked with the development and disposition of County land, the proceeds from the land sales can support the MDC's operations. MDC surpluses could also be returned to the County in the form of dividends, acting as the Corporation's sole shareholder.
- Service Revenue: Potential fee-based services from businesses utilizing MDC-2 development services.

Financial Projections Summary: The intent is for the MDCs to be self-sustaining entities that operate on behalf of the County. Each MDC will require start-up capital to incorporate and begin operations. The County could issue each MDC a repayable loan to begin operations, to be repaid once the MDCs are generating revenue. Start-up costs can vary depending on whether the entity is single-purpose or has a broader development mandate and can range from $20,000 to $0.5M.

Finding: Norfolk County has sufficient financial and organizational capacity to establish and operate MDCs on a sustainable basis, with initial capitalization, and with a realistic expectation of generating revenue, depending on the projects and business plans developed by the Board and the leadership of the respective MDCs.

Operational Feasibility

Norfolk County possesses the technical and operational capacity needed to establish, operate and sustain one or more MDC(s) to serve the multidimensional needs of the County.

- ✓ **Staff Skill Availability:** The County's Economic Development Department possess professional credentials and experience in business retention and expansion, investment attraction, and destination marketing to support the rollout of the MDC's mandates. Additional staffing with specialized skills, particularly in asset management and real estate development, would be required to fully - and successfully - deliver the mandate of the MDC-2 Asset Development Corporation, as the Department's existing staff capacity is insufficient. The number of staff resources would be tied to the specific mandates assigned to each MDC by Council.
- ✓ **Facility and Infrastructure:** The County could provide office space, IT, and administrative support services to each MDC during its establishment phase and ongoing operations. No significant capital facility investments are necessarily required to commence operations.
- ✓ **Shared Services Arrangement:** County departments (i.e. Finance, Human Resources, IT) can provide shared services to each MDC on a cost-recovery or cost-sharing basis through a Memorandum of Understanding or Service Level Agreement, reducing startup costs and allowing the MDC to scale staffing as operational revenue matures.
- ✓ **Service Delivery Mechanisms:** The MDCs could commence initial service delivery within 6-9 months of establishment through a phased implementation approach. Priority should be given to establishing the Tourism Development Corporation to implement MAT tax revenue generation, followed by the Asset Development Corporation.

Findings: Norfolk County is operationally ready to establish and manage one or more MDC(s) if Council deems this approach appropriate.

Staffing and administrative requirements could be met through a combination of existing County capacity and targeted new hires aligned with the objectives of the MDCs and within available financial resources and pay scales.

Prevailing Barriers & Mitigation Strategies:

Several internal County "barriers" to MDC establishment were identified during stakeholder engagement:

1. **Perception of Over-Complexity & Risk:** Some members of Council and County staff expressed concern that the creation of external (arm's-length)

corporations introduces unnecessary complexity and potential loss of control.

- *Mitigation*: Structured governance with Council representation, clear Terms of Reference, and measurable Key Performance Indicators (KPIs) provides appropriate tools for oversight. Phased implementation of the MDC(s) would allow Council to assess performance before expanding its mandate.

2. **Resistance to Change and Loss of Authority:** Traditional municipal departments may perceive the MDC structure as a potential competing entity or a *threat* to internal operations.

    - *Mitigation:* Early engagement with affected departments, clear role definition, and timely integration of key personnel into the MDC structure(s) should help smooth integration challenges.

3. **Financial Uncertainty:** Questions about whether an MDC can achieve financial sustainability without ongoing municipal subsidy.

    - *Mitigation:* Clear financial projections based on comparable municipalities, diversified revenue streams (MAT, marina operations, land development), and realistic timelines to profitability help reduce the risk profile. The Board, which includes elected and senior leadership (CAO-level) oversight, and the County of Norfolk (the sole shareholder of the MDC) are entitled to wind down the entity at their discretion.

4. **Staffing and Expertise:** Concern that qualified personnel may not be available or may be expensive to recruit.

    - *Mitigation:* Initial staffing model retains current County Economic Development personnel as employees, reducing recruitment complexity. Boards with strong governance structures attract and retain high-performing experts and professionals on a volunteer or small honorarium basis.

3 Best Practices Review: Comparable Ontario MDCs

Establishing appropriate MDC structures is made possible by precedents (or "best practices") implemented in other comparable-sized communities.

The following section outlines how other comparable "peer municipalities" in Ontario have successfully established arm's-length MDCs. They are also commonly known as economic development corporations (EDCs).

The following provides a detailed analysis of both for-profit and not-for-profit structured municipal development corporations that serve various operational mandates. The analysis is intended to inform County decision-makers and senior county leaders, should they choose to pursue a similar course.

3.1 St. Thomas Economic Development Corporation (Not-for-Profit)

The St. Thomas EDC operates as a not-for-profit economic development corporation with a mandate to attract, retain, and expand core businesses within the City of St. Thomas, with a particular emphasis on industrial development and advanced manufacturing. The City of St. Thomas effectively outsources their economic development services to the St. Thomas EDC.

Governance Structure: Board composition includes City Council representatives, business community members, and institutional partners. The corporation maintains arm's-length status while ensuring accountability through annual reporting to City Council and participation in the strategic planning processes.

Operational Focus: St. Thomas EDC concentrates on core economic development functions—business retention and expansion, investment attraction, industrial land development and tourism (without a MAT). This focused mandate allows deep

expertise in priority sectors and enables strategic partnerships with regional organizations and provincial agencies.

Revenue Model: St. Thomas EDC is primarily funded through annual municipal (taxpayer-supported) contributions, supplemented by some fee-for-service activities and partnerships. The corporation has successfully attracted Federal Development Agency funding and provincial grants, diversifying revenue sources beyond municipal contributions.

Recent Development Significance: St. Thomas EDC was central to municipal economic development efforts associated with the Volkswagen electric vehicle battery plant investment announced in 2024 ($7 billion investment, 3,000+ direct jobs). The corporation served as key municipal representative in business development discussions and site selection negotiations, demonstrating the value of arm's length EDC structure in complex industrial attraction initiatives.

Lessons for Norfolk: St. Thomas demonstrates that maintaining a focused mandate around core ED functions, building expertise partnerships with regional and provincial agencies, and positioning the EDC as the primary municipal representative (liaison) to the business and investment community creates conditions for attracting significant investment.

3.2 Burlington Economic Development + Tourism (Not-for-Profit)

Burlington presents a very recent model of EDC/ MDC evolution in Ontario. Previously operating a separate Economic Development Corporation and Tourism Corporation, Burlington Council voted unanimously in March 2024 to merge Tourism Burlington into the Burlington Economic Development Corporation, creating an integrated entity managing both business development and destination marketing functions. Tourism Burlington was the designated 'eligible tourism entity' which received a portion of the City's Municipal Accommodation Tax (MAT) revenues.

Rationale for Merger: The decision reflected a general understanding that tourism and economic development are interconnected; funding efficiencies are realized from shared operations and governance; and there is a need for a unified marketing strategy addressing both leisure/tourism visitors and business investors.

Implementation Timeline: The merger was completed toward the end of 2024, requiring coordination between two independent incorporated boards. Key

transition elements included: Destination Stewardship Plan development; joint marketing and communications team; aligned brand strategy; and integration of operations and governance protocols.

Governance Post-Merger: The merged organization maintains Board representation from both Council and business leaders within the private sector. Critically, the merger established distinct advisory committees (DMO Advisory Committee and Real Estate Advisory Committee) to manage specialized expertise within a unified governance structure.

Financial Impact: Tourism Burlington merger into Burlington Economic Development created organizational efficiencies estimated at 15-20% administrative cost reduction while expanding service capacity. The unified organization now manages approximately $524 million in annual visitor spending (2024 data) and 1,254 tourism businesses, in addition to business attraction and retention functions.

Lessons for Norfolk: Burlington's recent merger demonstrates that integration of tourism and economic development functions within a single arm's-length corporation is operationally sound and creates synergies. For Norfolk, this suggests that DMO/MAT functions and traditional ED services could be effectively managed within a single structure, albeit one with clear organizational separation of functions through advisory committees and dedicated staff expertise. However, the decision to shift an in-house economic development department into an MDC is greater than merging two already established functioning corporations in the case of Burlington.

3.3 Brantford Tourism Municipal Services Corporation (Not-For-Profit)

The Brantford Tourism Municipal Service Corporation (MSC) was established in 2024 to receive Municipal Accommodation Tax (MAT) revenues under Ontario Regulation 435/17. The MSC operates independently with a separate bank account and board of directors, with City Council acting as the sole voting member.

Governance: The Board includes municipal representatives (City Council members) and independent directors with expertise in tourism, hospitality, and business, appointed by the Council. The MSC model balances corporate accountability through the Council's voting membership alongside private-sector members who

help ensure efficient decision-making, enabling timely business operations and stakeholder engagement.

Staffing Model: The MSC utilizes a lean staffing approach. Staff are employed by the City of Brantford and provide services to the MSC through service agreements, thereby avoiding the creation of duplicative permanent positions while maintaining operational efficiency. This hybrid model allows the MSC to focus resources on tourism promotion and product development rather than administrative overhead.

Purpose and Activities: The MSC directs MAT revenues toward tourism promotion, infrastructure development, and product development initiatives. In 2024, MAT funding supported the Brantford Beats & Eats festival and other local tourism and visitor enhancement projects. The MSC can generate revenue through various activities, increase municipal debt-financing capacity, and mitigate associated risks.

Lessons for Norfolk: Brantford shows how Ontario Regulation 435/17 (MAT Tax) facilitates MSC creation for tourism development. The MAT model provides dedicated, ongoing funding without municipal budget allocation, enabling sustainable tourism investment. Brantford also utilizes their City Economic Development and Tourism staff as a resource to conduct the activities of the Tourism MSC which are integrated into the Department's overall activities.

Board composition with tourism and hospitality expertise enhances decision-making effectiveness and stakeholder credibility. The arm's-length MSC structure enables efficient operations while maintaining municipal oversight through the voting member framework.

3.4 Brant Municipal Enterprises Inc. (For Profit)

Brant County's Municipal Enterprise Inc. was established to leverage existing and future County assets to help generate revenue through an entrepreneurial business model. Operating for over a decade, BME provides the most mature example of a successful Ontario MDC.

Governance Structure: Seven (7) member Board of Directors, including the Mayor (as Chair), two Council members, and four (4) private-sector business representatives with expertise in real estate, finance, and business development. Board members are recruited through a competitive process and serve terms concurrent with Council.

Mandate Evolution: BME began with a focused mandate focused on specific asset monetization opportunities (e.g. arena roof solar panels, fibre-optic network for industrial park, health care hub development). Over time, the corporation evolved to manage multiple business units and revenue streams, demonstrating that starting narrow and expanding gradually based on demonstrated success is preferable to a broad, open mandate to "chase down" any and all investment prospects.

Staffing Model: BME employs a Chief Executive Officer, a Director for each business unit, and administrative support staff (approximately 4-5 permanent employees). Critically, the corporation maintains access to municipal staff as a resource through service-level agreements while maintaining an independent purchasing process to enable negotiation with the private sector. This hybrid staffing model reduces initial capital requirements while maintaining operational independence.

Financial Performance: Brant Municipal Enterprises became self-sufficient within five years of operations. 2022 results showed net income of approximately $2.7 million on revenues of approximately $1.86 million (excluding legacy fibre-optic transition services). The corporation has generated significant dividends back to Brant County and maintains healthy retained earnings ($4.09 million in 2022), enabling reinvestment in new initiatives without ongoing municipal subsidy

Lessons for Norfolk: BME demonstrates that starting with a clear, focused mandate around specific asset monetization, recruiting skilled boards willing to make business decisions, and maintaining strategic use of municipal services while ensuring independent operations creates conditions for success. The phased expansion of its mandate based on demonstrated results ("wins") aligns with the recommended Norfolk approach.

3.5 Oakville MDC (For Profit)

The Oakville Municipal Development Corporation (Oakville MDC) was incorporated on January 1, 2018, as a wholly owned subsidiary of the Town of Oakville to act as "Master Developer" for the town's surplus lands. Unlike broader municipal corporations, Oakville MDC operates with a focused real estate development mandate.

Governance and Leadership: A five-member Board includes the Mayor (Chair), the CAO, and three community representatives who receive compensation. The President & CEO and Corporate Secretary/Treasurer provide professional

management and oversight. Clear separation between the MDC's developer role and the Town's approval authority prevents conflicts of interest.

Financial Performance: After seven years, Oakville MDC has an accumulated deficit of $2.7 million with annual losses of $526,000-$600,000. The organization depends on a shareholder loan from the Town (maximum $3.3 million at 1.8% interest). The MDC remains in a development phase but as projects advance the MDC will realize higher land sale prices, joint ventures, and long-term revenue streams that will accrue to the Town through its work.

Priority Projects: Oakville MDC is advancing four primary land development projects, including: a 14.6-acre mixed-use development (with 2,662 residential units) with subdivision applications; a downtown 17-storey mixed-use tower; a heritage hospital site facing profitability and rehabilitation challenges; and a parking lot pilot project combining underground parking with commercial/ residential uses.

Lessons for Norfolk: Expect a multi-year pre-revenue period that requires sustained municipal funding and adequate shareholder loan capacity. Success requires lean staffing with external consultants, clear governance separation, and a focus on straightforward sites rather than complex heritage properties. Joint-venture arrangements with developers are preferable to land sales for maintaining ongoing returns. The Oakville MDC case demonstrates that real estate development success requires a long-term investment outlook and that returns are not immediate, requiring patient capital to advance projects.

3.6 St. Catharines MDC (For Profit)

The St. Catharines Municipal Development Corporation (MDC) was incorporated in 2024 as an arm's-length entity of the City of St. Catharines.

The primary goal of the MDC is to deliver initiatives creating more attainable and affordable housing, with the MDC acting as a lead developer or marketing catalyst for municipally owned real estate assets through negotiations and partnership development with the private sector and community housing entities.

The MDC was a key initiative funded through the City's $25.7 million Housing Accelerator Fund agreement with the federal government.

Governance: The Board includes municipal representatives (CAO, City Treasurer, Director of Economic Development) and public members recruited through open

competition. The MDC negotiates with developers and builders outside the political system through partnerships and joint ventures.

Financial Performance: The MDC is 100% funded through the Housing Accelerator Fund (HAF) during its start-up phase, with estimated annual costs of $400,000-$900,000 in the first four to six years. HAF funding is directly tied to achieving 2,615 new housing units within three years and 12,000+ homes over 10 years. Thus far, the MDC is on track to reach its 2,600 target and is now focused on the next 10,000 units.

Priority Projects: The MDC is advancing surplus land developments at 6-8 Academy Street, 8 Gale Crescent & 29 Riordon Street, and properties at 9 Race Street and 36 William Street, which were recently declared to surplus to operational need.

Lessons for Norfolk: St. Catharines shows how upper-level government funding such as the federal Housing Accelerator Fund can enable MDC creation without municipal upfront investment. The arm's-length structure facilitates faster-than-normal negotiations with private sector/community partners and enhances land marketability. A housing-focused mandate tied to specific federal funding targets provides clear objectives and accountability for early-stage MDCs.

3.7 Common Themes Across Comparable MDCs

Analysis across St. Thomas, Burlington, Brantford, Brant, Oakville and St. Catharines reveals consistent MDC success factors:

- ✓ **Clarity of Purpose:** Successful corporations operate with clearly defined mandates articulated in Shareholder Declarations and well-defined Terms of Reference. A mandate that is too broad creates inefficiency and confusion.
- ✓ **Good Governance:** Effective Boards combine public accountability (Council representation and oversight) alongside business expertise (private-sector skill-based members). All successful corporations employ a competitive recruitment process for Board members rather than political patronage appointments.
- ✓ **Adequate Resourcing:** Success requires a commitment of sufficient budget and qualified staff. Corporations operating on inadequate budgets struggle to demonstrate impact and often require ongoing municipal subsidy.

- ✓ **Seasoned Leadership:** Hiring an experienced Executive Director with an economic development/specialized background is a critical success factor. The Executive Director manages day-to-day operations, implements strategic direction set by the Board, represents the corporation to external stakeholders, and builds partnerships across government, community, and private-sector entities.
- ✓ **Clear Service Level Agreements:** Corporations that maintain relationships with municipal service providers (including HR, Finance, IT, and legal) through formal Service Level Agreements are more efficient than those attempting to independently replicate all municipal functions.
- ✓ **Performance Metrics and Accountability:** Successful corporations establish clear Key Performance Indicators (KPIs) that align with the mandate, report regularly to municipal shareholders, and adjust strategy based on performance data.
- ✓ **Political Independence and Business Focus:** While maintaining accountability to the municipal Council, successful corporations operate with sufficient independence to make business decisions without requiring Council approval for routine operational matters. This reduces decision-making delays and enables responsiveness to business opportunities.

4 Stakeholder Engagement

Key MDC Parameters Identified by Council:

- ✓ MDC should be self-sustaining or contributing to municipal revenue within 3-5 years
- ✓ MDC should deliver tangible economic development results within a 5-year timeframe
- ✓ Board composition should be heavily weighted toward external expertise and business community representation
- ✓ Transparent governance and regular reporting to Council are essential
- ✓ Political representation on the board should be minimal to prevent overt politicization
- ✓ MDC should maintain focus on industrial development and job creation, not just tourism
- ✓ Clear separation from general Economic Development department operations or clear integration of all ED functions
- ✓ Accountability mechanisms and performance metrics must be established upfront

4.1 Council Engagement Summary

Comprehensive 1-on-1 interviews were conducted with all Norfolk County Councillors during Summer 2025.

Overall, there was strong support for the MDC - at least *conceptually*.

Most Councillors supported adopting an MDC approach, recognizing that arm's-length governance could enhance the effectiveness and responsiveness of economic development in certain circumstances. Several Councillors noted that an MDC structure could reduce political interference in business decisions and, ultimately, enhance professional governance and accelerate the County's economic development objectives. The consolidated findings are summarized below.

Concerns Raised by Councillors:

- Some uncertainty regarding board member recruitment and whether enough qualified external directors could be attracted to serve;
- Questions regarding MDC's capacity to manage multiple mandates (ED services, MAT/Destination Marketing, marinas, industrial land, etc.);
- Concern that political will could shift if the MDC does not deliver early, visible results;
- Concerns that election cycles will impact business continuity and priorities;
- Questions regarding potential resource conflicts and 'scope creep' between marina operations, business stabilization, and other economic development objectives and initiatives.

Implementation Preferences:

1. Progressive implementation (starting with MAT/Destination Marketing, adding services as operational capacity matures);
2. Provide a clear municipal funding commitment for the initial startup and early-stage ramp-up;
3. Monthly or quarterly reporting updates to Council with performance metrics;
4. Execution of shared services arrangement leveraging existing County administrative capacity;
5. Annual strategic review with Council prior to budget setting.

4.2 County Staff Engagement Summary

Extensive consultation was conducted with Norfolk County's Senior Leadership Team and staff across multiple departments, including Finance, Corporate Services, Community and Development Services, Planning, and Economic Development.

Staff input revealed a generally positive reception of the MDC concept, with recognition of operational advantages, coupled with legitimate concerns about implementation logistics and organizational impacts.

Staff Support for MDC Concept

County staff recognized several potential advantages of an MDC structure:

Operational Flexibility Benefits:

- ✓ An arm's-length structure would enable faster decision-making in response to business opportunities;
- ✓ Reduced internal bureaucratic approvals would allow more market-responsive approaches;
- ✓ Ability to implement commercial business practices (rapid contracting, flexible staffing arrangements, performance-based compensation), which is currently constrained by municipal regulations;
- ✓ Ability to develop partnerships with private sector organizations and educational institutions without requiring extensive municipal approval processes.

Organizational Innovation:

- ✓ MDC structure provides an opportunity to pilot innovative governance approaches with potential application to other municipal functions;
- ✓ Professional governance board attracts business expertise and strategic guidance unavailable through conventional municipal advisory committees;
- ✓ Opportunity to develop an organizational culture emphasizing business outcomes and customer service.

Financial Management:

- ✓ Staff recognized that dedicated revenue streams (MAT, marina operations, land development) would provide a funding mechanism distinct from annual municipal budget cycles;
- ✓ Multi-year funding from MAT provides more predictable resources for long-term programming than current annual budget appropriations.
- ✓ Potential for MDC to generate dividends and returns for the municipality over time reduces pressure on the general municipal budget.

Staff Uncertainties about the role and function of MDCs

Organizational Impact Questions:

- Uncertainty about how (or which) economic development services would transition to MDC and how residual functions would be organized and delivered;
- Questions about the staffing transition process and whether current ED department staff would transfer to MDC employment;
- Concern about role clarity between municipal economic development functions retained by the County and those transferred to MDC;
- Questions regarding administrative support arrangements during the transition period.

Governance & Accountability Concerns:

- Some staff expressed concern that the arm's-length structure could reduce municipal oversight and accountability;
- Questions regarding how Council would maintain appropriate oversight without direct control over daily operations;
- Concern that board decision-making might prioritize commercial returns over public interest considerations;
- Questions regarding reporting relationships between MDC Executive Director and municipal leadership.

Financial and Resource Questions:

- Questions about how municipal infrastructure and services (IT, Finance, HR, legal) would be provided to MDC and how costs would be allocated;
- Concern about adequate resourcing for MDC functions during the startup period;
- Questions regarding how capital funding for MDC operations would be incorporated into the municipal budgeting process.

Implementation Timeline Concerns:

- Recognition that establishing an MDC (or multiple MDCs) would require significant staff time for incorporation, bylaw development, governance policy development, and operational setup;

- Questions regarding timing relative to other municipal priorities;
- Concern about potential staff turnover or disruption during the transition period.

Staff Recommendations

County staff provided several recommendations when considering MDC implementation:

I. **Phased Implementation:** Staff recommend starting with DMO/MAT functions as initial priority, allowing operational maturity and successful early results before expanding to additional functions.

II. **Detailed Transition Planning:** Staff recommend development of a comprehensive transition plan addressing staffing, budget, service level agreements, and role clarity prior to formal MDC establishment.

III. **Clear Service Level Agreements:** Staff recommend development of detailed Service Level Agreements defining how municipal departments would provide services to MDC, including cost allocation methodologies.

IV. **Regular Communication:** Staff recommend frequent staff briefings during MDC establishment and transition periods to address concerns and maintain engagement.

4.3 Business & Community Stakeholder Engagement Summary

Comprehensive business and community stakeholder engagement was also conducted through this assessment processes, including:

- **Community ("Public") Survey:** 214 respondents from across Norfolk County's with the majority being resident respondents (88.8%).
- **In-depth Interviews:** 15 one-on-one interviews with key business leaders, tourism operators, and economic development ecosystem partner organizations.
- **Focus Groups:** Two (2) in-person focus group sessions with business community leaders and tourism industry stakeholders were conducted.

4.4 Summary of Community (Public) Survey

MDC Support Level:

- **44%** of respondents either "strongly supported" or "supported" the establishment of an MDC
- **30%** of respondents either "opposed" or "strongly opposed" the establishment of an MDC
- **26%** for respondents expressed "neutral/uncertain/unsure"

Key Priorities Identified Which an MDC Could Support:

1. Industrial land development: **89%** identified as high priority
2. Tourism and destination development: **84%** identified as high priority
3. Business retention and expansion services: **71%** identified as high priority
4. Marina Operations: **54%** identified as important but lower priority than other functions

Key Concerns Expressed Regarding a Norfolk MDC:

- **31%** expressed concern that MDC would struggle for success without adequate funding and staffing
- **22%** expressed concern about the arm's-length governance structure and whether Council would maintain appropriate oversight
- **18%** expressed concern about potential conflicts between different MDC functions
- **15%** expressed concern about the lack of previous municipal experience with arm's-length corporations

Overall, support for MDCs among the public was mixed

- Many respondents to the survey oppose the MDC outright, describing it as "another layer of government," "more bureaucracy," and a "waste of taxpayers' money," and argue existing staff should be made accountable instead.

- Supporters see an MDC approach as a catalyst to help move at the "pace of business," be nimbler and more competitive, and catch up with neighbouring municipalities that already use similar corporations.

Governance, accountability, and trust

- Strong concerns were canvassed about the loss of public accountability, with fears the MDC could be used as a vehicle to avoid or circumvent the Ontario Municipal Act, and/or as a way to shield expensive decisions from public scrutiny.
- Many call for clear mandates and metrics, transparent reporting, independent audits, conflict-of-interest rules, and inclusion of residents and diverse community voices on the board.
- Several comments emphasize that council and senior staff performance and staffing efficiencies should be reviewed first, with redeployment of existing staff before creating any new entity.

Financial risk and impact on resident taxes

- A dominant theme is concern about higher property taxes, consultant fees, payroll growth, and costly unionized positions, with some saying Norfolk must "balance the books" before adding new structures.
- Respondents frequently express fear of a "money pit" or "tax grab," including concern that Municipal Accommodation Tax revenues would fund an MDC rather than dedicated tourism marketing.
- A few supportive comments note that, if properly set up, an MDC could generate revenue from surplus land, marinas, and partnerships, helping offset service delivery costs.

Mandate, focus, and economic priorities

- Many comments stress the need for a clear, narrowly defined mandate (e.g., specific assets such as marinas or surplus lands, or defined sectors such as housing or tourism) rather than a catch-all body trying to "do everything".
- Residents highlight missed opportunities in the past (e.g. the loss of a rail corridor, underused waterfront lands and marinas) and want a stronger focus on industrial development, jobs, and business attraction rather than tourism alone.

- Others worry about overdevelopment and want protection of small-town character, farmland, heritage buildings, and peaceful neighbourhoods, calling for careful vetting of any new business activity.

Conditions for support and suggested design

- Conditional supporters of an MDC propose starting with a small pilot, appointing a skilled board (economic development, finance, real estate, community advocates), and ensuring independence from day-to-day politics while maintaining regular council oversight.
- Some respondents urge benchmarking against successful municipal corporations elsewhere and using best-practice models, while several ask for much clearer information about what Norfolk's MDC would actually do before any decision is made.

Broader economic and infrastructure concerns

- Many of the public's comments go beyond the MDC to call for: better roads and passing lanes, improved rail and highway connections, more industrial land ready for development, accelerated waterfront redevelopment, improved schools, and better support for existing local businesses rather than hypothetical opportunities.
- There is palpable frustration among respondents that Norfolk lags behind neighbouring municipalities in terms of growth and competitiveness, coupled with a perception that current economic development efforts are ineffective or invisible.

4.5 Summary of One-on-One Interviews

Key Themes from 1-on-1 Business Interviews

County's Economic Development Needs:

- Strong interest in industrial land acquisition and development as a path to employment creation
- Recognition that destination marketing requires professional, sustained effort rather than episodic initiatives by the County
- Interest in proactive business retention and expansion services tailored to the specific needs of the County's key sectors

- Recognition that marina operations could be enhanced through professional management and/or more customer-service-oriented resources and facilities

MDC Governance & Structural Considerations:

- Strong preference for board composition heavily weighted toward business-community expertise
- Interest in arm's-length structure enabling faster, more business-focused decision-making
- Preference for clearly defined, *focused* mandate rather than attempting to serve all economic development functions under a single entity
- Recognition that professional governance would attract more/stronger/deeper participation from individuals with strong business acumen

MDC Implementation and Timeline Considerations:

- Interest in seeing quick early results to validate the MDC approach
- Preference for phased implementation, allowing operational maturation
- Recognition that long-term success requires sustained municipal commitment and adequate funding
- Interest in ongoing business community involvement in governance and strategic planning

4.6 Summary of MDC Workshops

Key Themes from MDC Workshop

Stakeholders in the MDC workshops overwhelmingly supported more proactive, better-resourced economic development tactics, with a specific emphasis on industrial land readiness, tourism growth, and using the MDC platform as a potential tool to unlock municipal assets while maintaining full public accountability.

Overall sentiment and priorities

- Participants viewed promoting economic development as very or generally important and rated current efforts as "acceptable-to-good," but recognized the real estate challenges as a systemic barrier to economic growth.
- There was clear appetite for "starting over" with a more effective model, while recognizing that Economic Development in the County staff are helpful, energetic, and forward-thinking.

Experience with current economic development

- The Economic Development Department was described as approachable, responsive, and passionate.
- The main frustrations related to slow processing times, planning and persistent "regulatory struggles".
- There was consensus among workshop participants that the lack of industrial land that is "ready-to-go" (or "shovel-ready") in Norfolk County is the single biggest impediment to economic growth.

Other cited challenges identified

- The most-cited barriers included: limited resources (staffing/budget), infrastructure gaps (roads, utilities, broadband), and internal "red tape" and lengthy process delays.
- External regulatory barriers, labour market challenges, and competition from other municipalities were also noted, along with concerns about municipal and provincial red tape in any new structure.

Desired role and focus of an MDC, if implemented

- Participants identified the MDC model as a potential vehicle to leverage municipal assets, acquire and service land, partner with the private sector, and generate new revenue, jobs, and tax base.
- Priority focus areas suggested included: industrial land development, attracting new business and investment, supporting local business expansion, tourism promotion/development, and revenue-generating opportunities for the County.

Key Themes from Tourism Industry Workshop

- Strong support for a professional DMO focused exclusively on destination marketing and tourism development in Norfolk
- Recognition that MAT funding provides a sustainable revenue stream enabling long-term tourism programming and marketing
- Preference for board composition, including significant tourism industry representation
- Interest in Tourism Corporation/DMO developing a comprehensive Destination Stewardship Plan providing long-term strategic direction

MAT Related MDC Governance Structure Considerations:

- Recognition that tourism development requires different expertise and a separate (or parallel) governance approach made up of different skills and insights
- Support for not-for-profit structure aligned with tourism industry best practices
- Interest in a separate MDC maintaining a focus on tourism without distraction from other economic development functions being considered as part of the County's MDC
- Recognition that professional governance attracts tourism industry expertise and leadership

4.7 Overall Summary

Across all stakeholder engagement platforms (i.e. surveys, interviews, workshops), there is **cautious optimism** about one or more MDCs as a mechanism for more businesslike, accountable, and responsive economic development pursuits.

Support for new and innovative approaches to economic development is conditional on **clear governance**, **phased implementation**, **fiscal prudence**, and **early 'quick win' results**, with industrial development and tourism emerging as two dominant priorities.

5 MDC Opportunities Review

Norfolk County's economic development challenges encompass several distinct yet complementary opportunity areas, each with specific potential for community benefit but also requiring distinct operational approaches, expertise bases, and governance frameworks.

This section provides a detailed assessment of each opportunity, analysis of operational requirements, and recommendations regarding how each opportunity should be structured and managed within a potential MDC framework.

5.1 Municipal Accommodation Tax and Destination Marketing

Tourism Context

Norfolk County's 2024-2027 Economic Development Strategy identifies MAT establishment as a priority, recognizing that professional, dedicated destination marketing increases visitor spending and extends average length of stay. MAT revenues would be used to augment the County's current tourism marketing efforts and ultimately support and grow visitation and drive new business formation throughout the County.

The County's tourism sector is shaped by rich natural assets (Long Point UNESCO Biosphere Reserve, Lake Erie beaches such as Turkey Point Provincial Park and lake access for paddle-sports, angling and recreational boating), agritourism opportunities (farms, wineries, farmers' markets), and cultural attractions (Port Dover Friday the 13th, charming historic communities).

Despite a rich collection of tourism and leisure supporting assets throughout the County, consultation with stakeholders revealed that Norfolk's tourism sector faces multiple challenges, including:

1. Lack of adequate overnight accommodation options limiting visitors' stay duration;
2. Limited marketing coordination and branding;
3. Day-visitor profile (visitors arriving in the morning, departing same day) vs. longer-stay tourists;
4. Seasonal employment and business operations;
5. The county's focus on tourism has ebbed and flowed over the past decade with differing Council priorities.

Opportunity #1: Implement a Municipal Accommodation Tax (MAT) to accelerate tourism growth and destination marketing efforts

Norfolk County does not currently capitalize on the Municipal Accommodation Tax (MAT) revenue tool available to municipalities under the Municipal Act. Each year, Norfolk County forgoes potential visitor user-fee revenue from hotel and short-term accommodation, including B&Bs and other private vacation rental options, through a charge paid by overnight guests (typically applied as 4% of the guest's bill).

Implementing a Municipal Accommodation Tax represents a significant financial opportunity for Norfolk County and a key strategic priority identified in stakeholder engagement.

MAT Revenue Projections

Based on the revenue projections in the associated Norfolk County Municipal Accommodation Tax (MAT) Feasibility Study, projected MAT implementation would generate:

Scenario	Total Guest Revenue	MAT Revenue (4%)	Variance from Base
Low	$15,000,000	$600,000	-15%
Base	$17,600,000	**$704,000**	-
High	$20,300,000	**$812,00**	+15%

Under Ontario Regulation 435/17, a minimum 50% of net MAT revenues must be allocated to an 'eligible tourism entity' such as a destination marketing organization or similar enterprise, while the remaining share may be retained by the municipality or allocated additionally to the 'eligible tourism entity.'

Using base revenue projections of $704,000 gross and $35,200 administrative costs, net revenue available for allocation is $688,000. Under a 50/50 split:

- Tourism entity allocation: $344,000 for destination marketing
- Municipal allocation: $344,000 for tourism infrastructure and programs

Currently, there is no 'Eligible Tourism Entity' within the County. Establishing a Municipally Development Corporation (MDC-1) as the corporate vehicle for county-wide destination marketing services would qualify it to receive a minimum 50% of the County's Municipal Accommodation Tax (MAT) revenues for operational purposes.

Without the creation of MDC-1, Norfolk County would be unable to implement the MAT and would therefore forgo all potential revenue and opportunities to support local businesses, attract visitors, and grow the tourism economy. Designating an external organization would result in the loss of at least 50% of MAT revenue, whereas a municipally owned MDC-1 ensures those funds remain under County control and continue to benefit the local community.

MAT 'Eligible Tourism Entity' Within MDC Structure

Establishing a dedicated Norfolk Tourism Development Corporation (MDC-1) first and foremost as the County's designated 'eligible tourism entity' as required by Municipal Accommodation Tax regulation provides several advantages:

1. Clear, focused mandate that is easy for stakeholders to understand.
2. Dedicated revenue stream from sustainable MAT revenues, reducing the need for municipal subsidy and a quick path to sustainability without impacting property taxes and municipal budget.
3. Quick "win" demonstrating the immediate value of the MDC structure.
4. Foundation for expanded functions in subsequent phases.
5. Ensures that future efforts to pursue tourism-related grants and funding programs, especially from the province, are bolstered and legitimized, assuring that "all available avenues for program funding" such as the MAT tax, have been exhausted by the County.

Regulatory Compliance Requirements

Establishment of a Tourism Development Corporation (as a not-for-profit) MDC as the County's designated 'eligible tourism entity' requires compliance with Ontario Regulation 435/17 requirements. **The regulation specifies that eligible tourism entities must be not-for-profit corporations**. The regulation also specifies that a minimum of fifty percent of net MAT revenues must be allocated to destination marketing and for tourism promotion purposes, with flexibility regarding use of the remaining fifty percent (retained by municipality for tourism-related purposes).

To secure MAT revenue eligibility, the MDC must be incorporated as a not-for-profit entity. Council must formally designate the MDC as the eligible tourism entity through a resolution. The MDC must comply with financial reporting and accountability requirements specified in the regulation and demonstrate that MAT funds are appropriately allocated to destination marketing purposes.

Recommendation #1

urbanMetrics recommends that Norfolk County establish a not-for-profit Norfolk County Tourism Corporation (MDC-1) to serve as the designated 'eligible tourism entity', facilitating and supporting the implementation of a new Municipal Accommodation Tax.

5.2 Economic Development Services Transfer

Current State and Context

Norfolk County's Economic Development Department provides a comprehensive suite of services to promote investment growth, economic diversification and prosperity. Its core functions include business retention and expansion, investment attraction support, workforce development collaboration, tourism marketing, regional partnership coordination and agricultural sector support. The department comprises 4 staff members, which is somewhat small compared with other nearby similar-sized (or smaller) municipalities, such as Brant (7), Haldimand (5) and St. Thomas (9).

Consultation with local stakeholders yielded consistent praise and appreciation for the Economic Development team's work, particularly its leadership and staff commitment. Multiple stakeholders acknowledged the department's capacity for open communication, problem-solving, collaborative partnerships and unique sector-specific insights.

The Economic Development team is a key asset for the County and its business community. That said, the engagement also identified significant constraints limiting the department's potential effectiveness, such as:

1. Limited staffing complement for the breadth of its mandate.
2. Internal bureaucratic barriers requiring multiple approval layers for strategic and program-related initiatives, which often require quick and decisive action.
3. Inability to move quickly in response to unique, complex or challenging business opportunities.

4. Lack of dedicated funding for marketing industrial sites.
5. Competing internal demands and administrative responsibilities divert focus from core, day-to-day ED functions.

Opportunity #2: Transferring ED Services into a Full-Service, Stand-alone Economic Development Corporation

Many municipalities in Ontario, including those identified in Section 3.0 of this report, have used the MDC approach afforded under the Municipal Act to establish full-service, stand-alone Economic Development Corporations. The City of Burlington and the City of Thomas, for example, have effectively outsourced their entire economic development program to an arm's-length corporate entity.

✓ Commonly cited benefits for this approach to economic development include:

1. **Operational Flexibility:** Arm's-length structure removes services from direct municipal bureaucracy, enabling more responsive, market-focused and less-tethered business development approaches.
2. **Talent Recruitment:** A professional governance structure may attract a wider talent pool with private-sector business development experience who might be less interested in traditional municipal/government employment.
3. **Partnership Development:** Standalone MDC structures enable more flexible partnership development with other organizations and educational institutions.
4. **Political Independence:** Arm's-length operation provides insulation from short-term political pressures that sometimes constrain consistent long-term economic development strategy.
5. **Diversified Funding:** Standalone MDC structures allow municipal funding to be supplemented by other revenue sources, including potential future grants, private sponsorships, or fee-based services.

Commonly cited drawbacks of this approach are:

1. **Funding Requirements:** Baseline municipal funding requirements do not materially change following the transition. Standalone entities still require municipal subsidies, yielding limited benefits for operating budgets.

2. **Staffing Transition:** The structure can fundamentally change the workplace culture leading to transitional shifts and unexpected turnover including senior leaders, directors, managers and credentialed professionals.
3. **Integration/Silo Challenges:** Standalone structures can result in silo structures leading to overlap between MDC and municipal counterparts in aligned areas such as planning, engineering, recreation services etc.

Recommendation #2

urbanMetrics recommends that the Norfolk's Economic Development Department remain a fully intact and operational department within the County administration, with a broad mandate consistent with those outlined in the County's Economic Development Strategy 2024-2027.

Rationale: Transitioning the Department to an MDC/Economic Development Corporation format like St. Thomas EDC or Burlington Economic Development + Tourism would, in our opinion, not result in any foreseeable cost savings and would not provide financial sustainability, as these MDCs invariably require annual funding from the host municipality, similar to the Department's current budget, or even higher if separate administrative and overhead costs are required to support the entity.

Opportunity #3: Using the MDC model in a more tactical, and deliberate way to accelerate and unlock the value of municipal real estate assets, including the onboarding (ownership) of potential *future* real estate assets

Based on our "best practice" case studies, a hybrid model, where one or more MDC(s) are established to address a specific service or function – such as realty or asset management - would represent a worthwhile *and important* service delivery innovation for Norfolk County to pursue.

The Town of Oakville model (the Oakville MDC) as outlined in Section 3.5, provides what we believe to be a viable framework for Norfolk to pursue, emulate and adopt, subject to County-specific refinement(s) that address local circumstances. The Oakville MDC approach leverages of a *for-profit* model that is intended to act as the Master Developer for specific assets which have been deemed by Council to have strategic value in shaping the town's future. The Oakville MDC does not replace the Town's Economic Development Service (a municipal department) but

rather works in parallel to deliberately advance the development of a portfolio of public-owned lands which are not needed for operations (e.g. works, storage yards, etc.) or community service (e.g. parks and recreation) but present unique opportunity to support the public interest (e.g. affordable housing, intensification, transit supportive development).

Based on our consultations, the most urgent - and arguably the best fit for this type of enterprise would be the Port Dover Harbour Marina. This revenue-generating asset is owned and operated by Norfolk County and includes adjoining land parcels that could be repositioned - either through direct investment or in partnership with an array of neighbouring landowners - to advance a more dynamic and compelling waterfront experience, not just for boaters but residents, tourists and downtown area visitors.

Recommendation #3:

urbanMetrics recommends the creation of a new **Norfolk County Asset Development Corporation (MDC-2)**, which is responsible for revitalizing strategic real estate assets, with a long-term view of enabling economic growth, stimulating public-private partnerships and supporting the Council Strategic Plan.

The first asset transferred to the Corporation should be the Port Dover Harbour Marina (targeting 2027/8). It is envisioned that other municipal assets (real estate), including strategic land acquisitions elsewhere in the County, could be added to MDC-2 at the direction of Council (targeting 2028/9, and beyond).

5.3 Marina Governance

Municipal Marina Context

Norfolk County owns and operates two municipal marinas: Port Dover Harbour Marina (PDHM) and Port Rowan Harbour Marina (PRHM).

PDHM is a large, full-service recreational facility that generates a healthy annual operating surplus but faces approximately $14million in planned capital upgrades through 2034. These upgrades cannot be fully supported under conventional municipal financing and governance models.

PDHM exhibits clear commercial growth potential. The Marina accommodates a variety of recreational boat needs, including larger, deeper-draft vessels which most local/regional area marinas cannot otherwise accommodate. More importantly, however, the marina includes developable waterfront lands suitable for new revenue-generating uses such as retail/food service concessions, tourism activities/hotel(s), and potential mixed-use residential development.

PRHM functions mainly as a small marina within a large waterfront park. It has limited slips, minimal amenities, and a structural operating deficit that is subsidized from the shared marina reserve, while still requiring costly capital work such as dredging and ongoing pier maintenance.

County analysis and community feedback characterize PRHM as a community waterfront park and public-access asset rather than a commercially viable marina enterprise. There is little realistic prospect of recovering full operating and capital costs at PRHM through user fees, facility rentals or expanded services.

Given these conditions, a Municipal Development Corporation would be appropriate only where there is sufficient commercial scale and partnership potential to support business-focused operations. As a result, Port Dover Harbour Marina is the only Norfolk County marina that is being considered as part of this MDC assessment, while Port Rowan Harbour Marina should be treated and planned primarily as a community and parks focused waterfront asset.

Port Dover Harbour Marina's Current Operational Context

Port Dover Harbour Marina is a 458-slip, full-service municipal marina that serves patrons from communities across Southern Ontario, with amenities including fuel, pump-out, winter storage, and launch facilities. Its ability to accommodate larger, deeper-draft vessels gives it a competitive edge over most nearby marinas.

Financially, the marina is operationally strong but is not yet fully self-sustaining when capital is considered. The 2026 budget shows an annual operating surplus of approximately $475,000, demonstrating clear commercial viability on a day-to-day basis.

The main challenge lies in capital needs and future debt. Over the next decade, the marina requires an estimated **$14 million** in capital investment based on the current 10-year capital plan, with approximately $12 million expected to be debt-financed and annual debt service of about $575,000 projected to begin in 2029, increasing to $915,000 by 2032; meaning annual surpluses must grow to approximately $1.0–

$1.2 million over the repayment period to achieve true long-term financial self-sustainability.

Recent operational experience shows clear limits to relying on price increases alone. A 25% fee increase in 2025 contributed to seasonal slip occupancy decline from 390 in May 2024 to 281 in May 2025, later recovering to 317 by August. While revenue declined only 2.4% year-over-year, there were 118 patron departures, indicating pricing sensitivity with potential for recovery as the market adjusts.

Organizationally, the marina is managed by Norfolk County staff with a dedicated Marina Manager and a seasonal staff members who handle daily operations effectively but lack capacity and resources for more advanced business development and commercial partnerships.

Key Operational Constraints

Analysis of current municipal management identifies several constraints that limit marina effectiveness and competitiveness:

Limited business development capacity: Port Dover Harbour Marina's current staffing model focuses on daily operations and customer service, leaving little capacity for proactive business development, partnership negotiations, or advanced revenue optimization. This constraint limits the marina's ability to pursue new commercial and partnership opportunities that could help close the financial sustainability gap.

Governance and procurement constraints: Traditional municipal governance, risk management, and procurement rules slow down decision-making and reduce operational flexibility. These processes make it difficult to structure and approve the kinds of tailored commercial agreements and partnerships commonly used by private marinas.

Access, parking, and site constraints: Passmore Avenue is the only road access to the site and is narrow and steep, which constrains traffic capacity and complicates any intensification of use. Parking requirements for mixed uses are high and cumulative, and large portions of the site lie within flood-hazard areas under Conservation Authority oversight, making development and major works more complex and costly.

Misaligned dock configuration: The existing dock configuration does not match current market demand, with 30-foot slips under-utilized and 35-foot slips nearly fully occupied. There is currently no designated docking area for charters,

timeshares, or boat clubs, which could allow the marina host and support higher-value commercial operators.

Technology and customer-service gaps: The marina lacks modern software tools such as comprehensive online booking, real-time slip availability, and seamless electronic payment systems. Incomplete or inconsistent online information, including operating hours, has also been flagged as a strain on customer experience and may suppress potential revenue.

Opportunity #4 – Transfer the Operation of Port Dover Harbour to MDC-2

Transferring the governance and development of the Port Dover Harbour Marina to MDC-2 presents a unique strategic opportunity to address operational constraints while maintaining full public ownership and control of a critical, irreplaceable waterfront asset.

Once MDC-2 is established, a new Marina Asset Management Service would be operationalized within the MDC and placed under the immediate direction of the Corporation and its Board of Directors. This would provide several operational and financial advantages, outlined and summarized below:

Operational Advantages: An MDC would operate outside traditional municipal policy constraints, enabling greater operational flexibility in staffing decisions, procurement practices, fee structures, and service-delivery innovation. This operational autonomy would enable:

- ✓ Dynamic pricing and revenue management responsive to market conditions.
- ✓ Flexible staffing arrangements (seasonal, contract, specialized expertise) without municipal employment classification constraints.
- ✓ Entrepreneurial pursuit of complementary revenue opportunities, including watercraft rentals, events, commercial partnerships, and ancillary services.
- ✓ Rapid response to market opportunities and competitive positioning without multi-layer municipal approval.
- ✓ Implementation of private-sector best practices in marina operations, customer service, and asset management.
- ✓ Development opportunity for three focus areas within the marina property.

- ✓ Opportunity for community and marina customers to serve on an advisory committee reporting to the Board of the MDC.

Financial Advantages: An MDC-based marina management model would facilitate several financial strategies to enhance marina sustainability:

- ✓ Separation of marina capital financing from general municipal infrastructure debt, providing dedicated financing capacity for marina-specific projects.
- ✓ Pursue revenue-sharing flexibility enabling partnership arrangements with private operators for ancillary services (dining, retail, watercraft rentals) without compromising public asset ownership.
- ✓ Full-cost-recovery fee structures set by the MDC Board, independent of the municipal budget and political maneuvering, enabling rate adjustments aligned with operational requirements and market conditions.
- ✓ Ability to generate and retain operating surpluses for reinvestment in marina improvements and capital projects without diversion to general municipal revenues.
- ✓ Access to potential grants and partnerships from tourism agencies, waterfront development programs, and provincial/federal economic development funding.

Strategic Positioning Advantages: An MDC-based marina management model would position Norfolk's marina options as strategic economic development and tourism assets:

- ✓ Professional governance structure with private-sector expertise in marina operations, real estate development, and hospitality management.
- ✓ Formal opportunity for community and marina customers to serve on an advisory committee that informs the Board on marina activity and development.
- ✓ Capacity to pursue strategic partnerships with tourism organizations, hospitality establishments, and recreational businesses to generate additional revenue for the marina.
- ✓ Enhanced credibility and positioning within regional tourism marketing and destination development initiatives.
- ✓ Ability to coordinate marina development with broader waterfront revitalization and community development objectives.

- ✓ Capacity to pursue special event hosting, destination marketing partnerships, and tourism programming that strengthen the County's economic development positioning.

Recommendation #4

urbanMetrics recommends that Norfolk County transfer the governance and management of the Port Dover Harbour Marina to the proposed Norfolk County Asset Development Corporation (MDC-2).

This approach would retain full public ownership while giving MDC-2 the flexibility to operate with greater efficiency, pursue new revenue opportunities, and reinvest profits into marina improvements. This model could enhance financial sustainability, strengthen tourism and economic development outcomes, and maintain accountability through Council oversight and performance reporting.

Implementation Considerations

Implementation of the Port Dover Marina Management Service with MDC-2 would require a deliberate, phased approach to ensure stable day-to-day operations while a new governance model is put in place. The following tools outline practical steps, decision points, and accountability mechanisms that County administration would develop in partnership with the proposed MDC's Board and senior leadership.

An Operational Transition Plan that defines staff transition arrangements, service level continuity during transition, contract negotiation with existing service providers, and customer communication regarding operational changes.

A Capital Funding Strategy that establishes whether the MDC assumes responsibility for all, partial, or specifically identified capital projects; determines financing mechanisms (reserve funding, debt, revenue generation); and establishes capital governance procedures between the County and the MDC.

A Fee and Rate Structure Plan that authorizes the MDC to set marina user fees and other charges; determine protocols for County approval above a certain threshold; and establish the parameters for monitoring fees and rates in accordance with other comparable operations on Lake Erie.

A Performance Measurement Tool that considers key indicators for marina operations (customer satisfaction, occupancy rates, retention rates, revenue targets, service standards) with regular (annual) reporting to Council.

Public Access Requirements & Protocols that establish governance expectations regarding user fees, public access policies, operating procedures, and service standards consistent with community values regarding waterfront use and public access to recreational waterfront.

Why this approach makes sense for Norfolk

Transfer of Port Dover Harbour Marina to the proposed for-profit Asset Development Corporation (MDC-2) represents a strategically sound approach to addressing operational constraints and improving long-term financial sustainability by systematically pursuing service improvements, innovations, and new revenue-generation opportunities that are currently unavailable.

A new governance model would:

1. Provide a professional governance structure with expertise in marina operations, real estate development and asset management.
2. Add professional staffing, in addition to current marina staff, committed to the pursuit of new business development opportunities to meet Port Dover Harbour Marina's financial sustainability target.
3. Enable operational flexibility and private-sector partnership opportunities while retaining full public ownership of critical waterfront assets.
4. Create capacity for revenue optimization and the pursuit of complementary business opportunities which may fall outside conventional municipal approaches, recognizing the unique attributes of a marina relative to other assets and facilities.
5. Reposition the marina as a best-in-class marina destination on Lake Erie commensurate with its strategic economic development value and tourism-generating potential.
6. Maintain public accountability through shareholder relationship and Board oversight while enabling arm's-length operational autonomy.

5.4 Industrial Land Development & Sales

Our stakeholder conversations consistently identified industrial land development and land availability as top priorities and opportunities that, if fixed, could accelerate private-sector investment, economic diversification, and job creation.

The development of municipally owned industrial lands (or business parks) would complement the County's Economic Development Department's core mandate for Business Attraction and its pursuit of foreign direct investment opportunities.

Current Challenges: Over the past several decades, Norfolk County and its legacy municipal entities have effectively "sold off" the entire portfolio of municipally owned (public) industrial lands. The availability of municipally owned industrial land within the County inventory is very limited (effectively zero).

Today, the vast majority of the County's industrial land inventory is privately owned, often held by speculative interests, often operating without any clear or deliberate development intention.

Key constraints impacting industrial development, identified by stakeholders, include:

1. Lack of municipally owned serviced industrial land.
2. High infrastructure costs associated with extending water and wastewater services.
3. Norfolk County's distance from major highway corridors (Hwy 401 & 403).
4. Competition from better-positioned jurisdictions in southwestern Ontario with a more robust mix of municipally owned and privately-owned industrial lands and business parks.
5. Ongoing pressure to convert industrial ("employment") land to support residential growth pressure.

Opportunity #5: Build a portfolio of Non-residential Lands Within Norfolk County under the leadership of a Municipal Development Corporation

Beginning in 2028/2029 (and following the transfer of the Port Dover Harbour Marina), the Norfolk County Asset Development Corporation will begin to pursue opportunities for the strategic acquisition of non-residential lands that support

economic growth, workforce development, workforce stabilization, entrepreneurship, social enterprise or skills development and training.

The Asset Development Corporation (MDC-2) would focus primarily on "greenfield" industrial land assets, but would be positioned to consider other strategic real estate assets, including surplus institutional sites (schools, churches, healthcare facilities), highway commercial sites, excess utility lands and other land opportunities where municipal approvals could be readily and transparently secured without any preferential consideration by the planning approval authority, which could lead to conflicts of interest and a loss of public confidence in the organization.

The acquisition of rural, agricultural, or other properties with clear and documented environmental sensitivity should be avoided unless a specific circumstance justifies or warrants investment, namely pre-established zoning permissions that support and enable a range of standalone commercial and/or production enterprises associated with agri-food processing or agricultural equipment.

The proposed mandate of MDC-2, following the successful integration of the PDHM would be defined by three pillars:

1. Industrial Land Acquisition and Assembly: MDC-2 would identify and acquire strategic land parcels (through purchase or option agreements) with the goal of building a land portfolio ready for development. The acquisition strategy would target:

    - ✓ Strategically located properties near major transportation corridors;
    - ✓ Parcels with opportunity for cost-effective servicing;
    - ✓ Properties with characteristics attractive to advanced manufacturing, agri-business, or logistics users;
    - ✓ Properties which could be secured at or below market value;
    - ✓ Properties where a clear public interest can be demonstrated;
    - ✓ Properties where public-private partnerships could be secured to reduce or eliminate municipal capital requirements for servicing.

2. Marketing and Business Attraction: MDC-2 would develop a comprehensive marketing strategy for sites, including: (1) professional marketing materials and a digital presence; (2) targeted outreach to businesses in priority sectors (advanced manufacturing, agri-food processing, logistics/warehousing, clean

technology); (3) partnerships with investment attraction agencies and business intermediaries; (4) participation in regional economic development initiatives.

3. **Land Sales and Development Partnerships:** MDC-2 would sell serviced land to real estate developers and end-user businesses at fair market value, with any and all revenues retained by the Corporation for reinvestment in additional land acquisition. MDC-2 could also enter into development partnerships in which the corporation retains an ownership interest and shares in development profits.

Recommendation #5

urbanMetrics recommends the establishment of a dedicated Business Unit within MDC-2 to help spearhead industrial land development in Norfolk County. MDC-2 would acquire, assemble, service, and market strategically located industrial sites to create jobs, expand the tax base, and diversify the local economy on a project-by-project basis.

By prioritizing industrial land development within an MDC (MDC-2), the County can take a more proactive, business-driven approach to land readiness - ensuring that fully serviced, investment-ready sites are available in Norfolk when businesses are looking to expand or locate. This approach strengthens Norfolk's competitiveness for advanced manufacturing, agri-food, logistics, and clean technology investment sectors that drive high-value job growth and export potential. It also provides a mechanism for the County to retain ownership, in perpetuity (if necessary) and deliver value-added functions to help reposition the land for growth in the interests of all County residents.

It is recognized that MDC-2 could partner directly with County departments, senior governments (province, federal), utilities, and private landowners to deliver water/wastewater, transportation, and digital infrastructure, and to sell or co-develop serviced sites at fair market value. Sale proceeds would be reinvested into new industrial land projects through a revolving fund, making the model financially sustainable over time.

This function is well-suited to an MDC because industrial land development is capital-intensive, multi-year, and commercially oriented, requiring specialized real estate and infrastructure expertise, arm's-length governance, and the capability to manage risk and align infrastructure delivery with market demand. MDCs are widely used across Canada to coordinate complex land development,

leverage partnerships, and generate long-term community wealth; making this model an effective way for Norfolk to overcome its shortage of serviced industrial land and position itself for sustained economic growth.

Why are separate MDCs necessary for Norfolk?

The diversity of Norfolk County's real estate opportunity areas suggests that relying on a single umbrella MDC may not be the most effective approach.

Tourism and MAT-funded destination marketing must operate within a not-for-profit, promotion-focused model. In contrast, marina operations, development, and industrial land development function more like commercial, asset-heavy businesses. These activities require distinct governance, financing tools, and a higher tolerance for risk. They also have the potential to generate substantial revenue that can be reinvested in community priorities. A purely not-for-profit structure can therefore be limiting for these types of asset-heavy, revenue-generating activities. Expecting a single corporation to span these very different mandates increases the risk of diluted focus, unclear priorities, and difficulty aligning board skills across such a wide mandate.

Given this, a single MDC - while less cumbersome in theory - would not provide the clarity, accountability, or specialization needed to maximize each opportunity. Incorporating tourism, marinas, and industrial land under one umbrella could create tensions between marketing expenditures and capital-intensive investment needs, making sound financial performance harder to interpret.

Establishing two separate, purpose-built entities with clear mandates would better align structure with function and allow each to focus on its core roles/services while still contributing to Norfolk's broader economic development objectives.

NOTE: urbanMetrics appreciates that MDC-2 may ultimately benefit from establishing subsidiaries with a split focus on community-type assets (MDC-2A) and industrial/business-type assets (MDC-2B). Community-based assets may, at least conceptually, include waterfront, recreational, and possibly housing assets. Industrial/business-type assets would include greenfield and brownfield land, business parks, and surplus lands oriented toward future non-residential economic development and value enhancement.

Section 6 of this report provides a more fulsome exploration of *how* the MDC approach would be operationalized.

6 Governance & Management Structure

6.1 Proposed Governance Framework

Strategic Two-Corporation Model

Based on our assessment, the consultant proposes establishing two (2) specialized Municipal Development Corporations that together address distinct yet complementary economic development priorities. This two-corporation approach is both strategically advantageous and a regulatory necessity, given the specific requirements governing the implementation and distribution of the Municipal Accommodation Tax in Ontario.

The two corporations:

- MDC-1 – The Norfolk County Tourism Corporation (Not-for-Profit): Incorporated as a not-for-profit entity serving as Norfolk County's professional Destination Marketing Organization and the designated eligible tourism entity under Ontario Regulation 435/17. Focused exclusively on destination marketing strategy, Municipal Accommodation Tax implementation, tourism industry partnerships, and marketing campaign execution.
- MDC-2 – The Norfolk County Asset Development Corporation (For-Profit): Incorporated as a for-profit entity with two primary business units encompassing (1) the management and optimization of the County's Port Dover Harbour Marina, and (2) Real Estate Development focusing on industrial development on a project-by-project basis.

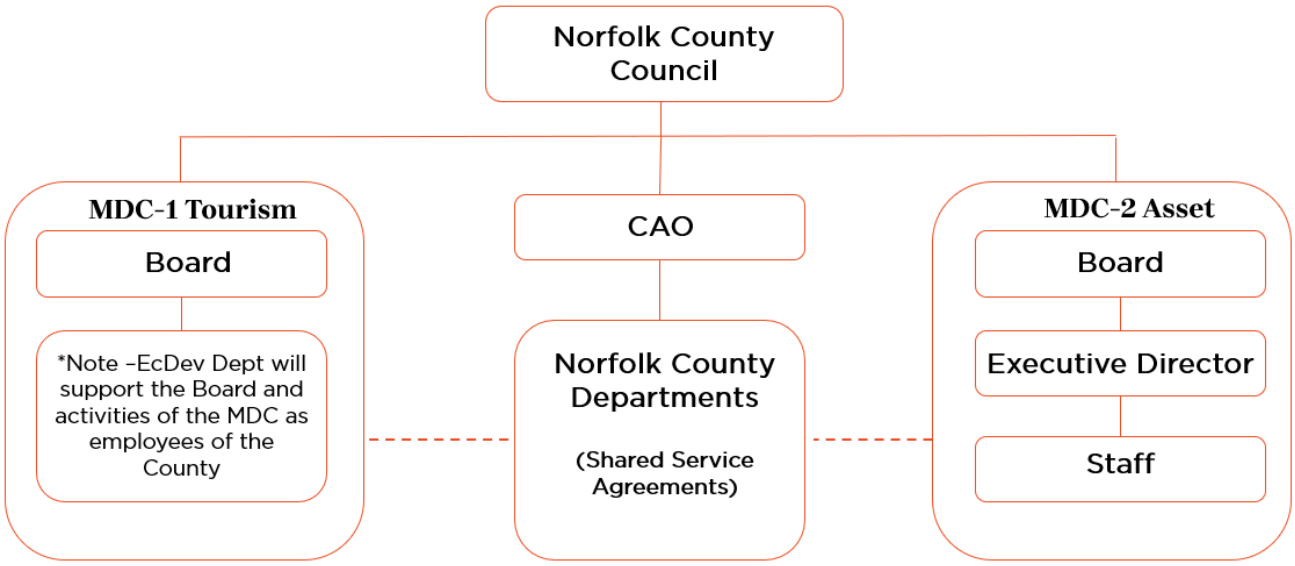
Strategic rationale for separation:

A single entity attempting to encompass both functions would necessarily compromise the effectiveness of each. The recommended two-corporation approach offers distinct strategic advantages:

- **MDC-1 operates as a stable, not-for-profit municipal development corporation with predictable revenue, funded by a dedicated allocation of MAT revenues (minimum 50%) and insulated from annual municipal budget cycles**. The Tourism Corporation would also enhance the County's Economic Development Department's current services and augment its tourism marketing budget and program.

  Most MAT funded MDCs are specifically designated for tourism marketing and development and do not take on additional mandates, particularly land development and asset management.
- **MDC-2 operates as a for-profit municipal development corporation focused on strategic municipal asset management and development as assigned by the County, the Corporation's sole shareholder. The initial and immediate opportunity is to transfer the County's Port Dover Harbour Marina asset in its entirety to the Asset Development Corporation.**
- Business-focused entity with entrepreneurial flexibility suited to commercial negotiations, marina operations, and development partnerships on select real estate development projects.
- **Coordinated governance** ensures strategic alignment and consistency with County priorities while maintaining clear oversight and accountability mechanisms.
- **Both MDC-1 and MDC-2 will support and enhance the mandate and activities of the County's current Economic Development Department.** Neither proposed MDC duplicates the services provided by the Department but rather provides economic development with new tools to capture opportunities currently not being pursued or taken advantage of by the County.

Both corporations would be wholly owned by Norfolk County, with the municipality serving as the sole shareholder. Council exercises control and strategic direction through formal mechanisms, including shareholder directions, Council-approved bylaws and governance policies, annual approval of business plans and budgets, formal Annual General Meetings, and ongoing reporting requirements.



Board Composition & Governance Structure

Good governance is realized through the systematic and consistent adherence to:

- ✓ ensuring appropriate municipal oversight and fiduciary responsibility;
- ✓ incorporating credible professional expertise and stakeholder perspectives; and
- ✓ maintaining sufficient operational independence to enable effective business management in accordance with all legal obligations.

Each MDC will need to adopt and remain committed to good governance principles.

MDC-1 – Norfolk County Tourism Corporation Board

The Board of Directors is anchored in a governance structure that retains municipal (Norfolk County) oversight, ensuring that funding secured through the MAT and other potential sources (grants and in-kind services) is effectively allocated in accordance with County-approved tourism plans and strategies, provincial initiatives and programs, in a manner that maximizes visitation opportunities, supports ongoing brand development, destination marketing efforts, and bolsters private-sector investment in tourism and tourism-supportive enterprises in Norfolk.

Size/Composition:

7-9 directors

- **Council Representatives:** Mayor (1) + Councillor (1)
- **County Staff:** CAO (1) + Director of Economic Development or alternative (non-voting 1)
- **Skills-Based Directors:** private sector and community members selected through competitive recruitment and ultimately appointed by Council (3-5).

Skills-Based Director Required Competencies:

- Destination marketing and tourism strategy;
- Tourism product and attraction development;
- Hospitality and accommodations sector expertise
- Training, education or workforce-development expertise;
- Digital and social media marketing;
- Event and festival management;
- Finance and accounting (preferably with not-for-profit experience);
- Governance and legal/regulatory affairs.

Board Leadership: Importantly, the Board Chair will be elected by the Board from among private-sector members rather than automatically held by the Mayor. This deliberate choice signals professional independence, business-oriented governance, and appropriate distance from direct political control - essential for external stakeholder confidence and business partnerships. The Mayor participates fully as a voting director without serving as Chair.

Board Terms: Staggered 2-4-year terms, with a maximum of two consecutive terms, ensuring continuity while allowing regular renewal, refresh of expertise, and new perspectives. Members of Council appointed to the Board shall hold office for a term concurrent with their Council term, or until their successors are appointed.

Advisory Committee: The Board shall establish an advisory committee of accommodation providers both traditional hotel and motel as well as short-term rental providers to provide input and demonstrate a commitment to transparency and collaborative decision-making on marketing Norfolk County as a tourism destination.

MDC- 2 – Norfolk County Asset Development Corporation Board

The Board of Directors is anchored in a governance structure that retains municipal (Norfolk County) oversight of public real estate assets that support the strategic objectives of local and regional economic development activities, including, but not limited to, recreation, waterfront development, industrial land development, job creation, and tourism. The Board shall oversee strategic acquisitions, real estate transfers (including the transfer of legacy or surplus municipal assets), and the pursuit of innovative public-private partnerships, all fulfilled through transparent and well-informed processes.

Size/Composition:

7-9 directors

- **Council Representatives:** Mayor (1) + Councillor (1)
- **County Staff:** CAO (1) + Director of Economic Development (non-voting 1)
- **Skills-Based Directors:** private sector and community members selected through competitive recruitment and ultimately appointed by Council (3-5)

Skills-Based Director Required Competencies:

- Real estate development and land use planning;
- Industrial and commercial property development;
- Waterfront and marina asset management;
- Infrastructure and project finance;
- Public-private partnerships and commercial negotiation;
- Corporate and real estate law;
- Risk management and financial analysis.

Board Leadership: Importantly, the Board Chair will be elected by the Board from among private-sector members rather than automatically held by the Mayor. This deliberate choice signals professional independence, business-oriented governance, and appropriate distance from direct political control - essential for external stakeholder confidence and business partnerships. The Mayor serves as a voting member but does not serve as the Chair.

Board Terms: Staggered 2–4-year terms with a maximum of two consecutive terms, ensuring continuity while allowing regular renewal of expertise and fresh perspectives. Members of Council appointed to the Board shall hold office for a term concurrent with their Council term, or until their successors are appointed.

Advisory Committees: The Board shall establish advisory committees aligned to the two business units of the MDC. This will provide additional opportunity for the community and key stakeholders and user groups to provide input and demonstrate a commitment to transparency and collaborative decision-making on assets.

Roles, Responsibilities, and Authority for new MDCs

The following general roles, responsibilities, and authority applies to both the proposed MDC-1 and MDC-2 organizations.

Clear organizational accountability is established through distinct but complementary roles:

Council as Shareholder bears ultimate responsibility for:

- Approving incorporation and shareholder direction
- Appointing all board members through a skills-based recruitment campaigns and fair evaluation process
- Reviewing and approving annual business plans and budgets
- Approving major strategic and financial decisions (capital investments above thresholds, borrowing, material asset transfers, dividend distribution policies, dissolution decisions)
- Receiving quarterly briefings and comprehensive annual reports
- Convening Annual General Meetings

Board of Directors provides strategic leadership within the Council-established mandate by:

- Establishing strategic direction, business plans, and major policy frameworks
- Approving corporate policies (risk management, HR, procurement, conflict of interest, codes of conduct)
- Hiring, compensating, evaluating, and if necessary, terminating the Executive Director
- Approving major contracts and partnerships within delegated authority
- Overseeing financial performance through regular statement review and variance analysis

- Managing organizational risk through audit oversight, insurance, and compliance monitoring
- Establishing and monitoring Key Performance Indicators
- Conducting annual self-evaluation for governance effectiveness

The Executive Director for each MDC provides operational leadership by:

- Developing and implementing corporate strategy aligned with Board direction
- Overseas day-to-day operational management and staff leadership
- Represents the Corporation to any and all external stakeholders and government agencies
- Reports regularly to the Board on performance and strategic progress

Delegation of Authority Policy specifies financial and contractual thresholds for different organizational levels, with Board approval required for major commitments and Council shareholder approval required for strategic decisions.

6.2 Operational Management Structure

The operational model should, by design, be lean and scalable, leveraging existing County Economic Development Staff and municipal administrative infrastructure through formal Service Level Agreements rather than creating duplicate corporate overhead. This approach reflects fiscal responsibility while maintaining operational effectiveness.

MDC-1 Norfolk County Tourism Corporation Operations & Staffing

Mandate: A destination marketing organization promoting Norfolk County as a tourism destination, using Municipal Accommodation Tax revenues in accordance with Ontario Regulation 435/17 (requiring a minimum of 50% of net MAT revenues for destination marketing activities).

Initial Staffing: During the initial start-up, no new staffing will be required for MDC-1. The County's Economic Development Department will carry out the Corporation's business planning, budgeting, program delivery and reporting while retaining their employee status and seniority with the County. MDC-1's MAT funds

will be used to augment the County's current Tourism marketing efforts and guided by the directions of the Board and the Economic Development Department. This is a common staffing approach for this type of MDC, as highlighted in Section 3 with the Brantford Tourism Municipal Services Corporation and others across the province.

County staff will work with the Board of Directors and Advisory Committee to align the County's tourism efforts with insights and guidance from the tourism industry in Norfolk County. This will leverage funds generated by the MAT to further enhance the County's current tourism marketing efforts.

- **Executive Director**: An Executive Director role, would be needed as the designated officer to implement board decisions, sign documents, and provide operational accountability. For MDC-1's start-up period (length to be determined by Board once operating), Council could appoint the Director of Economic Development as the interim Executive Director. They will serve as the link between the County and MDC-1 and ensuring coordination of policies, budgets, risk management, and communication with Council as the sole shareholder.

Future Staffing: As the programming and operations of the Tourism MDC are established and supported by the County's Economic Development Department, the Board may consider funding **one new full-time dedicated tourism specialist** from the MDC's annual dedicated MAT funds. This would need to be proposed in the MDC's annual business plan and budget, which would be approved by Council. This new FTE could be an employee of the County within the Economic Development Department but funded through the MDC-1's MAT funds.

Services from Norfolk County via Service Level Agreements:

- **Finance:** Budget development, accounting, accounts payable/receivable, payroll, audit coordination
- **Human Resources:** Recruitment support, performance management, benefits administration, labour relations
- **Information Technology:** Email and systems access, website hosting, accounting software, cybersecurity
- **Communications:** Media relations, graphic design, branding alignment
- **Legal:** Contract review, governance documentation, regulatory compliance

Proven Model: This lean model mirrors the successful Brantford Tourism Municipal Services Corporation, which focuses resources on strategic marketing and partnership development rather than corporate overhead. The Tourism

Corporation would enhance the County's current tourism marketing efforts by leveraging MAT funds to promote tourism assets and experiences to external audiences.

MDC-2 Norfolk County Asset Development Corporation Operations & Staffing

Mandate: Maximize the value of the Port Dover Harbour Marina and other real estate assets through professional management, strategic development, and partnership, creating economic opportunity and sustainable returns for the County.

The Asset Development Corporation would initially require a small staff, beginning with a full-time Executive Director and a Marina Business Development Manager responsible for implementing the business plan for the Port Dover Harbour Marina. As additional projects and assets are identified, and as Council directs the Corporation to pursue them, the team would expand to include additional project managers over time. These managers would be assigned as new opportunities arise and as corresponding development strategies are created and executed. The team would also draw on technical expertise from professional consultants to complete studies and analyses that support informed investment decisions.

Establishing an MDC-2 does not eliminate the need to maintain the County's in-house real estate services nor would it replace or alter requirements under the Planning Act. The MDC will be a complementary tool to advance the County's marina asset and real estate objectives. County Staff will continue to be responsible for reviewing and approving all Planning Act applications and other regulatory approvals, MOE, Building Code, etc.

The County's Economic Development Department will also work along side MDC-2 to help market the marina as a tourism asset and support the development of investment-ready industrial lands.

Dual Business Units:

- **Unit A: Marina Business:** Management and optimization of Port Dover Harbour Marina for financial sustainability, customer service excellence, strategic capital planning, partnership development, and public access stewardship. At least for the initial transition period, marina operations would be staffed by the current Marina Manager and seasonal County staff until the Board of Directors and Executive Director evaluate optimal operational delivery.

- **Unit B: Industrial and Real Estate Development:** Strategic land acquisition, development feasibility analysis, public-private partnership negotiation, land marketing and disposition. This business unit would be phased-in as projects and funding are identified.

Core Staffing - Initial Phase:

- **Executive Director** (full-time): Corporate strategy, financial oversight, partnership leadership, strategic initiatives, staff management
- **Manager, Marina Business Development:** Marina strategy and pricing, capital planning, new revenue development, user relationship management. (The current Marina Manager and seasonal County staff would continue to manage daily operations and customer service without any changes to status as Norfolk County employees)
- **Manager, Industrial and Real Estate Development:** Market analysis, site identification, development opportunity evaluation, developer negotiations, deal structuring (This position would be created only when funds and projects are identified through a business case that would be approved by Council)

Staffing Transition Approach for Marinas: Because most marina positions are seasonal and recruited each year, MDC can progressively adjust staffing models, job descriptions, and reporting relationships over the first two operating seasons, ensuring that changes are implemented in a controlled manner that maintains service continuity and customer service standards. In this phased approach, the marina manager and seasonal staff could transition to direct MDC employees no earlier than Year 3, following an assessment of operational performance and business needs and subject to applicable labour and employment requirements and the approval of Council.

Services from Norfolk County:

- **Finance:** Budget development, accounting, accounts payable/receivable, payroll, audit coordination
- **Human Resources:** Recruitment support, performance management, benefits administration, labour relations
- **Information Technology:** Email and systems access, website hosting, accounting software, cybersecurity
- **Communications:** Media relations, graphic design, branding alignment
- **Legal:** Contract review, governance documentation, regulatory compliance

The initial operations of MDC-2 should have limited impact on the need for additional services and resources provided by the County as the only asset under management will be Port Dover Harbour Marina. Shared services should be reviewed annually as MDC-2 matures. MDC-2 and the County may want to determine whether MDC-2 should undertake its own procurement or remain with the County, a decision to be evaluated by the County and the Board of MDC-2.

Staffing Scalability: The initial lean model (i.e. 2 FTE plus administrative support) is focused specifically on the Port Dover Harbour Marina asset and does not include Business Unit B. MDC-2 can scale in the future based on the actual real estate project pipeline and the resource requirements to address special projects or as files arise. This is comparable to other successful Ontario MDCs like Brant Municipal Enterprises, which uses a similar staffing approach. It is expected that staffing levels within Marina Business Unit A would be self-sustaining as the corporation matures.

6.3 Reporting Relationships & Council Accountability

Relationship Between MDC(s) and Norfolk County:

Balancing independence with oversight requires clear accountability mechanisms that protect the public interest while respecting arm's-length governance. Both proposed MDCs must maintain a clear governance relationship with Norfolk County Council while operating with sufficient independence to make business decisions efficiently. Recommended governance relationships include:

1. **Shareholder Relationship:** Norfolk County, as the sole shareholder, exercises governance through: (1) Board appointment/approval; (2) Annual General Meeting; (3) shareholder resolutions; (4) receipt of annual reports.
2. **Strategic Alignment:** MDC mandates must remain aligned with Norfolk County Strategic Plan and Council priorities, achieved through: (1) regular Board briefings to Council; (2) annual business plan approval by Council; (3) strategic goals integration.
3. **Operational Independence:** MDC Board and Executive Directors have the authority to make routine operational decisions without Council approval. Council involvement reserved for: (1) changes to mandate; (2) major capital

expenditures outside budget; (3) asset transfers; (4) dividend policies; (5) dissolution decisions.

Council Reporting Requirements

Norfolk County Council should receive regular MDC reporting, including:

1. Annual Report (comprehensive): Financial statements (audited), strategic progress against KPIs and Board meeting summaries
2. Annual Business Plan and Budget (aligned with municipal budget cycle): Strategic plan for upcoming year; detailed budget; capital requirements; staffing; risk assessment
3. Ad-Hoc Reports (as required): Major decisions (partnerships, acquisitions, significant expenditures); risk issues; performance concerns

Recommended reporting schedule: Quarterly reports to Council in Committee ; annual comprehensive report to full Council. Reports would be prepared by the Executive Directors of the MDCs with input and endorsement from the Boards.

Key Performance Indicators and Reporting Framework

KPI Design Principles:

- Specific and quantifiable wherever possible;
- Directly aligned with core responsibilities and strategic mandate(s);
- Balanced across financial, operational, and strategic dimensions;
- Achievable with available resources and appropriate capacity;
- Benchmarked against prior years and external comparators.

MDC-1 Norfolk County Tourism Corporation KPIs:

- Marketing campaign metrics (reach, engagement, website traffic, social media followers);
- Industry partner satisfaction (annual survey of accommodation and tourism businesses);
- Number of tourism products developed or enhanced;
- Annual visitor spending (year-over-year growth);
- Average length of stay;

- Hotel and motel occupancy rates (seasonal and annual);

MDC-2 – Norfolk County Asset Development Corporation - Marina Business Unit:

- Annual slip occupancy rate during season;
- Revenue per slip;
- Operating margin (revenue less direct operating costs);
- Customer satisfaction ratings;
- Capital projects completed and deferred maintenance addressed;
- Value-added services or partnerships initiated;
- Business development activities and results.

MDC-2 Norfolk County Asset Development Corporation – Real Estate Development (Industrial) Business Unit:

- Acres of industrial land identified or acquired;
- Number of industrial sites serviced and ready for development;
- Development agreements or partnerships signed;
- Industrial land sold or leased to end-users;
- New businesses attracted and jobs created/retained;
- Ratio of private to public capital invested.

The KPIs for this business unit are highly dependent on if the unit has a real estate project or portfolio under management. Reporting may be limited if the unit is not tasked with any development or mandate provided.

Reporting Cadence: Quarterly summary reports to Council as part of routine briefings; comprehensive analysis with trend data and prior-year comparisons provided annually as part of MDC-2's comprehensive Annual Report.

6.4 Managing Governance Complexities: MOUs and Shared Services, Staffing

The success of a lean, shared-services model depends on well-drafted, clearly understood agreements that address the scope of services, performance standards, cost allocation, and dispute-resolution procedures. **It would be expected that the MDCs would pay the County for shared services as described in the Agreements**.

Service Level Agreements and Memoranda of Understanding

Comprehensive Service Level Agreements should be executed between Norfolk County and each corporation, addressing specific services required:

Finance Service Level Agreement:

- Services: Budget development, accounting, accounts payable/receivable, payroll, audit coordination, annual reporting
- Performance Standards: Monthly financial statements within 15 days of month-end; quarterly audit meetings; annual audit completion within 120 days
- Cost Methodology: Direct costs charged monthly; allocated overhead charged annually based on proportional use
- Contacts: Designated representatives for coordination and problem-solving
- Review: Annual assessment of continuing mutual fit

Human Resources Service Level Agreement:

- Services: Recruitment support, benefits administration, payroll processing, performance management framework, labour relations consultation
- Performance Standards: New user setup within 3 business days; routine recruitment within 60 days; payroll by established deadlines
- Cost Methodology: Direct recruitment costs plus allocated HR overhead

Information Technology Service Level Agreement:

- Services: Email and collaboration systems, accounting software, website hosting, cybersecurity, backup and recovery, system support

- Performance Standards: New user setup timelines, routine request response times, priority incident response, regular maintenance schedules
- Agreement: IT security updates applied consistently with municipal standards and best practices

Legal Service Level Agreement:

- Services: Contract drafting and review, governance documentation, compliance review, real estate services, regulatory interpretation
- Performance Standards: Routine contract review within 15 days; urgent matters within 5 days; timely governance document preparation
- Cost Methodology: Hourly rates for legal services plus allocated overhead

Annual Reviews: SLAs are reviewed annually or at a minimum once every three years. Either party may propose adjustments based on changed circumstances, new requirements, or organizational evolution. Formal written agreements create contractual obligations for both parties. Dispute resolution procedures allow escalation to senior management (CAO and Executive Director) for resolution if needed.

6.5 Conflicts of Interest, Transparency, and Ethical Standards

Robust governance frameworks that address conflicts of interest and ethical issues are essential to maintain public trust and prevent both actual conflicts and the appearance of impropriety.

Board & Staff Code of Conduct

Each corporation should adopt a comprehensive Board and Staff Code of Conduct establishing clear expectations for:

- Professional and respectful conduct in Board interactions and deliberations;
- Adherence to all applicable laws and corporate policies;
- Confidentiality of proprietary and personal information;
- Appropriate use of corporate resources and information;
- Professional representation to external stakeholders and media;

- Consequences: Violations may result in disciplinary action up to Board, resulting in potential removal or employment termination.

Conflict of Interest Policy

MDCs in Ontario are generally treated as "local boards" or municipally controlled corporations. Directors and members of council serving on them are subject to both the Municipal Conflict of Interest Act (MCIA) and the municipality's conflict-of-interest and code-of-conduct rules. This means they must identify, disclose, and refrain from participating in matters before the corporation where they have a direct or indirect pecuniary interest, similar to council obligations.

Like other municipalities, Norfolk County could extend its conflict-of-interest framework to any new MDC by using the incorporation, shareholder, and bylaw documents to ensure that MCIA-style and County Code of Conduct obligations expressly apply to the MDC's board, officers, and staff. The goal is to ensure that council members on the MDC board remain bound by the MCIA and the Council Code of Conduct, while private directors and officers are bound by an MDC-specific conflict-of-interest policy that closely mirrors Norfolk's existing policies.

Common conflict of interest policies normally include provisions that:

- Defines conflicts to include direct financial interests, employment relationships, family relationships, and indirect interests through associates;
- Requires proactive disclosure of potential conflicts in advance of or during meetings;
- Mandates recusal from discussion, Board meetings, voting, and receipt of materials for conflicted persons;
- Document all declared conflicts and instances of recusal in Board minutes for transparency;
- Requires that transactions involving Board members, staff, or relatives undergo full disclosure, merit evaluation, formal Board approval (with recusal), and thorough documentation;
- Establishes enforcement procedures, including potential suspension or removal from Board or employment termination.

Critical Principle - Separation of Regulatory Planning Function: The Asset Development Corporation (MDC-2) will not exercise or unduly influence planning or regulatory authority in relation to its own development projects, or partnership projects within which it is engaged. Norfolk County's Planning, Building, and

Infrastructure departments remain completely independent. Corporation projects are treated as external applicants receiving standard municipal processing without priority or special consideration. This separation is critical to avoid conflicts and ensure regulatory decisions appear independent.

Public Transparency and Accountability

Multiple mechanisms maintain transparency and public confidence:

- **Board Meeting Materials:** Agendas and minutes made public with appropriate exclusions (personnel, competitive negotiations, legal privilege, confidential matters, etc.)
- **Annual Reports:** Comprehensive documents that are made available to the general public
- **Significant Decisions:** Major partnerships, capital expenditures, property acquisitions disclosed to public and Council
- **Community Engagement:** Significant initiatives involving waterfront redevelopment or industrial land development include public engagement as maybe statutorily required
- **Website:** Current governance information, board member qualifications, mandate, strategic direction, annual reports, financial statements, KPI metrics, contact information, stakeholder feedback mechanisms

Draft Terms of Reference for both MDC-1 Norfolk County Tourism Corporation and MDC-2 Norfolk County Asset Development Corporation have been developed and provided in **Appendix A1 and A2.**

7 County Investment Assessment

Municipal Development Corporations are typically funded through a mix of municipal funding contributions, land and asset transfers, external debt, and project-generated revenue, with the goal of becoming financially self-sustaining over time rather than relying permanently on the municipal tax base.

The strategic two-corporation model proposed in this assessment offers the County the opportunity to establish and invest in two MDCs, which would generate a quick revenue stream for MDC-1 through MAT funds and provide a path to self-sustainability for MDC-2 by transferring the Port Dover Harbour Marina into MDC-2's control to pursue new and enhanced business opportunities.

7.1 Funding Requirements

Norfolk County's commitment to establishing and operating Municipal Development Corporation(s) will require strategic capital investment structured to generate both direct financial returns and substantial indirect economic development benefits. This investment should be understood not as an ongoing, permanent subsidy, but rather as seed capital enabling professional management of municipal assets and the deployment of revenue sources that, over time, will generate net financial returns to the County exceeding the initial investment.

The investment philosophy underlying this recommendation is grounded in proven economic development practice: modest upfront capital investment in organizational infrastructure and asset optimization yields significant returns through improved asset performance, professional industry participation, expanded economic activity, and increased municipal revenue streams.

MDC-1 Norfolk County Tourism Corporation – County Investment

Modest Initial County Investment Required

It can be assumed that there will be nominal (or "modest") costs required to establish the proposed MDC-1 Tourism Corporation, including business registration fees, acquisition of accounting software, and County staff costs to perform the Corporation's initial financial and administrative functions.

The costs, ideally, would be funded by the County through a start-up loan to be repaid by the Corporation once the Corporation receives remittances from Municipal Accommodation Tax (MAT) revenues.

Repayment of the start-up loan could be made within the first or second year of operations, **as gross revenues are projected to exceed $700,000** based on the associated Municipal Accommodation Tax Feasibility Study. This "start-up" loan facility is a common practice in most other Ontario communities that have implemented a MAT and created an MDC to serve as their designated 'eligible tourism entity' for MAT.

The start-up costs for MDC-1 are estimated to be between $20,000 and $30,000.

As there are no recommendations for new dedicated full-time or part-time staff with MDC-1, it does not require a large start-up cost and is relatively inexpensive while unlocking a new revenue stream through the MAT. The viability of MDC-1 is entirely contingent on whether the County adopts the MAT and designates MDC-1 (as proposed) as the dedicated 'eligible tourism entity'.

No Need for Ongoing County Investment or Funding

The County would have no need to provide any additional funding to MDC-1 through the municipal levy for its operations. The MDC-1 Tourism Corporation's main source of funding would be the minimum 50% of the proceeds from the County's annual MAT revenues transferred to MDC-1. The creation and management of an annual operating budget will be the responsibility of the Tourism Corporation's Board of Directors, supported by the County's Economic Development Department and approved by Council annually. They will have a dedicated and predictable annual revenue stream from the County's MAT revenues to plan annual tourism marketing activities and will need to operate within its limits.

Any additional staffing considerations for MDC-1 Tourism Corporation could be funded directly through the Corporation's budget with no additional County budget implications. Any impacts to the County's staffing through service level agreements could be funded by MAT revenues.

The Board of Directors should evaluate the additional staffing needs once MAT revenues are annualized, and the Board has had at least one or perhaps two years of operations under its belt to determine its go-forward strategy, activities and needs.

The Corporation will have flexibility to generate additional revenue through partnerships and grants, as available, to further enhance its annual activities.

Return on Investment

The County will not only establish a dedicated tourism marketing organization funded through a dedicated MAT revenue tool, but it will also receive the remaining 50% of MAT funds annually for tourism-related infrastructure and programming investments, which it can deploy quite broadly.

MDC-1's operations will have no impact on the County's tax levy, as revenues are solely derived from the County' MAT program. The activities of the Tourism Corporation should also increase overnight stays in Norfolk County, which will ultimately increase overall MAT revenues annually.

MDC-2 Norfolk County Asset Development Corporation – County Investment

Initial County Investment

Unlike MDC-1, the Asset Development Corporation (MDC-2) will require a significant initial investment from the County. Start-up costs (legal, corporate set-up, etc.) and recruitment costs for hiring an Executive Director and a Marina Business Development Manager could range from $250,000 to $500,000. The County's initial investment may be structured as a contribution, an equity investment, or a shareholder loan, as set out in the shareholder direction and business plan. Council should determine the exact form once the detailed marina business case is approved and further support the MDC-2 business case.

However, as the Port Dover Harbour Marina (PDHM) would be the core asset and priority within MDC-2, the County could transfer the marina into MDC-2, providing its real assets (land, buildings, dock slips, etc.) and a defined revenue stream from day one of operations. This would result in the County also transferring the

marina's existing capital requirements to MDC-2. This potential also opens the opportunity to pursue new grants and partnership opportunities to increase marina revenues.

Consideration could be given to using funds from the marina's operating surplus to start MDC-2 operations, including staff recruitment. This would unlock the capacity to seek new revenue streams for PDHM, which could be reinvested in the asset management of the marina. In addition, a start-up loan (similar to MDC-1) could be used to supplement start-up costs without impacting the entire marina surplus and could be repaid to the County over a five-to-ten-year period as operational surplus are expected to increase.

The financial expectation for the MDC-2 Asset Development Corporation, would be to implement the marina's business plan and begin executing a targeted sustainability plan to meet capital investment requirements over the next decade. This would be particularly focused on exploring new revenue-generation opportunities, including development opportunities within the marina's landholdings.

It can be assumed that MDC-2 would require significant County funding to play a meaningful role in the industrial land development market in southwestern Ontario. In practical terms and given that MDC-2 is starting with no land assets (beyond the marina), expanding its mandate **to operate as a master developer would likely require an initial capital commitment in the order of $10–$20 million for strategic land acquisition and servicing**. This level of investment reflects typical per-acre costs for assembling and servicing industrial land in Ontario and is comparable to what other municipalities have committed to launch or expand industrial parks in competitive markets. The intent is that this capital functions as recoverable, **patient investment** rather than a permanent subsidy, with MDC-2 using it to either partner or acquire and service sites, then recycling proceeds from land sales, leases, and partnerships back into the County and into future projects over time.

Ongoing County Investment or Funding

The need for ongoing County investment and funding is dependent on the success of the two business units proposed in the MDC-2 (PDHM Management and Real Estate Development).

For the business unit managing Port Dover Harbour Marina, it would be expected that there would be minimal need, as the County would be providing MDC-2 with a self-funded asset through marina operating surpluses and the ability to pursue new commercial and partnership revenue streams. On a case-by-case basis, MDC-2

could request a loan from the County for Council consideration to support capital investment projects.

For the business unit managing real estate development, ongoing county investment and funding would be completely dependent on the real estate project at the time. Before any project is undertaken a clear business case would be developed and approved by Council. The plan would set out the anticipated costs and expected development timeline to provide a decision whether to invest or not. Over time as real estate projects materialize, the MDC would be expected to recycle proceeds from land sales, lease, and partnerships to reduce reliance from the County.

Return on Investment

The ROI for MDC-2 Asset Development Corporation is about converting County effort and risk into higher, more predictable financial and economic returns than status-quo conditions.

The core payoff is that every dollar the County puts into MDC-2's assets and capital is intended to come back, over time, as a mix of cash (land value uplift), taxes/assessment (reducing vacant land), and broader benefits such as economic diversification, job creation, building permit growth and the increased profile that Norfolk will garner though awards/accolades/news stories attributed to the a proactive, innovative government approach.

The County's investment and PDHM asset transfer delivers critical non-monetary returns:

Operational Excellence – The County gains access to specialized business development expertise currently unavailable within the County administration, focused on revenue optimization and a clear path toward self-sustainability.

Community Stewardship – Public ownership and County governance controls are preserved and safeguarded. PDHM remains accountable to Council while partnership-enabled development (land, commercial and tourism) activates the waterfront and generates indirect economic benefits in the community, and beyond.

Risk Mitigation – Operational and commercial risks are transferred from taxpayers to a professionally governed entity, while County shareholder authority retains oversight and intervention capacity if performance falters.

Governance Innovation – Norfolk County demonstrates a replicable model for managing public assets through a hybrid structure, enhancing the County's ability

to undertake innovative projects, partnerships and unique land development opportunities that increase (and diversify) the County's tax base.

7.2 Financial Sustainability and Long-Term Funding Model

Municipal Development Corporations (MDCs) are financially sustainable only when they have predictable and/or diversified revenue sources tied to development activity, disciplined debt controls matched to long-lived assets, and a strategic focus.

The proposed strategic two-corporation model provides immediate financial sustainability for MDC-1 and MDC-2, with a financially viable asset (PDHM) on the path to self-sufficiency.

MDC-1 Norfolk County Tourism Corporation

Once established and the start-up loan ($20,000 - $30,000) is repaid to the County, the Tourism Corporation will have achieved a sustainable financial operating model. Operating revenues flow primarily from the County's Municipal Accommodation Tax allocation for the MDC-1 which could be approximately $334,000 annually after administrative fees incurred by the County. It is anticipated that as the accommodation inventory increases, MAT compliance increases, and occupancy and rates rise, the annual contribution will also increase, based on the successful collection and remittance of the County's MAT program. The table below provides a five-year financial projection for MDC-1 based on a projected scenario with a 2% inflation increase annually demonstrating the financial sustainability of MDC-1.

MDC-1 Five Year Financial Projection

MDC-1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
County Investment						
Start-up loan	20,000					
Revenue						
Total Municipal Accommodation Tax Collection [1]	-	668,000	681,360	694,987	708,887	723,065
MDC-1 Portion 50% of Revenue Grants and Sponsorships [2]	-	334,000	340,680	347,494	354,443	361,532
Total Revenue	**-**	**334,000**	**340,680**	**347,494**	**354,443**	**361,532**
Operating Expenses						
Debt Repayment [3]		(20,000)				
Administration (10%) [4]	-	(31,400)	(34,068)	(34,749)	(35,444)	(36,153)
Activities (90%) [5]	-	(282,600)	(306,612)	(312,744)	(318,999)	(325,379)
Total Expenses	-	(334,000)	(340,680)	(347,494)	(354,443)	(361,532)
Excess of Revenue over Expenses	-	-	-	-	-	-

1 Total net County MAT funds after administration costs. Year 2- 5 include an estimated 2% inflationary increase.

2 To be determined by the Board and executed by allocated resources based on a budget

3 Repayment for County's MDC-1 start-up loan for establishing MDC-1

4 Based on market data it is estimated that administrative costs account for 10% of operating expenses. Ths would include a shared service agreement which MDC-1 would pay for County Services (i.e, IT, Finance, etc.)

5 Based on market data from similar corporations. The activities undertaken would be determined by the annual business plan and budget that is is approved by Council.

Additional operating revenues can be generated through sponsorships and partnerships with tourism businesses and organizations, as well as potential grant funding from provincial tourism development programs. These revenue sources would collectively provide approximately $100,000+ in additional annual operating revenue.

MDC-2 Norfolk County Asset Development Corporation

The financial sustainability of MDC-2 Asset Development Corporation is whole dependent on the executive leadership and the board's strategy to ensure a viable business case for managing and developing the accumulation of assets under MDC-2's ownership and direction over time. As part of the governance model, the County, as the sole shareholder, will have oversight and ultimate approval of MDC-2's annual budget and business plan. This could include Council mandating the Corporation to be profitable within a certain time frame (5, 7 or 10 years) and repayment timeline expectations for the County's start-up investment.

Port Dover Harbour Marina – Business Unit A

The MDC-2's Marina Business Unit would be responsible for implementing the County's business plan and further refining it based on professional expertise that would ensure a financially sustainable operating model.

The long-term funding model for MDC-2's management and oversight of PDHM would continue to operate on a predominantly user-pay basis, with slip fees, storage fees, and fuel sales, and by pursuing new development and commercial revenue innovations. This would provide the primary funding for both day-to-day operations and long-term capital renewal of the marina. This model positions the marina as a self-sustaining operation, reduces pressure on the County tax levy, and creates a direct link between service levels, pricing, and investment in capital requirements. **Surpluses would not be treated as general revenue but would be reserved within MDC-2 to fund the required capital marina projects that ensure ongoing self-sustainability.**

To finance major capital projects, the MDC may supplement marina user-fee revenues with carefully structured long-term debt and targeted grant funding, provided that any borrowing complies with applicable municipal debt limits and is supported by a sustainable repayment plan tied to projected operating cash flows and reserve contributions. Grants from senior levels of government and agencies could also be leveraged to reduce borrowing needs.

Where appropriate, the MDC can also deploy targeted partnerships to bring in private investment and operational/technical expertise for specific components, such as new developments, services, and commercial opportunities, while retaining public ownership of the marina. Under these arrangements, private-sector partners finance and operate defined assets under long-term leases or concessions, with base rent and revenue sharing flowing back to the MDC-2's marina operations.

Real Estate Development – Business Unit B

The long-term sustainability of this business unit is entirely incumbent on land development assets which come to the attention of the MDC-2 via:

- direct acquisition of private land (purchased at fair market value);
- Partnership opportunities and joint-ventures with private landowners to develop specific projects that have economic benefit to the County; and
- transfer of public land assets from the County, utilities or other levels government (i.e. surplus lands).

The activities of this business unit can be addressed and evaluated on a project-by-project (asset-by-asset) basis. The MDC will be positioned in the Norfolk market as an active and motivated buyer of non-residential lands that meet certain, predefined, Board-established parameters, such as:

- minimum-maximum size;
- minimum maximum price range;
- specific OP/Zoning characteristics;
- specific location/visibility/access parameters.

The MDC will provide public notice at pre-established intervals (annually), inviting interested landowners to present their lands for a formal offer to the MDC. Based on the quality of submissions, the Corporation, with the consent of Council, may choose to enter negotiations with one or more vendors at Council's direction.

Any lands acquired through this process shall be held by MDC-2 for immediate or future development in accordance with its mandate to add value (through planning, serving, subdivision, lot creation, etc.) or to market "as-is" to end-users (supporting new business growth) or institutional-grade buyers.

Profits from any MDC-2 land transactions will be shared with the County as a dividend, with a portion retained by the MDC to sustain operations and future transactions.

8 Comprehensive MDC Business Case Summary

8.1 Strategic Rationale and Mandate Definition

The establishment of two MDCs is strategically justified and prudent based on **regulatory requirements, operational characteristics, organizational capacity, stakeholder support, and demonstrated financial viability** evident in comparable Ontario municipalities.

The establishment of two MDCs, as proposed in this report, provides the Norfolk County with an opportunity to onboard ("activate") key provincial policy innovations designed specifically to support financial revenue options for local and regional development. Municipalities across the province – large and small – have successfully embraced MDCs as a tool to help get things done.

The MDCs outlined in this report ensure that Norfolk County is not leaving anything on the table.

Regulatory Requirements and Compliance Framework

Ontario Regulation 435/17 - The Binding Requirement:

Ontario Regulation 435/17 is explicit and unambiguous: a municipality implementing MAT must direct at least (a minimum) of fifty percent of net MAT revenues to a not-for-profit entity designated as the 'eligible tourism entity'. This is not discretionary or subject to flexible interpretation. It is a binding regulatory requirement that precludes MAT revenue from flowing to a for-profit corporation.

Therefore: If Norfolk County implements MAT - which stakeholder engagement and tourism analysis strongly support and acknowledge as *beneficial* - the County **must establish a not-for-profit entity** to serve as the designated eligible tourism entity and MAT recipient.

Regulatory Authority:

- **Municipal Act Section 203:** Provides municipalities may incorporate corporations for any purpose related to economic development
- **Ontario Regulation 599/06:** Governs municipal services corporations; establishes governance and operational framework
- **Proposed governance structures for Norfolk County** would be fully compliant with all regulatory requirements

Benefits of a Norfolk County Tourism Corporation (MDC-1)

The benefits of establishing a Municipal Development Corporation include:

- ✓ Satisfying the Province's requirements for a not-for-profit tourism entity to serve as an Eligible Tourism Entity that utilizes a minimum of 50% of the MAT revenues;
- ✓ The Municipal Development Corporation model provides accountability, corporate responsibility and reasonable controls through the role of a Board of Directors consisting of voting members;
- ✓ Ensures the work of the Municipal Development Corporation promotes and supports tourism and contributes to local economic growth and development specific to Norfolk County;
- ✓ Tourism stakeholders as members of the Board participate directly in setting priorities, budgets, and business plans giving them a structured voice in how MAT funds are allocated for tourism marketing and promotion.

Because no 'eligible tourism entity' currently exists in Norfolk County, the County is best positioned to advance the MAT's funding tool through a dedicated MDC, the Norfolk County Tourism Corporation (MDC-1). Establishing this entity will give Norfolk County a financially self-sustaining organization focused on promoting and marketing the region as a premier tourism destination. By driving increased visitation and overnight stays, the Corporation will not only enhance revenues for the County's MAT program but also generate additional resources that can be reinvested into tourism infrastructure, local business support, and new business development—ultimately strengthening the regional economy and expanding the County's tax base.

Benefits of a Norfolk County Asset Development Corporation

The opportunity to create an alternative path for Port Dover Harbour Marina – a signature municipal asset - through the creation of MDC-2 provides an alternative framework that safeguards enduring public ownership and a new management platform with the County as its sole shareholder.

The benefits of this model are summarized as follows:

- ✓ Fill the resourcing gap with a dedicated business development staff member and a professional board of directors to ensure financial sustainability and pursue investments that benefit County residents.
- ✓ Explore strategic land development opportunities at the marina for suitable commercial or community-scale development
- ✓ Enable strategic partnerships with new businesses, service providers, and place-making interests that help integrate the marina lands more deeply into the central-area fabric of Port Dover and its downtown.
- ✓ Enable better operational flexibility by bypassing bureaucratic processes that encumber the unique circumstances of a marina.
- ✓ Alignment with customer expectations and competitive positioning vis-à-vis other marina operations in the local boating market.

Industrial Land and Economic Development Dimension:

- **Current State:** Over the years, the County and its legacy municipal entities have depleted the inventory of publicly owned industrial land. Today, Norfolk County has virtually no lands suitable for industrial development. Stakeholders agree that prevailing industrial real estate conditions in Norfolk are anemic, at best. A new Municipal Development Corporation (MDC-2) is intended to invigorate fresh investment momentum, specifically aligned with key sectors or generation-defining ("moonshot") economic development projects as they arise. The key is to be prepared.

MDC-2 Advantages:

- ✓ Provides an opportunistic land acquisition, landholding, and value-enhancement vehicle, if (or when) strategic parcels become available in Norfolk County, which could serve the long-term interest of the County.
- ✓ MDC-2 will have the opportunity to bid on or declare a formal interest in the disposition of public lands in the county.

- ✓ Provides professional evaluation of development opportunities and partnership potential.
- ✓ Enable public-private partnership and collaborative business structures leveraging private capital and expertise.
- ✓ Maintains a proactive posture with business-focused management that is expertly skilled and well-suited to commercial and industrial real estate.

8.2 Organizational Readiness and Capacity

Norfolk County demonstrates multiple indicators of readiness:

- ✓ **Existing Experience:** Haldimand-Norfolk Housing Corporation partnership; Norfolk County Library Board governance models
- ✓ **Professional Infrastructure:** Established Finance, HR, IT, Legal departments with governance and asset management expertise
- ✓ **Financial Health:** Positive credit rating enabling favourable debt access; demonstrated fiscal discipline
- ✓ **Staffing Expertise:** Economic Development Department with business retention, expansion, and marketing competencies
- ✓ **Access to Specialized Resources:** Professional networks and consulting relationships for legal incorporation, real estate analysis, and strategic planning
- ✓ **Board Recruitment Capacity:** Demonstrated ability to recruit qualified Board members with expertise in real estate, finance, law, and economic development through regional networks

8.3 Risk Assessment & Mitigation

Market Risk – Tourism demand (MAT revenues), marina activity and real estate development are all subject to economic cycles and conditions beyond municipal control.

- Mitigation: Diversified revenue streams within each corporation; phased implementation allowing course correction; regular strategy review with flexibility to adjust activities.

Governance Risk – Potential governance failures, inadequate Board oversight, or conflicts undermining public trust.

- Mitigation: Robust Codes of Conduct and Conflict of Interest Policies; merit-based Board selection through competitive recruitment; annual Board training and self-evaluation; audit oversight of financial controls.

Organizational and Staffing Risk – Executive Director recruitment challenges and disruptive management transitions (attrition, retirement, and retention)

- Mitigation: Ensure competitive compensation/remuneration incentives to attract qualified leaders; open and transparent communication about organizational changes; detailed transition planning and change management; integration of existing staff where feasible.

Insufficient County Support Risk – Council commitment wanes due to competing priorities or political changes brought about by election cycles or abrupt shifts in County priorities.

- Mitigation: Clear 10-year investment horizon and expected returns documentation; formal Shareholder Directions and MOUs; regular reporting maintaining Council awareness of performance and strategic importance.

9 Implementation Plan & Timeline

9.1 Phased Implementation Approach

Strategic sequencing prioritizes the rapid implementation of Tourism Corporation (MDC-1) to capture the MAT revenue opportunity, then establishes the Asset Development Corporation on a parallel but (potentially) slower track.

Depending on the market opportunity and asset availability, the Asset Development Corporation (MDC-2) implementation could be implemented in parallel (in unison) with MCD-1, depending on staff resources.

Phase 1 – MDC Governance & Go-forward Decision

Q1:2026 Council Approval for MDC Framework

- Council reviews and formally adopts the MDC approach in principle (MDC-1 and MDC-2)
- Council approves two-corporation implementation model
- External legal counsel engaged for incorporation documents and governance frameworks

Q2:2026 MDC Stakeholder Consultation & Outreach

- Tourism stakeholder engagement (Tourism Corporation governance, strategy expectations)
- Business community discussion (industrial development priorities, partnerships)
- County staff engagement (transition plans, service level arrangements)

Q3:2026 MDC-1 & MDC-2 Governance Framework Development

- Legal counsel completes incorporation documents, shareholder directions, and initial policies
- Council approves the budget request and financial commitments (start up-loans and property/asset transfers) for the establishment
- Board recruitment frameworks and position descriptions developed
- Service Level Agreement templates prepared
- Asset Transfer Policy drafted
- Board governance policies finalized (conflict of interest, code of conduct, delegation of authority)

Phase 2 – MDC 1 – Norfolk County Tourism Corporation Establishment

Q4:2026 - MDC-1 Board Recruitment

- Position descriptions circulated to business and community networks
- Selection committee review and interviews
- Tourism Corporation Board appointed by Council resolution
- Executive Director appointed

  (County's Director of Economic Development to be appointed Interim Executive Director during initial start-up phase. Board will address permanent Executive Director and provide direction in MDC-1's inaugural Business Plan to be approved by Council.)

Q1-Q2:2027 - Incorporation and MAT Process, Admin, and Implementation

- Tourism Corporation formally incorporated as not-for-profit
- Start-up loan from the County extended to MDC-1 ($20-30k estimate)
- Provincial registration completed
- Municipal Accommodation Tax bylaw prepared and adopted
- Tax designated as 'eligible tourism entity' per Regulation 435/17
- Tax collection systems negotiated and prepared
- Destination Marketing Strategy developed by Board & Executive Director

- Service Level Agreements w/ County departments finalized (HR, IT, Finance)

Q3:2027 - Operational Launch

- Initial marketing campaigns launched as MAT revenues arrive and process
- County Economic Development Department and MDC-1 undertake joint activities for tourism (County
- Collection of MAT charges begins (July 2027*)

Target Outcome(s):

✓ Tourism Corporation will be fully operational by the mid- 2027

Phase 3 – MDC-2 Norfolk County Asset Development Corporation Establishment

Q1:2027 - Board Recruitment

- Competitive recruitment process conducted
- Asset Development Corporation Board appointed by Council

Q2-Q3:2027 - Executive and Business Unit Manager Recruitment

- Competitive recruitment and hiring completed
- Strategic business plans developed for both business units
- Due diligence and feasibility analysis conducted (marina operations, industrial land opportunities)

Q4:2027 - Operational Transition

- Service Level Agreements executed with County departments
- Marina business leadership transition (operational staff remain County employees under SLA at least initially)
- County transfer of Title and Assets of PDHM to MDC-2
- Early pilot projects identified and Council approved

Q1-Q2:2028 – Operational Launch

- Boating and marine service to customers begins April 2028

Q4:2028 – Mandate Refinement

- Develop and refine business plan based on learnings to date
- Develop and refine business plan in accordance with prevailing market conditions
- Engage/Consult with a real estate advisor (broker) and acquisition support specialists (consultants)
- Establish protocols for candidate assets (Price, Size, Land use, Location)
- Establish a confidential list of properties which align with the mandate of the MDC.
- Establish budget (upset) in collaboration with Council, CAO and CFO

Q2:2029 – Initial Market Sounding (Public Notice)

- Develop term sheet
- Canvass Norfolk landowners with an open, no-obligation solicitation for sites.
- Evaluation of options/opportunities

10 Asset Transfer Policy Development

Under Section 7 of Ontario Regulation 599/06 (Municipal Development Corporation), the County must adopt, maintain, and adhere to policies governing asset transfers to the MDC and may not transfer any assets to the MDC until those policies are in place.

The policy sets the rules, criteria, and process a municipality must follow before transferring any municipal assets (i.e. land or buildings) to a municipal corporation such as an MDC. The need for creating an asset transfer policy applies to MDC-1 and MDC-2, as proposed in this report, and as required by the Regulation.

A draft Asset Transfer Policy template based on standard terms found in other Ontario municipalities has been provided in **Appendix A3.**

10.1 Asset Transfer Framework and Principles

A Formal Asset Transfer Policy governs the transfer of any Norfolk County-owned asset to any proposed (or subsequently proposed) MDC, ensuring public interest protection, appropriate Council oversight, transparency, fairness and accountability.

Four Foundational Principles:

1. **Public Interest Protection:** Transfers demonstrably advance Council-approved economic development objectives; evaluated for community benefit, long-term value optimization, and risk management; special attention to waterfront assets ensures continued public access.
2. **Transparency & Accountability:** Transfers are supported by detailed staff reports explaining strategic rationale, financial analysis, risks and mitigation, and performance expectations. This should include disclosure to public except where commercial sensitivity justifies confidentiality.
3. **Fair Value and Justifiable Terms:** Transfers generally occur at fair market value; explicit Council approval may support below-market transfer where

clear public policy rationale supports clear development outcomes (employment creation, community benefit, retention of assets under public control or oversight).

4. Covenant and Funding Compliance: Preservation of legal compliance with original transfer conditions, preservation of covenants restricting asset use, and preservation of public ownership requirements from grant funding.

10.2 Dissolution & Asset Reversion

An MDC may be dissolved at any time by resolution of the County Council, which, as the sole shareholder, holds the authority to wind up the Corporation's affairs. Prior to dissolution, the MDC's board would cease any new business activities and enter a wind-up phase during which existing commitments are fulfilled, receivables are collected, and all liabilities are discharged.

The dissolution of an MDC may be triggered by some of the following triggers:

- Formal Council decision to cease operations;
- Fundamental organizational failure or persistent mandate non-fulfillment;
- Material breach of governance or compliance obligations;
- External conditions making the structure unviable.

Once dissolution has been triggered and all debts and liabilities have been satisfied, the remaining assets of the MDC – including real estate property, equipment, reserves, and cash balances – revert to the County in accordance with the Corporation's articles of incorporation and shareholder agreements.

Asset Reversion Upon Dissolution:

- Assets revert to County net of legitimate liabilities and settlement costs.
- Marinas: Return as municipally owned waterfront assets with public use covenant preserved; County determines future management (direct, alternative governance, or disposition).

  Note: Marina assets owned and managed under an MDC would still be ultimately owned by the County for the public's benefit, as the County would be the sole shareholder in the Corporation.
- Real Estate: Undeveloped land return would return to the County land portfolio or be offered for sale. Developed properties with revenue revert to the County.

- **Tourism Corporation Dissolution:** The County would need to designate an alternative eligible tourism entity (registered as a not-for-profit) under Regulation 435/17 to receive future and ongoing MAT revenues.
- **Asset Reversion Order:** Any accumulated surpluses by the MDC shall be used to cover wind-down costs, repay outstanding County shareholder loans/contributions, with the remainder returning to the County General Fund for reinvestment.

11 Conclusion

This comprehensive assessment, prepared by urbanMetrics (the Consultant) on behalf of Norfolk County (the Client), is intended to provide Council with independent, third-party advice on the practical utility of establishing one or more Municipal Development Corporation(s) in Norfolk County.

Our report is grounded in a detailed legislative and regulatory analysis, a detailed organizational readiness assessment, a financial review based on available information, extensive stakeholder engagement, and a review of MDC best practices and comparable Ontario municipalities.

The Key Findings:

- ✓ Norfolk County is legally and operationally capable of establishing two separate Municipal Development Corporations.
- ✓ A two-corporation approach is necessary to realize the opportunities identified through this engagement.
- ✓ Proposed governance frameworks outlined in this document deliver public accountability while enabling business-oriented decision-making in the realms of tourism development (MDC-1) and asset development (MDC-2).
- ✓ A lean staffing approach complemented by Service Level Agreements represents a fiscally responsible approach that ensures County resources are used to the benefit of the Corporations and avoids unnecessary overhead costs to taxpayers.
- ✓ The County has sufficient financial resources and debt capacity to establish and resource early-stage operations for both MDCs (Year 1-2).
- ✓ Strong stakeholder support from Council, tourism industry, business community, and public to pursue innovations in economic development through MDC frameworks.
- ✓ MDCs are widely used across Ontario municipalities. The County can seek advice and guidance from other MDCs to fine-tune organizational set-up and governance best practices.

The implementation of MDCs, as recommended in this report, presents an opportunity for Norfolk to level the playing field with other Ontario municipalities that have pulled away from the pack by adopting ‘innovative” or “alternative” governance frameworks, as supported by the *Municipal Act*, to advance economic development.

urban Metrics

The MDCs recommended in this report provide two important policy approaches that allow Norfolk County to take proactive, legacy-defining steps to level up local economic development and tourism.

Recommendation #1

urbanMetrics recommends that Norfolk County establish a not-for-profit Norfolk County Tourism Corporation (MDC-1) to serve as the designated 'eligible tourism entity', facilitating and supporting the implementation of a new Municipal Accommodation Tax.

Recommendation #2

urbanMetrics recommends that the Norfolk's Economic Development Department remain a fully intact and operational department within the County administration, with a broad mandate consistent with those outlined in the County's Economic Development Strategy 2024-2027.

Recommendation #3

urbanMetrics recommends the creation of a new **Norfolk County Asset Development Corporation (MDC-2)**, which is responsible for revitalizing strategic real estate assets, with a long-term view of enabling economic growth, stimulating public-private partnerships and supporting the Council Strategic Plan.

Recommendation #4

urbanMetrics recommends that Norfolk County transfer the governance and management of the Port Dover Harbour Marina to the proposed Norfolk County Asset Development Corporation (MDC-2).

Recommendation #5

urbanMetrics recommends the establishment of a dedicated Business Unit within MDC-2 to help spearhead industrial land development in Norfolk County. MDC-2 would acquire, assemble, service, and market strategically located industrial sites to create jobs, expand the tax base, and diversify the local economy on a project-by-project basis.

A1 Draft - Terms of Reference Norfolk County Tourism Corporation (MDC-1)

Purpose

The Norfolk County Tourism Corporation (NCTC) is a not-for-profit municipal development corporation designated as Norfolk County's eligible tourism entity under Ontario Regulation 435/17. NCTC operates as the County's destination marketing organization, responsible for advancing professional, coordinated destination marketing and tourism promotion services that enhance visitor experience, increase visitor spending, and support sustainable growth of Norfolk County's tourism economy.

Mandate

The NCTC shall deliver destination marketing and tourism development services aligned with Ontario Regulation 435/17 and the County's approved economic development strategy.

Primary Operational Responsibilities:

- Develop and execute integrated destination marketing campaigns promoting Norfolk County as a destination
- Coordinate with tourism operators, accommodation providers, attractions, and community partners to enhance visitor experience and support tourism product development
- Develop, maintain, and enhance the County's destination brand identity, digital presence, website, and social media marketing platforms
- Support tourism infrastructure improvements and visitor programming aligned with Council-approved strategic priorities
- Engage in regional tourism partnerships with provincial organizations (Ontario Tourism, Destination Ontario) and national tourism bodies

The NCTC complements—rather than duplicates—the County's Economic Development Department, working collaboratively on initiatives advancing both economic development and tourism growth.

Governance Structure

Size/Composition (7-9 Directors):

- **Council Representatives:** Mayor (1) + Councillor (1)
- **County Staff:** CAO (1) + Director of Economic Development or alternative (non-voting 1)
- **Skills-Based Directors:** private sector and community members selected through competitive recruitment and ultimately appointed by Council (3-5).

Skills-Based Director Required Competencies:

- Destination marketing and tourism strategy;
- Tourism product and attraction development;
- Hospitality and accommodations sector expertise;
- Education, training and workforce development expertise;
- Digital and social media marketing;
- Event and festival management;
- Finance and accounting (preferably with not-for-profit experience);
- Governance and legal/regulatory affairs.

Board Leadership: Importantly, the Board Chair will be elected by the Board from among private-sector members rather than automatically held by the Mayor. This deliberate choice signals professional independence, business-oriented governance, and appropriate distance from direct political control - essential for external stakeholder confidence and business partnerships. The Mayor participates fully as a voting director without serving as Chair.

Board Terms: Staggered 2-4-year terms, with a maximum of two consecutive terms, ensuring continuity while allowing regular renewal, refresh of expertise, and new perspectives. Members of Council appointed to the Board shall hold office for a term concurrent with their Council term, or until their successors are appointed.

Advisory Committee: The Board shall establish an advisory committee of accommodation providers both traditional hotel and motel as well as short-term rental providers to provide input and demonstrate a commitment to transparency and collaborative decision-making on marketing Norfolk County as a tourism destination.

Key Performance Indicators

NCTC performance is measured against marketing effectiveness, visitor outcomes, and financial metrics reported to Council with comprehensive annual analysis.

MDC-1 Norfolk County Tourism Corporation KPIs:

- Marketing campaign metrics (reach, engagement, website traffic, social media followers);
- Industry partner satisfaction (annual survey of accommodation and tourism businesses);
- Number of tourism products developed or enhanced;
- Annual visitor spending (year-over-year growth);
- Average length of stay;
- Hotel and motel occupancy rates (seasonal and annual);

Authority and Decision-Making Powers

The following outlines the general roles, responsibilities, and authority for NCTC. Each level of governance has a distinct yet complementary role to ensure accountability and effective oversight.

Council as Shareholder: Council serves as the ultimate authority and shareholder representative. It approves the corporation's creation and shareholder direction, appoints the Board through a skills-based process, and reviews and approves annual business plans and budgets. Council also authorizes major strategic and financial decisions, receives regular reports and briefings, and convenes the Annual General Meeting.

Board of Directors: The Board provides strategic leadership within the mandate established by Council. It sets strategic direction, approves major policies, and hires and evaluates the Executive Director. The Board oversees financial performance, approves major partnerships, monitors corporate risk, and tracks progress against Key Performance Indicators. It also conducts regular governance reviews to ensure effective performance.

Executive Director: The Executive Director leads day-to-day operations in alignment with Board direction. This role includes developing and implementing corporate strategies, managing staff and resources, and maintaining strong

external relationships with stakeholders and government partners. The Executive Director reports regularly to the Board on organizational performance, results, and emerging issues.

Reporting Requirements

To support transparency and effective oversight, the NCTC will provide regular reports to the County Council. These reports ensure Council has clear, accurate, and timely information about the corporation's performance, finances, and strategic direction.

The reporting requirements outlined below describe the types of reports to be submitted, their frequency, and the key information to be included.

Annual Report (comprehensive): Financial statements (audited), strategic progress against KPIs and Board meeting summaries from the past year.

Annual Business Plan and Budget (aligned with municipal budget cycle): Strategic plan for upcoming year; detailed budget; capital requirements; staffing; risk assessment

Ad-Hoc Reports (as required): Major decisions (partnerships, acquisitions, significant expenditures); risk issues; performance concerns.

Administration

These Terms of Reference are established by Norfolk County Council and remain in effect until formally amended by Council shareholder resolution. Annual review is recommended, with formal updates every 3-5 years to reflect organizational evolution and strategic adjustments.

A2 Draft - Terms of Reference Norfolk County Asset Development Corporation (MDC-2)

Purpose

The Norfolk County Asset Development Corporation (NCADC) is a for-profit municipal development corporation to unlock the economic and financial potential of Norfolk County's strategic municipal assets through professional management, entrepreneurial business development, and strategic public-private partnerships. NCADC creates sustainable economic opportunity, maximizes asset value, and generates measurable financial returns for the County while advancing Council-approved strategic priorities in waterfront revitalization, industrial land development, job creation, and economic diversification.

Mandate

The NCADC shall manage and operate strategic municipal real estate assets, including those transferred by the County, to unlock value, generate revenue, and advance Council-directed strategic objectives. It shall also identify and pursue real estate development opportunities—particularly future land development initiatives—that align with the municipality's industrial and commercial growth priorities.

Primary Operational Responsibilities:

- Operate municipal assets, improving operational efficiency, business development capacity, and financial sustainability
- Identify and evaluate strategic land acquisition and development opportunities consistent with Board parameters and Council direction
- Structure public-private partnerships and joint-venture arrangements for development opportunities while maintaining public asset ownership
- Generate revenue through asset development, property sales, leases, and operational improvements, returning dividends to the County
- Support industrial land development, business attraction, job creation, and economic development objectives

NCADC complements—rather than duplicates—the County's Economic Development Department, providing specialized asset management and real estate development capacity.

Governance Structure

The Board of Directors is anchored in a governance structure that retains municipal (County of Norfolk) oversight of public real estate assets that support the strategic objectives of local and regional economic development activities, including, but not limited to, recreation, waterfront development, industrial land development, job creation, and tourism. The Board shall oversee strategic acquisitions, real estate transfers (including the transfer of legacy or surplus municipal assets), and the pursuit of innovative public-private partnerships, all fulfilled through transparent and well-informed processes.

Size/Composition (7-9 Directors):

- **Council Representatives:** Mayor (1) + Councillor (1)
- **County Staff:** CAO (1) + Director of Economic Development (non-voting 1)
- **Skills-Based Directors:** private sector and community members selected through competitive recruitment and ultimately appointed by Council (3-5)

Skills-Based Director Required Competencies:

- Real estate development and land use planning;
- Industrial and commercial property development;
- Waterfront and marina asset management;
- Infrastructure and project finance;
- Public-private partnerships and commercial negotiation;
- Corporate and real estate law;
- Risk management and financial analysis.

Board Leadership: Importantly, the Board Chair will be elected by the Board from among private-sector members rather than automatically held by the Mayor. This deliberate choice signals professional independence, business-oriented governance, and appropriate distance from direct political control - essential for external stakeholder confidence and business partnerships. The Mayor serves as a voting member but does not serve as the Chair.

Board Terms: Staggered 2–4-year terms with a maximum of two consecutive terms, ensuring continuity while allowing regular renewal of expertise and fresh perspectives. Members of Council appointed to the Board shall hold office for a term concurrent with their Council term, or until their successors are appointed.

Advisory Committees: The Board shall establish advisory committees aligned to the two business units of the MDC. This will provide additional opportunity for the community and key stakeholders and user groups to provide input and demonstrate a commitment to transparency and collaborative decision-making on assets.

Key Performance Indicators

The following Key Performance Indicators (KPIs) establish a clear performance measurement framework for the NCADC's marina operations and real estate development activities.

These indicators are designed to promote operational excellence, financial sustainability, and strategic alignment with Council's objectives. Regular performance monitoring ensures transparency, accountability, and continuous improvement across core areas of responsibility including operations, asset management, business development, and real estate initiatives.

Marina Business Unit KPIs:

- Annual slip occupancy rate during season;
- Revenue per slip;
- Operating margin (revenue less direct operating costs);
- Customer satisfaction ratings;
- Capital projects completed and deferred maintenance addressed;
- Value-added services or partnerships initiated;
- Business development activities and results.

Real Estate Development Business Unit:

- Acres of industrial land identified or acquired;
- Number of industrial sites serviced and ready for development;
- Development agreements or partnerships signed;
- Industrial land sold or leased to end-users;

- New businesses attracted and jobs created/retained;
- Ratio of private to public capital invested.

The KPIs for this business unit are highly dependent on if the unit has a real estate project or portfolio under management. Reporting may be limited if the unit is not tasked with any development or mandate provided.

Authority and Decision-Making Powers

The following outlines the general roles, responsibilities, and authority for NCADC. Each level of governance has a distinct yet complementary role to ensure accountability and effective oversight.

Council as Shareholder: Council serves as the ultimate authority and shareholder representative. It approves the corporation's creation and shareholder direction, appoints the Board through a skills-based process, and reviews and approves annual business plans and budgets. Council also authorizes major strategic and financial decisions, receives regular reports and briefings, and convenes the Annual General Meeting.

Board of Directors: The Board provides strategic leadership within the mandate established by Council. It sets strategic direction, approves major policies, and hires and evaluates the Executive Director. The Board oversees financial performance, approves major partnerships, monitors corporate risk, and tracks progress against Key Performance Indicators. It also conducts regular governance reviews to ensure effective performance.

Executive Director: The Executive Director leads day-to-day operations in alignment with Board direction. This role includes developing and implementing corporate strategies, managing staff and resources, and maintaining strong external relationships with stakeholders and government partners. The Executive Director reports regularly to the Board on organizational performance, results, and emerging issues.

Reporting Requirements

To support transparency and effective oversight, the NCADC will provide regular reports to the County Council. These reports ensure Council has clear, accurate, and timely information about the corporation's performance, finances, and strategic direction.

The reporting requirements outlined below describe the types of reports to be submitted, their frequency, and the key information to be included.

Annual Report (comprehensive): Financial statements (audited), strategic progress against KPIs and Board meeting summaries from the past year.

Annual Business Plan and Budget (aligned with municipal budget cycle): Strategic plan for upcoming year; detailed budget; capital requirements; staffing; risk assessment

Ad-Hoc Reports (as required): Major decisions (partnerships, acquisitions, significant expenditures); risk issues; performance concerns.

Administration

These Terms of Reference are established by Norfolk County Council and remain in effect until formally amended by Council shareholder resolution. Annual review is recommended, with formal updates every 3-5 years to reflect organizational evolution and strategic adjustments.

A3– Draft Asset Transfer Policy Template

Asset Transfer Policy based on common terms used in other Ontario Municipalities – For Demonstration purpose. *Subject to Norfolk legal review.

Policy Statement

This policy is intended to address asset transfers to a Municipal Development Corporation as required under section 7 of Ontario Regulation 599/06 under the *Municipal Act, 2001*, as amended from time to time.

Purpose

The purpose of this policy is to permit transfers of municipal assets to corporations owned or controlled by the Municipality in accordance with applicable Legislation.

Goals

In considering whether to authorize a proposed transfer of assets to a corporation, County Council may have regard to the extent to which the proposed transfer will achieve one or more of the following objectives:

a) Optimize the use and value of assets;

b) Advance the County's economic development and competitiveness;

c) Attract key industries, foster the development of quality jobs, revitalize communities, and expand employment opportunities.

Applicability

Assets may be transferred to a corporation at any time, and from time to time, as authorized by Council, on such terms and conditions as Council may determine.

Exclusions

This policy is not applicable to Asset transfers within departments of the Municipality.

Definitions

1. **Act** – Municipal Act, 2001, including all regulations and amendments thereto.
2. **Asset(s)** – All real property and personal property owned by Norfolk County.
3. **Corporation** – A corporation incorporated under Section 203 of the *Municipal Act, 2001* and Section 3 of Ontario Regulation 599/06.
4. **Council** – Norfolk County Council.
5. **Municipality** – The Corporation of Norfolk County.

The Policy

The Municipality may transfer such Assets as it sees fit to Corporations on the following terms:

a) The Municipality shall ensure that all applicable legislation, including but not limited to the *Municipal Act, 2001*, is adhered to in any Asset transfer;

b) Any Asset transfer must be approved by Council in advance of the transfer;

c) The County Council shall be permitted to attach such terms and conditions to the Asset transfer as it deems necessary, including but not limited to:

   i. Specifying the permitted use of the assets;

   ii. Prior to transfer of Municipal assets, Municipal staff shall determine the current market value of the asset or assets, which determination may involve the use of an appraiser, but such an appraisal shall not necessarily be required where staff is of the opinion that a fair market value can otherwise be accurately determined;

   iii. Providing for an obligation on the Corporation to transfer back to the Municipality the Asset upon the happening of an event or events;

   iv. Restricting or prohibiting further transfers of the Assets by the Corporation;

   v. Attaching a purchase price of the Asset, to be paid or owed to the Municipality by the Corporation;

vi. Such other terms or conditions as County Council deems advisable and appropriate.

d) Where any asset transfer is made below market value, or where any grant is given to a corporation, the Municipal treasurer shall prepare a statement of the value of any grant to a corporation or an estimate of the fair market value of any other assistance provided at less than fair market value to a corporation;

e) The Treasurer shall record the disposition of or transfer of the County asset in accordance with Public Sector Accounting Board (PSAB) and County accounting policies;

f) Where the Province of Ontario has contributed funds to any asset being transferred, the Municipality shall give notice to every Minister that made part of the contribution if such notice is required by Provincial Legislation or otherwise by law;

g) Where the Province of Ontario has granted a right in an agreement with the Municipality, the Municipality shall obtain the consent of the Province before transferring the right.